

FISCAL REPORT

Eightieth Nevada Legislature



**Fiscal Analysis Division
Legislative Counsel Bureau**

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STATE OF NEVADA
LEGISLATIVE COUNSEL BUREAU

LEGISLATIVE COMMISSION (775) 684-6800
JASON FRIERSON, *Assemblyman, Chairman*
Rick Combs, *Director, Secretary*

INTERIM FINANCE COMMITTEE (775) 684-6821
MAGGIE CARLTON, *Assemblywoman, Chair*
Cindy Jones, *Fiscal Analyst*
Mark Krmpotic, *Fiscal Analyst*

CARSON CITY OFFICE:
Legislative Building, 401 S. Carson Street
Carson City, Nevada 89701-4747
Fax No.: (775) 684-6600
RICK COMBS, *Director* (775) 684-6800
BRENDA J. ERDOES, *Legislative Counsel* (775) 684-6830
ROCKY COOPER, *Legislative Auditor* (775) 684-6815
MICHAEL J. STEWART, *Research Director* (775) 684-6825



LAS VEGAS OFFICE:
555 E. Washington Avenue, Room 4400
Las Vegas, Nevada 89101-1072
Fax No.: (702) 486-2810
MELISA R. AGUON, *Legislative Services Officer* (702) 486-2800

MEMORANDUM

DATE: February 28, 2019

TO: Members of the 80th Legislature

FROM: Fiscal Analysis Division

SUBJECT: **2019-21 Nevada Legislative Fiscal Report**

The Legislative Fiscal Report, prepared by the Fiscal Analysis Division, is designed to provide you with a summary of the financial status of the state and the Governor's budget recommendations for the next biennium.

The report is divided into sections and includes historical revenue and expenditure trends, the revenue projections of the Economic Forum, an overview of taxes and the Governor's recommended appropriations for the upcoming biennium, including supplemental appropriations, one-shot appropriations, restoration of fund balances and capital improvements. Budget summaries by each functional area of state government are included.

This report contains general information, including the highlights of the various governmental functions. Emphasis is placed on changes and expansion or reductions of existing programs; therefore, this report should be used in conjunction with The Executive Budget in which more complete information is presented.

If you have questions on this material, feel free to contact us at any time.

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SECTION I

GENERAL FUND

HISTORICAL AND CURRENT PERSPECTIVE

This section contains a historical review of actual State General Fund revenues and the Economic Forum's December 3, 2018, forecasts for the 2017-19 biennium adjusted for the General Fund repayment approved in Section 39 of Assembly Bill 518 from the 2017 Session. The Economic Forum's forecasts for Fiscal Year (FY) 2020 and FY 2021 of the 2019-21 biennium reflect the tax changes approved during the 79th Regular Session (2017) effective for FY 2020 and FY 2021. This section also provides a comparison of the General Fund revenue amounts for FY 2020 and FY 2021 from the Governor's recommended revenue enhancements included in The Executive Budget compared to the Economic Forum forecast. A presentation on General Fund operating appropriations, including the amounts approved by the Legislature for the 2017-19 biennium during the 79th Regular Session, is provided after the section on General Fund revenue.

GENERAL FUND REVENUE TRENDS

FY 1996 TO FY 2006

General Fund revenues were approximately \$1.83 billion in FY 2003, a 41.4 percent increase over FY 1996 revenues. The average annual growth rate over those eight years was 5.1 percent. Given the state's robust population growth, per capita revenues grew at only a 0.6 percent average annual rate over this eight-year period. Furthermore, inflation-adjusted per capita revenues actually declined at an annual average rate of 1.7 percent per year over this period. Thus, while the state's revenues were experiencing positive gains, those gains were not keeping pace with inflation and the state's rapid population growth and the attendant increase in demand for government services.

In response to the downward trend in inflation-adjusted revenues per capita, the tax package approved during the 20th Special Session (2003) created new taxes in addition to increasing some of the existing levies. Information on the tax changes approved during the 20th Special Session is provided in the Revenue Reference Manual prepared by the Fiscal Analysis Division.

In FY 2004, the initial year of implementation of the 2003 tax plan, General Fund revenues increased 31.7 percent. The majority of this increase was attributable to the tax changes approved by the 2003 Legislature. However, due to stronger than anticipated economic activity, the actual growth in revenue was higher than the projections, which incorporated the estimated effects of the tax changes. General Fund revenues grew an additional 14.1 percent in FY 2005, the first year in which all the tax changes from 2003 were fully implemented. Again, the growth observed was attributable to the implementation of the tax measures, as well as strong and sustained economic activity. By FY 2006, the effects of the tax changes from 2003 were fully annualized; thus, the 11.5 percent growth in General Fund revenues over the prior year was due primarily to economic growth.

FY 2007 TO FY 2011

Beginning in late 2006 and early 2007, the fiscal environment began to change, and due to already slowing national and state economic activity, total General Fund revenues peaked in FY 2007 at \$3.15 billion. Although General Fund revenues increased by 2.8 percent in FY 2007, per capita revenues fell by 0.8 percent and inflation-adjusted per capita revenues in FY 2007 were 3.3 percent below the level in FY 2006.

As economic conditions continued to worsen through the end of Calendar Year 2007 and into 2008 through 2009, total General Fund revenues fell by 2.9 percent in FY 2008 and 10.3 percent in FY 2009. On an inflation-adjusted per capita basis, General Fund revenues decreased by 7.1 percent in FY 2008 and 10.7 percent in FY 2009 to levels below that observed in FY 2004 after the 2003 tax changes.

Actual total General Fund revenues increased by 9.8 percent in FY 2010 due to the revenue enhancements approved by the Legislature in the 2009 Session and 26th Special Session (2010). Total General Fund revenues increased by 5.6 percent in FY 2011, the second fiscal year of the biennium for which revenue enhancements approved by the Legislature in the 2009 Session and 26th Special Session were effective. Even after accounting for the impact of the revenue enhancements, inflation-adjusted per capita General Fund revenues in FY 2010 were still below the level recorded in FY 2008, while the inflation-adjusted per capita amount for FY 2011 was at the FY 2008 level.

FY 2012 TO FY 2015

The gains from the revenue enhancements approved during the 2009 Session and 26th Special Session were short-lived, however, as total General Fund revenues decreased by 2.9 percent in FY 2012 and fell 6.7 percent on an inflation-adjusted per capita basis.

The General Fund revenue situation did not improve over the next two fiscal years with FY 2013 increasing by only 1.6 percent and FY 2014 actually decreasing by 2.1 percent. On an inflation-adjusted per capita basis, General Fund revenue decreased by 1.8 percent in FY 2013 and 5.0 percent in FY 2014. The FY 2014 inflation-adjusted per capita amount was close to the level observed in FY 2001 and significantly below the prior peak level in FY 2006.

Coming off the weakness posted in FY 2014, General Fund revenue increased by 7.1 percent and increased by 4.3 percent on an inflation-adjusted per capita basis in FY 2015. The growth in inflation-adjusted terms was aided by the relatively low inflation rate of only 0.7 percent in FY 2015.

FY 2016 TO FY 2018

Actual General Fund revenue, after tax credits, increased by 12.5 percent in FY 2016 with a significant portion of the growth attributable to the revenue enhancements approved by the Legislature in the 78th Regular Session (2015). On an inflation-adjusted per capita basis, FY 2016 General Fund revenue, after tax credits, increased by 9.6 percent aided by an inflation rate of only 0.7 percent.

With the impacts from the tax changes approved in the 2015 Session still being fully realized in FY 2017, actual General Fund revenue, after tax credits, increased by 5.1 percent and increased by 2.0 percent on an inflation-adjusted per capita basis. The actual tax credits taken in FY 2017 accounted for a 1.5 percent reduction in the growth rate since actual General Fund revenue, before tax credits, increased by 6.6 percent in FY 2017. Besides the other tax credit programs, FY 2017 was the first year that tax credits were taken against the Modified Business Tax (MBT) based on the business's prior fiscal year Commerce Tax payments, which accounted for approximately 1.2 percent of the 1.5 percent reduction in the recorded growth due to tax credits.

Actual General Fund revenue, after tax credits, increased by only 3.6 percent in FY 2018 and decreased by 1.1 percent on an inflation-adjusted per capita basis. Part of this result is explained by the \$171.2 million in tax credits taken in FY 2018 compared to \$115.6 million in FY 2017. The actual tax credits taken in FY 2018 accounted for a 1.2 percent reduction in the growth rate since actual General Fund revenue, before tax credits, increased by 4.8 percent in FY 2018. However, unlike FY 2017, the Commerce Tax credits against the MBT accounted for only 0.3 percent of the reduction as the other various tax credit programs accounted for 0.9 percent.

ECONOMIC FORUM FORECAST: FY 2019, FY 2020 AND FY 2021

Based on the Economic Forum's December 3, 2018, forecast, total General Fund revenues, before tax credits, are projected to increase by 4.4 percent to \$4.373 billion in FY 2019, increase by 1.8 percent to \$4.450 billion in FY 2020, and increase by 2.8 percent to \$4.575 billion in FY 2021. Total General Fund revenues, after tax credits, are projected to increase by 5.1 percent to \$4.226 billion in FY 2019, increase by 2.8 percent to \$4.344 billion in FY 2020, and increase by 3.4 percent to \$4.491 billion in FY 2021.

Part of the explanation for the projected growth of only 1.8 percent for FY 2020, compared to FY 2019, is due to the forecasts for the MBT for FY 2020 accounting for the reduction in the MBT tax rates under the provisions in NRS 360.203, which were approved as part of Senate Bill 483 from the 2015 Session. Based on the calculation required under NRS 360.203, the Department of Taxation determined on or before September 30, 2018, that the MBT tax rate for general (nonfinancial) businesses in NRS 363B.100 must be lowered from 1.475 percent to 1.378 percent and the tax rate on financial and mining businesses in NRS 363A.130 must be lowered from 2.0 percent to 1.853 percent, beginning July 1, 2019 (FY 2020). The Economic Forum was required to base its forecast for the MBT for FY 2020 and FY 2021 on these lower MBT tax rates. This resulted in the total MBT forecast for FY 2020 and FY 2021 being approximately \$48.2 million and \$48.9 million lower, respectively, relative to the amount that would have been generated had the MBT tax rates remained at the current rates of 1.475 percent and 2.0 percent.

Total projected General Fund revenue, before tax credits, for the 2019-21 biennium of \$9.026 billion are forecast to be 5.4 percent (\$462.7 million) above the projected revenues for the 2017-19 biennium of \$8.563 billion (amount reflects the FY 2018 actual collections and the revised FY 2019 Economic Forum December 2018 forecast), as shown in Table 1. Total projected General Fund revenue, after tax credits, for the 2019-21 biennium of \$8.835 billion are forecast to be 7.2 percent (\$591.0 million) above the projected revenues for the 2017-19 biennium of \$8.244 billion, as shown in Table 1.

TABLE 1**GENERAL FUND REVENUE FORECAST FOR THE 2017-19 BIENNIUM AND 2019-21 BIENNIUM**

Based on the Economic Forum December 3, 2018, Forecast (Adjusted for General Fund Repayment

Approved in Section 39 of A.B. 518 [2017]) for FY 2019, FY 2020 and FY 2021

Revenue Source (Millions of Dollars)	2017-19 Biennium				2019-21 Biennium			
	2017-19 Biennium	% of Total	\$ Difference	% Change	2019-21 Biennium	% of Total	\$ Difference	% Change
	Forecast	After Tax Credits	from 2015-17	from 2015-17	Forecast	After Tax Credits	2017-19	2017-19
Sales Tax	\$2,458.3	29.8%	\$247.5	11.2%	\$2,724.1	30.8%	\$265.8	10.8%
Gaming Taxes	\$1,579.4	19.2%	\$85.8	5.7%	\$1,628.9	18.4%	\$49.5	3.1%
Modified Business Tax	\$1,345.6	16.3%	\$155.7	13.1%	\$1,365.7	15.5%	\$20.2	1.5%
Insurance Premium Taxes	\$861.9	10.5%	\$140.8	19.5%	\$953.8	10.8%	\$91.9	10.7%
Live Entertainment Tax	\$252.2	3.1%	-\$5.6	-2.2%	\$257.6	2.9%	\$5.4	2.1%
Commerce Tax	\$412.1	5.0%	\$70.8	20.7%	\$444.9	5.0%	\$32.8	8.0%
Cigarette Tax	\$321.3	3.9%	-\$12.4	-3.7%	\$303.5	3.4%	-\$17.8	-5.5%
Real Property Transfer Tax	\$210.3	2.6%	\$50.6	31.7%	\$227.4	2.6%	\$17.0	8.1%
Business License Fee	\$221.0	2.7%	\$13.1	6.3%	\$224.7	2.5%	\$3.7	1.7%
Governmental Services Tax	\$41.2	0.5%	-\$64.1	-60.9%	\$0.0	0.0%	-\$41.2	-100.0%
Mining Taxes/Fees	\$127.4	1.5%	\$67.4	112.3%	\$123.4	1.4%	-\$4.0	-3.2%
Liquor Taxes	\$88.4	1.1%	\$0.6	0.7%	\$89.9	1.0%	\$1.4	1.6%
Transportation Connection Tax	\$52.4	0.6%	\$17.4	49.6%	\$65.7	0.7%	\$13.4	25.5%
Other Tobacco Tax	\$34.0	0.4%	\$6.1	22.1%	\$38.2	0.4%	\$4.2	12.5%
Other Taxes	\$15.5	0.2%	\$0.0	-0.3%	\$15.5	0.2%	-\$0.1	-0.4%
All Other Revenue Sources	\$542.3	6.6%	\$44.4	8.9%	\$562.7	6.4%	\$20.4	3.8%
Total General Fund Revenue - Before Tax Credits	\$8,563.2	103.9%	\$817.9	10.6%	\$9,025.9	102.2%	\$462.7	5.4%
Commerce Tax Credits Against the Modified Business Tax	-\$117.0	-1.4%	-\$73.3		-\$126.9	-1.4%	-\$9.9	8.4%
Total General Fund Revenue - After Commerce Tax Credits	\$8,446.1	102.4%	\$744.6	9.7%	\$8,898.9	100.7%	\$452.8	5.4%
Tax Credit Programs	-\$201.8	-2.4%	-\$74.6	58.7%	-\$63.6	-0.7%	\$138.2	-68.5%
Total General Fund Revenue - After Tax Credit Programs	\$8,244.3	100.0%	\$670.0	8.8%	\$8,835.3	100.0%	\$591.0	7.2%

Note: The sum of the individual components of the % of Total column may not equal 100% due to rounding.

GOVERNOR RECOMMENDS VERSUS ECONOMIC FORUM FORECAST: FY 2020 AND FY 2021

The Executive Budget includes recommendations by the Governor for five revenue enhancements, three that provide additional General Fund revenue and two that reduce revenue with one occurring through increased tax credits. A summary of the Governor's recommended revenue enhancements included in The Executive Budget are reflected on page 21 of Section II of this report.

Table 2 provides a comparison of the General Fund revenue for the 2019-21 biennium (FY 2020 and FY 2021) based on estimates for the revenue enhancements recommended by the Governor in The Executive Budget to the Economic Forum December 3, 2018, forecast on a before and after tax credits basis. Based on the revenue enhancement recommendations that generate net additional revenue of approximately \$133.3 million, the Governor's recommended General Fund revenue estimate for the 2019-21 biennium, before tax credits, is \$9.159 billion compared to the Economic Forum forecast of \$9.026 billion. As shown in Table 2, the revenue enhancements recommended by the Governor, after tax credits, are estimated to generate approximately \$123.3 million in additional revenue resulting in a Governor's recommended General Fund revenue estimate of \$8.959 billion for the 2019-21 biennium compared to the Economic Forum forecast of \$8.835 billion. The revenue sources shaded in Table 2 are impacted by the recommendations included in The Executive Budget.

TABLE 2**GENERAL FUND REVENUE FORECAST FOR THE 2019-21 BIENNIUM****GOVERNOR RECOMMENDS VERSUS ECONOMIC FORUM FORECAST**

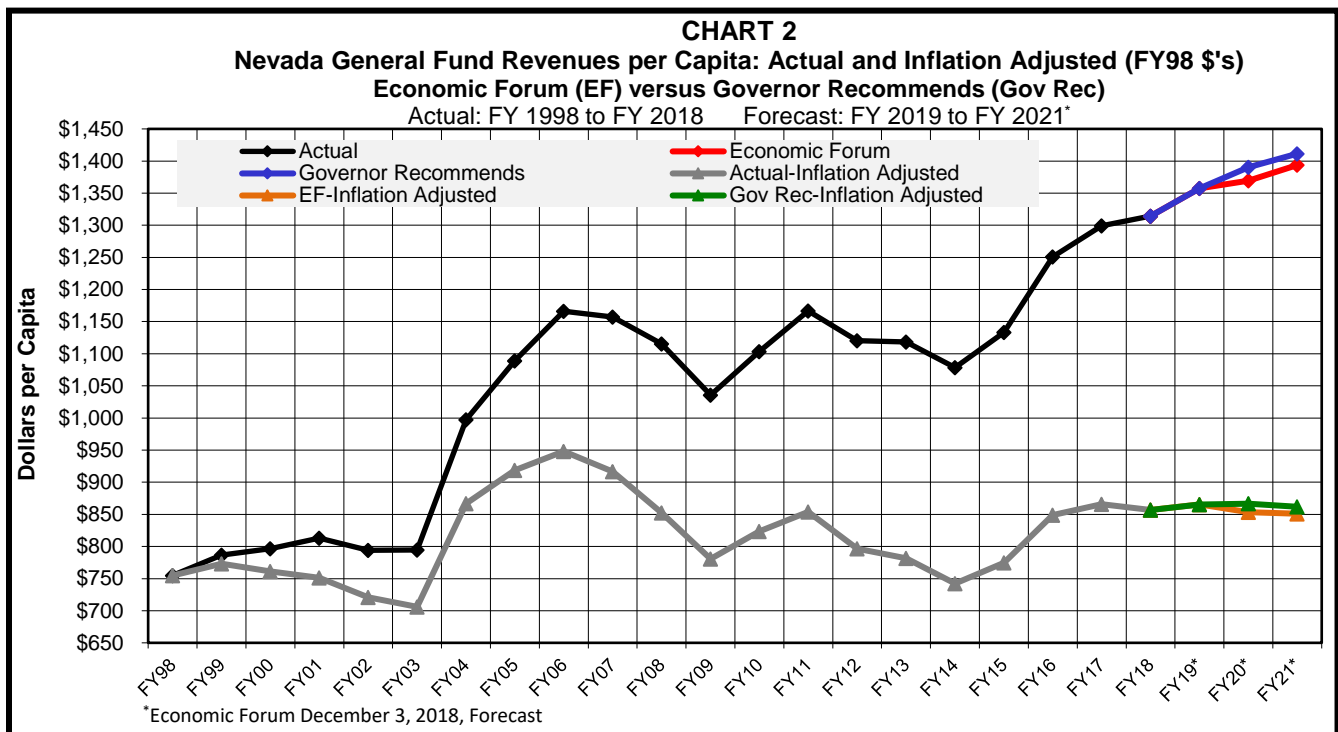
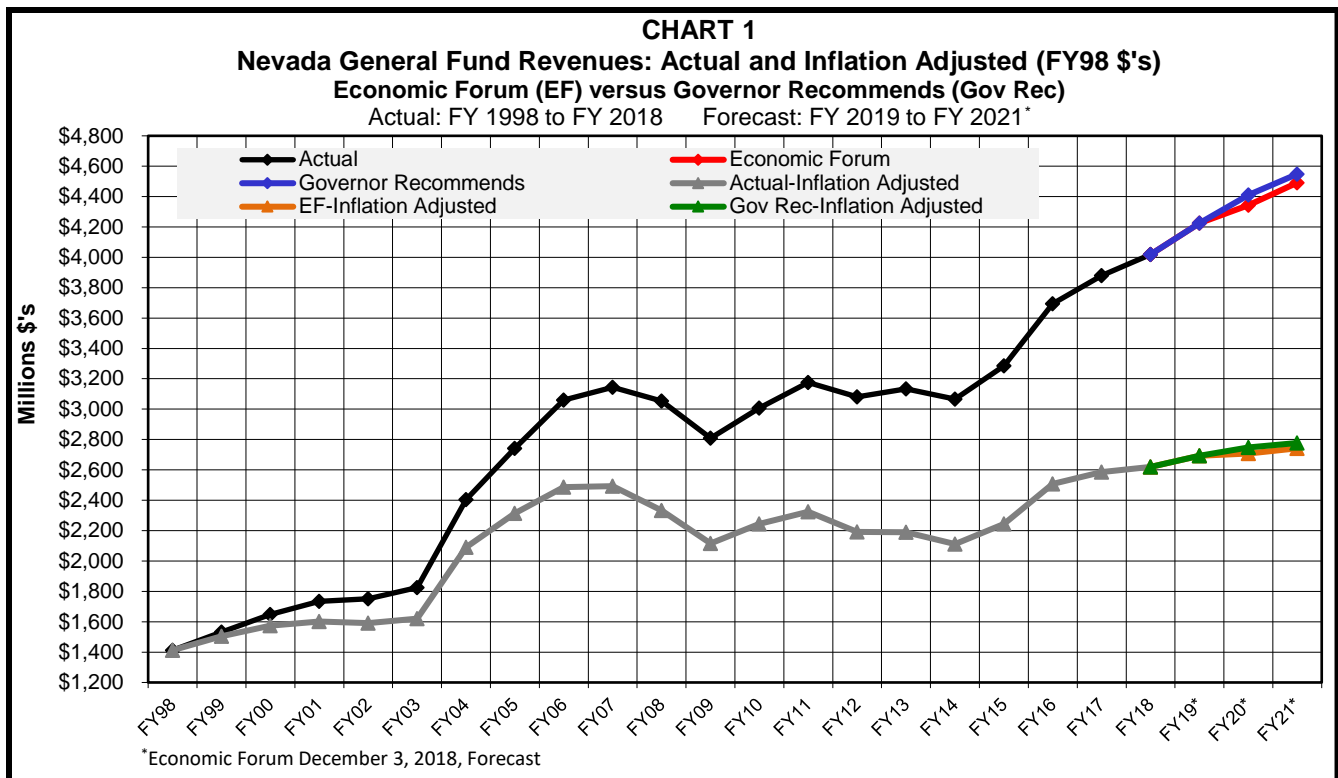
Based on the Economic Forum December 3, 2018, Forecast (Adjusted for General Fund Repayment Approved in Section 39 of A.B. 518 [2017]) for FY 2019, FY 2020 and FY 2021 and the Governor Recommends Revenue Enhancement Estimates included in The Executive Budget for FY 2020 and FY 2021

Revenue Source (Millions of Dollars)	Economic Forum		Governor Recommends		
	2019-21 Biennium Forecast	% of Total After Tax Credits	2019-21 Biennium Forecast	% of Total After Tax Credits	\$ Difference from the Forum
Sales Tax	\$2,724.1	30.8%	\$2,724.1	30.4%	\$0.0
Gaming Taxes	\$1,628.9	18.4%	\$1,622.0	18.1%	-\$6.8
Modified Business Tax	\$1,365.7	15.5%	\$1,462.8	16.3%	\$97.1
Insurance Premium Taxes	\$953.8	10.8%	\$953.8	10.6%	\$0.0
Live Entertainment Tax	\$257.6	2.9%	\$257.6	2.9%	\$0.0
Commerce Tax	\$444.9	5.0%	\$444.9	5.0%	\$0.0
Cigarette Tax	\$303.5	3.4%	\$303.5	3.4%	\$0.0
Real Property Transfer Tax	\$227.4	2.6%	\$227.4	2.5%	\$0.0
Business License Fee	\$224.7	2.5%	\$224.7	2.5%	\$0.0
Governmental Services Tax	\$0.0	0.0%	\$43.0	0.5%	\$43.0
Mining Taxes/Fees	\$123.4	1.4%	\$123.4	1.4%	\$0.0
Liquor Taxes	\$89.9	1.0%	\$89.9	1.0%	\$0.0
Transportation Connection Tax	\$65.7	0.7%	\$65.7	0.7%	\$0.0
Other Tobacco Tax	\$38.2	0.4%	\$38.2	0.4%	\$0.0
Other Taxes	\$15.5	0.2%	\$15.5	0.2%	\$0.0
All Other Revenue Sources	\$562.7	6.4%	\$562.7	6.3%	\$0.0
Total General Fund Revenue - Before Tax Credits	\$9,025.9	102.2%	\$9,159.1	102.2%	\$133.3
Commerce Tax Credits Against the Modified Business Tax	-\$126.9	-1.4%	-\$126.9	-1.4%	\$0.0
Total General Fund Revenue - After Commerce Tax Credits	\$8,898.9	100.7%	\$9,032.2	100.8%	\$133.3
Tax Credit Programs	-\$63.6	-0.7%	-\$73.6	-0.8%	-\$10.0
Total General Fund Revenue - After Tax Credit Programs	\$8,835.3	100.0%	\$8,958.6	100.0%	\$123.3

Note: The sum of the individual components of the % of Total column may not equal 100% due to rounding.

The estimates for FY 2020 of \$4.410 billion and FY 2021 of \$4.548 billion, after tax credits, based on the projections included in The Executive Budget are 40.2 percent and 44.6 percent above the prior FY 2007 peak amount of \$3.145 billion, respectively. However, as shown in Chart 1, after adjusting for inflation, these projected amounts on a FY 1998 dollar basis for FY 2020 and FY 2021 are 10.3 percent and 11.4 percent, respectively, above the actual inflation-adjusted amount observed in FY 2007 on an FY 1998 dollar basis.

The Governor's recommended estimate for FY 2020 of \$4.410 billion equates to approximately \$867 per person in inflation-adjusted FY 1998 dollars and the FY 2021 estimate equates to approximately \$862 per person in inflation-adjusted dollars. These per capita amounts are 8.5 percent and 9.1 percent, respectively, below the \$948 in inflation-adjusted dollars per person recorded at the prior peak in FY 2006. As a more recent reference point, the FY 2020 amount of \$867 per person is only 0.1 percent above and the FY 2021 of \$862 per person is 0.5 percent below the inflation-adjusted per capita amount posted in FY 2017 of \$866 per person. For comparison, the Economic Forum's December 2018 forecast for FY 2020 and FY 2021 result in inflation-adjusted per capita amounts of \$854 and \$851, which are 1.4 percent and 1.7 percent below the FY 2017 amount of \$866 per person and 10.0 percent and 10.2 percent below the FY 2006 amount of \$948 per person. These results are displayed graphically in Chart 2.



ECONOMIC FORUM'S DECEMBER 3, 2018, GENERAL FUND REVENUE FORECAST

The tables on the following pages present the General Fund revenue forecast by revenue source for FY 2019, FY 2020 and FY 2021 approved by the Economic Forum at the December 3, 2018, meeting. The forecasts in the table are presented on both a before and after tax credit basis and include estimates for the various tax credit programs. The Economic Forum's December 3, 2018, forecast was adjusted by the Fiscal Analysis Division on January 2, 2019, to properly account for an action by the Legislature from the 2017 Session that was inadvertently not included in the December 3, 2018, General Fund revenue forecast tables. The adjustment was for \$124,406 in FY 2019 and \$201,079 in both FY 2020 and FY 2021 for the required repayment of General Fund appropriations for FY 2018 and FY 2019 provided as a loan for a cyber-security resources project by the Division of Enterprise Information Technology Services of the Department of Administration.

The General Fund revenue forecast (before any tax credits) for the 2020-21 biennium of \$9.026 billion is approximately \$463 million above the current forecast for the 2017-19 biennium of \$8.563 billion.

After accounting for the various tax credits, the total General Fund revenue forecast for the 2020-21 biennium is \$8.835 billion, \$591 million above the current forecast for the 2017-19 biennium (after tax credits) of \$8.244 billion.

The total net General Fund revenue forecast (after tax credits) for the 2020-21 biennium of \$8.835 billion is \$191 million less than the total gross General Fund revenue forecast (before tax credits) of \$9.026 billion due to the Commerce Tax credit against the MBT (-\$127 million) and the other six tax credit programs (-\$64 million).

GENERAL FUND REVENUES - ECONOMIC FORUM DECEMBER 3, 2018, FORECAST (UPDATED 1/2/2019)

ACTUAL: FY 2016 THROUGH FY 2018 AND FORECAST: FY 2019 THROUGH FY 2021

ECONOMIC FORUM'S FORECAST FOR FY 2019, FY 2020, AND FY 2021 APPROVED AT THE DECEMBER 3, 2018, MEETING

ADJUSTED FOR GENERAL FUND REPAYMENT APPROVED IN SECTION 39 OF ASSEMBLY BILL 518 (2017 SESSION)

DESCRIPTION	FY 2016		FY 2017		FY 2018		ECONOMIC FORUM DECEMBER 3, 2018, FORECAST					
	ACTUAL	% Change	ACTUAL	% Change	ACTUAL	% Change	FY 2019 FORECAST	% Change	FY 2020 FORECAST	% Change	FY 2021 FORECAST	% Change
TAXES												
MINING TAX												
3064 Net Proceeds of Minerals [2-16][3-16]	\$34,674,918	-33.0%	\$25,260,140	-27.2%	\$63,522,196	151.5%	\$63,861,000	0.5%	\$61,843,000	-3.2%	\$61,524,000	-0.5%
3245 Centrally Assessed Penalties	\$68,648		\$3,636		\$1		\$0		\$0		\$0	
TOTAL MINING TAXES AND FEES	<u>\$34,743,566</u>	<u>-32.8%</u>	<u>\$25,263,776</u>	<u>-27.3%</u>	<u>\$63,522,196</u>	<u>151.4%</u>	<u>\$63,861,000</u>	<u>0.5%</u>	<u>\$61,843,000</u>	<u>-3.2%</u>	<u>\$61,524,000</u>	<u>-0.5%</u>
SALES AND USE												
3001 Sales & Use Tax [1-19]	\$1,036,549,227	4.2%	\$1,090,695,356	5.2%	\$1,142,799,766	4.8%	\$1,219,396,000	6.7%	\$1,283,340,000	5.2%	\$1,334,223,000	4.0%
3002 State Share - LSST [4-16][1-19]	\$10,155,240	4.4%	\$10,605,173	4.4%	\$11,091,996	4.6%	\$11,889,000	7.2%	\$12,513,000	5.2%	\$13,009,000	4.0%
3003 State Share - BCCRT [1-19]	\$4,506,053	4.0%	\$4,730,822	5.0%	\$4,996,610	5.6%	\$5,335,000	6.8%	\$5,615,000	5.2%	\$5,837,000	4.0%
3004 State Share - SCCRT [1-19]	\$15,764,607	3.9%	\$16,550,744	5.0%	\$17,481,048	5.6%	\$18,672,000	6.8%	\$19,651,000	5.2%	\$20,430,000	4.0%
3005 State Share - PTT [1-19]	<u>\$10,028,644</u>	<u>6.0%</u>	<u>\$11,133,048</u>	<u>11.0%</u>	<u>\$12,857,082</u>	<u>15.5%</u>	<u>\$13,733,000</u>	<u>6.8%</u>	<u>\$14,453,000</u>	<u>5.2%</u>	<u>\$15,026,000</u>	<u>4.0%</u>
TOTAL SALES AND USE	<u>\$1,077,003,772</u>	<u>4.2%</u>	<u>\$1,133,715,143</u>	<u>5.3%</u>	<u>\$1,189,226,502</u>	<u>4.9%</u>	<u>\$1,269,025,000</u>	<u>6.7%</u>	<u>\$1,335,572,000</u>	<u>5.2%</u>	<u>\$1,388,525,000</u>	<u>4.0%</u>
GAMING - STATE												
3041 Percent Fees - Gross Revenue: <u>Before Tax Credits</u>	\$700,773,974	1.1%	\$730,496,482	4.2%	\$757,790,502	3.7%	\$763,360,000	0.7%	\$777,248,000	1.8%	\$792,106,000	1.9%
Tax Credit Programs:												
Film Transferrable Tax Credits [TC-1]	-\$4,288,194		-\$5,222,720		\$0		\$0		\$0		\$0	
Economic Development Transferrable Tax Credits [TC-2]	-\$20,461,554		-\$36,850,519		-\$73,831,822		\$0		\$0		\$0	
Catalyst Account Transferrable Tax Credits [TC-4]	<u>\$0</u>		<u>\$0</u>		<u>-\$355,000</u>		<u>\$0</u>		<u>\$0</u>		<u>\$0</u>	
Total - Tax Credit Programs	-\$24,749,748		-\$42,073,239		-\$74,186,822		\$0		\$0		\$0	
Percent Fees - Gross Revenue: <u>After Tax Credits</u>	\$676,024,226	-2.5%	\$688,423,243	1.8%	\$683,603,680		\$763,360,000	11.7%	\$777,248,000	1.8%	\$792,106,000	1.9%
3032 Pari-mutuel Tax	\$3,261	10.0%	\$3,405	4.4%	\$3,200	-6.0%	\$3,200	0.0%	\$3,300	3.1%	\$3,400	3.0%
3181 Racing Fees	\$9,293	24.6%	\$9,935	6.9%	\$8,723	-12.2%	\$7,500	-14.0%	\$7,500	0.0%	\$7,600	1.3%
3247 Racing Fines/Forfeitures	\$700		\$0		\$0		\$500		\$0		\$0	
3042 Gaming Penalties	\$4,069,112	1105.5%	\$2,151,524	-47.1%	\$415,429	-80.7%	\$2,500,000	501.8%	\$750,000	-70.0%	\$750,000	0.0%
3043 Flat Fees-Restricted Slots	\$8,225,963	-0.8%	\$8,172,087	-0.7%	\$8,270,489	1.2%	\$8,398,000	1.5%	\$8,552,000	1.8%	\$8,626,000	0.9%
3044 Non-Restricted Slots	\$10,861,213	-2.7%	\$10,641,146	-2.0%	\$10,496,064	-1.4%	\$10,411,000	-0.8%	\$10,348,000	-0.6%	\$10,384,000	0.3%
3045 Quarterly Fees-Games	\$6,450,491	-1.1%	\$6,443,060	-0.1%	\$6,390,520	-0.8%	\$6,313,000	-1.2%	\$6,244,000	-1.1%	\$6,290,000	0.7%
3046 Advance License Fees	\$1,780,785	2.7%	\$1,042,709	-41.4%	\$1,000,375	-4.1%	\$1,732,000	73.1%	\$900,000	-48.0%	\$4,394,000	388.2%
3048 Slot Machine Route Operator	\$34,000	-2.9%	\$33,500	-1.5%	\$32,000	-4.5%	\$32,000	0.0%	\$33,000	3.1%	\$33,500	1.5%
3049 Gaming Info Systems Annual	\$42,000	0.0%	\$36,000	-14.3%	\$36,000	0.0%	\$30,000	-16.7%	\$30,000	0.0%	\$30,000	0.0%
3028 Interactive Gaming Fee - Operator	\$500,000	0.0%	\$500,000	0.0%	\$500,000	0.0%	\$500,000	0.0%	\$500,000	0.0%	\$500,000	0.0%
3029 Interactive Gaming Fee - Service Provider	\$63,000	3.3%	\$55,000	-12.7%	\$56,000	1.8%	\$55,000	-1.8%	\$56,000	1.8%	\$57,000	1.8%
3030 Interactive Gaming Fee - Manufacturer	\$175,000	-12.5%	\$100,000	-42.9%	\$100,000	0.0%	\$100,000	0.0%	\$100,000	0.0%	\$100,000	0.0%
3033 Equip Mfg. License	\$279,500	-0.5%	\$275,000	-1.6%	\$291,520	6.0%	\$280,500	-3.8%	\$281,500	0.4%	\$282,500	0.4%
3034 Race Wire License	\$36,391	28.1%	\$12,084	-66.8%	\$4,439	-63.3%	\$4,800	8.1%	\$4,800	0.0%	\$4,900	2.1%
3035 Annual Fees on Games	<u>\$115,214</u>	<u>6.9%</u>	<u>\$121,244</u>	<u>5.2%</u>	<u>\$119,782</u>	<u>-1.2%</u>	<u>\$114,700</u>	<u>-4.2%</u>	<u>\$112,200</u>	<u>-2.2%</u>	<u>\$110,800</u>	<u>-1.2%</u>
TOTAL GAMING - STATE: <u>BEFORE TAX CREDITS</u>	<u>\$733,419,897</u>	<u>1.5%</u>	<u>\$760,093,175</u>	<u>3.6%</u>	<u>\$785,515,041</u>	<u>3.3%</u>	<u>\$793,842,200</u>	<u>1.1%</u>	<u>\$805,170,300</u>	<u>1.4%</u>	<u>\$823,679,700</u>	<u>2.3%</u>
Tax Credit Programs	-\$24,749,748		-\$42,073,239		-\$74,186,822		\$0		\$0		\$0	
TOTAL GAMING - STATE: <u>AFTER TAX CREDITS</u>	<u>\$708,670,149</u>	<u>-1.9%</u>	<u>\$718,019,936</u>	<u>1.3%</u>	<u>\$711,328,219</u>	<u>-0.9%</u>	<u>\$793,842,200</u>	<u>11.6%</u>	<u>\$805,170,300</u>	<u>1.4%</u>	<u>\$823,679,700</u>	<u>2.3%</u>
LIVE ENTERTAINMENT TAX (LET)												
3031G Live Entertainment Tax-Gaming [5-16]	\$111,994,620	-14.4%	\$102,328,255	-8.6%	\$100,863,918	-1.4%	\$100,061,000	-0.8%	\$99,746,000	-0.3%	\$100,128,000	0.4%
3031NG Live Entertainment Tax-Nongaming [5-16]	<u>\$16,536,346</u>	<u>10.5%</u>	<u>\$26,977,758</u>	<u>63.1%</u>	<u>\$24,544,887</u>	<u>-9.0%</u>	<u>\$26,725,000</u>	<u>8.9%</u>	<u>\$28,392,000</u>	<u>6.2%</u>	<u>\$29,339,000</u>	<u>3.3%</u>
TOTAL LET	<u>\$128,530,966</u>	<u>-11.9%</u>	<u>\$129,306,013</u>	<u>0.6%</u>	<u>\$125,408,805</u>	<u>-3.0%</u>	<u>\$126,786,000</u>	<u>1.1%</u>	<u>\$128,138,000</u>	<u>1.1%</u>	<u>\$129,467,000</u>	<u>1.0%</u>
COMMERCE TAX												
Commerce Tax [6-16]	\$143,507,593		\$197,827,208	37.9%	\$201,926,513	2.1%	\$210,160,000	4.1%	\$218,054,000	3.8%	\$226,880,000	4.0%
TRANSPORTATION CONNECTION EXCISE TAX												
Transportation Connection Excise Tax [7-16]	\$11,898,532		\$23,101,058	94.2%	\$21,773,229	-5.7%	\$30,600,000	40.5%	\$29,028,000	-5.1%	\$36,713,000	26.5%
CIGARETTE TAX												
3052 Cigarette Tax [8-16]	\$153,033,176	65.0%	\$180,677,113	18.1%	\$160,664,759	-11.1%	\$160,622,000	0.0%	\$154,337,000	-3.9%	\$149,155,000	-3.4%

GENERAL FUND REVENUES - ECONOMIC FORUM DECEMBER 3, 2018, FORECAST (UPDATED 1/2/2019)

ACTUAL: FY 2016 THROUGH FY 2018 AND FORECAST: FY 2019 THROUGH FY 2021

ECONOMIC FORUM'S FORECAST FOR FY 2019, FY 2020, AND FY 2021 APPROVED AT THE DECEMBER 3, 2018, MEETING

ADJUSTED FOR GENERAL FUND REPAYMENT APPROVED IN SECTION 39 OF ASSEMBLY BILL 518 (2017 SESSION)

DESCRIPTION	FY 2016 ACTUAL	%	FY 2017 ACTUAL	%	FY 2018 ACTUAL	%	ECONOMIC FORUM DECEMBER 3, 2018, FORECAST					
							FY 2019 FORECAST	%	FY 2020 FORECAST	%	FY 2021 FORECAST	%
TAXES - CONTINUED												
MODIFIED BUSINESS TAX (MBT)												
MBT - NONFINANCIAL BUSINESSES (MBT-NFI) [9-16][10-16]												
[11-16][12-16]												
3069 MBT - Nonfinancial: <u>Before Tax Credits</u>	\$517,135,234	33.4%	\$573,574,680	10.9%	\$604,038,466	5.3%	\$636,968,000	5.5%	\$626,877,000	-1.6%	\$635,008,000	1.3%
Commerce Tax Credits [13-16]	\$0		<u>-\$43,216,582</u>		<u>-\$57,111,521</u>							
MBT - Nonfinancial: <u>After Commerce Tax Credits</u>	\$517,135,234	33.4%	\$530,358,099	2.6%	\$546,926,945	3.1%	\$636,968,000	16.5%	\$626,877,000	-1.6%	\$635,008,000	1.3%
Tax Credit Programs:												
Film Transferrable Tax Credits [TC-1]	-\$82,621		\$0		\$0		\$0		\$0		\$0	
Economic Development Transferrable Tax Credits [TC-2]	\$0		\$0		\$0		\$0		\$0		\$0	
Catalyst Account Transferrable Tax Credits [TC-4]	\$0		\$0		\$0		\$0		\$0		\$0	
Education Choice Scholarship Tax Credits [TC-5]	-\$4,401,540		-\$4,646,956		-\$15,925,154		\$0		\$0		\$0	
College Savings Plan Tax Credits [TC-6]	\$0		\$0		\$0		\$0		\$0		\$0	
Total - Tax Credit Programs	<u>-\$4,484,161</u>		<u>-\$4,646,956</u>		<u>-\$15,925,154</u>		\$0		\$0		\$0	
MBT - Nonfinancial: <u>After Tax Credit Programs</u>	<u>\$512,651,073</u>	<u>32.2%</u>	<u>\$525,711,142</u>	<u>2.5%</u>	<u>\$531,001,790</u>	<u>1.0%</u>	<u>\$636,968,000</u>	<u>20.0%</u>	<u>\$626,877,000</u>	<u>-1.6%</u>	<u>\$635,008,000</u>	<u>1.3%</u>
MBT - FINANCIAL BUSINESSES (MBT-FI) [12-16]												
3069 MBT - Financial: <u>Before Tax Credits</u>	\$27,188,910	12.6%	\$27,921,155	2.7%	\$29,088,764	4.2%	\$30,049,000	3.3%	\$29,439,000	-2.0%	\$30,508,000	3.6%
Commerce Tax Credits [13-16]	\$0		-\$453,095		-\$633,954							
MBT - Financial: <u>After Commerce Tax Credits</u>	\$27,188,910	12.6%	\$27,468,060	1.0%	\$28,454,810	3.6%	\$30,049,000	5.6%	\$29,439,000	-2.0%	\$30,508,000	3.6%
Tax Credit Programs:												
Film Transferrable Tax Credits [TC-1]	\$0		\$0		\$0		\$0		\$0		\$0	
Economic Development Transferrable Tax Credits [TC-2]	\$0		\$0		\$0		\$0		\$0		\$0	
Catalyst Account Transferrable Tax Credits [TC-4]	\$0		\$0		\$0		\$0		\$0		\$0	
Education Choice Scholarship Tax Credits [TC-5]	\$0		-\$50,000		-\$50,000		\$0		\$0		\$0	
College Savings Plan Tax Credits [TC-6]	\$0		\$0		\$0		\$0		\$0		\$0	
Total - Tax Credit Programs	<u>\$0</u>		<u>-\$50,000</u>		<u>-\$50,000</u>		\$0		\$0		\$0	
MBT - Financial: <u>After Tax Credit Programs</u>	<u>\$27,188,910</u>	<u>12.6%</u>	<u>\$27,418,060</u>	<u>0.8%</u>	<u>\$28,404,810</u>	<u>3.6%</u>	<u>\$30,049,000</u>	<u>5.8%</u>	<u>\$29,439,000</u>	<u>-2.0%</u>	<u>\$30,508,000</u>	<u>3.6%</u>
MBT - MINING BUSINESSES (MBT-MINING) [11-16]												
3069 MBT - Mining: <u>Before Tax Credits</u>	\$21,938,368		\$22,149,695	1.0%	\$22,508,221	1.6%	\$22,907,000	1.8%	\$21,813,000	-4.8%	\$22,067,000	1.2%
Commerce Tax Credits [13-16]	\$0		-\$45,977		-\$71,092		\$0		\$0		\$0	
MBT - Mining: <u>After Commerce Tax Credits</u>	\$21,938,368		\$22,103,717	0.8%	\$22,437,129	1.5%	\$22,907,000	2.1%	\$21,813,000	-4.8%	\$22,067,000	1.2%
Tax Credit Programs:												
Film Transferrable Tax Credits [TC-1]	\$0		\$0		\$0		\$0		\$0		\$0	
Economic Development Transferrable Tax Credits [TC-2]	\$0		\$0		\$0		\$0		\$0		\$0	
Catalyst Account Transferrable Tax Credits [TC-4]	\$0		\$0		\$0		\$0		\$0		\$0	
Education Choice Scholarship Tax Credits [TC-5]	\$0		\$0		\$0		\$0		\$0		\$0	
College Savings Plan Tax Credits [TC-6]	\$0		\$0		\$0		\$0		\$0		\$0	
Total - Tax Credit Programs	<u>\$0</u>		<u>\$0</u>		<u>\$0</u>		\$0		\$0		\$0	
MBT - Mining - <u>After Tax Credit Programs</u>	<u>\$21,938,368</u>		<u>\$22,103,717</u>	<u>0.8%</u>	<u>\$22,437,129</u>	<u>1.5%</u>	<u>\$22,907,000</u>	<u>2.1%</u>	<u>\$21,813,000</u>	<u>-4.8%</u>	<u>\$22,067,000</u>	<u>1.2%</u>
TOTAL MBT - NFI, FI, & MINING												
TOTAL MBT: <u>BEFORE TAX CREDITS</u>	<u>\$566,262,513</u>	<u>37.5%</u>	<u>\$623,645,530</u>	<u>10.1%</u>	<u>\$655,635,451</u>	<u>5.1%</u>	<u>\$689,924,000</u>	<u>5.2%</u>	<u>\$678,129,000</u>	<u>-1.7%</u>	<u>\$687,583,000</u>	<u>1.4%</u>
TOTAL COMMERCE TAX CREDITS [13-16]	<u>\$0</u>		<u>-\$43,715,654</u>		<u>-\$57,816,568</u>		<u>-\$59,213,000</u>		<u>-\$61,861,000</u>		<u>-\$65,052,000</u>	
TOTAL MBT: <u>AFTER COMMERCE TAX CREDITS</u>	<u>\$566,262,513</u>	<u>37.5%</u>	<u>\$579,929,875</u>	<u>2.4%</u>	<u>\$597,818,883</u>	<u>3.1%</u>	<u>\$630,711,000</u>	<u>5.5%</u>	<u>\$616,268,000</u>	<u>-2.3%</u>	<u>\$622,531,000</u>	<u>1.0%</u>
Tax Credit Programs:												
Film Transferrable Tax Credits [TC-1]	-\$82,621		\$0		\$0		\$0		\$0		\$0	
Economic Development Transferrable Tax Credits [TC-2]	\$0		\$0		\$0		\$0		\$0		\$0	
Catalyst Account Transferrable Tax Credits [TC-4]	\$0		\$0		\$0		\$0		\$0		\$0	
Education Choice Scholarship Tax Credits [TC-5]	-\$4,401,540		-\$4,696,956		-\$15,975,154		-\$18,131,350		-\$7,320,500		-\$8,052,550	
College Savings Plan Tax Credits [TC-6]	\$0		\$0		\$0		<u>-\$75,000</u>		<u>-\$75,000</u>		<u>-\$75,000</u>	
Total - Tax Credit Programs	<u>-\$4,484,161</u>		<u>-\$4,696,956</u>		<u>-\$15,975,154</u>		<u>-\$18,206,350</u>		<u>-\$7,395,500</u>		<u>-\$8,127,550</u>	
TOTAL MBT: <u>AFTER TAX CREDIT PROGRAMS</u>	<u>\$561,778,352</u>	<u>36.4%</u>	<u>\$575,232,919</u>	<u>2.4%</u>	<u>\$581,843,729</u>	<u>1.1%</u>	<u>\$612,504,650</u>	<u>5.3%</u>	<u>\$608,872,500</u>	<u>-0.6%</u>	<u>\$614,403,450</u>	<u>0.9%</u>

GENERAL FUND REVENUES - ECONOMIC FORUM DECEMBER 3, 2018, FORECAST (UPDATED 1/2/2019)

ACTUAL: FY 2016 THROUGH FY 2018 AND FORECAST: FY 2019 THROUGH FY 2021

ECONOMIC FORUM'S FORECAST FOR FY 2019, FY 2020, AND FY 2021 APPROVED AT THE DECEMBER 3, 2018, MEETING

ADJUSTED FOR GENERAL FUND REPAYMENT APPROVED IN SECTION 39 OF ASSEMBLY BILL 518 (2017 SESSION)

DESCRIPTION	FY 2016		FY 2017		FY 2018		ECONOMIC FORUM DECEMBER 3, 2018, FORECAST					
	ACTUAL	% Change	ACTUAL	% Change	ACTUAL	% Change	FY 2019 FORECAST	% Change	FY 2020 FORECAST	% Change	FY 2021 FORECAST	% Change
TAXES - CONTINUED												
INSURANCE TAXES												
3061 Insurance Premium Tax: <u>Before Tax Credits</u> [1-16]	\$335,118,754	9.8%	\$383,635,486	14.5%	\$417,497,362	8.8%	\$441,481,000	5.7%	\$463,592,000	5.0%	\$487,126,000	5.1%
Tax Credit Programs:												
Film Transferrable Tax Credits [TC-1]	\$0		\$0		\$0		\$0		\$0		\$0	
Economic Development Transferrable Tax Credits [TC-2]	\$0		\$0		\$0		\$0		\$0		\$0	
Catalyst Account Transferrable Tax Credits [TC-4]	\$0		\$0		\$0		\$0		\$0		\$0	
Nevada New Markets Job Act Tax Credits [TC-3]	-\$26,005,450		-\$25,153,081		-\$23,234,613		-\$22,000,000		-\$7,195,974		\$0	
Total - Tax Credit Programs	-\$26,005,450		-\$25,153,081		-\$23,234,613		-\$22,000,000		-\$7,195,974		\$0	
Insurance Premium Tax: <u>After Tax Credit Programs</u>	\$309,113,304	5.6%	\$358,482,405	16.0%	\$394,262,749	10.0%	\$419,481,000	6.4%	\$456,396,026	8.8%	\$487,126,000	6.7%
3062 Insurance Retaliatory Tax	\$185,855	-47.8%	\$180,831	-2.7%	\$170,507	-5.7%	\$173,200	1.6%	\$173,200	0.0%	\$173,200	0.0%
3067 Captive Insurer Premium Tax	\$923,869	2.5%	\$1,077,605	16.6%	\$1,267,234	17.6%	\$1,305,000	3.0%	\$1,338,000	2.5%	\$1,371,000	2.5%
TOTAL INSURANCE TAXES: <u>BEFORE TAX CREDITS</u>	<u>\$336,228,478</u>	<u>9.8%</u>	<u>\$384,893,922</u>	<u>14.5%</u>	<u>\$418,935,102</u>	<u>8.8%</u>	<u>\$442,959,200</u>	<u>5.7%</u>	<u>\$465,103,200</u>	<u>5.0%</u>	<u>\$488,670,200</u>	<u>5.1%</u>
TAX CREDIT PROGRAMS	-\$26,005,450		-\$25,153,081		-\$23,234,613		-\$22,000,000		-\$7,195,974		\$0	
TOTAL INSURANCE TAXES: <u>AFTER TAX CREDITS</u>	<u>\$310,223,028</u>	<u>5.5%</u>	<u>\$359,740,841</u>	<u>16.0%</u>	<u>\$395,700,489</u>	<u>10.0%</u>	<u>\$420,959,200</u>	<u>6.4%</u>	<u>\$457,907,226</u>	<u>8.8%</u>	<u>\$488,670,200</u>	<u>6.7%</u>
REAL PROPERTY TRANSFER TAX (RPTT)												
3055 Real Property Transfer Tax	\$75,794,844	18.0%	\$83,957,113	10.8%	\$103,390,400	23.1%	\$106,932,000	3.4%	\$112,279,000	5.0%	\$115,086,000	2.5%
GOVERNMENTAL SERVICES TAX (GST)												
3051 Governmental Services Tax [14-16][2-18]	\$66,731,895	6.2%	\$38,567,416	-42.2%	\$20,252,358	-47.5%	\$20,925,000	3.3%	\$0		\$0	
OTHER TAXES												
3113 Business License Fee [15-16]	\$103,045,619	36.7%	\$104,858,331	1.8%	\$109,297,773	4.2%	\$111,693,000	2.2%	\$112,273,000	0.5%	\$112,401,000	0.1%
3050 Liquor Tax	\$43,944,413	2.9%	\$43,868,496	-0.2%	\$44,194,634	0.7%	\$44,252,000	0.1%	\$44,761,000	1.2%	\$45,115,000	0.8%
3053 Other Tobacco Tax	\$13,131,919	14.6%	\$14,693,540	11.9%	\$16,496,006	12.3%	\$17,473,000	5.9%	\$18,555,000	6.2%	\$19,659,000	5.9%
4862 HECC Transfer	\$5,000,000	0.0%	\$5,000,000	0.0%	\$5,000,000	0.0%	\$5,000,000	0.0%	\$5,000,000	0.0%	\$5,000,000	0.0%
3065 Business License Tax	\$243	-86.9%	\$281	15.5%	\$0		\$0		\$0		\$0	
3068 Branch Bank Excise Tax	\$2,786,429	-11.0%	\$2,785,199	0.0%	\$2,745,343	-1.4%	\$2,777,000	1.2%	\$2,740,000	-1.3%	\$2,725,000	-0.5%
TOTAL TAXES: <u>BEFORE TAX CREDITS</u>	<u>\$3,495,063,854</u>	<u>15.4%</u>	<u>\$3,752,253,314</u>	<u>7.4%</u>	<u>\$3,923,984,113</u>	<u>4.6%</u>	<u>\$4,096,831,400</u>	<u>4.4%</u>	<u>\$4,170,982,500</u>	<u>1.8%</u>	<u>\$4,292,182,900</u>	<u>2.9%</u>
TOTAL COMMERCE TAX CREDITS [13-16]	\$0		-\$43,715,654		-\$57,816,568		-\$59,213,000		-\$61,861,000		-\$65,052,000	
TOTAL TAXES: <u>AFTER COMMERCE TAX CREDITS</u>	<u>\$3,495,063,854</u>	<u>15.4%</u>	<u>\$3,708,537,660</u>	<u>6.1%</u>	<u>\$3,866,167,545</u>	<u>4.3%</u>	<u>\$4,037,618,400</u>	<u>4.4%</u>	<u>\$4,109,121,500</u>	<u>1.8%</u>	<u>\$4,227,130,900</u>	<u>2.9%</u>
Tax Credit Programs:												
Film Transferrable Tax Credits [TC-1]	-\$4,370,815		-\$5,222,720		\$0		-\$3,770,609		-\$5,000,000		-\$6,000,000	
Economic Development Transferrable Tax Credits [TC-2]	-\$20,461,554		-\$36,850,519		-\$73,831,822		-\$41,943,604		-\$21,912,500		\$0	
Catalyst Account Transferrable Tax Credits [TC-4]	\$0		\$0		-\$355,000		-\$2,475,000		-\$3,000,000		-\$5,000,000	
Nevada New Markets Job Act Tax Credits [TC-3]	-\$26,005,450		-\$25,153,081		-\$23,234,613		-\$22,000,000		-\$7,195,974		\$0	
Education Choice Scholarship Tax Credits [TC-5]	-\$4,401,540		-\$4,696,956		-\$15,975,154		-\$18,131,350		-\$7,320,500		-\$8,052,550	
College Savings Plan Tax Credits [TC-6]	\$0		\$0		\$0		-\$75,000		-\$75,000		-\$75,000	
Total - Tax Credit Programs	-\$55,239,359		-\$71,923,277		-\$113,396,589		-\$88,395,563		-\$44,503,974		-\$19,127,550	
TOTAL TAXES: <u>AFTER TAX CREDITS</u>	<u>\$3,439,824,495</u>	<u>14.0%</u>	<u>\$3,636,614,383</u>	<u>5.7%</u>	<u>\$3,752,770,956</u>	<u>3.2%</u>	<u>\$3,949,222,837</u>	<u>5.2%</u>	<u>\$4,064,617,526</u>	<u>2.9%</u>	<u>\$4,208,003,350</u>	<u>3.5%</u>

GENERAL FUND REVENUES - ECONOMIC FORUM DECEMBER 3, 2018, FORECAST (UPDATED 1/2/2019)

ACTUAL: FY 2016 THROUGH FY 2018 AND FORECAST: FY 2019 THROUGH FY 2021

ECONOMIC FORUM'S FORECAST FOR FY 2019, FY 2020, AND FY 2021 APPROVED AT THE DECEMBER 3, 2018, MEETING

ADJUSTED FOR GENERAL FUND REPAYMENT APPROVED IN SECTION 39 OF ASSEMBLY BILL 518 (2017 SESSION)

DESCRIPTION	FY 2016 ACTUAL	%	FY 2017 ACTUAL	%	FY 2018 ACTUAL	%	ECONOMIC FORUM DECEMBER 3, 2018, FORECAST					
							FY 2019 FORECAST	%	FY 2020 FORECAST	%	FY 2021 FORECAST	%
LICENSES												
3101 Insurance Licenses	\$19,913,616	8.5%	\$19,533,765	-1.9%	\$21,002,623	7.5%	\$21,854,000	4.1%	\$22,509,000	3.0%	\$23,148,000	2.8%
3120 Marriage License	\$367,116	-1.1%	\$364,681	-0.7%	\$342,192	-6.2%	\$345,800	1.1%	\$338,500	-2.1%	\$331,500	-2.1%
SECRETARY OF STATE												
3105 UCC	\$1,915,810	10.0%	\$1,838,672	-4.0%	\$1,942,182	5.6%	\$2,028,000	4.4%	\$2,062,000	1.7%	\$2,083,000	1.0%
3129 Notary Fees	\$514,489	-0.5%	\$548,574	6.6%	\$556,389	1.4%	\$562,600	1.1%	\$568,900	1.1%	\$575,100	1.1%
3130 Commercial Recordings [16-16]	\$73,701,665	7.1%	\$74,606,592	1.2%	\$77,057,113	3.3%	\$77,942,000	1.1%	\$78,901,000	1.2%	\$79,466,000	0.7%
3131 Video Service Franchise	\$525	-66.1%	\$3,400	547.6%	\$5,050	48.5%	\$30,000	494.1%	\$2,800	-90.7%	\$2,800	0.0%
3121 Domestic Partnership Registry Fee	\$28,790	-21.0%	\$25,927	-9.9%	\$0		\$21,800		\$21,800	0.0%	\$21,800	0.0%
3152 Securities	\$27,978,707	3.5%	\$28,304,481	1.2%	\$29,322,672	3.6%	\$29,860,000	1.8%	\$30,355,000	1.7%	\$30,758,000	1.3%
TOTAL SECRETARY OF STATE	\$104,139,985	6.1%	\$105,327,646	1.1%	\$108,883,405	3.4%	\$110,444,400	1.4%	\$111,911,500	1.3%	\$112,906,700	0.9%
3172 Private School Licenses	\$236,690	-7.4%	\$212,848	-10.1%	\$214,155	0.6%	\$215,000	0.4%	\$215,000	0.0%	\$215,000	0.0%
3173 Private Employment Agency	\$14,800	34.5%	\$13,600	-8.1%	\$15,500	14.0%	\$14,800	-4.5%	\$15,100	2.0%	\$15,300	1.3%
REAL ESTATE												
3161 Real Estate License [17-16]	\$2,137,010	54.4%	\$2,345,884	9.8%	\$2,469,797	5.3%	\$2,563,000	3.8%	\$2,424,000	-5.4%	\$2,453,000	1.2%
3162 Real Estate Fees	\$4,710	29.3%	\$3,450	-26.8%	\$1,670	-51.6%	\$2,200	31.7%	\$2,300	4.5%	\$2,200	-4.3%
TOTAL REAL ESTATE	\$2,141,720	54.4%	\$2,349,334	9.7%	\$2,471,467	5.2%	\$2,565,200	3.8%	\$2,426,300	-5.4%	\$2,455,200	1.2%
3102 Athletic Commission Fees [18-16]	\$5,041,720	-43.5%	\$3,217,083	-36.2%	\$6,016,432	87.0%	\$4,500,000	-25.2%	\$4,492,000	-0.2%	\$4,492,000	0.0%
TOTAL LICENSES	\$131,855,647	3.5%	\$131,018,957	-0.6%	\$138,945,774	6.1%	\$139,939,200	0.7%	\$141,907,400	1.4%	\$143,563,700	1.2%
FEES AND FINES												
3203 Divorce Fees	\$170,348	-2.8%	\$172,297	1.1%	\$164,198	-4.7%	\$161,300	-1.8%	\$160,800	-0.3%	\$160,400	-0.2%
3204 Civil Action Fees	\$1,316,607	2.0%	\$1,287,358	-2.2%	\$1,249,463	-2.9%	\$1,254,000	0.4%	\$1,249,000	-0.4%	\$1,241,000	-0.6%
3242 Insurance Fines	\$349,206	-30.9%	\$1,139,995	226.5%	\$676,092	-40.7%	\$758,700	12.2%	\$758,700	0.0%	\$758,700	0.0%
3103MD Medical Plan Discount Reg. Fees	\$1,500		\$0		\$0		\$500		\$500		\$500	
REAL ESTATE FEES												
3107IOS IOS Application Fees	\$5,700	-5.5%	\$6,740	18.2%	\$7,780	15.4%	\$7,300	-6.2%	\$7,400	1.4%	\$7,400	0.0%
3165 Land Co Filing Fees [19-16]	\$28,530	-81.9%	\$24,692	-13.5%	\$24,575	-0.5%	\$25,600	4.2%	\$25,000	-2.3%	\$25,100	0.4%
3167 Real Estate Adver Fees	\$2,010	857.1%	\$6,712	233.9%	\$0	-100.0%	\$0		\$0		\$0	
3169 Real Estate Reg Fees	\$8,550	-45.5%	\$7,150	-16.4%	\$12,275	71.7%	\$10,900	-11.2%	\$10,000	-8.3%	\$10,300	3.0%
4741 Real Estate Exam Fees	\$387,294	122.4%	\$472,141	21.9%	\$601,757	27.5%	\$616,300	2.4%	\$567,900	-7.9%	\$534,500	-5.9%
3178 Real Estate Accred Fees	\$93,450	-2.3%	\$102,900	10.1%	\$109,295	6.2%	\$102,000	-6.7%	\$100,400	-1.6%	\$98,500	-1.9%
3254 Real Estate Penalties	\$65,595	157.7%	\$95,337	45.3%	\$102,131	7.1%	\$106,900	4.7%	\$104,300	-2.4%	\$105,100	0.8%
3190 A.B. 165, Real Estate Inspectors	\$53,860	14.7%	\$57,490	6.7%	\$60,150	4.6%	\$59,800	-0.6%	\$60,300	0.8%	\$60,700	0.7%
TOTAL REAL ESTATE FEES	\$644,989	23.6%	\$773,162	19.9%	\$917,963	18.7%	\$928,800	1.2%	\$875,300	-5.8%	\$841,600	-3.9%
3066 Short Term Car Lease	\$51,914,285	6.5%	\$52,467,963	1.1%	\$55,601,611	6.0%	\$56,149,000	1.0%	\$57,505,000	2.4%	\$58,662,000	2.0%
3103AC Athletic Commission Licenses/Fines	\$468,376	119.7%	\$116,600	-75.1%	\$117,035	0.4%	\$132,300	13.0%	\$134,000	1.3%	\$134,000	0.0%
3150 Navigable Water Permit Fees [3-18]					\$61,185		\$58,700	-4.1%	\$65,000	10.7%	\$65,000	0.0%
3205 State Engineer Sales [4-18]					\$3,860,659		\$3,687,000	-4.5%	\$3,631,000	-1.5%	\$3,631,000	0.0%
3206 Supreme Court Fees	\$201,305	7.9%	\$202,410	0.5%	\$229,445	13.4%	\$236,100	2.9%	\$254,900	8.0%	\$273,400	7.3%
3115 Notice of Default Fee	\$1,400,099	-20.2%	\$910,604	-35.0%	\$806,743	-11.4%	\$707,800	-12.3%	\$624,300	-11.8%	\$540,600	-13.4%
3271 Misc Fines/Forfeitures [5-18]	\$2,735,813	-71.4%	\$2,414,739	-11.7%	\$2,764,378	14.5%	\$2,250,000	-18.6%	\$2,250,000	0.0%	\$2,250,000	0.0%
TOTAL FEES AND FINES	\$59,202,527	-6.0%	\$59,485,127	0.5%	\$66,448,771	11.7%	\$66,324,200	-0.2%	\$67,508,500	1.8%	\$68,558,200	1.6%

GENERAL FUND REVENUES - ECONOMIC FORUM DECEMBER 3, 2018, FORECAST (UPDATED 1/2/2019)

ACTUAL: FY 2016 THROUGH FY 2018 AND FORECAST: FY 2019 THROUGH FY 2021

ECONOMIC FORUM'S FORECAST FOR FY 2019, FY 2020, AND FY 2021 APPROVED AT THE DECEMBER 3, 2018, MEETING

ADJUSTED FOR GENERAL FUND REPAYMENT APPROVED IN SECTION 39 OF ASSEMBLY BILL 518 (2017 SESSION)

DESCRIPTION	FY 2016		FY 2017		FY 2018		ECONOMIC FORUM DECEMBER 3, 2018, FORECAST					
	ACTUAL	% Change	ACTUAL	% Change	ACTUAL	% Change	FY 2019 FORECAST	% Change	FY 2020 FORECAST	% Change	FY 2021 FORECAST	% Change
USE OF MONEY AND PROP												
OTHER REPAYMENTS												
4403 Forestry Nurseries Fund Repayment (05-M27)	\$20,670		\$20,670		\$20,670		\$20,670		\$20,670		\$20,670	
4408 Comp/Fac Repayment	\$23,744		\$23,744		\$23,744		\$13,032		\$13,032		\$13,032	
4408 CIP 95-M1, Security Alarm	\$2,998		\$2,998		\$0		\$0		\$0		\$0	
4408 CIP 95-M5, Facility Generator	\$6,874		\$6,874		\$0		\$0		\$0		\$0	
4408 CIP 95-S4F, Advance Planning	\$1,000		\$1,000		\$0		\$0		\$0		\$0	
4408 CIP 97-C26, Capitol Complex Conduit System, Phase I	\$62,542		\$62,542		\$62,542		\$62,542		\$0		\$0	
4408 CIP 97-S4H, Advance Planning Addition to Computer Facility	\$9,107		\$9,107		\$9,107		\$9,107		\$0		\$0	
4408 EITS Repayment - State Microwave Communications System [1-18]					\$57,900		\$57,900		\$57,900		\$57,900	
4408 EITS Repayment - Cyber Security Resource Enhancement [2-19]							\$124,406		\$201,079		\$201,079	
4408 EITS Repayment - Wide-Area Network Upgrade [3-19]							\$499,724		\$499,724		\$499,724	
4409 Motor Pool Repay - LV	\$125,000		\$125,000		\$125,000		\$125,000		\$125,000		\$125,000	
TOTAL OTHER REPAYMENTS	<u>\$251,935</u>	<u>-44.6%</u>	<u>\$251,935</u>	<u>0.0%</u>	<u>\$298,963</u>	<u>18.7%</u>	<u>\$912,381</u>	<u>205.2%</u>	<u>\$917,405</u>	<u>0.6%</u>	<u>\$917,405</u>	<u>0.0%</u>
INTEREST INCOME												
3290 Treasurer	\$1,247,554	36.1%	\$3,578,939	186.9%	\$9,146,057	155.6%	\$14,073,000	53.9%	\$18,699,000	32.9%	\$19,142,000	2.4%
3291 Other	<u>\$18,411</u>	<u>243.3%</u>	<u>\$43,740</u>	<u>137.6%</u>	<u>\$115,117</u>	<u>163.2%</u>	<u>\$135,500</u>	<u>17.7%</u>	<u>\$146,400</u>	<u>8.0%</u>	<u>\$157,700</u>	<u>7.7%</u>
TOTAL INTEREST INCOME	<u>\$1,265,964</u>	<u>37.3%</u>	<u>\$3,622,679</u>	<u>186.2%</u>	<u>\$9,261,175</u>	<u>155.6%</u>	<u>\$14,208,500</u>	<u>53.4%</u>	<u>\$18,845,400</u>	<u>32.6%</u>	<u>\$19,299,700</u>	<u>2.4%</u>
TOTAL USE OF MONEY & PROP	<u>\$1,517,900</u>	<u>10.2%</u>	<u>\$3,874,614</u>	<u>155.3%</u>	<u>\$9,560,138</u>	<u>146.7%</u>	<u>\$15,120,881</u>	<u>58.2%</u>	<u>\$19,762,805</u>	<u>30.7%</u>	<u>\$20,217,105</u>	<u>2.3%</u>
OTHER REVENUE												
3059 Hoover Dam Revenue	\$300,000	0.0%	\$300,000	0.0%	\$300,000	0.0%	\$300,000	0.0%	\$300,000	0.0%	\$300,000	0.0%
MISC SALES AND REFUNDS												
4794 GST Commissions and Penalties / DMV [20-16]							\$0		\$0		\$0	
3047 Expired Slot Machine Wagering Vouchers	\$8,778,021	4.7%	\$8,745,436	-0.4%	\$9,482,546	8.4%	\$10,163,000	7.2%	\$10,417,000	2.5%	\$10,682,000	2.5%
3107 Misc Fees [3-18]	\$347,803	9.1%	\$377,829	8.6%	\$497,111	31.6%	\$450,000	-9.5%	\$450,000	0.0%	\$450,000	0.0%
3109 Court Admin Assessments [21-16][6-18]	\$0		\$0		\$1,551,956		\$1,080,780		\$0		\$0	
3114 Court Administrative Assessment Fee	\$2,012,172	-5.8%	\$2,066,687	2.7%	\$2,095,971	1.4%	\$2,142,000	2.2%	\$2,166,000	1.1%	\$2,173,000	0.3%
3168 Declare of Candidacy Filing Fee	\$35,975	190.5%	\$19,304	-46.3%	\$35,075	81.7%	\$20,000	-43.0%	\$40,000	100.0%	\$20,000	-50.0%
3202 Fees & Wrts of Garnishments	\$2,190	2.3%	\$1,765	-19.4%	\$1,740	-1.4%	\$1,600	-8.0%	\$1,600	0.0%	\$1,600	0.0%
3220 Nevada Report Sales	\$11,495	87.8%	\$4,210	-63.4%	\$4,895	16.3%	\$18,300	273.9%	\$13,300	-27.3%	\$14,200	6.8%
3222 Excess Property Sales	\$17,668	-81.9%	\$3,685	-79.1%	\$3,400	-7.7%	\$3,500	2.9%	\$3,500	0.0%	\$3,500	0.0%
3240 Sale of Trust Property	\$850	-78.7%	\$9,836		\$864	-91.2%	\$900	4.2%	\$900	0.0%	\$900	0.0%
3243 Insurance - Misc	\$371,455	-12.4%	\$366,872	-1.2%	\$397,998	8.5%	\$402,000	1.0%	\$404,700	0.7%	\$407,300	0.6%
3274 Misc Refunds	\$31,709	-72.0%	\$1,524,081		\$51,085	-96.6%	\$32,700	-36.0%	\$33,600	2.8%	\$33,500	-0.3%
3276 Cost Recovery Plan [7-18]	\$10,572,088	24.6%	\$10,222,088	-3.3%	\$9,839,249	-3.7%	<u>\$10,457,000</u>	<u>6.3%</u>	<u>\$10,481,000</u>	<u>0.2%</u>	<u>\$10,875,000</u>	<u>3.8%</u>
TOTAL MISC SALES & REF	<u>\$22,181,427</u>	<u>-56.7%</u>	<u>\$23,341,792</u>	<u>5.2%</u>	<u>\$23,961,888</u>	<u>2.7%</u>	<u>\$24,817,880</u>	<u>3.6%</u>	<u>\$24,076,600</u>	<u>-3.0%</u>	<u>\$24,726,000</u>	<u>2.7%</u>
3255 Unclaimed Property	<u>\$38,960,791</u>	<u>60.3%</u>	<u>\$25,871,335</u>	<u>-33.6%</u>	<u>\$26,723,929</u>	<u>3.3%</u>	<u>\$29,898,000</u>	<u>11.9%</u>	<u>\$25,927,000</u>	<u>-13.3%</u>	<u>\$25,849,000</u>	<u>-0.3%</u>
TOTAL OTHER REVENUE	<u>\$61,442,218</u>	<u>-18.9%</u>	<u>\$49,513,127</u>	<u>-19.4%</u>	<u>\$50,985,818</u>	<u>3.0%</u>	<u>\$55,015,880</u>	<u>7.9%</u>	<u>\$50,303,600</u>	<u>-8.6%</u>	<u>\$50,875,000</u>	<u>1.1%</u>
TOTAL GENERAL FUND REVENUE: BEFORE TAX CREDITS	<u>\$3,749,082,146</u>	<u>13.7%</u>	<u>\$3,996,145,139</u>	<u>6.6%</u>	<u>\$4,189,924,613</u>	<u>4.8%</u>	<u>\$4,373,231,561</u>	<u>4.4%</u>	<u>\$4,450,464,805</u>	<u>1.8%</u>	<u>\$4,575,396,905</u>	<u>2.8%</u>
TOTAL COMMERCE TAX CREDITS [13-16]	\$0		-\$43,715,654		-\$57,816,568		-\$59,213,000		-\$61,861,000		-\$65,052,000	
TOTAL GENERAL FUND REVENUE: AFTER COMMERCE TAX CREDITS	<u>\$3,749,082,146</u>	<u>13.7%</u>	<u>\$3,952,429,484</u>	<u>5.4%</u>	<u>\$4,132,108,045</u>	<u>4.5%</u>	<u>\$4,314,018,561</u>	<u>4.4%</u>	<u>\$4,388,603,805</u>	<u>1.7%</u>	<u>\$4,510,344,905</u>	<u>2.8%</u>
TAX CREDIT PROGRAMS:												
FILM TRANSFERRABLE TAX CREDITS [TC-1]	-\$4,370,815		-\$5,222,720		\$0		-\$3,770,609		-\$5,000,000		-\$6,000,000	
ECONOMIC DEVELOPMENT TRANSFERRABLE TAX CREDITS [TC-2]	-\$20,461,554		-\$36,850,519		-\$73,831,822		-\$41,943,604		-\$21,912,500		\$0	
CATALYST ACCOUNT TRANSFERRABLE TAX CREDITS [TC-4]	\$0		\$0		-\$355,000		-\$2,475,000		-\$3,000,000		-\$5,000,000	
NEVADA NEW MARKET JOBS ACT TAX CREDITS [TC-3]	-\$26,005,450		-\$25,153,081		-\$23,234,613		-\$22,000,000		-\$7,195,974		\$0	
EDUCATION CHOICE SCHOLARSHIP TAX CREDITS [TC-5]	-\$4,401,540		-\$4,696,956		-\$15,975,154		-\$18,131,350		-\$7,320,500		-\$8,052,550	
COLLEGE SAVINGS PLAN TAX CREDITS [TC-6]	\$0		\$0		\$0		-\$75,000		-\$75,000		-\$75,000	
TOTAL- TAX CREDIT PROGRAMS	<u>-\$55,239,359</u>		<u>-\$71,923,277</u>		<u>-\$113,396,589</u>		<u>-\$88,395,563</u>		<u>-\$44,503,974</u>		<u>-\$19,127,550</u>	
TOTAL GENERAL FUND REVENUE: AFTER TAX CREDITS	<u>\$3,693,842,787</u>	<u>12.5%</u>	<u>\$3,880,506,208</u>	<u>5.1%</u>	<u>\$4,018,711,456</u>	<u>3.6%</u>	<u>\$4,225,622,998</u>	<u>5.1%</u>	<u>\$4,344,099,831</u>	<u>2.8%</u>	<u>\$4,491,217,355</u>	<u>3.4%</u>

GENERAL FUND REVENUES - ECONOMIC FORUM DECEMBER 3, 2018, FORECAST (UPDATED 1/2/2019)
ACTUAL: FY 2016 THROUGH FY 2018 AND FORECAST: FY 2019 THROUGH FY 2021
ECONOMIC FORUM'S FORECAST FOR FY 2019, FY 2020, AND FY 2021 APPROVED AT THE DECEMBER 3, 2018, MEETING
ADJUSTED FOR GENERAL FUND REPAYMENT APPROVED IN SECTION 39 OF ASSEMBLY BILL 518 (2017 SESSION)

DESCRIPTION	ECONOMIC FORUM DECEMBER 3, 2018, FORECAST					
	FY 2016 ACTUAL	% Change	FY 2017 ACTUAL	% Change	FY 2018 ACTUAL	% Change

NOTES:

FY 2016: Note 1 represents legislative actions approved during the 28th Special Session in September 2014.

[1-16] Assembly Bill 3 (28th S.S.) limits the amount of the home office credit that may be taken against the Insurance Premium Tax to an annual limit of \$5 million, effective January 1, 2016. The home office credit is eliminated pursuant to this bill, effective January 1, 2021.

FY 2016: Notes 2 through 21 represent legislative actions approved during the 2015 Legislative Session.

- [2-16] S.B. 483 extends the June 30, 2015, sunset (approved in S.B. 475 (2013)) by one year to June 30, 2016, on the Net Proceeds of Minerals (NPM) tax, which continues the payment of taxes in the current fiscal year based on the estimated net proceeds for the current calendar year with a true-up against actual net proceeds for the calendar year in the next fiscal year. The one-year extension of the sunset is estimated to yield \$34,642,000 in FY 2016. There is no estimated tax payment in FY 2017 with the one-year extension of the prepayment of NPM taxes.
- [3-16] S.B. 483 extends the June 30, 2015, sunset (approved in S.B. 475 (2013)) by one-year to June 30, 2016, that eliminates health and industrial insurance deductions allowed against gross proceeds to determine net proceeds for the purpose of calculating the Net Proceeds of Minerals (NPM) tax liability. These deduction changes are effective for the NPM tax payments due in FY 2016. The health and industrial insurance deduction changes are estimated to generate \$4,221,000 in additional revenue in FY 2016.
- [4-16] S.B. 483 makes the 0.35% increase in the Local School Support Tax (LSST) permanent. The 0.35% increase generates additional revenue from the 0.75% General Fund Commission assessed against LSST proceeds before distribution to school districts in each county, which is estimated to generate \$1,387,300 in FY 2016 and \$1,463,400 in FY 2017.
- [5-16] S.B. 266 makes changes to the structure of the tax base and tax rate for the Live Entertainment Tax (LET) in NRS Chapter 368A that is administered by the Gaming Control Board for live entertainment at licensed gaming establishments and the Department of Taxation for live entertainment provided at non-gaming establishments. Under existing law, the tax rate is 10% of the admission charge and amounts paid for food, refreshments, and merchandise, if the live entertainment is provided at a facility with a maximum occupancy of less than 7,500 persons, and 5% of the admission charge only, if the live entertainment is provided at a facility with a maximum occupancy equal to or greater than 7,500 persons. S.B. 266 removes the occupancy threshold and establishes a single 9% tax rate on the admission charge to the facility only. The tax rate does not apply to amounts paid for food, refreshments, and merchandise unless that is the consideration required to enter the facility for the live entertainment. S.B. 266 adds the total amount of consideration paid for escorts and escort services to the LET tax base and makes these activities subject to the 9% tax rate. The bill provides that the exemption from the LET for certain nonprofit organizations applies depending on the number of tickets sold and the type of live entertainment being provided. S.B. 266 establishes an exemption for the following: 1.) the value of certain admissions provided on a complimentary basis; 2.) a charge for access to a table, seat, or lounge or for food, beverages, and merchandise that are in addition to the admission charge to the facility; and 3.) certain license and rental fees of luxury suites, boxes, or similar products at a facility with a maximum occupancy of more than 7,500 persons. The provisions of S.B. 266 also make other changes to the types of activities that are included or excluded from the tax base as live entertainment events subject to the 9% tax rate. The provisions of S.B. 266 are effective October 1, 2015. The amounts shown reflect the estimated net change from the provisions of S.B. 266 on the amount of the LET collected from the portion administered by the Gaming Control Board and the Department of Taxation separately and the combined impact. The changes to the LET are estimated to reduce LET-Gaming collections by \$19,165,000 in FY 2016 and by \$26,551,000 in FY 2017, but increase LET-Nongaming collections by \$15,483,000 in FY 2016 and \$25,313,000 in FY 2017. The combined net effect on total LET collections is estimated to be reduction of \$3,682,000 in FY 2016 and \$1,238,000 in FY 2017.
- [6-16] S.B. 483 establishes the Commerce Tax as an annual tax on each business entity engaged in business in the state whose Nevada gross revenue in a fiscal year exceeds \$4,000,000 at a tax rate based on the industry in which the business is primarily engaged. The Commerce Tax is due on or before the 45th day immediately following the fiscal year taxable period (June 30th). Although the Commerce Tax collections are received after the June 30th end of the fiscal year tax period, the proceeds from the Commerce Tax will be accrued back and accounted for in that fiscal year, since that fiscal year is not officially closed until the third Friday in September. The Commerce Tax provisions are effective July 1, 2015, for the purpose of taxing the Nevada gross revenue of a business, but the first tax payment will not be made until August 14, 2016, for the FY 2016 annual taxable business activity period.
- [7-16] A.B. 175 requires the collection of an excise tax by the Nevada Transportation Authority or the Taxicab Authority, as applicable, on the connection of a passenger to a driver affiliated with a transportation network company, a common motor carrier of passengers, or a taxicab equal to 3% of the fare charged to the passenger. The excise tax becomes effective on passage and approval (May 29, 2015) for transportation network companies and August 28, 2015, for common motor carrier and taxicab companies. The first \$5,000,000 in tax proceeds from each biennium are required to be deposited in the State Highway Fund and the estimate for FY 2016 reflects this requirement.
- [8-16] S.B. 483 increases the cigarette tax per pack of 20 by \$1.00 from 80 cents per pack (10 cents to Local Government Distribution Fund, 70 cents to State General Fund) to \$1.80 per pack (10 cents to Local Government Distribution Fund, \$1.70 to State General Fund), effective July 1, 2015. The \$1.00 per pack increase is estimated to generate \$96,872,000 in FY 2016 and \$95,391,000 in FY 2017.
- [9-16] S.B. 483 permanently changes the structure and tax rate for the Modified Business Tax on General Business (nonfinancial institutions) by exempting quarterly taxable wages (gross wages less allowable health care expenses) paid by an employer to employees up to and including \$50,000 per quarter and taxable wages exceeding \$50,000 per quarter are taxed at 1.475%. The taxable wages exemption threshold was \$85,000 per quarter for FY 2014 and FY 2015 with a 1.17% tax rate on quarterly taxable wages exceeding \$85,000, based on S.B. 475 (2013). These provisions in S.B. 475 were scheduled to sunset effective June 30, 2015, at which time the tax rate would have been 0.63% on all taxable wages per quarter. The provisions in S.B. 483 are effective July 1, 2015. The estimated net increase in MBT-NFI tax collections from the 1.475% tax rate on quarterly taxable wages exceeding \$50,000 compared to the Economic Forum May 1, 2015, forecast, based on the 0.63% tax rate on all quarterly taxable wages before accounting for the estimated impact of any other legislatively approved changes to the MBT-NFI is \$268,041,000 for FY 2016 and \$281,443,000 for FY 2017.
- [10-16] A.B. 389 deems the client company of an employee leasing company to be the employer of the employees it leases for the purposes of NRS Chapter 612 (unemployment compensation). Under these provisions, the wages of employees leased from employee leasing companies by client companies will no longer be reported on an aggregated basis under the employee leasing company. The wages of the employees will now be reported on a disaggregated basis under each client company. Instead of the \$50,000 quarterly exemption applying to the employee leasing company, it will now apply to each client company. These provisions are effective October 1, 2015. The wages paid to employees being reported on a disaggregated basis for each client company versus an aggregated basis for the employee leasing company is estimated to reduce MBT-NFI collections by \$2,758,000 in FY 2016 and \$3,861,000 in FY 2017.
- [11-16] S.B. 483 requires businesses subject to the Net Proceeds of Minerals (NPM) tax in NRS Chapter 362 to pay a 2.0% tax on all quarterly taxable wages paid by the employer to the employees, which is identical to the Modified Business Tax (MBT) paid by financial institutions under NRS Chapter 363A. These provisions are effective July 1, 2015. This change is estimated to reduce MBT-NFI tax collections by \$10,884,000 in both FY 2016 and FY 2017. The mining companies paying the 2% tax rate on all taxable wages are estimated to generate \$17,353,000 in both FY 2016 and FY 2017 for the MBT-Mining. This change is estimated to yield a net increase in General Fund revenue of \$6,469,000 in both FY 2016 and FY 2017.
- [12-16] S.B. 103 exempts from the definition of "financial institution" in NRS Chapter 363A any person who is primarily engaged in the sale, solicitation, or negotiation of insurance, which makes such a person subject to the Modified Business Tax on General Business (nonfinancial institutions) in NRS Chapter 363B at 1.475% on quarterly taxable wages exceeding \$50,000 and not the 2.0% tax on all quarterly taxable wages. These provisions are effective July 1, 2015. MBT-FI is estimated to be reduced by \$891,000 in FY 2016 and \$936,000 and the MBT-NFI is estimated to be increased by \$278,000 in FY 2016 and \$291,000 in FY 2017. The net decrease in General Fund revenue is estimated to be \$613,000 in FY 2016 and \$645,000 in FY 2017.

GENERAL FUND REVENUES - ECONOMIC FORUM DECEMBER 3, 2018, FORECAST (UPDATED 1/2/2019)

ACTUAL: FY 2016 THROUGH FY 2018 AND FORECAST: FY 2019 THROUGH FY 2021

ECONOMIC FORUM'S FORECAST FOR FY 2019, FY 2020, AND FY 2021 APPROVED AT THE DECEMBER 3, 2018, MEETING

ADJUSTED FOR GENERAL FUND REPAYMENT APPROVED IN SECTION 39 OF ASSEMBLY BILL 518 (2017 SESSION)

DESCRIPTION	FY 2016		FY 2017		FY 2018		ECONOMIC FORUM DECEMBER 3, 2018, FORECAST					
	ACTUAL	% Change	ACTUAL	% Change	ACTUAL	% Change	FY 2019 FORECAST	% Change	FY 2020 FORECAST	% Change	FY 2021 FORECAST	% Change
[13-16] S.B. 483 provides for a credit against a business's Modified Business Tax (MBT) due during the current fiscal year not to exceed 50% of the Commerce Tax paid by the business for the preceding fiscal year. The credit can be taken against any or all of the four quarterly MBT payments for the current fiscal year, but any amount of credit not used cannot be carried forward and used in succeeding fiscal years. The total estimated Commerce Tax credits against the MBT are estimated to be \$59,913,000 in FY 2017, but this estimated credit amount was not allocated separately to the MBT-NFI, MBT-FI, and MBT-Mining.												
[14-16] S.B. 483 requires 100% of the proceeds from the portion of the Governmental Services Tax (GST) generated from the 10% depreciation schedule change, approved in S.B. 429 (2009), to be allocated to the State General Fund in FY 2016. In FY 2017, 50% of the proceeds will be allocated to the State General Fund and 50% to the State Highway Fund. Under S.B. 483, 100% of the additional revenue generated from the GST 10% depreciation schedule change is required to be deposited in the State Highway Fund beginning in FY 2018 and going forward permanently.												
[15-16] S.B. 483 makes the \$100 increase in the Business License Fee (BLF) from \$100 to \$200 permanent for the initial and annual renewal, that was scheduled to sunset on June 30, 2015, (as approved in A.B. 475 (2013)) for all types of businesses, except for corporations. The initial and annual renewal fee for corporations, as specified in S.B. 483, is increased from \$200 to \$500 permanently. These provisions are effective July 1, 2015. The changes to the BLF are estimated to generate additional General Fund revenue of \$63,093,000 in FY 2016 and \$64,338,000 in FY 2017 in relation to the Economic Forum May 1, 2015, forecast with all business types paying a \$100 annual fee.												
[16-16] S.B. 483 permanently increases the fee for filing the initial and annual list of directors and officers by \$25 that is required to be paid by each business entity organizing under the various chapters in Title 7 of the NRS, effective July 1, 2015. The \$25 increase in the initial and annual list filing fee is estimated to increase Commercial Recordings Fee revenue by \$2,751,000 in FY 2016 and \$2,807,000 in FY 2017.												
[17-16] A.B. 475 changes the initial period from 24 to 12 months and the renewal period from 48 to 24 months for a license as a real estate broker, broker-salesperson, or salesperson and also changes the period for other licenses from 48 to 24 months, effective July 1, 2015. Existing licenses issued before July 1, 2015, do not need to be renewed until the expiration date required under statute prior to July 1, 2015. This change in the licensing period is estimated to reduce Real Estate License Fee revenue by \$1,693,400 in FY 2016 and \$1,404,200 in FY 2017.												
[18-16] A.B. 476 increases the current 6% license fee on the gross receipts from admission charges to unarmed combat events, that is dedicated to the State General Fund, by 2% to 8% with 75% of the proceeds from the 8% fee deposited in the State General Fund and 25% retained by the Athletic Commission to fund the agency's operations. A.B. 476 repeals the two-tiered fee based on the revenues from the sale or lease of broadcast, television and motion picture rights that is dedicated to the State General Fund. A.B. 476 allows the promoter of an unarmed combat event a credit against the 8% license fee equal to the amount paid to the Athletic Commission or organization sanctioned by the Commission to administer a drug testing program for unarmed combatants. These provisions are effective June 9, 2015, based on the passage and approval effective date provisions of A.B. 476. These changes are estimated to reduce Athletic Commission Fee revenue by \$600,000 in both FY 2016 and FY 2017.												
[19-16] A.B. 478 increases certain fees relating to application or renewals paid by developers for exemptions to any provisions administered by the Real Estate Division of the Department of Business and Industry, and requires that all fees collected for this purpose be kept by the Division, effective July 1, 2015. This requirement for the Division to keep these fees is estimated to reduce Real Estate Land Company filing fees by approximately \$152,600 in FY 2016 and \$153,300 in FY 2017.												
[20-16] A.B. 491 (2013) required the proceeds from the commission retained by the Department of Motor Vehicles from the amount of Governmental Services Tax (GST) collected and any penalties for delinquent payment of the GST to be transferred to the State General Fund in FY 2015 only. A.B. 491 specified that the amount transferred shall not exceed \$20,813,716 from commissions and \$4,097,964 from penalties in FY 2015. A.B. 490 amended the commissions amount to \$23,724,000 and the penalties amount to \$5,037,000. This results in an estimated net increase in General Fund revenue of \$3,849,320 in FY 2015 from GST Commissions and Penalties.												
[21-16] Estimated portion of the revenue generated from Court Administrative Assessment Fees to be deposited in the State General Fund (pursuant to subsection 9 of NRS 176.059), based on the legislatively approved projections and the authorized allocation for the Court Administrative Assessment Fee revenues (pursuant to subsection 8 of NRS 176.059) for FY 2016 and FY 2017.												

FY 2018: Note 1 represents legislative actions approved during the 2015 Legislative Session.

- [1-18] Section 51 of S.B. 514 allows the Division of Enterprise Information Technology Services of the Department of Administration to use revenues from intergovernmental transfers to the State General Fund for the repayment of special appropriations that were made to the Division for the replacement of the state's microwave communications system. The legislatively approved repayment from the Division to the State General Fund is \$57,900 per year between FY 2018 and FY 2021, with increased repayments between FY 2022 and FY 2028.

FY 2018: Notes 2 through 7 represent legislative actions approved during the 2017 Legislative Session.

- [2-18] A.B. 486 requires 25% of the proceeds from the portion of the Governmental Services Tax (GST) generated from the 10% depreciation schedule change, approved in S.B. 429 (2009), to be allocated to the State General Fund in FY 2018 and FY 2019, with the remaining 75% deposited in the State Highway Fund. Under A.B. 486, 100% of the additional revenue generated from the GST 10% depreciation schedule change is required to be deposited in the State Highway Fund beginning in FY 2020 and going forward permanently. Estimated to generate \$19,367,000 in FY 2018 and \$19,573,500 in FY 2019.
- [3-18] S.B. 512 removes fees for the issuance of certain permits relating to the usage of piers, docks, buoys, or other facilities on navigable bodies of water in this state from NRS 322.120, and instead requires that the State Land Registrar of the Division of State Lands of the Department of Conservation and Natural Resources establish these fees by regulation, effective July 1, 2017. The bill requires that the first \$65,000 of the proceeds from these permit fees be deposited in the State General Fund in each fiscal year, with any proceeds in excess of \$65,000 to be used by the State Land Registrar to carry out programs to preserve, protect, restore, and enhance the natural environment of the Lake Tahoe Basin.
- [4-18] S.B. 514 requires that certain fees collected by the State Engineer of the Division of Water Resources of the Department of Conservation and Natural Resources relating to services for the adjudication and appropriation of water be deposited in the State General Fund. Estimated to generate \$3,467,000 per year in FY 2018 and FY 2019.
- [5-18] S.B. 515 requires that certain penalties received by the Securities Division of the Secretary of State's Office be deposited in the State General Fund, instead of the Secretary of State's Office's operating budget, effective July 1, 2017. Estimated to generate \$117,256 per fiscal year in FY 2018 and FY 2019.
- [6-18] Estimated portion of the revenue generated from Court Administrative Assessment Fees to be deposited in the State General Fund (pursuant to subsection 9 of NRS 176.059), based on the legislatively approved projections and the authorized allocation for the Court Administrative Assessment Fee revenues (pursuant to subsection 8 of NRS 176.059) for FY 2018 and FY 2019. Estimated to generate \$1,328,228 in FY 2018 and \$1,080,780 in FY 2019.
- [7-18] Adjustment to the Statewide Cost Allocation amount included in the Legislature Approves budget after the May 1, 2017, approval of the General Fund revenue forecast by the Economic Forum.

FY 2019: Notes 1 through 3 represent legislative actions approved during the 2017 Legislative Session.

- [1-19] Senate Bill 415 (2017) required the submission of a question on the November 2018 General Election ballot seeking approval to amend the Sales and Use Tax Act of 1955 to provide an exemption from the State 2% sales and use tax for certain feminine hygiene products. This ballot question was approved by the voters and, therefore, the sales tax exemption for these products will be effective January 1, 2019, until December 31, 2028.

S.B. 415 also provides that if the ballot question is approved by the voters, identical exemptions for these products from the Local School Support Tax and other state and local taxes would become effective January 1, 2019, and would also expire on December 31, 2028. These exemptions will reduce the amount of the commission that is kept by the Department of Taxation and deposited in the State General Fund for collection of these taxes.

GENERAL FUND REVENUES - ECONOMIC FORUM DECEMBER 3, 2018, FORECAST (UPDATED 1/2/2019)

ACTUAL: FY 2016 THROUGH FY 2018 AND FORECAST: FY 2019 THROUGH FY 2021

ECONOMIC FORUM'S FORECAST FOR FY 2019, FY 2020, AND FY 2021 APPROVED AT THE DECEMBER 3, 2018, MEETING

ADJUSTED FOR GENERAL FUND REPAYMENT APPROVED IN SECTION 39 OF ASSEMBLY BILL 518 (2017 SESSION)

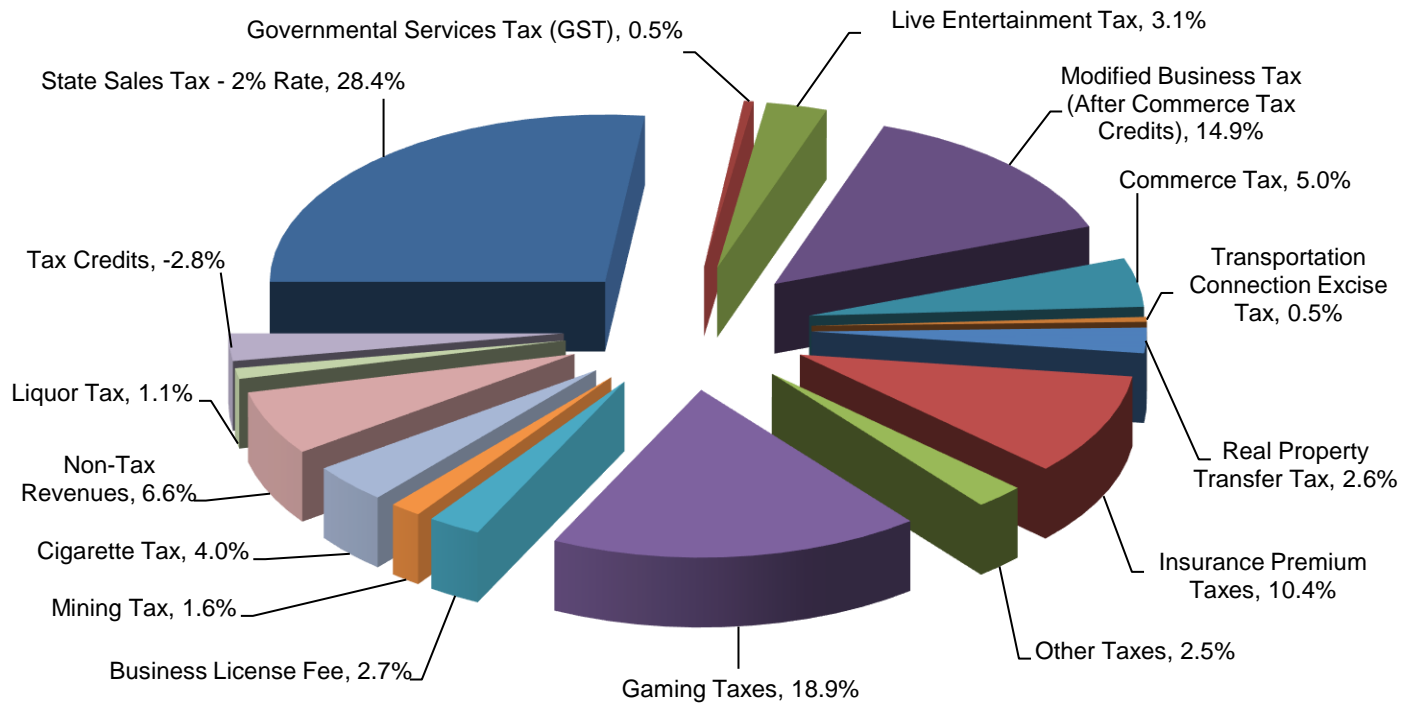
DESCRIPTION	FY 2016		FY 2017		FY 2018		ECONOMIC FORUM DECEMBER 3, 2018, FORECAST					
	ACTUAL	% Change	ACTUAL	% Change	ACTUAL	% Change	FY 2019 FORECAST		FY 2020 FORECAST		FY 2021 FORECAST	
								% Change		% Change		% Change

- [2-19] Section 39 of A.B. 518 provides General Fund appropriations of \$497,625 in FY 2018 and \$306,690 in FY 2019 to the Division of Enterprise Information Technology Services of the Department of Administration to enhance the state's cyber security resources. The legislatively approved repayment of these appropriations is 25 percent of the amounts appropriated per year, beginning in FY 2019 (for the FY 2018 appropriation) and in FY 2020 (for the FY 2019 appropriation).
- [3-19] Section 40 of A.B. 518 provides a General Fund appropriation of \$1,998,895 in FY 2018 to the Division of Enterprise Information Technology Services of the Department of Administration to increase the bandwidth and connectivity of the State's wide area network. The legislatively approved repayment of this appropriation is 25 percent of the amount appropriated per year, beginning in FY 2019.

TAX CREDIT PROGRAMS APPROVED BY THE LEGISLATURE

- [TC-1] Pursuant to S.B. 165 (2013), the Governor's Office of Economic Development (GOED) could issue up to \$20 million per fiscal year for a total of \$80 million for the four-year pilot program in transferrable tax credits that may be used against the Modified Business Tax, Insurance Premium Tax, and Gaming Percentage Fee Tax. The provisions of the film tax credit program were amended in S.B. 1 (28th Special Session (2014)) to reduce the total amount of the tax credits that may be approved by GOED to a total of \$10 million.
- Pursuant to A.B. 492 (2017), a total of \$10 million per year in film tax credits may be awarded by GOED beginning in FY 2018, in addition to any remaining amounts from S.B. 1 of the 28th Special Session (2014). Any portion of the \$10 million per fiscal year that is not approved by GOED may be carried forward and made available during the next or any future fiscal year. The amounts shown for FY 2019, FY 2020, and FY 2021 are based on information provided by GOED.
- [TC-2] Pursuant to S.B. 1 (28th Special Session (2014)), for certain qualifying projects, the Governor's Office of Economic Development (GOED) is required to issue transferrable tax credits that may be used against the Modified Business Tax, Insurance Premium Tax, and the Gaming Percentage Fee Tax. The amount of transferrable tax credits are equal to \$12,500 for each qualified employee employed by the participants in the project, to a maximum of 6,000 employees, plus 5 percent of the first \$1 billion of new capital investment in the State made collectively by the participants in the qualifying project, plus an additional 2.8 percent of the next \$2.5 billion in new capital investment in the State made collectively by the participants in the project. The amount of credits approved by GOED may not exceed \$45 million per fiscal year (though any unissued credits may be issued in subsequent fiscal years), and GOED may not issue total credits in excess of \$195 million. The amounts shown for FY 2019 and FY 2020 are based on information provided by GOED.
- Pursuant to S.B. 1 (29th Special Session (2015)), for certain qualifying projects, the Governor's Office of Economic Development (GOED) is required to issue transferrable tax credits that may be used against the Modified Business Tax, Insurance Premium Tax, and the Gaming Percentage Fee Tax. The amount of transferrable tax credits are equal to \$9,500 for each qualified employee employed by the participants in the project, to a maximum of 4,000 employees. The amount of credits approved by GOED may not exceed \$7.6 million per fiscal year (though any unissued credits may be issued in subsequent fiscal years), and GOED may not issue total credits in excess of \$38 million. The forecasts for FY 2019, FY 2020, and FY 2021 do not include any credits issued under these provisions, as there are currently no qualifying projects receiving these credits.
- [TC-3] Pursuant to S.B. 357 (2013), the Nevada New Markets Jobs Act allows insurance companies to receive a credit against the tax imposed on insurance premiums in exchange for making qualified equity investments in community development entities, particularly those that are local and minority-owned. A total of \$200 million in qualified equity investments may be certified by the Department of Business and Industry. In exchange for making the qualified equity investment, insurance companies are entitled to receive a credit against the Insurance Premium Tax in an amount equal to 58 percent of the total qualified equity investment that is certified by the Department. The credits may be taken in increments beginning on the second anniversary date of the original investment, as follows:
- 2 years after the investment is made: 12 percent of the qualified investment
 - 3 years after the investment is made: 12 percent of the qualified investment
 - 4 years after the investment is made: 12 percent of the qualified investment
 - 5 years after the investment is made: 11 percent of the qualified investment
 - 6 years after the investment is made: 11 percent of the qualified investment
- Under the provisions of S.B. 357, the insurance companies were allowed to begin taking tax credits in the third quarter of FY 2015. The amounts shown for FY 2019 and FY 2020 reflect estimates of the amount of tax credits that will be taken in each fiscal year based on information provided by the Department of Business and Industry and the Department of Taxation.
- [TC-4] S.B. 507 (2015) authorizes the Governor's Office of Economic Development (GOED) to approve transferrable tax credits that may be used against the Modified Business Tax, Insurance Premium Tax, and Gaming Percentage Fee Tax to new or expanding businesses to promote the economic development of Nevada. As approved in S.B. 507, the total amount of transferrable tax credits that may be issued is \$500,000 in FY 2016, \$2,000,000 in FY 2017, and \$5,000,000 for FY 2018 and each fiscal year thereafter.
- A.B. 1 of the 29th Special Session (2015) reduced the total amount of transferrable tax credits that may be issued by GOED to zero in FY 2016, \$1 million in FY 2017, \$2 million per year in FY 2018 and FY 2019, and \$3 million in FY 2020. For FY 2021 and future fiscal years, the amount of credits that may be issued by GOED remains at \$5 million per year. The amount shown for FY 2019 reflects estimates of actual and forecast credits that have been issued or will be issued in that fiscal year, based on information provided by GOED. The amounts shown for FY 2020 and FY 2021 are based on the maximum amount that can be issued in each fiscal year.
- [TC-5] A.B. 165 (2015) allows taxpayers who make donations of money to certain scholarship organizations to receive a dollar-for-dollar credit against the taxpayer's liability for the Modified Business Tax (MBT). The total amount of credits that may be approved by the Department of Taxation (Department) is \$5 million in FY 2016, \$5.5 million in FY 2017, and 110 percent of the total amount of credits authorized in the previous year, for all subsequent fiscal years. The amounts shown reflect the estimate based on the assumption that the total amount authorized for each fiscal year will be donated to a qualified scholarship organization and taken as credits against the MBT.
- S.B. 555 (2017) authorized an additional \$20 million in credits against the MBT under this program in Fiscal Year 2018 beyond those that were authorized in FY 2018 based on the provisions of A.B. 165 (2015). Any amount of the \$20 million in credits that is not approved by the Department may be issued in future fiscal years. The forecast for FY 2019 is based on the amount of this \$20 million that was awarded in FY 2018, but not used against the MBT in that fiscal year, plus the maximum amount of annual credits allowed based on the statutory formula adopted in A.B. 165 (2015). The forecasts for FY 2020 and FY 2021 are based on the maximum amount of annual credits allowed based on the statutory formula in A.B. 165 only.
- [TC-6] S.B. 412 (2015) provides a tax credit against the Modified Business Tax (MBT) to certain employers who match the contribution of an employee to one of the college savings plans offered through the Nevada Higher Education Prepaid Tuition Program and the Nevada College Savings Program authorized under existing law. The amount of the tax credit is equal to 25 percent of the matching contribution, not to exceed \$500 per contributing employee per year, and any unused credits may be carried forward for 5 years. The provisions relating to the Nevada College Savings Program are effective January 1, 2016, and the Higher Education Prepaid Tuition Program are effective July 1, 2016. The amounts shown are estimates based on information provided by the Treasurer's Office on enrollment and contributions for the college savings plans.

NEVADA GENERAL FUND REVENUE ACTUAL BY SOURCE BEFORE TAX CREDITS – FY 2018



ACTUAL GENERAL FUND REVENUE - FY 2018 AMOUNTS SHOWN FOR EACH REVENUE SOURCE ARE BEFORE TAX CREDITS^(2.)

	<u>Millions</u> <u>\$'s</u>	<u>% of</u> <u>Total*</u>		<u>Millions</u> <u>\$'s</u>	<u>% of</u> <u>Total*</u>
Taxes:			Other Taxes:		
Gaming Percentage Fee Tax (1.)	\$757.8	18.9%	Sales Tax Commissions	\$46.4	1.2%
State Sales Tax - 2% Rate	\$1,142.8	28.4%	Other Gaming Taxes & Fees	\$27.7	0.7%
Insurance Premium Taxes (1.)	\$418.9	10.4%	Other Tobacco Tax	\$16.5	0.4%
Cigarette Tax	\$160.7	4.0%	Annual Slot Tax Transfer	\$5.0	0.1%
Live Entertainment Tax:			Branch Bank Excise Tax	\$2.7	0.1%
Gaming Establishments	\$100.9	2.5%	Subtotal Other Taxes	\$98.4	2.5%
Non-Gaming Establishments	\$24.5	0.6%			
Modified Business Tax (MBT) (1.)(2.)	\$597.8	14.9%	Subtotal Taxes	\$3,866.2	96.2%
Commerce Tax	\$201.9	5.0%			
Transportation Connection Excise Tax	\$21.8	0.5%	Non-Tax Revenues		
Real Property Transfer Tax	\$103.4	2.6%	Licenses	\$138.9	3.5%
Business License Fee	\$109.3	2.7%	Fees and Fines	\$66.4	1.6%
Liquor Tax	\$44.2	1.1%	Use of Money and Property	\$9.5	0.2%
Mining Tax	\$63.5	1.6%	Miscellaneous Revenues	\$51.0	1.3%
Governmental Services Tax (GST)	\$20.3	0.5%	Subtotal Non-Tax Revenues	\$265.9	6.6%
			Total General Fund - Before Tax Credit Programs	\$4,132.1	102.8%
			Tax Credit Programs	-\$113.4	-2.8%
			Total General Fund - After Tax Credit Programs	\$4,018.7	100.0%

*% of Total based on the Total General Fund - After Tax Credit Programs amount.

(1.) The Gaming Percentage Fee Tax, the Modified Business Tax, and the Insurance Premium Tax may be impacted by one or more tax credit programs approved by the Legislature.

(2.) The amount shown for the Modified Business Tax (MBT) represents the estimates for the nonfinancial (MBT-NFI), financial (MBT-FI), and mining (MBT-Mining) portions of the MBT including the credit of up to 50% of the Commerce Tax against the MBT.

GENERAL FUND APPROPRIATION TRENDS

Total General Fund appropriations, as approved by the Legislature, have grown 23.6 percent over the ten-year period from \$3.535 billion in FY 2009 to \$4.049 billion in FY 2019 (legislatively approved during the 79th Session [2017]). The average annual growth per fiscal year over this ten-year period is 1.4 percent. Over this ten-year period, inflation increased by an average of 1.7 percent per fiscal year and statewide population increased by an average of 1.4 percent per fiscal year. In inflation-adjusted per-capita terms, General Fund appropriations have actually decreased by 15.6 percent from FY 2009 to FY 2019, or an average decrease of 1.7 percent per fiscal year.

Total General Fund appropriations of \$4.527 billion in FY 2021, as recommended by the Governor, represent a 35.7 percent increase over the FY 2011 amount of \$3.337 billion. After accounting for growth in population and inflation over this ten-year period, the Governor's recommended General Fund appropriation amount for FY 2021 of \$4.527 billion is 4.4 percent below the FY 2011 amount in inflation-adjusted per-capita terms.

Total legislatively approved General Fund appropriations for the 2017-19 biennium of \$7.986 billion were 9.4 percent above the appropriations approved for the 2015-17 biennium of \$7.237 billion.

Total General Fund appropriations for the 2019-21 biennium of \$8.932 billion, as recommended by the Governor, represent an 11.6 percent increase over the legislatively approved General Fund appropriations of \$7.986 billion for the 2017-19 biennium.

The chart on the following page displays the General Fund appropriations by functional area as approved by the Legislature during the 79th Session for the 2017-19 biennium. General Fund appropriations for Education accounted for 51.8 percent of total General Fund appropriations, while Human Services accounted for 31.3 percent.

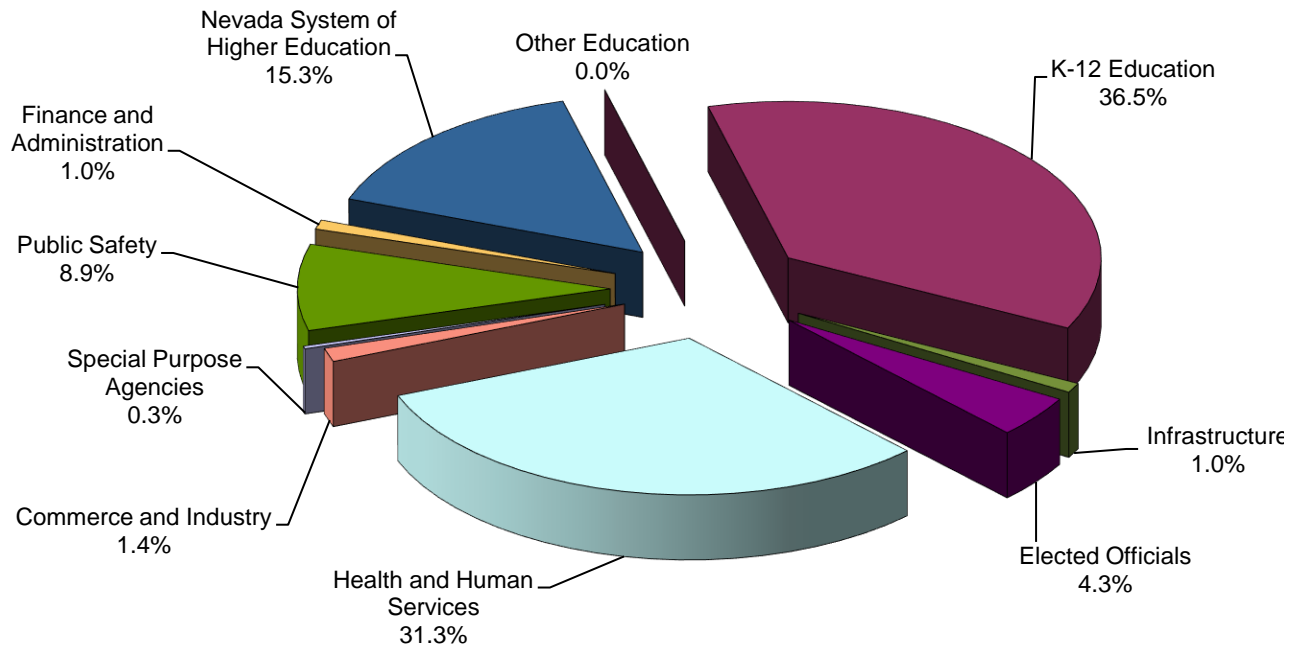
TOTAL STATE BUDGET TRENDS

As recommended by the Governor in The Executive Budget, funding from all sources, which includes the General Fund, the Highway Fund, federal funds, and other funds available to state agencies for FY 2021 of \$13.074 billion represents a 57.5 percent increase over the legislatively approved amount for FY 2011 of \$8.300 billion. The Governor recommended amount for FY 2021 represents an average increase over this ten-year period of 4.8 percent per fiscal year.

Total legislatively approved funding from all sources for the 2017-19 biennium of \$23.086 billion was 10.2 percent above the total funding approved for the 2015-17 biennium of \$20.940 billion.

NEVADA GENERAL FUND APPROPRIATIONS

LEGISLATURE APPROVED – 2017-19 BIENNIUM



LEGISLATURE APPROVED APPROPRIATIONS - 2017-19 BIENNIUM

	FY 2018	FY 2019	TOTAL ^d	% of Total
Elected Officials ^{a, c}	\$ 157,901,201	\$ 187,496,961	\$ 345,398,162	4.3%
Finance and Administration	\$ 37,724,397	\$ 38,281,152	\$ 76,005,549	1.0%
Education:				
K-12 Education	\$ 1,463,825,626	\$ 1,453,491,786	\$ 2,917,317,412	36.5%
Nevada System of Higher Education	\$ 604,955,114	\$ 618,644,646	\$ 1,223,599,760	15.3%
Other Education ^b	\$ -	\$ -	\$ -	0.0%
Subtotal Education	\$ 2,068,780,740	\$ 2,072,136,432	\$ 4,140,917,172	51.8%
Commerce and Industry	\$ 57,288,679	\$ 58,355,236	\$ 115,643,915	1.4%
Health and Human Services ^b	\$ 1,213,636,713	\$ 1,283,125,128	\$ 2,496,761,841	31.3%
Public Safety	\$ 352,580,102	\$ 358,884,213	\$ 711,464,315	8.9%
Infrastructure	\$ 40,272,239	\$ 37,856,732	\$ 78,128,971	1.0%
Special Purpose Agencies ^a	\$ 8,588,669	\$ 13,147,387	\$ 21,736,056	0.3%
Total	\$ 3,936,772,740	\$ 4,049,283,241	\$ 7,986,055,981	100.0%

a. The 2017 Legislature approved moving the Commission on Ethics from Elected Officials to Special Purpose Agencies and the operating appropriations were transferred to the Special Purpose Agencies function for the 2017-19 biennium.

b. The transfer of the Commission on Postsecondary Education to the Department of Employment, Training and Rehabilitation was approved by the 2017 Legislature. For comparison purposes, the General Fund operating appropriations for the Commission on Postsecondary Education moved to the Health and Human Services function for Legislature Approved Appropriations 2017-19 Biennium from Other Education in the Education function as shown in previous biennia.

c. The Elected Officials function for Legislature Approved Appropriations 2017-19 includes \$55,373,387 pursuant to A.B. 517 and \$27,689,196 pursuant to S.B. 368 appropriated to the Board of Examiners for salary adjustment allocations.

d. General Fund appropriation amounts approved by the 2017 Legislature have not been adjusted for allocations from the Interim Finance Committee or Fiscal Year 2019 Supplemental Appropriations recommended by the Governor in The Executive Budget.

SECTION II

GENERAL FUND PROJECTED FUND BALANCE

Senate Bill 23 (1993) established an Economic Forum to forecast State General Fund revenues for use by all state agencies, the Governor and the Legislature (NRS 353.226 - NRS 353.229). The Economic Forum must forecast revenues by December 1 of even-numbered years and revise the forecast by May 1 during the legislative session, if necessary. If either the Governor or the Legislature wants to appropriate more than what is available pursuant to the official forecast, a revenue enhancement proposal must be made.

The Governor is recommending the following “new/redirected” General Fund revenues and Tax Credits for the 2019-21 biennium:

	FY 2020	FY 2021	Total 2019-21 Biennium
New or Redirected General Fund Revenue and Tax Credits			
Redirects a portion of the Governmental Services Tax (GST) revenue from the 10% depreciation factor change (approved in S.B. 429, 2009 Session) from the Highway Fund to the General Fund. As approved in A.B. 486 by the 2017 Legislature, 100 percent of the proceeds from the GST were to be deposited in the Highway Fund beginning in FY 2020. The Governor recommends that 25% of the GST proceeds be deposited in the General Fund for FY 2020 and FY 2021.	\$ 21,364,800	\$ 21,664,500	\$ 43,029,300
The Department of Taxation determined that effective July 1, 2019, the rates for the Modified Business Tax should be permanently reduced from 2.0% to 1.853% for financial institutions and mining companies, and from 1.475% to 1.378% for all other businesses based on the combined revenue from the Commerce Tax, Modified Business Tax and Bank Branch Excise Tax exceeding 104% of the Economic Forum's May 1, 2017, forecasts for these revenues (NRS 360.203). The Governor recommends the Modified Business Tax rates remain at the 2.0% rate for financial institutions and mining companies and 1.475% for all other businesses, effective July 1, 2019.	\$ 48,193,000	\$ 48,870,000	\$ 97,063,000
Redirects \$2.00 of the quarterly licensing fees imposed on restricted and non-restricted slot machines that is dedicated to the Account to Support the Prevention and Treatment of Problem Gambling to the General Fund.	\$ 1,303,673	\$ 1,304,112	\$ 2,607,785
Redirects 0.6% of the Gaming Percentage Fee tax from the General Fund to the Account to Support the Prevention and Treatment of Problem Gambling.	\$ (4,663,488)	\$ (4,752,636)	\$ (9,416,124)
Authorizes \$10 million in state tax credits for the creation or preservation of affordable housing. Tax credits are anticipated to be taken starting in FY 2021.	\$ -	\$ (10,000,000)	\$ (10,000,000)
Total New/Enhanced General Fund Revenue	\$ 66,197,985	\$ 57,085,976	\$123,283,961

Once the official forecast of state revenues has been completed, an estimate of the unappropriated General Fund balance (surplus) can be made. The schedule on pages 25 and 26 displays the General Fund balance as estimated by the Governor's

Office of Finance for Fiscal Years 2019 through 2021. This balance is estimated to be achieved based on the General Fund revenue projections as provided by the Economic Forum on December 3, 2018 (increase of \$149.1 million for FY 2019 from the May 1, 2017, projections, and the amount approved by the 2017 Legislature). The Governor is also recommending reversions and fund transfers of \$83.5 million in Fiscal Year 2019 (refer to the schedule for details).

The projected General Fund balance, before any legislative action, on July 1, 2019, is projected to be \$614.1 million. Pursuant to NRS 353.213, the recommended budget must provide for a reserve of not less than 5 percent, or more than 10 percent of the total proposed ongoing appropriations from the State General Fund. Based on this statute, the ending fund balance for FY 2019 requires a minimum reserve of \$200.6 million (5 percent of approved operating appropriations of \$4.02 billion); this results in \$413.4 million available for appropriation in FY 2019 by the 2019 Legislature. Under the proposed budget, the balance would decrease from \$424.8 million on June 30, 2018, to \$256.5 million on June 30, 2021 (minimum 5 percent reserve would be \$226.3 million).

ACCOUNT TO STABILIZE THE OPERATION OF THE STATE GOVERNMENT (NRS 353.288)

In 1991, the Legislature created the Account to Stabilize the Operation of the State Government (Rainy Day Account) to help stabilize the budget. The idea was to create a state trust account, which could be funded during good times and accessed in a fiscal emergency. When the State General Fund surplus reaches a certain threshold at the end of a fiscal year, a portion of the excess is to be held to help the state through financial emergencies. The conditions under which monies can be expended are defined in law (NRS 353.288) and provide that the Director of the Office of Finance in the Office of the Governor may submit a request to the State Board of Examiners to transfer funds from the Rainy Day Account to the State General Fund to offset a budget shortfall or fiscal emergency under certain circumstances. Any transfer from the Rainy Day Account to the State General Fund must be approved by either the Legislature, if in session, or the Interim Finance Committee, if the Legislature is not in session. The Interim Finance Committee is not bound by the recommendations of the State Board of Examiners.

The 2003 Legislature approved Assembly Bill 259, which provided for the transfer of \$135.0 million from the Rainy Day Account to the State General Fund. Following this transfer, approximately \$1.3 million remained in the Rainy Day Account. The 24th Special Session (2008) approved Senate Bill 1, which provided for the transfer of \$267.0 million from the Rainy Day Account to the State General Fund. The 26th Special Session (2010) of the Legislature approved Assembly Bill 3, which provided for the transfer of \$632,516 from the Rainy Day Account to the State General Fund. The 2013 Legislature approved the transfer of the combined total of \$84.7 million from the Rainy Day Account to the State General Fund (A.B. 507) in FY 2014 for unrestricted General Fund use. Senate Bill 490 of the 78th Session approved by the 2015 Legislature facilitated the transfer of \$28.1 million from the Rainy Day Account to the State General Fund for unrestricted General Fund use, resulting in a zero balance for FY 2016. At the close of FY 2016, the State General Fund balance exceeded the estimate, which triggered a transfer of \$63.9 million to the Rainy Day Account for the starting balance of the 2017 Legislative

Session. The 2017 Legislature, through the passage of S.B. 550 and S.B. 553, approved a transfer of \$30.0 million from the Rainy Day Account to the State General Fund for unrestricted General Fund use. Additionally, based on the actual General Fund ending balance for FY 2017, the State Controller transferred \$64.3 million in FY 2018 from the State General Fund to the Rainy Day Account.

Revisions to the Rainy Day Account were approved by the 2009 Legislature through the passage of A.B. 165, which required the Governor to reserve 1.0 percent of the total anticipated revenue for each fiscal year as projected by the Economic Forum in December of even-numbered years. The bill also required that the State Controller transfer from the General Fund to the Rainy Day Account, at the beginning of each fiscal year, 1.0 percent of the total anticipated revenue projected by the Economic Forum in May of odd-numbered years and be adjusted by any legislation enacted by the Legislature that affects state revenue. However, due to the economic condition of the state following the nation's recession, these provisions were delayed first by the 2011 Legislature in A.B. 561 and again by the 2013 Legislature in A.B. 507, resulting ultimately in a July 1, 2015, effective date for these statutory revisions. Following the actions of the previous two legislatures, the 2015 Legislature also extended the effective date of the statutory changes to July 1, 2017, with the passage of S.B. 514. Commencing on July 1, 2017, 1.0 percent of the total anticipated revenue as projected by the Economic Forum was transferred from the General Fund to the Rainy Day Account in FY 2018. Based on the Economic Forum General Fund forecast for FY 2018, the State Controller transferred \$39.2 million from the General Fund to the Rainy Day Account. An additional transfer of \$40.8 million was made by the State Controller into the Rainy Day Account from the General Fund based on the anticipated revenue as forecast by the Economic Forum for FY 2019.

Legislation passed in the 2017 Session included S.B. 487, which established a 10.0 percent excise tax on each retail sale of marijuana and marijuana products. The statutory requirement of the bill, pursuant to NRS 372A.290, requires the revenues collected from the 10.0 percent excise tax to be credited to the Rainy Day Account, effective July 1, 2017. Actual revenue generated from the 10.0 percent excise tax on the retail sale of recreational marijuana and marijuana products in FY 2018 provided monthly transfers to the Rainy Day Account totaling \$42.5 million. Additionally, actual proceeds from the excise tax for transfer to the Rainy Day Account in FY 2019 through December 2018 is \$25.5 million.

The chart on the following page summarizes the activities in the Account to Stabilize the Operation of the State Government subsequent to the 2003 Legislature.

Account to Stabilize the Operation of the State Government (NRS 353.288)

Summary of Account Activity	Transfer or Appropriation to Account	Transfer from Account Pursuant to Legislative Action	Account Balance
Close of the 2003 Legislative Session			\$ 1,340,970
Transfer per NRS 353.288 - Close of FY 2004	\$ 70,609,836		
Contingent Appropriation - Senate Bill 8, 20th Special Session (2003)	\$ 50,000,000		
Transfer per NRS 353.288 - Close of FY 2005	\$ 25,214,470		
Appropriation - Approved by 2005 Legislature - FY 2006	\$ 37,000,000		
Transfer per NRS 353.288 - Close of FY 2006	\$ 49,467,240		
Appropriation - Approved by 2005 Legislature - FY 2007	\$ 34,000,000		
Close of FY 2007			\$ 267,632,516
Transfer - Senate Bill 1, 24th Special Session (2008)		\$ (267,000,000)	
Start of 2009 Legislative Session			\$ 632,516
Transfer - Assembly Bill 3, 26th Special Session (2010)		\$ (632,516)	
Transfer per NRS 353.288 - Close of FY 2010	\$ 41,321,014		
Start of 2011 Legislative Session			\$ 41,321,014
Transfer - Assembly Bill 561, 76th Session (2011)		\$ (41,321,014)	
Transfer per NRS 353.288 (1)(a) - Close of FY 2011	\$ 39,237,222		
Transfer per NRS 353.288 (1)(a) - Close of FY 2012	\$ 45,500,054		
Start of 2013 Legislative Session			\$ 84,737,276
Transfer - Assembly Bill 507, 77th Session (2013)		\$ (84,737,276)	
Transfer per NRS 353.288 (1)(a) - Close of FY 2013	\$ 28,061,106		
Start of 2015 Legislative Session			\$ 28,061,106
Transfer - Senate Bill 490, 78th Session (2015)		\$ (28,061,106)	
Transfer per NRS 353.288 (1)(a) - Close of FY 2016	\$ 63,935,955		
Start of 2017 Legislative Session			\$ 63,935,955
Transfer - Senate Bill 550, 79th Session (2017)		\$ (5,000,000)	
Transfer - Senate Bill 553, 79th Session (2017)		\$ (25,000,000)	
Transfer per NRS 353.288 (1)(a) - Close of FY 2017	\$ 64,317,785		
Transfer per NRS 353.288 (1)(b) - FY 2018	\$ 39,155,095		
Transfer per NRS 353.288 (1)(a) - Close of FY 2018	\$ 55,846,598		
Transfer per NRS 353.288 (1)(b) - FY 2019	\$ 40,765,283		
Transfer per NRS 372A.290 - 10% Excise Tax - FY 2018	\$ 42,489,202		
Transfer per NRS 372A.290 - 10% Excise Tax - FY 2019 Actuals through December 2018	\$ 25,539,410		
Start of 2019 Legislative Session			\$ 302,049,328

Notes:

NRS 353.288(1)(a) - Requires the State Controller to transfer from the State General Fund to the Account to Stabilize the Operation of the State Government, 40 percent of the unrestricted balance of the State General Fund, as of the close of the previous fiscal year, which remains after subtracting an amount equal to 7 percent of all appropriations made from the State General Fund during the previous fiscal year for the operation of all departments, institutions and agencies of state government and for the funding of schools.

NRS 353.288(1)(b) - Requires the Controller to transfer 1 percent of the total anticipated revenue for the fiscal year in which the transfer will be made, as projected by the Economic Forum for that fiscal year pursuant to paragraph (e) of subsection 1 of NRS 353.228 and as adjusted by any legislation enacted by the Legislature that affects state revenue for that fiscal year.

NRS 372A.290 - Subsection 2 imposes an excise tax on each retail sale of marijuana or marijuana products by a retail marijuana store at the rate of 10 percent of the sales price of the marijuana or marijuana products. Subsection 5 stipulates the revenues collected from the excise tax pursuant to subsection 2 must be paid over as collected for deposit to the credit of the Account to Stabilize the Operation of the State Government created in the State General Fund pursuant to NRS 353.288.

**Statement of Projected Unappropriated
General Fund Balance – Fiscal Years 2019-21 – Governor Recommends**

Unappropriated Balance July 1, 2018 (a.)		\$ 424,842,014
Unrestricted General Fund Revenue		
Projected Revenues FY 2019 - Economic Forum December 3, 2018	\$ 4,225,622,998	
Restricted General Fund Revenue		
Unclaimed Property - Millennium Scholarships	\$ 7,600,000	
Quarterly Slot Tax - Problem Gambling	\$ 1,308,381	
Nevada Arts Council	\$ 150,000	
General Fund Reversions / Fund Transfers		
Unrestricted General Fund Reversions	\$ 83,507,012	
Total Funds Available		\$ 4,743,030,405
Less Appropriations		
FY 2019 Operating Appropriations	\$ (4,049,283,241)	
Appropriations Transferred Between Fiscal Years	\$ 38,020,066	
One-Time Appropriations 2017 Legislature	\$ (8,519,981)	
UNR Engineering Building Debt Service Payments	\$ (1,030,563)	
Approved FY 2018 appropriations recorded in FY 2019	\$ (200,000)	
Appropriation adjustments - Supreme Court, Office of Cyber Defense	\$ (283,870)	
Total FY 2019 Appropriations Before Legislative Action		\$ (4,021,297,589)
Restricted General Fund Transfers		
Unclaimed Property - Millennium Scholarships	\$ (7,600,000)	
Problem Gambling	\$ (1,308,381)	
Nevada Arts Council	\$ (150,000)	
Account to Stabilize the Operation of State Government	\$ (96,611,881)	
Transfer to Disaster Relief Account	\$ (2,000,000)	
Total Estimated General Fund Balance July 1, 2019		\$ 614,062,554
5% Minimum Ending Fund Balance		\$ 200,609,743
Balance Over / (Under) 5% Minimum Ending Fund Balance		\$ 413,452,811
(a.) Subject to reconciliation with the Controller's Annual Report.		
<u>Estimated General Fund Balance Before Legislative Action</u>		
Unrestricted General Fund Revenue		
Projected Revenues FY 2020 - Economic Forum December 3, 2018	\$ 4,344,099,831	
Restricted General Fund Revenue		
Unclaimed Property - Millennium Scholarships	\$ 7,600,000	
Quarterly Slot Tax - Problem Gambling	\$ 1,303,673	
Nevada Arts Council	\$ 150,000	
General Fund Reversions	\$ 50,000,000	
Restricted General Fund Transfers		
Unclaimed Property - Millennium Scholarships	\$ (7,600,000)	
Quarterly Slot Tax - Problem Gambling	\$ (1,303,673)	
Nevada Arts Council	\$ (150,000)	
Transfer to Disaster Relief Account	\$ (2,000,000)	
Account to Stabilize the Operation of State Government	\$ (43,440,998)	
Total Estimated Revenues & Reversions FY 2020		\$ 4,348,658,833
Unrestricted General Fund Revenue		
Projected Revenues FY 2021 - Economic Forum December 3, 2018	\$ 4,491,217,355	
Restricted General Fund Revenue		
Unclaimed Property - Millennium Scholarships	\$ 7,600,000	
Quarterly Slot Tax - Problem Gambling	\$ 1,304,112	
Nevada Arts Council	\$ 150,000	
General Fund Reversions	\$ 50,000,000	
Restricted General Fund Transfers		
Unclaimed Property - Millennium Scholarships	\$ (7,600,000)	
Quarterly Slot Tax - Problem Gambling	\$ (1,304,112)	
Nevada Arts Council	\$ (150,000)	
Transfer to Disaster Relief Account	\$ (2,000,000)	
Account to Stabilize the Operation of State Government	\$ (44,912,174)	
Total Estimated Revenues & Reversions FY 2021		\$ 4,494,305,181
Estimated Unappropriated Balance July 1, 2021, Before Legislative Action		\$ 9,457,026,568

Statement of Projected Unappropriated General Fund Balance – Fiscal Years 2019-21 – Governor Recommends

Recommended General Fund Revenues / Appropriations Before the 80th Nevada Legislature		
New / Redirected General Fund Revenues - FY 2020		
Redirect 25% of Governmental Services Tax to the General Fund	\$ 21,364,800	
Maintain Modified Business Tax at existing rates	\$ 48,193,000	
Redirect \$2 of the quarterly licensing fees on restricted and non-restricted slot machines	\$ 1,303,673	
Redirect 0.6% of the Gaming Percentage Fee tax to the Problem Gambling Account	\$ (4,663,488)	
Total New / Redirected General Fund Revenues - FY 2020		\$ 66,197,985
New / Redirected General Fund Revenues - FY 2021		
Redirect 25% of Governmental Services Tax to the General Fund	\$ 21,664,500	
Maintain Modified Business Tax at existing rates	\$ 48,870,000	
Redirect \$2 of the quarterly licensing fees on restricted and non-restricted slot machines	\$ 1,304,112	
Redirect 0.6% of the Gaming Percentage Fee tax to the Problem Gambling Account	\$ (4,752,636)	
Authorize tax credits for the creation or preservation of affordable housing	\$ (10,000,000)	
Total New / Redirected General Fund Revenues - FY 2021		\$ 57,085,976
Total New / Redirected General Fund Revenues Before 80th Nevada Legislature		\$ 123,283,961
2019 Supplemental Appropriations	\$ (64,141,841)	
2019 Restoration of Fund Balances	\$ (18,753,908)	
2019 One-Time Appropriations	\$ (159,813,005)	
2019 Capital Improvement Program	\$ (88,801,977)	
Estimated Cost of the 80 th Nevada Legislature	\$ (20,000,000)	
2019 Recommended Appropriations		\$ (351,510,731)
2020 Operating Appropriations	\$ (4,405,415,556)	
2020 One-Time Appropriations	\$ (12,028,992)	
2020 Recommended Appropriations		\$ (4,417,444,548)
2021 Operating Appropriations	\$ (4,526,690,350)	
2021 One-Time Appropriations	\$ (7,500,000)	
Estimated Cost of the 81 st Nevada Legislature	\$ (19,447,280)	
2021 Recommended Appropriations		\$ (4,553,637,630)
2019-21 Recommended Appropriations		\$ (9,322,592,909)
Estimated Unappropriated Balance July 1, 2021, Before Legislative Action		\$ 9,457,026,568
Total New / Redirected General Fund Revenues Before 80th Nevada Legislature		\$ 123,283,961
Additional Transfer to the Account to Stabilize the Operation of State Government		\$ (1,232,840)
Recommended Appropriations Before the 80th Nevada Legislature		\$ (9,322,592,909)
Estimated Unappropriated General Fund Balance June 30, 2021		\$ 256,484,780
Minimum 5% Ending Fund Balance		\$ 226,334,518
Amount Over / (Under) Minimum 5% Ending Fund Balance		\$ 30,150,262

SECTION III

TAX OVERVIEW

This section reviews the major tax policy changes approved by the Legislature for the 79th Regular Session (2017). Summaries of tax policy changes between 1979 and 2017 are included in the Revenue Reference Manual prepared by the Fiscal Analysis Division, which is available from the Fiscal Analysis Division, or can be found on the Legislative Counsel Bureau's website at <http://www.leg.state.nv.us/Division/Fiscal/>.

79TH LEGISLATIVE SESSION (2017)

With comprehensive tax legislation having been approved by the Legislature and the Governor during the 2015 Session, issues that had been discussion points in the previous several sessions, such as the extension of the so-called "sunset taxes," were not an issue during the 2017 Session. As such, Governor Sandoval's State of the State address called for a balanced budget with relatively few changes to the tax system proposed. The Executive Budget submitted by Governor Sandoval in advance of the 2017 Session proposed total General Fund expenditures in excess of \$7.9 billion for the 2017-19 biennium, compared to the Economic Forum's forecast of nearly \$8.0 billion for the biennium.

The budget submitted by Governor Sandoval made one single recommendation for additional revenue for the State General Fund – the continuation of the deposit of 25 percent of the Governmental Services Tax revenue attributable to the 10 percent increase in the depreciation schedule for FY 2018 and FY 2019. The budget also proposed the elimination of the diversion of room tax revenues from the State Supplemental School Support Fund to the State Distributive School Account (DSA), instead using those revenues to fund supplemental per pupil programs for special education, at risk, English language learner, gifted and talented and other categorical programs in support of K-12 education.

During the 2017 Session, the Legislature approved the deposit of 25 percent of the Governmental Services Tax revenues from the 10 percent increase in the depreciation schedule in the State General Fund for the 2017-19 biennium. The remaining 75 percent continues to be deposited in the State Highway Fund with 100 percent dedicated to the Highway Fund beginning in FY 2020.

Additionally, the Legislature chose to continue the diversion of room tax revenues from the State Supplemental School Support Fund to the DSA, rather than dedicating the funding for K-12 categorical programs as originally recommended by Governor Sandoval.

The Legislature, during the 2017 Session, also approved two changes to tax credit programs administered by the state, including authorizing \$10 million in credits for the state's Film Transferable Tax Credit program per year, as well as authorizing an additional \$20 million in Educational Choice Scholarship Tax Credits in FY 2018 only.

Governor Sandoval's budget also proposed the creation of an excise tax of 10 percent on the retail sale of recreational marijuana sold in the state, with the proceeds to support K-12 education. The Legislature approved the 10 percent excise tax, but the proceeds from this new excise tax were required to be deposited in the Account to Stabilize the Operation of the State Government (Rainy Day Account).

The following summarizes the major elements regarding revenue from marijuana license fees and excise taxes and the use of their proceeds in relation to K-12 education, based on the Nevada Marijuana Legalization Initiative (Question 2) ballot question, recommendations by Governor Sandoval, and actions approved by the Nevada Legislature during the 2017 Session:

- All of the provisions of the ballot question approved by voters at the November 2016 General Election regarding the imposition of excise taxes and license fees and the required use of those proceeds were implemented as required in the ballot measure.
- As required by the provisions of the ballot question, the proceeds from the 15 percent excise tax on wholesale sales by a cultivation facility and the application and license fees first fund the costs of administration by the Department of Taxation and local governments with the revenue in excess of these costs deposited in the DSA to provide state funding for K-12 education.
- The 10 percent retail excise tax on recreational marijuana was not approved by voters as part of the provisions in the ballot question. The 10 percent retail excise tax was recommended by Governor Sandoval and approved by the Legislature during the 2017 Legislative Session in Senate Bill 487.
- The proceeds from the 10 percent retail excise tax were dedicated to the Rainy Day Account by the Legislature. The Legislature did not dedicate the proceeds to the DSA for K-12 education, as recommended by the Governor, due to issues during the legislative session related to complying with the provisions in the Nevada Constitution to approve appropriations for K-12 education before appropriations are approved for other parts of the State General Fund budget. Additionally, the Legislature determined it was appropriate to dedicate the proceeds to the Rainy Day Account given the potential uncertainty regarding the revenue estimates for this new tax and the desire to increase the balance available in the state's savings account to address future potential negative events that could affect the State General Fund budget.
- The action by the Legislature to require the proceeds from the 10 percent retail excise tax to be deposited in the Rainy Day Account had no impact on the amount of state funding approved by the Legislature during the 2017 Session for K-12 education. The Legislature replaced the projected amount of proceeds from the 10 percent retail excise tax with an identical amount of General Fund appropriations in Senate Bill 544 (the K-12 funding bill).

Tables 1 and 2 summarize the changes to General Fund revenue sources and tax credits enacted by the Legislature during the 79th Legislative Session.

TABLE 1
ADJUSTMENTS TO THE ECONOMIC FORUM MAY 1, 2017, FORECAST FOR THE 2017-19 BIENNIUM
FOR MEASURES APPROVED BY THE 2017 LEGISLATURE (79th SESSION)

DESCRIPTION	ESTIMATED REVENUE IMPACT FROM LEGISLATIVE ACTIONS							
	FY 2017		FY 2018		FY 2019		2017-2019 BIENNIUM*	
		% Change		% Change		% Change		
Economic Forum May 1, 2017, Forecast <u>Before</u> Tax Credits and <u>Without</u> Adjustments for Measures Approved by the 2017 Legislature	\$3,960,534,635	5.6%	\$4,074,768,163	2.9%	\$4,230,541,751	3.8%	\$8,305,309,914	
ADJUSTMENTS TO REVENUE								
TAXES								
GOVERNMENTAL SERVICES TAX - GST (A.B. 486) A.B. 486 requires 25% of the proceeds from the portion of the Governmental Services Tax (GST) generated from the 10% depreciation schedule change, approved in S.B. 429 (2009), to be allocated to the State General Fund in FY 2018 and FY 2019. Under A.B. 486, 100% of the additional revenue generated from the GST 10% depreciation schedule change is required to be deposited in the State Highway Fund beginning in FY 2020 and going forward permanently.			\$19,367,000		\$19,573,500		\$38,940,500	
NET IMPACT - TOTAL TAXES			<u>\$19,367,000</u>		<u>\$19,573,500</u>		<u>\$38,940,500</u>	
FEES AND FINES								
DIVISION OF STATE LANDS - NAVIGABLE WATER PERMIT FEES (S.B. 512) S.B. 512 removes fees for the issuance of certain permits relating to the usage of piers, docks, buoys, or other facilities on navigable bodies of water in this state from NRS 322.120, and instead requires that the State Land Registrar of the Division of State Lands of the Department of Conservation and Natural Resources establish these fees by regulation, effective July 1, 2017. The bill requires that the first \$65,000 of the proceeds from these permit fees be deposited in the State General Fund in each fiscal year, with any proceeds in excess of \$65,000 to be used by the State Land Registrar to carry out programs to preserve, protect, restore, and enhance the natural environment of the Lake Tahoe Basin. Prior to the passage of S.B. 512, the proceeds from the navigable water permit fees permitted pursuant to NRS 322.120 were recorded as Miscellaneous Fee revenue. Beginning in FY 2018, the proceeds from these fees are accounted for separately under Navigable Water Permit Fees, resulting in a corresponding reduction to the forecast for Miscellaneous Fees.			\$65,000		\$65,000		\$130,000	
DIVISION OF WATER RESOURCES - STATE ENGINEER SALES (S.B. 514) S.B. 514 requires that certain fees collected by the State Engineer of the Division of Water Resources of the Department of Conservation and Natural Resources relating to services for the adjudication and appropriation of water be deposited in the State General Fund.			\$3,467,000		\$3,467,000		\$6,934,000	
MISCELLANEOUS FINES & FORFEITURES - SECRETARY OF STATE'S OFFICE (S.B. 515) S.B. 515 requires that certain penalties received by the Securities Division of the Secretary of State's Office be deposited in the State General Fund, instead of the Secretary of State's Office's operating budget, effective July 1, 2017.			\$117,256		\$117,256		\$234,512	
NET IMPACT - FEES AND FINES			<u>\$3,649,256</u>		<u>\$3,649,256</u>		<u>\$7,298,512</u>	

TABLE 1
ADJUSTMENTS TO THE ECONOMIC FORUM MAY 1, 2017, FORECAST FOR THE 2017-19 BIENNIUM
FOR MEASURES APPROVED BY THE 2017 LEGISLATURE (79th SESSION)

DESCRIPTION	ESTIMATED REVENUE IMPACT FROM LEGISLATIVE ACTIONS						
	FY 2017	% Change	FY 2018	% Change	FY 2019	% Change	2017-2019 BIENNIUM*
USE OF MONEY AND PROPERTY							
EITS REPAYMENT - CYBER SECURITY RESOURCE ENHANCEMENT (A.B. 518) Section 39 of A.B. 518 provides General Fund appropriations of \$497,625 in FY 2018 and \$306,690 in FY 2019 to the Division of Enterprise Information Technology Services of the Department of Administration to enhance the state's cyber security resources. The legislatively approved repayment of these appropriations is 25 percent of the amounts appropriated per year, beginning in FY 2019 (for the FY 2018 appropriation) and in FY 2020 (for the FY 2019 appropriation). This revenue action was part of an adjustment made to the Economic Forum December 3, 2018, forecast.					\$124,406		\$124,406
EITS REPAYMENT - WIDE-AREA NETWORK UPGRADE (A.B. 518) Section 40 of A.B. 518 provides a General Fund appropriation of \$1,998,895 in FY 2018 to the Division of Enterprise Information Technology Services of the Department of Administration to increase the bandwidth and connectivity of the State's wide area network. The legislatively approved repayment of this appropriation is 25 percent of the amount appropriated per year, beginning in FY 2019.					\$499,724		\$499,724
NET IMPACT - USE OF MONEY AND PROPERTY					<u>\$624,130</u>		<u>\$624,130</u>
OTHER REVENUE							
MISCELLANEOUS FEES (S.B. 512) S.B. 512 removes fees for the issuance of certain permits relating to the usage of piers, docks, buoys, or other facilities on navigable bodies of water in this state from NRS 322.120, and instead requires that the State Land Registrar of the Division of State Lands of the Department of Conservation and Natural Resources to establish these fees by regulation, effective July 1, 2017. The bill requires that the first \$65,000 of the proceeds from these permit fees be deposited in the State General Fund in each fiscal year, with any proceeds in excess of \$65,000 to be used by the State Land Registrar to carry out programs to preserve, protect, restore, and enhance the natural environment of the Lake Tahoe Basin. Prior to the passage of S.B. 512, the proceeds from the navigable water permit fees permitted pursuant to NRS 322.120 were recorded as Miscellaneous Fee revenue. Beginning in FY 2018, the proceeds from these fees are accounted for separately under Navigable Water Permit Fees, resulting in a corresponding reduction of the forecast for Miscellaneous Fees.			-\$65,000		-\$65,000		-\$130,000
COURT ADMINISTRATIVE ASSESSMENTS Estimated portion of the revenue generated from Court Administrative Assessment Fees to be deposited in the State General Fund (pursuant to subsection 9 of NRS 176.059), based on the legislatively approved projections and the authorized allocation for the Court Administrative Assessment Fee revenues (pursuant to subsection 8 of NRS 176.059) for FY 2016 and FY 2017.			\$1,328,228		\$1,080,780		\$2,409,008
COST RECOVERY PLAN Adjustment to the Statewide Cost Allocation amount included in the Legislature Approves budget after the May 1, 2017, approval of the General Fund revenue forecast by the Economic Forum.			\$221,249		\$233,016		\$454,265
NET IMPACT - OTHER REVENUE			<u>\$1,484,477</u>		<u>\$1,248,796</u>		<u>\$2,733,273</u>
NET IMPACT - ADJUSTMENTS TO REVENUE			<u>\$24,500,733</u>		<u>\$25,095,682</u>		<u>\$49,596,415</u>
ECONOMIC FORUM MAY 1, 2017, FORECAST BEFORE TAX CREDITS AND WITH ADJUSTMENTS							
FOR MEASURES APPROVED BY THE 2017 LEGISLATURE	<u>\$3,960,534,635</u>	5.6%	<u>\$4,099,268,896</u>	3.5%	<u>\$4,255,637,433</u>	3.8%	<u>\$8,354,906,329</u>

* The amounts shown in the 2017-2019 Biennium column represent the sum of the FY 2018 and FY 2019 amounts and do not include any amounts shown for FY 2017.

TABLE 1
ADJUSTMENTS TO THE ECONOMIC FORUM MAY 1, 2017, FORECAST FOR THE 2017-19 BIENNIUM
FOR MEASURES APPROVED BY THE 2017 LEGISLATURE (79th SESSION)

DESCRIPTION	ESTIMATED REVENUE IMPACT FROM LEGISLATIVE ACTIONS							
	FY 2017	% Change	FY 2018	% Change	FY 2019	% Change	2017-2019 BIENNIUM*	
Economic Forum May 1, 2017, Forecast <u>Before</u> Tax Credits and <u>With</u> Adjustments for Measures Approved by the 2017 Legislature	\$3,960,534,635	5.6%	\$4,099,268,896	3.5%	\$4,255,637,433	3.8%	\$8,354,906,329	
Commerce Tax Credit	-\$76,227,000		-\$88,763,000		-\$93,023,000		-\$181,786,000	
Economic Forum May 1, 2017, Forecast <u>Before</u> Tax Credits and <u>With</u> Adjustments for Measures Approved by the 2017 Legislature (<u>After Commerce Tax Credits</u>)	\$3,884,307,635	3.6%	\$4,010,505,896	3.2%	\$4,162,614,433	3.8%	\$8,173,120,329	
ADJUSTMENTS TO TAX CREDIT PROGRAMS								
TRANSFERRABLE FILM TAX CREDIT PROGRAM (A.B. 492)			-\$10,000,000		-\$10,000,000		-\$20,000,000	
A.B. 492 allows GOED to award a total of \$10 million per year in film tax credits beginning in FY 2018, in addition to any remaining amounts from S.B. 1 (28th Special Session (2014)). Any portion of the \$10 million per fiscal year that is not approved by GOED may be carried forward and made available during the next or any future fiscal year.								
NEVADA EDUCATIONAL CHOICE SCHOLARSHIP TAX CREDIT PROGRAM (S.B. 555)			-\$20,000,000				-\$20,000,000	
S.B. 555 authorizes an additional \$20 million in credits against the Modified Business Tax (MBT) under this program in Fiscal Year 2018, beyond those that were already authorized in FY 2018 based on the provisions of A.B. 165 (2015). Any amount of the \$20 million in credits that is not approved by the Department may be issued in future fiscal years.								
NET IMPACT - ADJUSTMENTS TO TAX CREDIT PROGRAMS			-\$30,000,000		-\$10,000,000		-\$40,000,000	
Tax Credits Approved by Legislature - Economic Forum May 1, 2017, Forecast	-\$70,906,665		-\$64,996,426		-\$75,462,000		-\$140,458,426	
TOTAL TAX CREDITS <u>WITH</u> ADJUSTMENTS FOR MEASURES APPROVED BY THE 2017 LEGISLATURE	-\$70,906,665		-\$94,996,426		-\$85,462,000		-\$180,458,426	
Economic Forum May 1, 2017, Forecast <u>After</u> Tax Credits and <u>With</u> Adjustments for Measures Approved by the 2017 Legislature (<u>After Commerce Tax Credits</u>)	\$3,813,400,970	3.2%	\$3,915,509,470	2.7%	\$4,077,152,433	4.1%	\$7,992,661,903	

* The amounts shown in the 2017-2019 Biennium column represent the sum of the FY 2018 and FY 2019 amounts and do not include any amounts shown for FY 2017.

TABLE 1
ADJUSTMENTS TO THE ECONOMIC FORUM MAY 1, 2017, FORECAST FOR THE 2017-19 BIENNIUM
ADJUSTMENTS TO THE DISTRIBUTIVE SCHOOL ACCOUNT (DSA) FOR THE 2017-19 BIENNIUM
BASED ON MEASURES APPROVED BY THE 2017 LEGISLATURE (79th SESSION)

DESCRIPTION	ESTIMATED REVENUE IMPACT FROM LEGISLATIVE ACTIONS			
	FY 2017 %	FY 2018 %	FY 2019 %	2017-2019 BIENNIUM*
STATE 3% ROOM TAX - I.P. 1 (2009) (S.B. 544) S.B. 544 requires the proceeds generated from the State 3% Room Tax deposited in the State Supplemental School Support Fund, pursuant to I.P. 1 (2009 Session), to be transferred to the Distributive School Account (DSA) for FY 2018 and FY 2019. The transfer of the room tax proceeds to the DSA provides a State General Fund offset in FY 2018 and FY 2019. Beginning in FY 2020, the proceeds from the State 3% Room Tax will remain in the State Supplemental School Support Fund and will be used to provide funding for K-12 education as intended under I.P. 1.		\$185,056,000	\$191,092,000	\$376,148,000
MEDICAL MARIJUANA (S.B. 487) S.B. 487 replaces the 2% excise taxes on medical marijuana cultivation, production, and dispensary establishments with a 15% tax, based on the fair market value at wholesale of the marijuana, on the wholesale sale by a cultivation facility to another medical marijuana establishment. The bill additionally requires that any revenue from the application and license fees and 15% excise tax in excess of the amount allocated to the Department of Taxation and local governments to administer the medical marijuana program be deposited in the State Distributive School Account (DSA).		\$3,098,850	\$3,937,532	\$7,036,382
NET IMPACT - DSA		<u>\$188,154,850</u>	<u>\$195,029,532</u>	<u>\$383,184,382</u>

GENERAL FUND AND DISTRIBUTIVE SCHOOL ACCOUNT (DSA)
ADJUSTMENTS TO THE GENERAL FUND AND DSA FOR THE 2017-19 BIENNIUM
BASED ON MEASURES APPROVED BY THE 2017 LEGISLATURE (79th SESSION)

DESCRIPTION	ESTIMATED REVENUE IMPACT FROM LEGISLATIVE ACTIONS			
	FY 2017 %	FY 2018 %	FY 2019 %	2017-2019 BIENNIUM*
GENERAL FUND - ADJUSTMENTS TO REVENUE		\$24,500,733	\$25,095,682	\$49,596,415
GENERAL FUND - ADJUSTMENTS TO TAX CREDIT PROGRAMS		-\$30,000,000	-\$10,000,000	-\$40,000,000
NET IMPACT - GENERAL FUND		<u>-\$5,499,267</u>	<u>\$15,095,682</u>	<u>\$9,596,415</u>
DISTRIBUTIVE SCHOOL ACCOUNT (DSA)		\$188,154,850	\$195,029,532	\$383,184,382
NET IMPACT - GENERAL FUND AND DSA		<u>\$212,655,583</u>	<u>\$220,125,214</u>	<u>\$432,780,797</u>

* The amounts shown in the 2017-2019 Biennium column represent the sum of the FY 2018 and FY 2019 amounts and do not include any amounts shown for FY 2017.

TABLE 2
ECONOMIC FORUM MAY 1, 2017, GENERAL FUND REVENUE FORECAST FOR FY 2017, FY 2018, AND FY 2019
BEFORE AND AFTER TAX CREDIT PROGRAMS APPROVED DURING THE 2013 AND 2015 LEGISLATIVE SESSIONS
AND WITH ADJUSTMENT FOR MEASURES APPROVED BY THE 2017 LEGISLATURE (79TH SESSION)

DESCRIPTION	ECONOMIC FORUM MAY 1, 2017, FORECAST <u>BEFORE</u> AND <u>AFTER</u> TAX CREDITS AND <u>WITH</u> ADJUSTMENT FOR MEASURES APPROVED BY THE 2017 LEGISLATURE							
	FY 2017	% Change	FY 2018	% Change	FY 2019	% Change	2017-2019 BIENNIUM*	
Economic Forum May 1, 2017, Forecast <u>Before</u> Tax Credits and <u>Without</u> Adjustments Approved by the 2017 Legislature	\$3,960,534,635	5.6%	\$4,074,768,163	2.9%	\$4,230,541,751	3.8%	\$8,305,309,914	
Adjustments to Revenue Based on Measures Approved by the 2017 Legislature (79th Session) <u>Before</u> Tax Credits			\$24,500,733		\$25,095,682		\$49,596,415	
Economic Forum May 1, 2017, Forecast <u>Before</u> Tax Credits and <u>With</u> Adjustments Approved by the 2017 Legislature	\$3,960,534,635	5.6%	\$4,099,268,896	3.5%	\$4,255,637,433	3.8%	\$8,354,906,329	
ESTIMATED TAX CREDITS - COMMERCE TAX								
COMMERCE TAX CREDIT (S.B. 483 (2015))	-\$76,227,000		-\$88,763,000		-\$93,023,000		-\$181,786,000	
Pursuant to S.B. 483 (2015), a business that pays the Commerce Tax may take a credit against that business's Modified Business Tax (MBT) due during the current fiscal year, in an amount not to exceed 50% of the Commerce Tax paid by the business for the preceding fiscal year. The credit can be taken against any or all of the four quarterly MBT payments for the current fiscal year, but any amount of credit not used cannot be carried forward and used in succeeding fiscal years. The total estimated Commerce Tax credit amount listed for each fiscal year is aggregated for all three components of the MBT (MBT-NFI, MBT-FI, and MBT-Mining).								
Economic Forum May 1, 2017, Forecast <u>Before</u> Tax Credits and <u>With</u> Adjustments for Measures Approved by the 2017 Legislature (<u>After</u> Commerce Tax Credits)	\$3,884,307,635	3.6%	\$4,010,505,896	3.2%	\$4,162,614,433	3.8%	\$8,173,120,329	
ESTIMATED TAX CREDITS - TAX CREDIT PROGRAMS								
TRANSFERRABLE FILM TAX CREDIT PROGRAM (S.B. 165 (2013)/A.B. 492 (2017))	-\$3,908,259		-\$11,720,926		-\$10,000,000		-\$21,720,926	
Pursuant to S.B. 165 (2013), the Governor's Office of Economic Development (GOED) could issue up to \$20 million per fiscal year for a total of \$80 million for the four-year pilot program in transferrable tax credits that may be used against the Modified Business Tax, Insurance Premium Tax, and Gaming Percentage Fee Tax. The film tax credit program was amended in S.B. 1 (28th Special Session (2014)) to reduce the total amount of the tax credits that may be approved by GOED to a total of \$10 million. The amounts shown reflect estimates based on information provided by GOED during the 2017 Session on the amount of tax credits that have been or will be approved for use in FY 2017 and FY 2018.								
A.B. 492 (2017) allows GOED to award a total of \$10 million per year in film tax credits beginning in FY 2018, in addition to any remaining amounts from S.B. 1 (28th Special Session (2014)). Any portion of the \$10 million per fiscal year that is not approved by GOED may be carried forward and made available during the next or any future fiscal year.								

TABLE 2
ECONOMIC FORUM MAY 1, 2017, GENERAL FUND REVENUE FORECAST FOR FY 2017, FY 2018, AND FY 2019
BEFORE AND AFTER TAX CREDIT PROGRAMS APPROVED DURING THE 2013 AND 2015 LEGISLATIVE SESSIONS
AND WITH ADJUSTMENT FOR MEASURES APPROVED BY THE 2017 LEGISLATURE (79TH SESSION)

DESCRIPTION	ECONOMIC FORUM MAY 1, 2017, FORECAST <u>BEFORE</u> AND <u>AFTER</u> TAX CREDITS AND <u>WITH</u> ADJUSTMENT FOR MEASURES APPROVED BY THE 2017 LEGISLATURE			
	FY 2017 % Change	FY 2018 % Change	FY 2019 % Change	2017-2019 BIENNIUM*
<p>NEVADA EDUCATIONAL CHOICE SCHOLARSHIP TAX CREDIT PROGRAM (A.B. 165 (2015)/S.B. 555 (2017))</p> <p>A.B. 165 (2015) allows taxpayers who make donations of money to certain scholarship organizations to receive a dollar-for-dollar credit against the taxpayer's liability for the Modified Business Tax (MBT). The total amount of credits that may be approved by the Department is \$5 million in FY 2016, \$5.5 million in FY 2017, and 110 percent of the total amount of credits authorized in the previous year, for all subsequent fiscal years. The amount shown for FY 2017 includes amounts that were awarded in FY 2016, but were not used in that fiscal year. The amounts shown for FY 2018 and FY 2019 are based on the amounts approved in A.B. 165.</p> <p>S.B. 555 (2017) authorizes an additional \$20 million in credits against the Modified Business Tax (MBT) under this program in Fiscal Year 2018, beyond those that were already authorized in FY 2018 based on the provisions of A.B. 165 (2015). Any amount of the \$20 million in credits that is not approved by the Department may be issued in future fiscal years.</p>	-\$6,098,460	-\$26,050,000	-\$6,655,000	-\$32,705,000
<p>NEVADA NEW MARKETS JOBS ACT TAX CREDIT PROGRAM (S.B. 357 (2013))</p> <p>Pursuant to S.B. 357 (2013), the Nevada New Markets Jobs Act allows insurance companies to receive a credit against the tax imposed on insurance premiums in exchange for making qualified equity investments in community development entities, particularly those that are local and minority-owned. A total of \$200 million in qualified equity investments may be certified by the Department of Business and Industry. In exchange for making the qualified equity investment, insurance companies are entitled to receive a credit against the Insurance Premium Tax in an amount equal to 58 percent of the total qualified equity investment that is certified by the Department. The credits may be taken in increments beginning on the second anniversary date of the original investment, as follows:</p> <p>2 years after the investment is made: 12 percent of the qualified investment 3 years after the investment is made: 12 percent of the qualified investment 4 years after the investment is made: 12 percent of the qualified investment 5 years after the investment is made: 11 percent of the qualified investment 6 years after the investment is made: 11 percent of the qualified investment</p> <p>Under the provisions of S.B. 357, the insurance companies were allowed to begin taking tax credits in the third quarter of FY 2015. The amounts shown reflect estimates of the amount of tax credits that will be taken in each fiscal year based on information provided by the Department of Business and Industry and the Department of Taxation during the 2015 Session.</p>	-\$24,000,000	-\$24,000,000	-\$22,000,000	-\$46,000,000

TABLE 2
ECONOMIC FORUM MAY 1, 2017, GENERAL FUND REVENUE FORECAST FOR FY 2017, FY 2018, AND FY 2019
BEFORE AND AFTER TAX CREDIT PROGRAMS APPROVED DURING THE 2013 AND 2015 LEGISLATIVE SESSIONS
AND WITH ADJUSTMENT FOR MEASURES APPROVED BY THE 2017 LEGISLATURE (79TH SESSION)

DESCRIPTION	ECONOMIC FORUM MAY 1, 2017, FORECAST <u>BEFORE</u> AND <u>AFTER</u> TAX CREDITS AND <u>WITH</u> ADJUSTMENT FOR MEASURES APPROVED BY THE 2017 LEGISLATURE			
	FY 2017 % Change	FY 2018 % Change	FY 2019 % Change	2017-2019 BIENNIUM*
<p>ECONOMIC DEVELOPMENT TRANSFERRABLE TAX CREDIT PROGRAMS (S.B. 1 (28TH S.S.)/S.B. 1 (29TH S.S.))</p> <p>Pursuant to S.B. 1 (28th Special Session (2014)), for certain qualifying projects with a capital investment of at least \$3.5 billion, the Governor's Office of Economic Development (GOED) is required to issue transferrable tax credits that may be used against the Modified Business Tax, Insurance Premium Tax, and the Gaming Percentage Fee Tax. The amount of transferrable tax credits are equal to \$12,500 for each qualified employee employed by the participants in the project, to a maximum of 6,000 employees, plus 5 percent of the first \$1 billion of new capital investment in the State made collectively by the participants in the qualifying project, plus an additional 2.8 percent of the next \$2.5 billion in new capital investment in the State made collectively by the participants in the project. The amount of credits approved by GOED may not exceed \$45 million per fiscal year (though any unissued credits may be issued in subsequent fiscal years), and GOED may not issue total credits in excess of \$195 million.</p> <p>Pursuant to S.B. 1 (29th Special Session (2015)), for certain qualifying projects with a capital investment of at least \$1 billion, the Governor's Office of Economic Development (GOED) is required to issue transferrable tax credits that may be used against the Modified Business Tax, Insurance Premium Tax, and the Gaming Percentage Fee Tax. The amount of transferrable tax credits are equal to \$9,500 for each qualified employee employed by the participants in the project, to a maximum of 4,000 employees. The amount of credits approved by GOED may not exceed \$7.6 million per fiscal year (though any unissued credits may be issued in subsequent fiscal years), and GOED may not issue total credits in excess of \$38 million.</p> <p>The amounts shown reflect estimates based on information provided by GOED during the 2017 Session on the amount of credits that will be used or be approved for use in FY 2017, FY 2018, and FY 2019.</p>	-\$36,475,946	-\$31,087,500	-\$44,600,000	-\$75,687,500
<p>CATALYST ACCOUNT TRANSFERRABLE TAX CREDIT PROGRAM (S.B. 507 (2015)/A.B. 1 (29TH S.S.))</p> <p>S.B. 507 (2015) authorizes the Governor's Office of Economic Development (GOED) to approve and issue transferrable tax credits that may be used against the Modified Business Tax (MBT), Insurance Premium Tax, and Gaming Percentage Fee Tax to new or expanding businesses to promote the economic development of Nevada. Pursuant to A.B. 1 of the 29th Special Session (2015), the total amount of transferrable tax credits that may be issued is \$1 million in FY 2017, \$2 million per year in FY 2018 and FY 2019, and \$3 million in FY 2020. For FY 2021 and future fiscal years, the amount of credits that may be issued by GOED remains at \$5 million per year. The amount shown for FY 2017 is based on information provided by GOED on the amount of credits that will be used or approved for use in FY 2017. The amounts shown for FY 2018 and FY 2019 are the estimate based on the maximum amount that can be issued in each fiscal year.</p>	-\$355,000	-\$2,000,000	-\$2,000,000	-\$4,000,000

TABLE 2
ECONOMIC FORUM MAY 1, 2017, GENERAL FUND REVENUE FORECAST FOR FY 2017, FY 2018, AND FY 2019
BEFORE AND AFTER TAX CREDIT PROGRAMS APPROVED DURING THE 2013 AND 2015 LEGISLATIVE SESSIONS
AND WITH ADJUSTMENT FOR MEASURES APPROVED BY THE 2017 LEGISLATURE (79TH SESSION)

DESCRIPTION	ECONOMIC FORUM MAY 1, 2017, FORECAST <u>BEFORE</u> AND <u>AFTER</u> TAX CREDITS AND <u>WITH</u> ADJUSTMENT FOR MEASURES APPROVED BY THE 2017 LEGISLATURE									
	FY 2017		% Change	FY 2018		% Change	FY 2019		% Change	2017-2019 BIENNIUM*
COLLEGE SAVINGS PLAN EMPLOYER MATCHING EMPLOYEE CONTRIBUTION TAX CREDIT PROGRAM (S.B. 412 (2015)) S.B. 412 (2015) provides a tax credit against the Modified Business Tax (MBT) to certain employers who match the contribution of an employee to one of the college savings plans offered through the Nevada Higher Education Prepaid Tuition Program and the Nevada College Savings Program authorized under existing law. The amount of the tax credit is equal to 25 percent of the matching contribution, not to exceed \$500 per contributing employee per year, and any unused credits may be carried forward for 5 years. The amounts shown are estimates based on information provided by the Treasurer's Office on enrollment and contributions for the college savings plans.	-\$69,000			-\$138,000			-\$207,000			-\$345,000
TOTAL - ALL OTHER TAX CREDITS APPROVED BY ECONOMIC FORUM AT THE MAY 1, 2017, MEETING ADJUSTED FOR MEASURES BY THE 2017 LEGISLATURE	-\$70,906,665			-\$94,996,426			-\$85,462,000			-\$180,458,426
Economic Forum May 1, 2017, Forecast <u>After</u> Tax Credits Approved on May 1, 2017, and <u>With</u> Adjustments Approved by the 2017 Legislature	\$3,813,400,970	3.2%		\$3,915,509,470	2.7%		\$4,077,152,433	4.1%		\$7,992,661,903
Economic Forum May 1, 2017, Forecast <u>After</u> Tax Credits Approved on May 1, 2017, and <u>Without</u> Adjustments Approved by the 2017 Legislature	\$3,813,400,970	3.2%		\$3,921,008,737	2.8%		\$4,062,056,751	3.6%		\$7,983,065,488
Difference <u>After</u> Tax Credits: Economic Forum May 1, 2017, Forecast <u>With</u> Less <u>Without</u> Adjustments Approved by the 2017 Legislature				-\$5,499,267			\$15,095,682			\$9,596,415

* The amounts shown in the 2017-2019 Biennium column represent the sum of the FY 2018 and FY 2019 amounts and do not include any amounts shown for FY 2017.

SECTION IV

GENERAL FUND APPROPRIATIONS AND TOTAL BUDGET

On January 16, 2019, Governor Steve Sisolak transmitted The 2019-21 Executive Budget to the 80th Nevada Legislature. The budget includes recommendations for a capital improvement program, supplemental and one-shot appropriations, as well as operating appropriations and authorizations for Fiscal Years 2020 and 2021.

EXPENDITURE CAP

The 1979 Legislature established the state's current expenditure limitation (NRS 353.213), which applies to all General Fund appropriations recommended by the Governor, except appropriations recommended for construction. The base period is the 1975-77 biennium (Fiscal Years 1976 and 1977), and the base amount is increased by the growth in population and the rate of inflation each biennium. The limitation can be exceeded to the extent necessary to meet situations involving a threat to life or property.

Historically, the expenditure limitation has been higher than the amount of General Fund appropriations recommended in The Executive Budget and therefore has not been a factor in the budgeting process. However, the difference between the expenditure limitation and General Fund appropriations recommended in The Executive Budget began to narrow, resulting in the recommended General Fund appropriations in The Executive Budget submitted to the 2005 Legislature being only slightly under the expenditure limitation. The expenditure limitation is not a factor in the 2019-21 budgeting process.

The current expenditure limitation and the General Fund appropriations recommended by the Governor for each biennium under review by the 2019 Legislature are outlined below:

	<u>2017-19 Biennium</u>	<u>2019-21 Biennium</u>
Expenditure Limitation (a.) (b.)	\$9,377,543,764	\$10,167,502,679
General Fund Appropriations		
2017 Legislature Approves (c.)	\$8,053,097,291	
2019 Governor Recommends (d.)	<u>344,153,992</u>	<u>\$8,983,991,056</u>
Total Appropriations	\$8,397,251,283	\$8,983,991,056
Over/(Under) Expenditure Limitation	(\$980,292,481)	(\$1,183,511,623)

(a.) The expenditure limitation for the 2017-19 biennium is based on the July 1, 2016, population estimate certified by the Governor of 2,953,375.

(b.) The expenditure limitation for the 2019-21 biennium is prepared by the Fiscal Analysis Division and based on the State Demographers preliminary July 1, 2018, statewide population estimate of 3,057,582.

(c.) Source – 2017 Legislature Appropriations Report, page 65, Expenditure Limitation for the 2017-19 biennium. Cost of 2019 Legislative Session reflected in the 2019 Governor Recommends.

(d.) The Executive Budget, BUDGET OVERVIEW–15 & 16 Unrestricted Appropriations/Transfers for FY 2019, FY 2020 and FY 2021

2019-21 EXECUTIVE BUDGET

The Governor's recommended budget includes approximately \$8.932 billion in General Fund operating appropriations for the 2019-21 biennium. Supplemental appropriations, appropriations to restore various fund balances, one-time appropriations, Capital Improvement Program and the estimated cost of the 80th Legislature total \$371.0 million, as noted in the table below. Additionally, the Governor has recommended reserving \$19.4 million to fund the estimated cost of the 81st Legislature.

Purpose	FY 2019	FY 2020	FY 2021	Total
Supplemental Appropriations	\$ 64,141,841	\$ -	\$ -	\$ 64,141,841
Restoration of Fund Balances	\$ 18,753,908	\$ -	\$ -	\$ 18,753,908
Estimated Cost of the 80 th Legislature	\$ 20,000,000	\$ -	\$ -	\$ 20,000,000
One-Time Appropriations	\$ 159,813,005	\$ 12,028,992	\$ 7,500,000	\$ 179,341,997
Capital Improvement Program	\$ 88,801,977	\$ -	\$ -	\$ 88,801,977
Subtotal	\$ 351,510,731	\$ 12,028,992	\$ 7,500,000	\$ 371,039,723
Estimated Cost of the 81 st Legislature (a.)	\$ -	\$ -	\$ 19,447,280	\$ 19,447,280
Total	\$ 351,510,731	\$ 12,028,992	\$ 26,947,280	\$ 390,487,003

(a.) Reserved for appropriation by the 2021 Legislature.

Total General Fund appropriations for the 2019-21 biennium (including supplemental appropriations for Fiscal Year 2019) as recommended in The Executive Budget are \$9.303 billion. This represents an increase of 12.0 percent from General Fund appropriations as approved by the 2017 Legislature for the 2017-19 biennium (\$8.305 billion).

In The Executive Budget, the Governor recommends a 3 percent cost-of-living adjustment for state employees and employees of K-12 Education and Nevada System of Higher Education, effective July 1, 2019. In addition, the Governor's budget recognizes salary disparities in certain key areas and recommends a two-grade increase for Mental Health Forensic Technicians and a 5 percent differential for officers employed by the Department of Corrections at Ely State Prison and Ely Conservation Camp.

After adjusting for interagency transfers, appropriations and authorizations for the 2019-21 biennium from all revenue sources total \$25.779 billion, which compares to the \$23.085 billion approved by the 2017 Legislature. This represents an increase of 11.7 percent in total funding recommended for the 2019-21 biennium compared to the 2017-19 biennium.

The schedules that follow contain all of the appropriations recommended by the Governor for the 2019-21 biennium. Also included is a "pie chart" that illustrates the proposed distribution of General Fund appropriations among the various governmental functions.

Following are summaries and schedules that reflect the proposed spending in the Governor's budget. Included is a "Source of Funds Summary," which compares the proposed operating appropriations and authorizations to those in the current biennium by funding source; a list of proposed supplemental appropriations for the current fiscal year;

a list of proposed one-shot appropriations; the amounts recommended to restore certain fund balances; and information on the Governor's proposed Capital Improvement Program, and recommended position summary.

**Nevada Legislative Counsel Bureau
Source of Funds Summary
2019-21 Fiscal Report**

	2017-2018 Actual	2018-2019 Work Program	2019-2020 GOVERNOR RECOMMENDS	% Change	2020-2021 GOVERNOR RECOMMENDS	% Change
ELECTED OFFICIALS						
GENERAL FUND	180,135,982	189,429,861	175,179,105	-7.52	176,239,614	.61
BALANCE FORWARD	-7,826,451	212,002,089	215,495,888	1.65	225,751,545	4.76
FEDERAL FUND	5,930,180	13,796,428	6,353,303	-53.95	6,349,707	-.06
HIGHWAY FUND	2,158,763	4,238,816	7,215,124	70.22	7,359,510	2.00
INTERAGENCY TRANSFER	58,826,945	59,155,269	68,265,130	15.40	68,772,671	.74
INTERIM FINANCE	2,056,219	1,066,225				
OTHER FUND	228,772,469	226,752,146	230,139,284	1.49	234,114,905	1.73
REVERSIONS	-16,380,656					
TOTAL FOR ELECTED OFFICIALS	453,673,451	706,440,834	702,647,834	-.54	718,587,952	2.27
Less: INTER-AGENCY TRANSFER	58,826,945	59,155,269	68,265,130	15.40	68,772,671	.74
NET ELECTED OFFICIALS	394,846,506	647,285,565	634,382,704	-1.99	649,815,281	2.43
FINANCE & ADMINISTRATION						
GENERAL FUND	38,224,397	38,281,152	41,031,773	7.19	42,291,850	3.07
BALANCE FORWARD	9,091,425	44,785,942	35,217,141	-21.37	36,287,023	3.04
FEDERAL FUND	2,480,318	3,010,602	2,950,348	-2.00	2,950,348	
INTERAGENCY TRANSFER	107,758,568	119,571,025	120,110,831	.45	125,590,618	4.56
OTHER FUND	51,325,166	53,817,039	58,027,151	7.82	58,212,924	.32
REVERSIONS	-1,747,799					
TOTAL FOR FINANCE & ADMINISTRATION	207,132,075	259,465,760	257,337,244	-.82	265,332,763	3.11
Less: INTER-AGENCY TRANSFER	107,758,568	119,571,025	120,110,831	.45	125,590,618	4.56
NET FINANCE & ADMINISTRATION	99,373,507	139,894,735	137,226,413	-1.91	139,742,145	1.83
EDUCATION						
GENERAL FUND	2,109,715,273	2,049,471,402	2,231,836,735	8.90	2,236,479,952	.21
BALANCE FORWARD	-15,159,622	45,917,146	16,327,914	-64.44	16,012,240	-1.93
FEDERAL FUND	300,013,707	318,982,357	273,024,002	-14.41	272,281,591	-.27
INTERAGENCY TRANSFER	239,637,329	231,626,067	232,528,873	.39	238,819,191	2.71
INTERIM FINANCE	890,843					
OTHER FUND	707,187,230	730,985,579	776,118,786	6.17	815,173,294	5.03
REVERSIONS	-9,927,428					
TOTAL FOR EDUCATION	3,332,357,332	3,376,982,551	3,529,836,310	4.53	3,578,766,268	1.39
Less: INTER-AGENCY TRANSFER	239,637,329	231,626,067	232,528,873	.39	238,819,191	2.71
NET EDUCATION	3,092,720,003	3,145,356,484	3,297,307,437	4.83	3,339,947,077	1.29
COMMERCE & INDUSTRY						
GENERAL FUND	59,098,679	58,660,236	59,488,909	1.41	56,268,985	-5.41
BALANCE FORWARD	-1,684,011	94,836,399	80,632,384	-14.98	78,163,531	-3.06
FEDERAL FUND	183,209,282	214,016,416	206,602,537	-3.46	225,824,336	9.30
HIGHWAY FUND	2,531,758	2,465,352	2,582,599	4.76	2,717,559	5.23
INTERAGENCY TRANSFER	27,272,706	30,558,833	30,907,665	1.14	31,242,236	1.08
INTERIM FINANCE	350,000					
OTHER FUND	153,096,882	168,542,492	171,406,368	1.70	171,334,187	-.04
REVERSIONS	-6,397,419					
TOTAL FOR COMMERCE & INDUSTRY	417,477,877	569,079,728	551,620,462	-3.07	565,550,834	2.53
Less: INTER-AGENCY TRANSFER	27,272,706	30,558,833	30,907,665	1.14	31,242,236	1.08
NET COMMERCE & INDUSTRY	390,205,171	538,520,895	520,712,797	-3.31	534,308,598	2.61

Nevada Legislative Counsel Bureau
Source of Funds Summary
2019-21 Fiscal Report

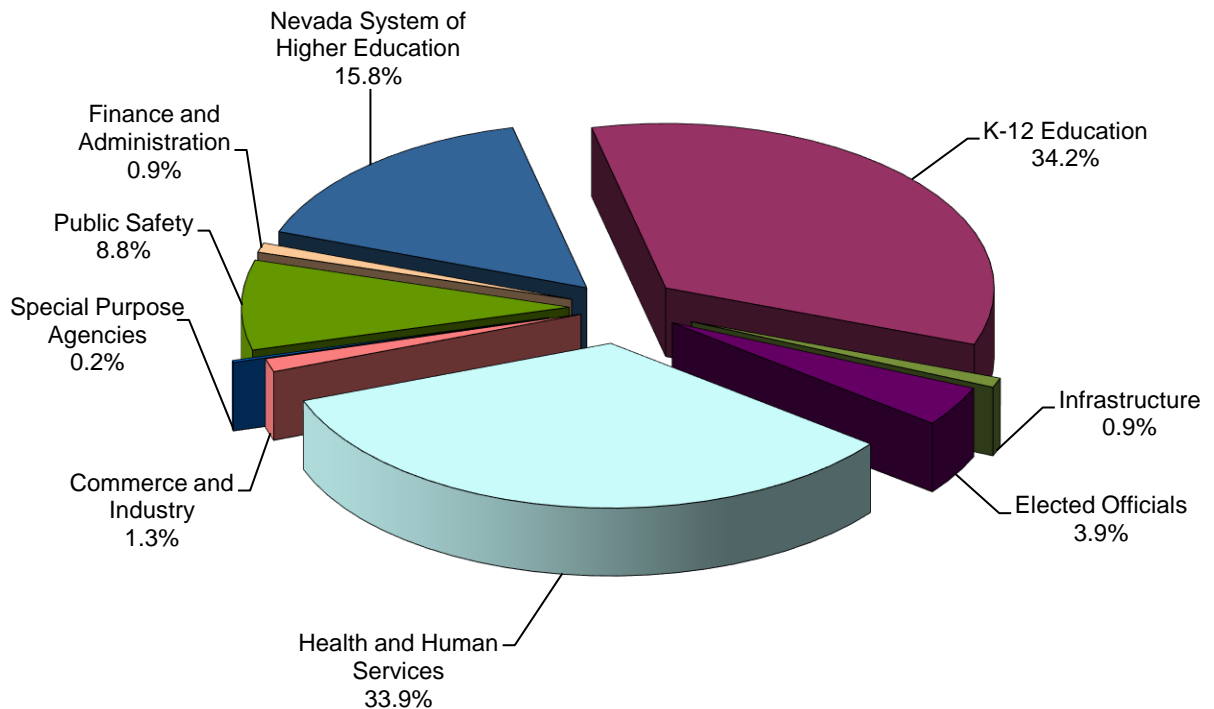
	2017-2018 Actual	2018-2019 Work Program	2019-2020 GOVERNOR RECOMMENDS	% Change	2020-2021 GOVERNOR RECOMMENDS	% Change
HEALTH AND HUMAN SERVICES						
GENERAL FUND	1,227,967,378	1,270,794,464	1,456,170,363	14.59	1,568,221,105	7.69
BALANCE FORWARD	-12,012,360	135,917,893	76,188,230	-43.95	74,565,592	-2.13
FEDERAL FUND	3,651,884,542	3,822,027,077	3,917,587,813	2.50	4,107,968,973	4.86
INTERAGENCY TRANSFER	479,813,388	536,863,830	551,502,393	2.73	561,266,456	1.77
OTHER FUND	355,266,796	372,948,706	384,189,867	3.01	381,835,819	-.61
REVERSIONS	-32,551,159					
TOTAL FOR HEALTH AND HUMAN SERVICES	5,670,368,585	6,138,551,970	6,385,638,666	4.03	6,693,857,945	4.83
Less: INTER-AGENCY TRANSFER	479,813,388	536,863,830	551,502,393	2.73	561,266,456	1.77
NET HEALTH AND HUMAN SERVICES	5,190,555,197	5,601,688,140	5,834,136,273	4.15	6,132,591,489	5.12
PUBLIC SAFETY						
GENERAL FUND	352,485,593	358,978,720	391,542,252	9.07	396,044,883	1.15
BALANCE FORWARD	903,624	51,098,338	38,622,617	-24.42	29,882,290	-22.63
FEDERAL FUND	27,141,313	40,615,778	27,043,199	-33.42	27,140,560	.36
HIGHWAY FUND	137,945,473	143,897,782	140,891,250	-2.09	153,843,823	9.19
INTERAGENCY TRANSFER	55,839,402	52,958,449	51,168,331	-3.38	51,626,245	.89
INTERIM FINANCE	4,530,662	589,558				
OTHER FUND	158,410,390	155,584,678	171,978,929	10.54	172,814,167	.49
REVERSIONS	-52,264,452					
TOTAL FOR PUBLIC SAFETY	684,992,005	803,723,303	821,246,578	2.18	831,351,968	1.23
Less: INTER-AGENCY TRANSFER	55,839,402	52,958,449	51,168,331	-3.38	51,626,245	.89
NET PUBLIC SAFETY	629,152,603	750,764,854	770,078,247	2.57	779,725,723	1.25
INFRASTRUCTURE						
GENERAL FUND	40,121,875	38,454,417	41,711,393	8.47	42,713,445	2.40
BALANCE FORWARD	78,589,865	158,039,296	37,312,692	-76.39	34,440,557	-7.70
FEDERAL FUND	425,723,829	418,058,508	410,557,515	-1.79	411,078,948	.13
HIGHWAY FUND	451,299,316	459,911,089	487,313,739	5.96	484,172,002	-.64
INTERAGENCY TRANSFER	49,803,908	54,844,287	52,199,189	-4.82	53,128,168	1.78
INTERIM FINANCE	2,627,751	10,930,180				
OTHER FUND	238,537,718	117,625,394	275,898,044	134.56	278,632,362	.99
REVERSIONS	-124,502,100					
TOTAL FOR INFRASTRUCTURE	1,162,202,162	1,257,863,171	1,304,992,572	3.75	1,304,165,482	-.06
Less: INTER-AGENCY TRANSFER	49,803,908	54,844,287	52,199,189	-4.82	53,128,168	1.78
NET INFRASTRUCTURE	1,112,398,254	1,203,018,884	1,252,793,383	4.14	1,251,037,314	-.14
SPECIAL PURPOSE AGENCIES						
GENERAL FUND	8,941,132	13,244,886	8,455,026	-36.16	8,430,516	-.29
BALANCE FORWARD	-8,854,186	164,468,509	159,161,490	-3.23	148,028,759	-6.99
FEDERAL FUND	28,441,598	32,645,202	39,589,639	21.27	40,440,726	2.15
INTERAGENCY TRANSFER	641,435,014	671,239,841	673,579,203	.35	707,305,008	5.01
OTHER FUND	39,815,620	33,189,104	50,752,916	52.92	50,412,083	-.67
REVERSIONS	-562,124					
TOTAL FOR SPECIAL PURPOSE AGENCIES	709,217,054	914,787,542	931,538,274	1.83	954,617,092	2.48
Less: INTER-AGENCY TRANSFER	641,435,014	671,239,841	673,579,203	.35	707,305,008	5.01
NET SPECIAL PURPOSE AGENCIES	67,782,040	243,547,701	257,959,071	5.92	247,312,084	-4.13

Nevada Legislative Counsel Bureau
Source of Funds Summary
2019-21 Fiscal Report

	2017-2018 Actual	2018-2019 Work Program	2019-2020 GOVERNOR RECOMMENDS	% Change	2020-2021 GOVERNOR RECOMMENDS	% Change
STATEWIDE						
GENERAL FUND	4,016,690,309	4,017,315,138	4,405,415,556	9.66	4,526,690,350	2.75
BALANCE FORWARD	43,048,284	907,065,612	658,958,356	-27.35	643,131,537	-2.40
FEDERAL FUND	4,624,824,769	4,863,152,368	4,883,708,356	.42	5,094,035,189	4.31
HIGHWAY FUND	593,935,310	610,513,039	638,002,712	4.50	648,092,894	1.58
INTERAGENCY TRANSFER	1,660,387,260	1,756,817,601	1,780,261,615	1.33	1,837,750,593	3.23
INTERIM FINANCE	10,455,475	12,585,963				
OTHER FUND	1,932,412,271	1,859,445,138	2,118,511,345	13.93	2,162,529,741	2.08
REVERSIONS	-244,333,137					
TOTAL FOR STATEWIDE	12,637,420,541	14,026,894,859	14,484,857,940	3.26	14,912,230,304	2.95
Less: INTER-AGENCY TRANSFER	1,660,387,260	1,756,817,601	1,780,261,615	1.33	1,837,750,593	3.23
NET STATEWIDE	10,977,033,281	12,270,077,258	12,704,596,325	3.54	13,074,479,711	2.91

NEVADA GENERAL FUND APPROPRIATIONS

GOVERNOR RECOMMENDS – 2019-21 BIENNIUM



GOVERNOR RECOMMENDS GENERAL FUND APPROPRIATIONS - 2019-21 BIENNIUM

	<u>FY 2020</u>	<u>FY 2021</u>	<u>2019-21 Biennium</u>	<u>% of Total</u>
Elected Officials	\$ 175,179,105	\$ 176,239,614	\$ 351,418,719	3.9%
Finance and Administration	\$ 41,031,773	\$ 42,291,850	\$ 83,323,623	0.9%
Education				
K-12 Education	\$ 1,532,126,076	\$ 1,523,713,537	\$ 3,055,839,613	34.2%
Nevada System of Higher Education	\$ 699,710,659	\$ 712,766,415	\$ 1,412,477,074	15.8%
Subtotal Education	\$ 2,231,836,735	\$ 2,236,479,952	\$ 4,468,316,687	50.0%
Commerce and Industry	\$ 59,488,909	\$ 56,268,985	\$ 115,757,894	1.3%
Health and Human Services	\$ 1,456,170,363	\$ 1,568,221,105	\$ 3,024,391,468	33.9%
Public Safety	\$ 391,542,252	\$ 396,044,883	\$ 787,587,135	8.8%
Infrastructure	\$ 41,711,393	\$ 42,713,445	\$ 84,424,838	0.9%
Special Purpose Agencies	\$ 8,455,026	\$ 8,430,516	\$ 16,885,542	0.2%
Total	\$ 4,405,415,556	\$ 4,526,690,350	\$ 8,932,105,906	100.0%

Note: Percentages of total do not sum to 100 percent due to rounding.

**GENERAL FUND SUPPLEMENTAL APPROPRIATIONS
GOVERNOR RECOMMENDS - 2019 LEGISLATURE
2019-21 BIENNIUM**

DEPARTMENT/DIVISION	PURPOSE	EXECUTIVE BUDGET		
		FY 2019	FY 2020	FY 2021
ELECTED OFFICIALS				
Governor's Office	Provides funding for a shortfall in operating costs.	\$ 12,500		
Governor's Office - Governor's Mansion Maintenance	Provides funding for a shortfall in utility costs.	\$ 8,475		
Governor's Office of Finance- Budget Division	Provides funding for a shortfall for contract costs.	\$ 66,556		
	SUBTOTAL - ELECTED OFFICIALS	\$ 87,531	\$ -	\$ -
EDUCATION				
Department of Education- Distributive School Account	Provides funding for an increase in K-12 enrollment for the 2017-2018 and 2018-2019 school years.	\$ 36,492,628		
	SUBTOTAL - EDUCATION	\$ 36,492,628	\$ -	\$ -
HEALTH AND HUMAN SERVICES				
Department of Health and Human Services - Division of Health Care Financing & Policy - Nevada Medicaid, Title XIX	Provides funding for an increase in caseload over the legislatively approved amount from Fiscal Years 2016 and 2017.	\$ 14,493,387		
Department of Health and Human Services - Division of Public and Behavioral Health - Office of Health Administration	Provides funding for a shortfall in indirect cost rate revenue.	\$ 1,565,311		
	SUBTOTAL - HEALTH AND HUMAN SERVICES	\$ 16,058,698	\$ -	\$ -
PUBLIC SAFETY				
Department of Corrections - Director's Office	Provides funding for a shortfall in utilities, inmate driven and food costs.	\$ 1,479,223		
Department of Public Safety - Nevada Highway Patrol Division - Dignitary Protection	Provides funding for a shortfall in dignitary protection services provided to visiting dignitaries.	\$ 64,664		
Department of Public Safety - Investigation Division	Provides funding for a shortfall in personnel costs.	\$ 56,912		
	SUBTOTAL - PUBLIC SAFETY	\$ 1,600,799	\$ -	\$ -
INFRASTRUCTURE				
Department of Conservation and Natural Resources - Division of State Parks	Provides funding for terminal leave payout costs.	\$ 142,047		

**GENERAL FUND SUPPLEMENTAL APPROPRIATIONS
GOVERNOR RECOMMENDS - 2019 LEGISLATURE
2019-21 BIENNIUM**

DEPARTMENT/DIVISION	PURPOSE	EXECUTIVE BUDGET		
		FY 2019	FY 2020	FY 2021
Department of Conservation and Natural Resources -Division of Water Resources	Provides funding for terminal leave payout costs.	\$ 160,138		
Department of Conservation and Natural Resources -Division of Forestry	Provides funding for a shortfall in firefighting costs.	\$ 9,600,000		
	SUBTOTAL - INFRASTRUCTURE	\$ 9,902,185		
TOTAL GENERAL FUND SUPPLEMENTAL APPROPRIATIONS		\$ 64,141,841	\$ -	\$ -

**GENERAL FUND ONE-SHOT AND SPECIAL APPROPRIATIONS
GOVERNOR RECOMMENDS - 2019 LEGISLATURE
2019-21 BIENNIUM**

DEPARTMENT/DIVISION	PURPOSE	EXECUTIVE BUDGET		
		FY 2019	FY 2020	FY 2021
ELECTED OFFICIALS				
Governor's Office	Provides funding for the Interim Finance Committee Restricted Contingency Account for costs related to Marsy's Law.		\$ 7,500,000	\$7,500,000
Governor's Finance Office - Budget Division	Provides funding for an upgrade to the Nevada Executive Budget System.	\$ 1,438,500		
Governor's Finance Office - Budget Division	Provides funding for replacement of office furniture.	\$ 66,382		
Governor's Finance Office - Smart 21	Provides funding for legacy systems data clean-up and interface builds for the replacement of the Advantage system.	\$ 1,938,572		
Governor's Finance Office - Smart 21	Provides funding for replacement of the state's 20-year-old CGI Advantage Financial and Human Resource System with a modern Enterprise Resource Planning System.	\$ 40,500,000		
Governor's Finance Office - Special Appropriations	Provides funding for the statewide expansion plan for the northern and southern Museum of Art.	\$ 5,000,000		
Governor's Finance Office - Special Appropriations	Provides funding for the General Fund share of the Nevada State Radio System replacement.	\$ 4,090,651		
Governor's Finance Office - Special Appropriations	Provides funding for continuation of the Promise Scholarship program.	\$ 4,500,000		
Governor's Finance Office - Special Appropriations	Provides funding for outreach and education activities for the 2020 census.	\$ 5,000,000		
Governor's Finance Office - Special Appropriations	Provides funding for a General Fund loan to Enterprise Information Technology Services for implementation of an enterprise cloud email and business productivity application.	\$ 2,688,800		
Governor's Finance Office - Special Appropriations	Provides funding for a General Fund loan to Enterprise Information Technology Services for replacement of firewalls.	\$ 4,186,202		
Governor's Finance Office - Special Appropriations	Provides funding for a General Fund loan to Enterprise Information Technology Services for replacement of the content management and portal platform.	\$ 1,784,500		
Governor's Finance Office - Special Appropriations	Provides funding for a General Fund loan to Fleet Services for replacement of vehicles.	\$ 5,291,952		
Governor's Finance Office - Special Appropriations	Provides funding for an electronic tracking system for capital improvement projects.	\$ 500,000		
Governor's Finance Office - Special Appropriations	Provides funding for an adjustment to school districts affected by the district of residence issue.	\$ 8,600,000		

**GENERAL FUND ONE-SHOT AND SPECIAL APPROPRIATIONS
GOVERNOR RECOMMENDS - 2019 LEGISLATURE
2019-21 BIENNIUM**

DEPARTMENT/DIVISION	PURPOSE	EXECUTIVE BUDGET		
		FY 2019	FY 2020	FY 2021
Secretary of State	Provides funding for the Automatic Voter Registration Initiative.	\$ 7,665		
Legislative Counsel Bureau	Provides funding for the Nevada Right to Counsel Commission.	\$ 230,000		
Legislative Counsel Bureau	Provides funding for dues and registration costs.	\$ 1,843,663		
	SUBTOTAL - ELECTED OFFICIALS	\$ 87,666,887	\$ 7,500,000	\$7,500,000
FINANCE AND ADMINISTRATION				
Department of Administration - Fleet Services Division - Fleet Services Capital Purchase	Provides funding for new vehicles.	\$ 5,059,053		
Department of Administration -Nevada State Library, Archives and Public Records - Archives and Public Records	Provides funding for replacement of a large book scanner.	\$ 85,250		
Department of Administration - State Public Works Division - Marlette Lake	Provides funding for a General Fund loan for the support of Marlette Lake.	\$ 200,000		
Department of Administration - State Public Works Division - Marlette Lake	Provides funding for a Snowcat vehicle.		\$ 190,500	
Department of Taxation	Provides funding for the needs assessment for the Modernization of the Unified Tax System.	\$ 1,700,373		
	SUBTOTAL - FINANCE AND ADMINISTRATION	\$ 7,044,676	\$ 190,500	\$ -
COMMERCE AND INDUSTRY				
Department of Agriculture - Plant Health & Quarantine Services	Provides funding for on-farm water conservation projects to facilitate the modernization of agricultural and ranching industry irrigation and water storage techniques.	\$ 400,000		
Department of Agriculture - Veterinary Medical Services	Provides funding for new lab equipment.	\$ 159,605		
Department of Agriculture - Veterinary Medical Services	Provides funding for replacement of laboratory equipment.	\$ 14,479		
Gaming Control Board	Provides funding for the Alpha Migration Project to migrate to a modern technology system.	\$ 7,218,698		
Gaming Control Board	Provides funding for the replacement of security system equipment.	\$ 143,211		
	SUBTOTAL - COMMERCE AND INDUSTRY	\$ 7,935,993	\$ -	\$ -

**GENERAL FUND ONE-SHOT AND SPECIAL APPROPRIATIONS
GOVERNOR RECOMMENDS - 2019 LEGISLATURE
2019-21 BIENNIUM**

DEPARTMENT/DIVISION	PURPOSE	EXECUTIVE BUDGET		
		FY 2019	FY 2020	FY 2021
HEALTH AND HUMAN SERVICES				
Department of Health and Human Services - Division of Public and Behavioral Health - Community Health Services	Provides funding for the web-based Community Health Services system.	\$ 112,000		
Department of Health and Human Services - Division of Public and Behavioral Health - Behavioral Health Administration	Provides funding for replacement of computer hardware and software equipment.	\$ 12,282		
Department of Health and Human Services - Division of Public and Behavioral Health - Northern Nevada Adult Mental Health Services	Provides funding for replacement of computer hardware and software equipment.	\$ 131,714		
Department of Health and Human Services - Division of Public and Behavioral Health - Northern Nevada Adult Mental Health Services	Provides funding for deferred maintenance projects for the security and operation of the facility.	\$ 721,970		
Department of Health and Human Services - Division of Public and Behavioral Health - Northern Nevada Adult Mental Health Services	Provides funding for phone system upgrades.	\$ 207,439		
Department of Health and Human Services - Division of Public and Behavioral Health - Northern Nevada Adult Mental Health Services	Provides funding for replacement of buildings and grounds equipment.	\$ 56,500		
Department of Health and Human Services - Division of Public and Behavioral Health - Southern Nevada Adult Mental Health Services	Provides funding for replacement of computer hardware.	\$ 174,960		
Department of Health and Human Services - Division of Public and Behavioral Health - Southern Nevada Adult Mental Health Services	Provides funding for a skid-steer loader.	\$ 21,000		

**GENERAL FUND ONE-SHOT AND SPECIAL APPROPRIATIONS
GOVERNOR RECOMMENDS - 2019 LEGISLATURE
2019-21 BIENNIUM**

DEPARTMENT/DIVISION	PURPOSE	EXECUTIVE BUDGET		
		FY 2019	FY 2020	FY 2021
Department of Health and Human Services - Division of Public and Behavioral Health - Facility for the Mental Offender	Provides funding for replacement of computer hardware and software equipment.	\$ 28,565		
Department of Health and Human Services - Division of Public and Behavioral Health - Facility for the Mental Offender	Provides funding for replacement of computer software.	\$ 6,091		
Department of Health and Human Services - Division of Welfare and Supportive Services - Administration	Provides funding for replacement of computer hardware and software equipment.	\$ 319,861		
Department of Health and Human Services - Division of Welfare and Supportive Services - Welfare Field Services	Provides funding for replacement of computer hardware and software equipment.	\$ 412,267		
Department of Health and Human Services - Division of Welfare and Supportive Services - Welfare Field Services	Provides funding for conference room chairs.	\$ 5,995		
Department of Health and Human Services - Division of Welfare and Supportive Services - Child Support Enforcement Program	Provides funding for the Child Support Enforcement Modernization system.	\$ 16,862,690		
Department of Health and Human Services - Division of Welfare and Supportive Services - Child Support Enforcement Program	Provides funding for replacement of computer hardware and software equipment.	\$ 32,891		
Department of Health and Human Services - Division of Child and Family Services - Summit View Youth Center	Provides funding for deferred maintenance projects.	\$ 308,723		
Department of Health and Human Services - Division of Child and Family Services - Caliente Youth Center	Provides funding for deferred maintenance projects for the security and operation of the facility.	\$ 231,250		

**GENERAL FUND ONE-SHOT AND SPECIAL APPROPRIATIONS
GOVERNOR RECOMMENDS - 2019 LEGISLATURE
2019-21 BIENNIUM**

DEPARTMENT/DIVISION	PURPOSE	EXECUTIVE BUDGET		
		FY 2019	FY 2020	FY 2021
Department of Health and Human Services - Division of Child and Family Services - Caliente Youth Center	Provides funding for replacement of equipment.	\$ 110,608		
Department of Health and Human Services - Division of Child and Family Services - Nevada Youth Training Center	Provides funding for deferred maintenance projects for the security and operation of the facility.	\$ 780,206		
Department of Health and Human Services - Division of Child and Family Services - Northern Nevada Child and Adolescent Services	Provides funding for security camera system upgrade at the Adolescent Treatment Center, Family Learning Homes and agency administration building.	\$ 113,396		
Department of Health and Human Services - Division of Child and Family Services - Southern Nevada Child and Adolescent Services	Provides funding for deferred maintenance projects for continued operation of the Children's Mental Health facilities.	\$ 204,240		
Department of Employment, Training and Rehabilitation - Equal Rights Commission	Provides funding for the new automation solution to streamline the intake process.	\$ 543,488		
Department of Employment, Training and Rehabilitation - Commission on Postsecondary Education	Provides funding for the Post Secondary access database system to serve as the state approving agency for the VA Educational Benefits program and Alcohol Awareness programs for the issuance of Alcohol Beverage Awareness cards.	\$ 352,000		
SUBTOTAL - HEALTH AND HUMAN SERVICES		\$ 21,750,136	\$ -	\$ -
PUBLIC SAFETY				
Department of Corrections - Director's Office	Provides funding for the Nevada Offender Tracking Information System.	\$ 1,812,000		
Department of Corrections - Director's Office	Provides funding for installation of a key control system for facilities.	\$ 623,060		
Department of Corrections - Director's Office	Provides funding for wireless networking capabilities for facilities.	\$ 1,465,235		
Department of Corrections - Director's Office	Provides funding for replacement of uninterruptible power supply equipment.	\$ 96,100		
Department of Corrections - Director's Office	Provides funding for purchase of data racks for the main data centers.	\$ 3,390		

**GENERAL FUND ONE-SHOT AND SPECIAL APPROPRIATIONS
GOVERNOR RECOMMENDS - 2019 LEGISLATURE
2019-21 BIENNIUM**

DEPARTMENT/DIVISION	PURPOSE	EXECUTIVE BUDGET		
		FY 2019	FY 2020	FY 2021
Department of Corrections - Director's Office	Provides funding for replacement of hand-held and vehicle radios, and repeater upgrades.	\$ 152,371		
Department of Corrections - Director's Office	Provides funding for replacement of scanners.	\$ 4,380		
Department of Corrections - Director's Office	Provides funding for replacement of Correctional buses.	\$ 822,498		
Department of Corrections - Director's Office	Provides funding for replacement of vehicles.	\$ 1,731,157		
Department of Corrections - Prison Medical Care	Provides funding for replacement of medical equipment.	\$ 114,700		
Department of Corrections - Prison Medical Care	Provides funding for a bladder scanner and a portable diagnostic scanner.	\$ 385		
Department of Corrections - High Desert State Prison	Provides funding for replacement of roof hatches.	\$ 49,294		
Department of Corrections - Southern Desert Correctional Center	Provides funding for sewer grinder repair.	\$ 25,000		
Department of Corrections - Lovelock Correctional Center	Provides funding for replacement of a sewer chopper pump.	\$ 18,482		
Department of Corrections - Humboldt Conservation Camp	Provides funding for bathroom flooring and plumbing repairs.	\$ 80,000		
Department of Corrections - Tonopah Conservation Camp	Provides funding for replacement of floors and fixtures.	\$ 70,569		
Department of Motor Vehicles - Central Services	Provides funding for the Automatic Voter Registration Initiative.	\$ 87,000		
Department of Public Safety - Training Division	Provides funding for replacement of computer hardware and software equipment.	\$ 27,387		
Department of Public Safety - Training Division	Provides funding for Carson City Training Building maintenance.	\$ 24,606		
Department of Public Safety - Division of Parole and Probation	Provides funding for replacement of the Offender Tracking Information System.	\$ 2,711,874		
Department of Public Safety - Division of Parole and Probation	Provides funding for replacement of computer hardware and software equipment.	\$ 470,322		
Department of Public Safety - Investigation Division	Provides funding for replacement of vehicles.	\$ 540,388		
Department of Public Safety - Investigation Division	Provides funding for replacement of computer hardware and software equipment.	\$ 58,848		

**GENERAL FUND ONE-SHOT AND SPECIAL APPROPRIATIONS
GOVERNOR RECOMMENDS - 2019 LEGISLATURE
2019-21 BIENNIUM**

DEPARTMENT/DIVISION	PURPOSE	EXECUTIVE BUDGET		
		FY 2019	FY 2020	FY 2021
Department of Public Safety - Records, Communications and Compliance Division - Central Repository for Nevada Records of Criminal History	Provides funding for replacement of the Nevada Criminal Justice Information System.	\$ 11,500,000		
Department of Public Safety - Parole Board	Provides funding for replacement of videoconferencing equipment.	\$ 87,555		
Department of Public Safety - Parole Board	Provides funding for replacement of hearing room chairs.	\$ 11,380		
Department of Public Safety - Parole Board	Provides funding for replacement of computer hardware and software equipment.	\$ 43,249		
	SUBTOTAL - PUBLIC SAFETY	\$ 22,631,230	\$ -	\$ -
INFRASTRUCTURE				
Department of Conservation and Natural Resources - Administration	Provides funding for replacement of information technology infrastructure.	\$ 205,183		
Department of Conservation and Natural Resources - Division of State Parks	Provides funding for a paving project at the visitor's center at Ice Age Fossils State Park.	\$ 160,000		
Department of Conservation and Natural Resources - Division of State Parks	Provides funding for maintenance at Ice Age Fossils State Park.	\$ 2,080,000		
Department of Conservation and Natural Resources - Division of State Parks	Provides funding for self-pay kiosks.	\$ 213,009		
Department of Conservation and Natural Resources - Division of State Parks	Provides funding for replacement of vehicles.	\$ 1,291,348		
Department of Conservation and Natural Resources - Division of State Parks	Provides funding for maintenance equipment for Sand Harbor at Lake Tahoe State Park.	\$ 49,500		
Department of Conservation and Natural Resources -Division of Water Resources	Provides funding for replacement of vehicles.	\$ 115,554		

**GENERAL FUND ONE-SHOT AND SPECIAL APPROPRIATIONS
GOVERNOR RECOMMENDS - 2019 LEGISLATURE
2019-21 BIENNIUM**

DEPARTMENT/DIVISION	PURPOSE	EXECUTIVE BUDGET		
		FY 2019	FY 2020	FY 2021
Department of Conservation and Natural Resources -Division of Water Resources	Provides funding for replacement of computer hardware and software equipment.	\$ 159,911		
Department of Conservation and Natural Resources -Division of Forestry	Provides funding for replacement of a helicopter.	\$ 4,500,000		
Department of Conservation and Natural Resources -Division of Forestry	Provides funding for replacement of wood chippers.	\$ 485,088		
Department of Conservation and Natural Resources -Division of Forestry	Provides funding for replacement of emergency response vehicles.	\$ 711,651		
Department of Conservation and Natural Resources -Division of Forestry	Provides funding for deferred maintenance projects.	\$ 2,594,544		
Department of Conservation and Natural Resources -Division of Forestry - Conservation Camps	Provides funding for replacement of mobile incident kitchen trailers.	\$ 218,295		
Department of Conservation and Natural Resources -Division of Forestry - Conservation Camps	Provides funding for replacement of emergency response fire fighting and resource equipment.		\$ 2,234,850	
Department of Conservation and Natural Resources -Division of Forestry - Conservation Camps	Provides funding for deferred maintenance projects.		\$ 2,103,642	
	SUBTOTAL - INFRASTRUCTURE	\$ 12,784,083	\$ 4,338,492	\$ -
TOTAL GENERAL FUND ONE-SHOT AND SPECIAL APPROPRIATIONS		\$ 159,813,005	\$ 12,028,992	\$7,500,000

**HIGHWAY FUND SUPPLEMENTAL APPROPRIATIONS
GOVERNOR RECOMMENDS - 2019 LEGISLATURE
2019-21 BIENNIUM**

DEPARTMENT/DIVISION	PURPOSE	EXECUTIVE BUDGET		
		FY 2019	FY 2020	FY 2021
PUBLIC SAFETY				
Department of Public Safety - Nevada Highway Patrol Division	Provides funding for a shortfall in gasoline costs.	\$ 441,225		
Department of Public Safety - Investigation Division	Provides funding for a shortfall in personnel costs.	\$ 12,898		
	SUBTOTAL - PUBLIC SAFETY	\$ 454,123	\$ -	\$ -
TOTAL HIGHWAY FUND SUPPLEMENTAL APPROPRIATIONS		\$ 454,123	\$ -	\$ -

**HIGHWAY FUND ONE-SHOT AND SPECIAL APPROPRIATIONS
GOVERNOR RECOMMENDS - 2019 LEGISLATURE
2019-21 BIENNIUM**

DEPARTMENT/DIVISION	PURPOSE	EXECUTIVE BUDGET		
		FY 2019	FY 2020	FY 2021
ELECTED OFFICIALS				
Governor's Finance Office - Smart 21	Provides funding for legacy systems data clean-up and interface builds for the replacement of the Advantage system.	\$ 454,727		
Governor's Finance Office - Smart 21	Provides funding for replacement of the state's 20-year old CGI Advantage Financial and Human Resource System with a modern Enterprise Resource Planning System.	\$ 9,500,000		
	SUBTOTAL - ELECTED OFFICIALS	\$ 9,954,727	\$ -	\$ -
FINANCE AND ADMINISTRATION				
Department of Administration - Fleet Services Division - Fleet Services Capital Purchase	Provides funding for new vehicles.	\$ 715,350		
	SUBTOTAL - FINANCE AND ADMINISTRATION	\$ 715,350	\$ -	\$ -
PUBLIC SAFETY				
Department of Motor Vehicles - Automation	Provides funding for replacement of uninterruptible power supply equipment.	\$ 150,000		
Department of Motor Vehicles - Automation	Provides funding for replacement of Storage Area Network units.	\$ 660,680		
Department of Motor Vehicles - Automation	Provides funding for upgrade to the Avaya phone and PBX systems.	\$ 379,185		
Department of Motor Vehicles - Automation	Provides funding for CrowdStrike software.	\$ 93,500		
Department of Public Safety - Training Division	Provides funding for replacement of computer hardware and software equipment.	\$ 47,056		
Department of Public Safety - Training Division	Provides funding for Carson City Training Building maintenance.	\$ 28,885		
Department of Public Safety - Director's Office - Public Safety One-Shots	Provides funding for replacement of patrol vehicles and motorcycles.	\$ 13,282,242		
Department of Public Safety - Director's Office - Public Safety One-Shots	Provides funding for replacement of patrol vehicles.	\$ 256,712		
Department of Public Safety - Nevada Highway Patrol Division	Provides funding for maintenance and support of the radio system.	\$ 676,547		

**HIGHWAY FUND ONE-SHOT AND SPECIAL APPROPRIATIONS
GOVERNOR RECOMMENDS - 2019 LEGISLATURE
2019-21 BIENNIUM**

DEPARTMENT/DIVISION	PURPOSE	EXECUTIVE BUDGET		
		FY 2019	FY 2020	FY 2021
Department of Public Safety - Nevada Highway Patrol Division	Provides funding for replacement of computer hardware and software equipment.	\$ 264,871		
Department of Public Safety - Nevada Highway Patrol Division	Provides funding for replacement of mobile data computers.	\$ 1,118,772		
Department of Public Safety - Nevada Highway Patrol Division	Provides funding for portable and mobile radio equipment.	\$ 95,715		
Department of Public Safety - Investigation Division	Provides funding for replacement of vehicles.	\$ 93,538		
Department of Public Safety - Investigation Division	Provides funding for replacement of computer hardware and software equipment.	\$ 2,008		
	SUBTOTAL - PUBLIC SAFETY	\$ 17,149,711	\$ -	
TOTAL HIGHWAY FUND ONE -SHOT AND SPECIAL APPROPRIATIONS		\$ 27,819,788	\$ -	\$ -

**GENERAL FUND APPROPRIATIONS TO RESTORE FUND BALANCES
GOVERNOR RECOMMENDS - 2019 LEGISLATURE
2019-21 BIENNIUM**

FUND	PURPOSE	EXECUTIVE BUDGET		
		FY 2019	FY 2020	FY 2021
State Claims Account	Provides restoration of fund balance.	\$ 2,500,000		
Interim Finance Contingency Account	Provides restoration of fund balance.	\$ 16,253,908		
TOTAL GENERAL FUND RESTORATION OF FUND BALANCE APPROPRIATIONS		\$ 18,753,908	\$ -	\$ -

CAPITAL IMPROVEMENT PROGRAM

The Governor recommends a Capital Improvement Program (CIP) for the 2019-21 biennium in the amount of \$346.2 million, which compares to programs of \$407.6 million approved by the 2017 Legislature, \$215.3 million approved by the 2015 Legislature and \$102.7 million approved by the 2013 Legislature. The Governor recommends financing the 2019 program as depicted in the following table:

Funding Sources – 2019 CIP (Recommended):	Amount
General Obligation Bonds ¹	\$ 186,000,000
General Funds	\$ 88,801,977
Agency Funds	\$ 23,659,621
Federal Funds	\$ 23,258,788
Highway Funds	\$ 14,966,989
Bond Funds Reallocated From Prior CIPs	\$ 6,049,981
Special Higher Education Capital Construction Fund (SHECC)	\$ 3,447,341
Total	\$ 346,184,697
Notes:	
¹ General obligation bonds recommended by the Governor include \$186.0 million in bonds with debt service paid from ad valorem tax. This amount excludes \$14.0 million of Historic Preservation, Tahoe EIP and Water Infrastructure bonds that the Governor recommends be sold over the biennium.	

The following table displays state funding, other funding and total funding, with the percentage of each funding source that is recommended to be received by each state agency in the Governor's recommended 2019 CIP:

2019 CIP Recommended State Funding, Other Funding and Total Funding						
Agency	State Funding	% of State Funding	Other Funding	% of Other Funding	Total Funding	% of Total Funding
Nevada System of Higher Education	\$ 138,168,493	49.2%	\$ 15,447,341	23.6%	\$ 153,615,834	44.4%
Department of Administration	\$ 48,789,147	17.4%	\$ 25,722,775	39.4%	\$ 74,511,922	21.5%
Department of Corrections	\$ 66,365,043	23.6%	\$ 225,000	0.3%	\$ 66,590,043	19.2%
Office of Veterans Services	\$ 1,282,467	0.5%	\$ 8,563,750	13.1%	\$ 9,846,217	2.8%
Department of Motor Vehicles	\$ -	0.0%	\$ 8,660,000	13.3%	\$ 8,660,000	2.5%
Office of the Military	\$ 4,747,551	1.7%	\$ 3,564,323	5.5%	\$ 8,311,874	2.4%
Department of Health and Human Services	\$ 7,710,641	2.7%	\$ -	0.0%	\$ 7,710,641	2.2%
Department of Wildlife	\$ 3,783,027	1.3%	\$ 1,298,956	2.0%	\$ 5,081,983	1.5%
Department of Public Safety	\$ 1,601,123	0.6%	\$ 1,750,594	2.7%	\$ 3,351,717	1.0%
Department of Conservation and Natural Resources	\$ 3,306,438	1.2%	\$ -	0.0%	\$ 3,306,438	1.0%
Department of Tourism and Cultural Affairs	\$ 2,966,648	1.1%	\$ 100,000	0.2%	\$ 3,066,648	0.9%
Agriculture	\$ 2,131,380	0.8%		0.0%	\$ 2,131,380	0.6%
Total:	\$ 280,851,958	100.0%	\$ 65,332,739	100.0%	\$ 346,184,697	100.0%

Percentages of funding displayed do not sum to 100 due to rounding.

The Governor recommends increasing the current property tax rate of \$0.1545 for general obligation debt to \$0.1575 for each year of the 2019-21 biennium to meet the state's current general obligation debt liabilities. The total tax rate for the 2019-21 biennium for state debt service is recommended to remain unchanged at \$0.17 per \$100 of assessed valuation, as the property tax rate for the Question 1 bond program is recommended to decrease from \$0.0155 to \$0.0125. If additional funding were required, it would be taken from the Bond Interest and Redemption Account reserves. The Treasurer is projecting \$200.0 million of general obligation bonding affordability in the 2019-21 biennium, and a minimum of \$200 million in subsequent biennia (Source: Debt Capacity Report, Office of the State Treasurer – 2019-2021 Biennium). According to information contained in the Governor's recommended 2019 CIP and the State Treasurer's Debt Capacity Report, the property tax rate for debt service is predicated upon the issuance of general obligation bonds in the 2019-21 biennium as follows:

Governor Recommended General Obligation Bonding 2019-21 Biennium		
Purpose	Authority	Amount
Capital Improvement Bonds	2019 CIP Bill	\$ 186,000,000
Water Systems Bonds	NRS 349.980 - 349.987	\$ 3,000,000
Tahoe Environmental Improvement Bonds	A.B. 18 (2009)	\$ 8,000,000
Historic Preservation Bonds	NRS 383.530 ¹	\$ 3,000,000
Question 1 Bonds (Q1)	A.B. 9 (17th Spec Sess 2001)	
Q1 - State Lands		\$ -
Q1 - State Parks		\$ -
Q1 - State Wildlife		\$ -
Total:		\$ 200,000,000
¹ Current statutory limit is \$3 million per year		

The Office of the State Treasurer computes the estimated constitutional debt capacity as of January 1, 2019, as follows:

State's Estimated Assessed Valuation ¹	\$ 123,398,562,960
Multiplied by the 2 Percent Constitutional Limit	\$ 2,467,971,259
Minus the Bonds Outstanding ²	\$ (1,067,070,000)
Equals the State's Unused Bonding Capacity	\$ 1,400,901,259
Source: <i>Debt Capacity Report, Office of the State Treasurer – 2019-2021 Biennium</i>	

¹ The assessed valuation as of the June 25, 2018, certification by Nevada Tax Commission.

² Debt outstanding as of January 1, 2019.

Assessed Valuations – Assessed valuations are prepared and certified by the Department of Taxation and are used for those portions of The Executive Budget dependent upon property assessments and/or local property tax collections. The forecasts for FY 2019, FY 2020, and FY 2021 from the Treasurer's Debt Capacity Report for the 2019-21 biennium are presented in the following table, along with historical information of assessed valuations from the Department of Taxation's annual reports on property tax rates, or the Redbook. The assessed valuation amounts are reported annually in April and

include Net Proceeds of Minerals and redevelopment agencies, and exclude general exemptions:

Fiscal Year	Assessed Value	% Change
Actual:		
2014	\$ 91,045,746,662	
2015	\$ 99,268,504,848	9.0%
2016	\$ 105,831,886,324	6.6%
2017	\$ 111,783,848,387	5.6%
2018	\$ 119,829,015,695	7.2%
Forecast:		
2019	\$ 127,100,519,849	6.1%
2020	\$ 130,913,535,444	3.0%
2021	\$ 134,840,941,508	3.0%
Sources: Annual Redbook Publication – Department of Taxation (through 2018); Debt Capacity Report, Office of the State Treasurer -- 2019-2021 Biennium		

The following pages present the Governor's recommended CIP program for the 2019-21 biennium.

**GOVERNOR'S RECOMMENDED CIP PROGRAM
FOR THE 2019-21 BIENNIUM**

Project Number	Agency	Location	Project Title	State Funding	Other Funding	Project Total	Other Funding Source	Remarks
CONSTRUCTION PROJECTS								
19-C01	DMV	Reno	Completion of South Reno DMV	\$ -	\$ 8,660,000	\$ 8,660,000	Highway Funds	Complete deferred portion of construction for the new DMV building in South Reno, which includes the Commercial Driver License course, a portion of the landscaping, a traffic signal, construction contingency, data/telecom wiring, roofing maintenance agreement, local government requirements, and Furniture, Fixtures, and Equipment (FF&E). This is a continuation of CIP 17-C04, Construct New Department of Motor Vehicles Service Office, Reno, due to an unanticipated increase in construction costs.
19-C03	Veterans Services	Boulder City	Cemetery Expansion (Southern Nevada Veterans Memorial Cemetery)	\$ 161,329	\$ 4,144,981	\$ 4,306,310	Federal Funds	Expand the Southern Nevada Veterans Memorial Cemetery, Boulder City, to include eight columbarium walls (4,992 cremation niches) and three acres of turf lawn.
19-C04	Veterans Services	Fernley	Columbarium Expansion (Northern Nevada Veterans Memorial Cemetery)	\$ 175,370	\$ 4,418,769	\$ 4,594,139	Federal Funds	Complete design and construction of an expansion to the columbarium wall, which includes cremation niches and vaults at the Northern Nevada Veterans Memorial Cemetery, Fernley.
19-C05	Administration	Las Vegas	Southern Nevada Fleet Services Maintenance Building (Grant Sawyer Site)	\$ -	\$ 8,946,508	\$ 8,946,508	Agency Funds	Complete construction of a new 6,150 sf Fleet Services maintenance facility at the Grant Sawyer site. The facility would serve the state customer base in Northern Las Vegas while the existing southern corridor location would continue to service customers with close proximity to the airport. This is a continuation of CIP 17-P04, Advance Planning: Southern Nevada Fleet Services Maintenance Facility, Grant Sawyer Site.
19-C07	Corrections	Indian Springs	Security Perimeter Upgrades (TLVCC)	\$ 4,090,412	\$ -	\$ 4,090,412		Installation of a secondary perimeter fence, interior security cameras and modifications to the sally port entrance at Three Lakes Valley Conservation Camp to allow the Nevada Department of Corrections the ability to house higher custody level inmates at this facility.
19-C08	Administration	Other	Marlette Lake Dam Rehabilitation (Marlette Lake Water System)	\$ 3,780,132	\$ 10,000,000	\$ 13,780,132	Federal Funds	Complete design and construction of structural and functional upgrades to the Marlette Lake Dam. The project would include assessment of existing conditions of the dam, seismic evaluation, upgrades to protect against seismic events, spillway upgrades and replacement of discharge piping and outlet valves.
19-C09	Administration	Carson City	Entry Lobby Security Barrier Wall (Attorney General's Office Building)	\$ 199,525	\$ -	\$ 199,525		Construct an interior security barrier protection system in the entry lobby at the Attorney General's Office Building in Carson City. The scope would include a bullet-resistant glazed security barrier, electronic card readers and supporting electronic connections to address growing security-related concerns.
19-C10	Health/Human Svcs	Las Vegas	Lobby Remodel (Desert Regional Center, Building 1391)	\$ 238,604	\$ -	\$ 238,604		Redesign the lobby entrance area and construct a secure barrier between visitors and interior office workstations at Desert Regional Center, Building 1391 in Las Vegas to increase the level of security and protection for staff.
19-C12	Administration	Carson City	Entry Lobby Security Barrier Wall (Education Building)	\$ 205,870	\$ -	\$ 205,870		Construct interior security barrier protection system in the entry lobby area at the Department of Administration, Education Building, Carson City, to increase the level of security and protection for staff.
19-C13	Corrections	Indian Springs	Heavy Equipment Simulator Classrooms (High Desert State Prison)	\$ 583,851	\$ 225,000	\$ 808,851	Agency Funds	Construct classrooms in the Prison Industries building at High Desert State Prison, Indian Springs, to accommodate the heavy equipment simulators training program.
19-C16	Tourism & Cultural Affairs	Stewart	Renovation of Collections Storage, Building 19 (Stewart Facility)	\$ 998,889	\$ -	\$ 998,889		Complete design and renovation of Storage Building 19 at the Stewart Complex, Carson City, in order to accommodate storage of the Stewart Indian Cultural Center and Museum collections. CIP 17-C08, Cultural and Welcome Centers, Stewart Campus was approved during the 2017 Session in which funding was approved to renovate existing structures for the new centers, and the Cultural Center and Museum is scheduled to open in early 2019; however, the agency indicates there is not adequate storage to house the museum's collection.
19-C17	Tourism & Cultural Affairs	Carson City	Storage Facility Addition (Indian Hills Curatorial Center)	\$ 1,346,464	\$ 100,000	\$ 1,446,464	Federal Funds	Construct a 2,600 sf addition to the current storage facility located at the Indian Hills Curatorial Center, Carson City, in order for the agency to store archaeological artifacts and continue the museum's accreditation. The agency provided the funding for advanced planning through construction documents in 2018.

19-C18	Health/Human Svcs	Sparks	Building Demolition (Sierra Regional Center, Buildings 16, 17, & 18)	\$ 279,521	\$ -	\$ 279,521		Demolish Buildings 16, 17 and 18 at Sierra Regional Center, Sparks. The buildings have been vacant for 12 years and are not cost effective to renovate in their current condition. The demolition is recommended due to vandalism and life safety concerns.
19-C19	NSHE	Henderson	Education Academic Building (Nevada State College)	\$ 55,852,093	\$ 6,000,000	\$ 61,852,093	Agency Funds	Construction of a new 67,000 sf Education and Academic Building at Nevada State College, Henderson. The project would include a multi-story building, which would house classrooms, staff offices, computer labs, early childhood education areas and speech pathology units. This is a continuation of CIP 17-P08 - Advance Planning Education Academic Building, Nevada State College.
19-C28	NSHE	Henderson	Health and Sciences Building (College of Southern Nevada)	\$ 70,763,741	\$ 6,000,000	\$ 76,763,741	Agency Funds	Construction of a new 73,000 sf Health and Sciences Building at the College of Southern Nevada, Henderson. The building would include classrooms, labs, offices and support spaces. This is a continuation of CIP 17-P07, Advance Planning, Health Sciences Building, College of Southern Nevada. The new building would be used by both the College of Southern Nevada and Nevada State College.
CONSTRUCTION PROJECTS				\$ 138,675,801	\$ 48,495,258	\$ 187,171,059	Project Count: 15	
MAINTENANCE PROJECTS								
19-M01	Agriculture	Reno	Freezer Replacement (Department of Agriculture Purchasing Warehouse)	\$ 2,131,380	\$ -	\$ 2,131,380		Replace existing drive-in freezer with a new, 3,800 sf drive-in freezer. The existing freezer is more than 40 years old and has reached the end of its useful life.
19-M02	Corrections	Indian Springs	Electrical Outlet & Cable Upgrades (High Desert State Prison)	\$ 1,653,626	\$ -	\$ 1,653,626		Upgrade receptacle and cable covers to electrical outlets in each housing unit (Units 1-8) at High Desert State Prison, Indian Springs.
19-M03	Health/Human Svcs	Sparks	Replace Emergency Generator (Sierra Regional Center)	\$ 693,587	\$ -	\$ 693,587		Replace generator, transfer switch, conduits, wiring and concrete pad at Sierra Regional Center, Sparks.
19-M04	Veterans Services	Boulder City	Domestic Hot Water Storage Tank Replacement (Southern Nevada Veterans Home)	\$ 194,054	\$ -	\$ 194,054		Replace domestic hot water storage tanks at Southern Nevada State Veterans Home, Boulder City.
19-M05	Administration	Carson City	Groundwater Well Abandonments (Carson City)	\$ 103,478	\$ -	\$ 103,478		Groundwater well abandonment of three water wells located in Carson City due to a requirement of the State Water Engineer.
19-M06	Veterans Services	Boulder City	Replace Culinary Refrigeration Units (Southern Nevada Veterans Home)	\$ 363,424	\$ -	\$ 363,424		Replace refrigeration components of the walk-in freezer and cooler at Southern Nevada State Veterans Home, Boulder City.
19-M07	Administration	Reno	Emergency Generator & Service Entrance Upgrade (Reno Purchasing Warehouse)	\$ 1,033,524	\$ -	\$ 1,033,524		Replace existing 140 kW generator and automatic transfer switch with a new 350 kW emergency generator. The project would also include replacement of the automatic transfer switch, service of the main switchboard and replacement of the concrete pad and wiring at the Reno Purchasing Warehouse for the Department of Administration, Reno.
19-M08	NSHE	Various	Deferred Maintenance (HECC/SHECC)	\$ 11,552,659	\$ 3,447,341	\$ 15,000,000	Slot Tax Revenue	Deferred maintenance projects for various NSHE campuses.
19-M09	Corrections	Ely	Boiler Replacement (Ely State Prison)	\$ 6,101,353	\$ -	\$ 6,101,353		Replace three hot water boilers in the central plant and two steam boilers in Building 10 at Ely State Prison.
19-M10	Corrections	Lovelock	Underground Piping and Boiler Replacement (Lovelock Correctional Center)	\$ 12,214,101	\$ -	\$ 12,214,101		Replace existing central plant hot water boilers, and chilled and heating water distribution system at Lovelock Correctional Center. This is a continuation CIP 15-M03, Replace Air Handling Units, Lovelock Correctional Center Phase II Housing Units. A scope modification of CIP Project 15-M03 was approved by the IFC at its August 2018 meeting to include a water distribution system review and design.
19-M11	Corrections	Ely	Replace Domestic & Heating Hot Water Piping (Ely State Prison,- Housing Unit 1)	\$ 2,204,109	\$ -	\$ 2,204,109		Replace existing domestic and heating hot water piping that services Housing Unit 1 at Ely State Prison. The project would also include the advance planning through schematic design for replacement of the existing domestic and hot water system that services the rest of the prison.
19-M12	Corrections	Carson City	Central Plant Renovation (Northern Nevada Correctional Center) - Phase 2	\$ 8,073,180	\$ -	\$ 8,073,180		Replace existing central plant hot water boilers and domestic water heaters serving the Northern Nevada Correctional Center. The project would also include new laundry equipment located in the central plant building. This is a continuation of CIP Project 15-P01, Advanced Planning: Boiler Plant and Hot Water Destruction Upgrades, Northern Nevada Correctional Center, Carson City.

19-M14	Wildlife	Various	Construct Water Wells and Water Systems (Various Fish Hatchery Sites)	\$ 2,606,412	\$ -	\$ 2,606,412		Design and construct water system and well improvements at the Gallagher Fish Hatchery, Ruby Valley and Spring Creek Rearing Station, which is located eight miles south of the town of Baker.
19-M15	Corrections	Ely	HVAC Replacement (Ely State Prison, Building 9)	\$ 1,844,192	\$ -	\$ 1,844,192		Replace rooftop air handling units on Building 9 at Ely State Prison.
19-M16	Health/Human Svcs	N. Las Vegas	Upgrade Door Controls (Summit View Youth Center)	\$ 1,625,495	\$ -	\$ 1,625,495		Upgrade the door controls for the administration building, two housing units and the gymnasium at Summit View Youth Center. The project scope would also include replacement of all door controls at the facility.
19-M17	Administration	Carson City	Central Plant Renovation (State Library and Archives)	\$ 2,155,409	\$ -	\$ 2,155,409		Complete renovation of the existing central plant (heating and cooling equipment) at the State Library and Archives Building. The project would include replacement of the existing chiller, boilers, pumps, piping and related controls. This project is a continuation of CIP Project 17-P01, Advanced Planning: Central Plant Renovation, State Library, Archives and Public Records.
19-M18	Public Safety	Carson City	Building Renovation (Department of Public Safety - Training Division)	\$ 1,233,009	\$ 1,569,284	\$ 2,802,293	Highway Funds	Interior and exterior renovation of the Department of Public Safety Training Division Building. The project would include exterior improvements including roofing, flashing, downspouts, roof top mechanical units, windows, doors and sealing the exterior masonry walls. Interior improvements would include ceiling tiles, flooring, ADA signage, plumbing fixtures, casework, lighting, electrical, painting, insulation, doors and hardware.
19-M19	Veterans Services	Boulder City	Replace Magnetic Door Controls (Southern Nevada State Veterans Home)	\$ 226,668	\$ -	\$ 226,668		Replace existing magnetic door control switches and wiring at Southern Nevada State Veterans Home.
19-M20	Health/Human Svcs	Caliente	Flooring Replacement (Caliente Youth Center, Multi-Purpose Building)	\$ 1,691,370	\$ -	\$ 1,691,370		Replace flooring in the gymnasium, dining room and serving line area in the Caliente Youth Center Multi-Purpose Building. The project would also provide accessible bleachers in the gymnasium and wall protection back-stops.
19-M21	Administration	Carson City	Generator, Controls Replacement & Pump System Modifications (Marlette Lake)	\$ 953,680	\$ -	\$ 953,680		Replace small utility generator, transfer switch, pump motor drive and generator controls for the Marlette Lake Water System. The project would also remove existing actuating valves at the pump site, install flow meters and drain piping as well as replace the Variable Frequency Drive (VFD) pump motor.
19-M22	Health/Human Svcs	Caliente	Chiller Replacement (Caliente Youth Center, Administration Building)	\$ 489,496	\$ -	\$ 489,496		Replace the chiller and pumping system located in the Administration Building at Caliente Youth Center.
19-M23	Corrections	Indian Springs	Install Security Cameras (High Desert State Prison)	\$ 4,658,968	\$ -	\$ 4,658,968		Install video monitoring and recording equipment in the inmate visiting area and other common areas in Housing Units 1-8 at High Desert State Prison.
19-M24	Corrections	Las Vegas	Surveillance System Replacement (Casa Grande Transitional Housing)	\$ 1,720,849	\$ -	\$ 1,720,849		Replace existing non-operative surveillance system, which includes fixed and pan tilt-zoom cameras as well as digital storage at Casa Grande Transitional Housing.
19-M25	Health/Human Svcs	Sparks	Install Panic Alarm System (Dini-Townsend Hospital)	\$ 854,658	\$ -	\$ 854,658		Install a panic alarm system at Dini-Townsend Hospital.
19-M26	Military	Stead	Install Emergency Generator (Washoe County Armory)	\$ 842,385	\$ 742,046	\$ 1,584,431	Federal Funds	Installation of a emergency generator and automatic transfer switch at Washoe County Armory.
19-M27	Veterans Services	Fernley	Pavilion Renovation (Northern Nevada Veterans Memorial Cemetery, Fernley)	\$ 161,622	\$ -	\$ 161,622		Design and renovate the pavilion at Northern Nevada Memorial Cemetery. The project would include replacing the glass window units, cleaning and sealing the walls, cleaning the aluminum windows and refinishing the heavy timber roof structure.
19-M28	Corrections	Carson City	HVAC Systems Renovations (NNCC - Operations, Administration Buildings & Housing Unit 6)	\$ 1,863,293	\$ -	\$ 1,863,293		Replace dual-duct terminal units and a fan coil servicing Housing Unit 6 and the Administration Building at Northern Nevada Correctional Center. The project would also include ductwork throughout the Operations Building, replacing the existing dual duct terminal units, fan coil units, piping, ductwork, air distribution and related controls.
19-M29	Administration	Carson City	Central Plant Renovation (Paul Laxalt State Office Building)	\$ 1,664,420	\$ -	\$ 1,664,420		Replace existing central plant heating and cooling system at the Paul Laxalt State Building. The project would include replacement of the existing domestic hot water tempering station with an electronic station.
19-M30	Administration	Carson City	Central Plant Renovation (Attorney General's Office Building)	\$ 1,567,051	\$ -	\$ 1,567,051		Replace existing central plant heating and cooling equipment at the Attorney General's Office Building. The project would include replacement of the existing chiller, cooling tower, boilers, pumps, piping and related controls.

19-M31	Military	Stead	HVAC Systems Renovation (Washoe County Armory)	\$ 1,212,411	\$ 1,076,505	\$ 2,288,916	Federal Funds	Replace the existing heating and cooling system at Washoe County Armory. The project would include replacement of the existing make-up air units, heat pumps, ductwork/air distribution and related controls.
19-M32	Military	Carson City	HVAC Systems Renovation (Office of the Adjutant General)	\$ 976,226	\$ 857,865	\$ 1,834,091	Federal Funds	Replace five rooftop air handling units, two package rooftop units, one kitchen exhaust hood, and install two new water source heat pump units at the Office of the Adjutant General, Nevada Army National Guard. The project would also include installation of destratification fans, piping, ductwork and related controls.
19-M33	Tourism & Cultural Affairs	Overton	Replace Sanitary Sewer and Upgrade Restrooms (Lost City Museum)	\$ 408,484	\$ -	\$ 408,484		Design and construct a restroom and perform plumbing and site sanitary sewer improvements at the Lost City Museum. The project would include replacement of site sanitary sewer, complete remodel of the staff bathrooms, waste piping connection, capping of abandoned fixtures and replacement of fixtures in the public restrooms.
19-M34	Military	Various	Replace Overhead Coiling Doors, Seals and Operators (Various Locations)	\$ 356,159	\$ 311,616	\$ 667,775	Federal Funds	Replace ten existing overhead coiling doors, seals and operators at Henderson Armory, Washoe County Armory, Las Vegas Readiness Center, and the Armory Headquarters Office of the Adjutant General.
19-M35	Corrections	Ely	Replace Door Locks and Controls (Ely State Prison) - Phase 1	\$ 4,218,060	\$ -	\$ 4,218,060		Replace intercom, locks and door controls in Housing Units 3 & 4 at Ely State Prison. The project would also include the replacement of door locks and controls in Buildings 9, 10, 11, 12, 14 and four towers. This project would be Phase 1.
19-M36	Conservation	Overton	Visitor Center Renovations (Valley of Fire State Park)	\$ 762,029	\$ -	\$ 762,029		Renovation of three interior restrooms including all low-flow fixtures and repairs associated with the Americans with Disabilities Act. The project would also include renovation of the flooring, painting, lighting upgrades and acoustical upgrades at Valley of Fire State Park.
19-M37	Administration	Carson City	Rooftop Unit Replacement (Department of Motor Vehicles - Carson City)	\$ -	\$ 475,431	\$ 475,431	Highway Funds	Replace the rooftop units servicing portions of the computer and warehouse buildings at the DMV in Carson City.
19-M38	Wildlife	Various	HVAC Systems Renovation (Department of Wildlife - Various WMA Sites)	\$ 170,708	\$ 404,276	\$ 574,984	Agency Funds	Replace heat pump units, furnaces and duct work at various Department of Wildlife sites throughout the state including Key Pittman Wildlife Management Area and shop, Mason Valley Wildlife Management Area Residences and Overton Wildlife Management Area residence and shop.
19-M39	Wildlife	Various	HVAC Systems Renovation (Department of Wildlife - Various Fish Hatchery Sites)	\$ 623,843	\$ -	\$ 623,843		Replace heat pump units, furnaces, and ductwork at the Gallagher Fish Hatchery residences and other Department of Wildlife sites.
19-M40	Wildlife	Various	Construct Water Wells and Water Systems (Various WMA Sites)	\$ 382,064	\$ 894,680	\$ 1,276,744	Agency Funds	Design and construct water system and well improvements to the Kirch Wildlife Management and Key Pittman Wildlife Management Areas.
19-M42	Health/Human Svcs	Caliente	Install Sanitary Sewer Macerator (Caliente Youth Center)	\$ 468,539	\$ -	\$ 468,539		Design and construct a sewage macerator and vault system upstream of the existing sanitary sewer lift station at Caliente Youth Center. The project would also include excavation, asphalt patching, concrete vault and macerator installation, sanitary sewer connections and electrical connections.
19-M43	Corrections	Indian Springs	Replace Cooling Towers (Southern Desert Correctional Center, Central Plant Building)	\$ 3,818,124	\$ -	\$ 3,818,124		Replace cooling towers, condenser water pumps, condenser water piping and associated temperature control system in the Central Plant Building at Southern Desert Correctional Center.
19-M44	Military	Reno	Packaged Rooftop Unit Replacement and Lighting Upgrade (Plumb Lane Armory)	\$ 128,887	\$ 295,805	\$ 424,692	Federal Funds	Replace existing rooftop units servicing the Plumb Lane Armory Building. The project would include exterior lighting for all buildings as well as an interior lighting upgrade to the gym.
19-M45	Tourism & Cultural Affairs	Las Vegas	Replace Lighting Control System (Nevada State Museum, Las Vegas)	\$ 212,811	\$ -	\$ 212,811		Replace existing lighting control systems at Nevada State Museum.
19-M46	Corrections	Indian Springs	Install Security Cameras (Southern Desert Correctional Center)	\$ 6,301,871	\$ -	\$ 6,301,871		Installation of cameras and monitoring controls for Housing Units 1-7, common areas, system facilities, prison industries, gymnasium, culinary, dining, kitchen, laundry, command and administrative buildings at the Southern Desert Correctional Center.
19-M47	Administration	Carson City	Elevator Renovation and Modernization (Blasdel Building)	\$ 260,068	\$ -	\$ 260,068		Replace the control systems and various drive components in the existing elevator as well as electrical and mechanical improvements at the Blasdel Building.
19-M48	Corrections	Indian Springs	Install Recreation Yard Fencing (SDCC and HDSP)	\$ 571,412	\$ -	\$ 571,412		Installation of recreational yard fencing at Southern Desert Correctional Center and High Desert State Prison.
19-M49	Health/Human Svcs	Caliente	Electrical Upgrade (Caliente Youth Center)	\$ 980,496	\$ -	\$ 980,496		Replace the electrical panels and transformers in the administration and old school buildings at Caliente Youth Center. The project would include high-efficiency transformers and large panels with adequate circuit breaker space.
19-M50	Conservation	Overton	Comfort Station Replacement (Valley of Fire State Park)	\$ 636,017	\$ -	\$ 636,017		Replace six restrooms at various remote locations throughout Valley of Fire State Park.

19-M51	Administration	Various	Perform Electrical Coordination Studies (Various State Buildings)	\$ 627,897	\$ -	\$ 627,897		Perform electrical coordination studies, evaluations, and make adjustments to the electrical distribution systems at the Grant Sawyer, Bryan, EICON, Capitol and Nevada State Library and Archives Buildings.
19-M52	Health/Human Svcs	Las Vegas	Main Electrical Switchgear Replacement (SNAMHS, Building 3)	\$ 388,875	\$ -	\$ 388,875		Replace the original mail electrical switchboard at Southern Nevada Adult Mental Health Services, Building 3.
19-M53	Conservation	Silver Springs	Park Facilities Maintenance & ADA Upgrades (Fort Churchill State Park)	\$ 1,332,352	\$ -	\$ 1,332,352		Renovation of electrical, mechanical and plumbing systems at Fort Churchill State Park. The project would include upgrades to the restrooms as well as Americans with Disabilities Act code compliance upgrades to the Visitor Center, shop/office and public restrooms and upgrades to the fire alarms and telephone systems. The project would also include upgrades to the exterior concrete walking surfaces and parking areas.
19-M54	Administration	Carson City	Upgrade Warehouse Loading Dock (Carson City DMV)	\$ -	\$ 203,318	\$ 203,318	Highway Funds	Design and construct a replacement of overhead doors, dock bumpers and loading dock lifts, as well as removal of the truck scale at the Carson City DMV warehouse.
19-M55	Administration	Carson City	Exterior Building Repairs (Carson City DMV)	\$ -	\$ 712,626	\$ 712,626	Highway Funds	Repair and seal the exterior painted surfaces of the DMV complex buildings in Carson City.
19-M56	Administration	Henderson	Boiler Replacement (Henderson DMV)	\$ -	\$ 523,475	\$ 523,475	Highway Funds	Replace boilers, piping and other associated equipment at the Henderson DMV.
19-M57	Administration	Las Vegas	HVAC Replacement (DMV Express Office - Donovan Way Location)	\$ -	\$ 338,220	\$ 338,220	Highway Funds	Replace the rooftop HVAC units at the DMV Express Office in Las Vegas.
19-M58	Military	Carlin	Heat Pump Water Piping Distribution Replacement (Carlin Readiness Center)	\$ 1,231,483	\$ 280,486	\$ 1,511,969	Federal Funds	Replace the existing heat pump water distribution piping system servicing Carlin Readiness Center. The project would include replacement of the piping inside the building and installation of control valves.
19-M59	Administration	Carson City	HVAC System Renovation (Capitol Building)	\$ 2,217,184	\$ -	\$ 2,217,184		Replace the heating and cooling terminal units and temperature control system servicing the Capitol Building in Carson City. The project would include replacing the existing dual-duct terminal units, duct work, and related controls.
MAINTENANCE PROJECTS TOTAL				\$ 100,763,452	\$ 12,132,974	\$ 112,896,426	Project Count: 57	
PLANNING PROJECTS								
19-P01	Administration	Las Vegas	Advance Planning: Grant Sawyer Office Building - Remodel	\$ 8,101,788	\$ -	\$ 8,101,788		Design development through construction documents to complete a renovation of the interior space of the Grant Sawyer Office Building. The project would include replacement of interior partitions, carpets, wallcoverings, interior lighting, HVAC, life safety system, plumbing, sewer modification and relocation of the existing elevators.
19-P02	Administration	Carson City	Advance Planning: Renovation and Seismic Retrofit (Heroes Memorial Building & Annex)	\$ 361,715	\$ -	\$ 361,715		Design development through construction documents to complete seismic strengthening and a major remodel of the Heroes Memorial Building and Annex. The project would address upgrades to the structure and building systems.
19-P03	Corrections	Carson City	Advance Planning: NNCC Housing Unit and Core Expansion	\$ 3,214,759	\$ -	\$ 3,214,759		Design development through construction documents for a 23,780 sf dormitory housing unit, culinary/chapel building and other infrastructure and support facilities at Northern Nevada Correctional Center. The new dormitory would provide an additional 200 beds and support area for inmates in the mental health unit.
19-P04	Corrections	Carson City	Advance Planning: Replace Domestic Water and Sanitary Sewer (NNCC)	\$ 1,314,436	\$ -	\$ 1,314,436		Design development through construction documents of the domestic water and sanitary sewer system at Northern Nevada Correctional Center. The project would include a subsurface utility investigation, abandonment of existing sanitary sewer and domestic water utilities, and replacement of the sanitary sewer and water utilities.
19-P05	Administration	Carson City	Advance Planning: HVAC Renovation (Carson City DMV)	\$ -	\$ 488,088	\$ 488,088	Highway Funds	Design development through construction documents for the replacement of the chilled and hot water central plant, chilled and hot water distribution piping, air handling units, terminal units and computer room cooling units at the DMV building in Carson City.
19-P06	Corrections	Carson City	Advance Planning: Electrical Distribution Upgrade (NNCC)	\$ 1,259,372	\$ -	\$ 1,259,372		Design development through construction documents for the installation of a generator building, electrical room additions in ten buildings, generators, transformers, medium voltage switches, service entrance switchgear and conductors at Northern Nevada Correctional Center.
19-P07	Corrections	Indian Springs	Advance Planning: Central Plant Renovation (High Desert State Prison)	\$ 659,075	\$ -	\$ 659,075		Design development through construction documents for the replacement of the existing plant heating and cooling equipment at High Desert State Prison. The project would include replacement of existing chillers, boilers, cooling towers, plate heating exchangers, pumps, piping and related controls.

19-P08	Conservation	Elko	Advance Planning: Heavy Equipment Shop & Renovation (Elko)	\$ 458,392	\$ -	\$ 458,392		Design development through construction documents for a new 6,000 sf heavy equipment repair and fabrication shop including offices, restrooms, showers and support facilities and a 1,200 sf storage mezzanine at the Nevada Division of Forestry, Elko.
19-P09	Public Safety	Carson City	Advance Planning - Headquarters Building (Department of Public Safety)	\$ 368,114	\$ 181,310	\$ 549,424	Highway Funds	Design development through construction documents for a new Department of Public Safety headquarters campus in Carson City. The intent of the project is to consolidate the department's headquarters into a single campus facility. The project would include feasibility, programming, site design and engineering studies for the new building.
19-P10	Conservation	Las Vegas	Advance Planning: Exterior Envelope Protection (Spring Mountain Ranch State Park)	\$ 117,648	\$ -	\$ 117,648		Planning through programming for an architectural and engineering evaluation of the historic buildings located at Spring Mountain Ranch State Park. The project would identify the prioritization of repairs needed to address weatherization and exterior building protection.
19-P41	Administration	Las Vegas	Advanced Planning: State Office Building (Las Vegas)	\$ 6,108,833	\$ -	\$ 6,108,833		Design development through construction documents to construct a new 100,000 sf state office building at the Grant Sawyer Office Building site in Las Vegas. The building would be multi-story and provide office space for various state agencies.
PLANNING PROJECTS TOTAL				\$ 21,964,132	\$ 669,398	\$ 22,633,530	Project Count: 11	
STATEWIDE PROJECTS								
19-S01	Administration	Statewide	Statewide Roofing Program	\$ 9,975,568	\$ -	\$ 9,975,568		State-funded statewide roofing projects.
19-S02	Administration	Statewide	Statewide ADA Program	\$ 2,729,649	\$ -	\$ 2,729,649		State-funded statewide program accessibility under Title II of the Americans with Disabilities Act.
19-S02h	Administration	Las Vegas	Statewide ADA Program - Highway Funded	\$ -	\$ 211,466	\$ 211,466	Highway Funds	State-funded statewide program accessibility under Title II of the Americans with Disabilities Act at the Donovan Express DMV Office in Las Vegas.
19-S03	Administration	Statewide	Statewide Fire and Life Safety Program	\$ 1,734,863	\$ -	\$ 1,734,863		Install and maintain fire alarm and sprinkler systems at Grant Sawyer, Stewart Gym, Carson City Railroad Museum and Sierra Regional Center.
19-S03h	Administration	Carson City	Statewide Fire and Life Safety Program - Highway Funds	\$ -	\$ 675,081	\$ 675,081	Highway Funds	Install and maintain a fire alarm system at the Carson City DMV.
19-S04	Administration	Various	Statewide Advance Planning Program	\$ 1,945,087	\$ 200,000	\$ 2,145,087	Federal Funds	Preparation of the 2021 Capital Improvement Program (CIP).
19-S05	Administration	Statewide	Statewide Paving Program	\$ 2,447,493	\$ -	\$ 2,447,493		Complete design and construction of statewide paving projects at the Stewart Street parking lot (Supreme Court Building, east parking lot), crack sealing various parking lots throughout the state, and emergency repairs of various parking lots.
19-S05g	Administration	Various	Statewide Paving Program (Nevada Army National Guard)	\$ 113,666	\$ 98,615	\$ 212,281	Federal Funds	Complete repairs of asphalt pavement at the Las Vegas Readiness Center and Nevada Army National Guard facilities.
19-S05g1	Administration	Stead	Construct Parking Addition (Washoe County Armory)	\$ 313,867	\$ 732,100	\$ 1,045,967	Federal Funds	Complete design and construction of an additional parking lot for personally-owned vehicles at Washoe County Armory in Stead.
19-S05h	Administration	Various	Statewide Paving Program - Highway Funds	\$ -	\$ 928,690	\$ 928,690	Highway Funds	Complete repairs and maintenance of the pavement at the Henderson DMV and the Decatur DMV in Las Vegas. The project also includes parking lot improvements for the Decatur DMV and additional parking improvements at the Henderson DMV.
19-S06	Administration	Statewide	Statewide Indoor Air Quality - Environmental Program	\$ 188,380	\$ 100,000	\$ 288,380	Agency Funds	Statewide project to address environmental issues such as asbestos, indoor air quality, lead paint and mold.
19-S09	Administration	Various	Statewide Building Official Program	\$ -	\$ 1,089,157	\$ 1,089,157	Agency Funds	Project to accept and spend funds from various state agencies for plan review and inspection of building projects not managed by the SPWD.
STATEWIDE PROJECTS TOTAL				\$ 19,448,573	\$ 4,035,109	\$ 23,483,682	Project Count: 12	
TOTAL ALL PROJECTS				\$ 280,851,958	\$ 65,332,739	\$ 346,184,697	Project Count: 95	

POSITION SUMMARY

The following table displays the eliminated and new positions recommended in The Executive Budget by functional area for the 2019-21 biennium. The FY 2019 work program year is displayed to provide a perspective of the total number of positions in the current fiscal year compared to the total number of positions approved by the 2017 Legislature for FY 2019. A comparison can then be made to the total number of eliminated and new positions recommended by the Governor for the 2019-21 biennium. The total number of positions for the Nevada System of Higher Education (NSHE) is detailed separately, and only includes authorized positions in FY 2019.

Over the 2017-19 biennium, the number of positions, excluding NSHE, increased from 19,738.22, as approved by the 2017 Legislature for FY 2019, to 19,787.90, a net increase of 49.68 positions. Significant position additions include 28.51 positions for the Department of Health and Human Services, 16.00 positions for the Department of Taxation for marijuana regulation and control, and 12.00 positions for the Department of Public Safety. For FY 2020, excluding NSHE, the Governor recommends a total of 20,344.65 positions. The recommendation includes the elimination of 122.75 existing positions when compared to FY 2019 (work program year), the addition of 676.5 new positions, and 3.00 positions transferred from an agency outside of those included in The Executive Budget. The net increase in positions (new, less eliminated, plus transferred) is 556.75 when compared to the FY 2019 work program.

For FY 2021, excluding NSHE, the Governor recommends a total of 20,397.90 positions. The recommendation includes the elimination of 3.25 positions and the addition of 56.50 new positions. The net increase in positions (new less eliminated) is 53.25. This results in a total of 126.00 (122.75 + 3.25) eliminated positions, 733.00 (676.50 + 56.50) new positions, and 3.00 transferred positions over the 2019-21 biennium. The net increase in positions (new, less eliminated, plus transferred) for the 2019-21 biennium is 610.00 when compared to the number of positions in the FY 2019 work program year.

Significant position additions recommended by the Governor include the addition of 382.51 positions in FY 2020 and 40.50 positions in FY 2021 (423.01 positions total) in the Health and Human Services functional area, and the addition of 134.49 positions in FY 2020 and 7.00 positions (141.49 positions total) in FY 2021 in the Public Safety functional area. The 423.01 additional positions for the Health and Human Services functional area are primarily recommended to meet increased demand for services provided by the Division of Child and Family Services, the Aging and Disability Services Division, the Division of Welfare and Supportive Services, and the Division of Public and Behavioral Health. The additional 141.49 positions recommended by the Governor for the Public Safety functional area are primarily recommended to provide transportation and leadership positions to help with community hospital guarding and supervisory control in the Department of Corrections, and for additional staff in the Division of Parole and Probation to support programs implemented in the previous biennium designed to reduce inmate populations and better assist parolees to assimilate more effectively back into society. Significant position reductions recommended by the Governor include

77.00 positions in FY 2020 in the Health and Human Services functional area, primarily due to decreasing Unemployment Insurance program administrative federal funding.

Since formula funding recommendations are not translated into position counts until after the close of the legislative session, no information is being provided on authorized positions for NSHE for the 2019-21 biennium.

**Nevada Legislative Counsel Bureau
Governor Recommends Position Count
(Full-Time Equivalency Count)**

	FY 2019 Legislature Approved	FY 2019 Work Program ^{a.}	Governor Recommends FY 2020				Governor Recommends FY 2021			
			Eliminated Positions	Net Transfers ^{b.}	New Positions	Total	Eliminated Positions	Net Transfers	New Positions	Total
Government Function										
Constitutional Agencies	1,216.20	1,224.20	(2.25)	-	43.00	1,264.95	(2.00)	-	-	1,262.95
Finance and Administration	980.28	1,019.07	(1.00)	-	36.00	1,054.07	-	-	2.00	1,056.07
Education	192.02	192.02	(12.75)	-	22.49	201.76	(0.25)	-	-	201.51
Human Services	6,790.82	6,766.84	(77.00)	-	382.51	7,072.35	(1.00)	-	40.50	7,111.85
Commerce and Industry	1,494.59	1,496.97	(20.75)	-	21.53	1,497.75	-	-	5.00	1,502.75
Public Safety	5,763.64	5,781.64	(9.00)	-	134.49	5,907.13	-	-	7.00	5,914.13
Infrastructure ^{b.}	2,830.67	2,835.16	-	3.00	15.48	2,853.64	-	-	2.00	2,855.64
Special Purpose Agencies	470.00	472.00	-	-	21.00	493.00	-	-	-	493.00
Sub-Total	19,738.22	19,787.90	(122.75)	3.00	676.50	20,344.65	(3.25)	-	56.50	20,397.90
Nevada System of Higher Education										
Professional	5,593.43	5,819.45				N/A ^{c.}				N/A ^{c.}
Classified	2,064.27	2,089.57				N/A ^{c.}				N/A ^{c.}
Sub-Total	7,657.70	7,909.02								
Total ^{d.}	27,395.92	27,696.92								

a. The FY 2019 work program sub-total by Government Function in The Fiscal Report differs from The Executive Budget due to necessary adjustments for those items which are not reflected in The Executive Budget work program. Reconciliation is on file in the Fiscal Analysis Division.

b. Three FTE positions recommended to transfer from Non-Executive Budget 4211, Las Vegas Water Basin, to Executive Budget 4171, Water Resources.

c. Funding recommendations are not translated into position counts until after the close of the Legislative Session. Therefore, information is not provided on authorized positions for the NSHE for the 2019-21 biennium.

d. Total does not include Boards, Commissions, or the Tahoe Regional Planning Agency.

SECTION V

GOVERNOR'S RECOMMENDATIONS BY FUNCTION

This section includes a schedule by budget of the Governor's recommended level of spending by funding source. Narratives at the beginning of each functional section include comparisons of the amounts recommended by the Governor for the 2019-21 biennium, to the amounts approved by the Legislature for the 2017-19 biennium. The percentage change between the bienniums is also displayed. Expenditure and percentage figures are rounded, but all calculations are extracted from the unrounded numbers.

Each functional area's schedule of recommended spending is preceded by a brief narrative description of the major program changes and issues reflected in the proposed budgets. This narrative is not exhaustive, nor does it address issues in great depth. It is designed to alert the reader to those issues that may arise during the 2019 Legislative Session.

ELECTED OFFICIALS

The Elected Officials function encompasses three subfunctions: Executive Branch elected offices and their various agencies, Legislative Branch agencies, and Judicial Branch agencies. The Executive Branch elected offices include the Governor, Lieutenant Governor, Attorney General, Secretary of State, State Treasurer and State Controller. The Legislative Branch agencies include the Legislative Counsel Bureau and the Interim Nevada Legislature. Judicial Branch agencies include the Supreme Court, Court of Appeals, Specialty Courts, Administrative Office of the Courts, and the Commission on Judicial Discipline. The Elected Officials functional area also includes the Western Interstate Commission for Higher Education and the Commission on Ethics.

The recommended General Fund appropriations for Elected Officials totals \$351.4 million over the 2019-21 biennium, an increase of 1.7 percent compared to the legislatively approved amount of \$345.4 million approved by the Legislature for the 2017-19 biennium. Budget recommendations for all funding sources for Elected Officials totals \$1.284 million, an increase of 8.5 percent compared to the amount approved by the 2017 Legislature of \$1.184 million for the 2017-19 biennium, after interagency transfers are deducted.

OFFICE OF THE GOVERNOR

The Governor is the Chief Executive Officer of the state and is elected to a four-year term. The responsibilities of the Governor include, but are not limited to, serving as the Commander in Chief of the state's military forces and as the Chairman of the Board of Examiners, the Board of Directors of the Department of Transportation, the Executive Branch Audit Committee, the Board of Prisons Commissioners, and the Board of Pardons Commissioners. The Office of the Governor is supported entirely by General Fund appropriations. For the 2019-21 biennium, The Executive Budget recommends \$5.46 million over the biennium, which is \$761,129, or a 16.2 percent increase from the

\$4.70 million approved by the 2017 Legislature for the 2017-19 biennium. The Executive Budget recommends 19 non-classified positions, in addition to the Governor, for the Office of the Governor, which is an increase of 2 positions from the 17 positions included in the budget approved by the 2017 Legislature.

MANSION MAINTENANCE

The Mansion Maintenance budget provides for the staffing, operation and maintenance of the Governor's Mansion in Carson City and is supported entirely by General Fund appropriations. General Fund support for the mansion is recommended to increase from \$668,485 as approved for the 2017-19 biennium, to \$715,672 for the 2019-21 biennium, which is an increase of \$47,187, or 7.0 percent. The Executive Budget proposes to fund \$65,549 in facility maintenance projects for the Governor's Mansion over the 2019-21 biennium. The Executive Budget recommends funding for 2.64 non-classified positions to staff the mansion, which is a continuation of the positions approved by the 2017 Legislature.

WASHINGTON OFFICE

The establishment of the Washington, D.C. Office was authorized by the 1985 Legislature to identify, monitor and provide information on selected federal issues of high priority to Nevada, such as nuclear waste, transportation funding, gaming, and economic development. The Governor recommends funding support of \$518,868 for the 2019-21 biennium, which is the same amount approved by the 2017 Legislature for the 2017-19 biennium. The Washington Office is funded through transfers from the Department of Transportation, the Commission on Tourism and the Governor's Office of Economic Development.

OFFICE FOR NEW AMERICANS

To help new and aspiring Americans adjust to life in America and Nevada, the Governor's budget proposes the creation of the Office for New Americans. The office would be located in Southern Nevada. General Fund appropriations totaling \$393,731 over the 2019-21 biennium are recommended to fund one unclassified Administrator position and one Administrative Assistant position along with associated operating costs of the office.

GOVERNOR'S OFFICE OF ENERGY

The Governor's Office of Energy is responsible for implementing the Governor's Nevada Energy Protection Plan and for serving as the state's point of contact with the United States Department of Energy's (DOE) State Energy Program (SEP). The office administers grants and contracts that promote the economic development of the state, encourages conservation and energy efficiency, encourages the development and utilization of Nevada's renewable energy resources, and promotes alternative fuel use in Nevada. The activities of the Governor's Office of Energy include energy emergency support, energy policy formulation and implementation, technical assistance and public information and education.

Funding for the Governor's Office of Energy is provided through a mix of federal funds, property tax receipts transferred from the Renewable Energy Account and the Renewable Energy, Efficiency and Conservation Loan (REECL) program. For the 2019-21 biennium, the Governor recommends total transfers for the office from the Renewable Energy Account and the REECL at \$2.0 million, a decrease of 18.5 percent when compared to the amount approved by the 2017 Legislature of 2.5 million, due to a reduction in costs associated with the administration of the Renewable Energy Account, the REECL and the federal SEP grant. The Executive Budget includes the continuation of General Fund appropriations of \$100 in each year of the 2019-21 biennium, which provides access to the Interim Finance Committee Contingency Account should the need arise.

RENEWABLE ENERGY ACCOUNT

The Renewable Energy Account receives 45 percent of the property taxes paid by a qualifying renewable energy facility during the period of partial abatement of property taxes. The Executive Budget includes property tax revenue of \$5.2 million for the 2019-21 biennium, a reduction of 30.2 percent compared to the \$7.5 million approved by the 2017 Legislature. Of that amount, not less than 75 percent of the property taxes received in the account must be used to offset the cost of electricity to retail customers of a public utility subject to a renewable energy portfolio standard established by the Public Utilities Commission. The remaining 25 percent of the property taxes received in the account may be used by the director as prescribed by regulation. To continue funding the Direct Energy Assistance Loan (DEAL) program, The Executive Budget recommends transfers of \$350,000 in each year of the biennium to the Nevada Housing Division in the Department of Business and Industry, a decrease of 53.3 percent when compared to the \$1.5 million approved by the 2017 Legislature. The Housing Division utilizes its expertise to provide oversight and administration of energy upgrades and retrofit programs for the Governor's Office of Energy. Further, to continue support for the Home Energy Retrofit Opportunity for Seniors (HEROS) program, The Executive Budget recommends transfers of \$750,000 in each year of the biennium to the Nevada Housing Division, which is the same amount approved by the 2017 Legislature.

RENEWABLE ENERGY, EFFICIENCY AND CONSERVATION LOAN

The Trust Account for Renewable Energy and Energy Conservation, established is administered through this budget for the purpose of granting low-interest loans for renewable energy related projects. The federal government granted \$8.2 million to the State of Nevada under the American Recovery and Reinvestment Act (ARRA) for loans. The purpose of the program was to create a sustainable revolving loan program to help Nevada meet its renewable energy portfolio standard goals, to promote energy independence and to create jobs by providing short-term, low-cost loans to developers of renewable energy systems in Nevada. The loans serve as a bridge financing option to provide necessary funding for the various start-up costs associated with these projects. Once the projects reach a mature level and total project financing is in place, the loans will be repaid. The program provides below-market rate financing at an interest rate of 3 percent for projects that develop or expand renewable energy systems in Nevada, for a term not to exceed 15 years. Loans are granted to the highest ranked applicants based

on criteria such as the number of jobs created or retained, renewable energy generated, fossil fuel reduction, leveraging of additional financial resources and readiness of the project to be implemented.

In the Renewable Energy, Efficiency and Conservation Loan budget, The Executive Budget recommends a total of \$295,284 in energy loan repayments for the 2019-21 biennium, a decrease of 54.3 percent when compared to the \$645,998 approved by the 2017 Legislature. The decrease is primarily due to the anticipated payoff of two large loans during the current biennium. The Executive Budget does not include any new loans due to diminished interest in the program. Additionally, The Executive Budget recommends repurposing the remaining ARRA loan funds to provide energy program grant funding totaling \$900,000 in FY 2020. The Executive Budget indicates a bill draft request will be submitted to support this recommendation.

OFFICE OF SCIENCE, INNOVATION AND TECHNOLOGY

The Office of Science, Innovation and Technology (OSIT) was established to promote the development of a skilled workforce in the areas of science, technology, engineering or math (STEM), and to improve broadband availability, adoption, and use. The Governor recommends General Fund appropriations of \$8.3 million over the 2019-21 biennium for OSIT.

The Governor recommends General Fund appropriations of \$1.0 million in each year of the 2019-21 biennium to continue the development of a statewide E-Rate consortium to leverage E-Rate dollars from the Federal Communications Commission. E-Rate is the universal service support program that helps schools and libraries obtain affordable broadband.

AGENCY FOR NUCLEAR PROJECTS

The Agency for Nuclear Projects was established by Executive Order in 1983 following passage of the federal Nuclear Waste Policy Act of 1982. The 1985 Legislature formally established the office as a statutorily authorized agency and created a seven-member Commission on Nuclear Projects to support the work of the agency and provide guidance to the Governor and Legislature on matters concerning the high-level nuclear waste program. In 1995, the Legislature made the agency an organizational component of the Governor's Office. The agency consists of the Division of Technical Programs and the Division of Planning. The Executive Director is appointed by the Governor and serves at the pleasure of the commission. Funding for the agency consists of General Fund appropriations, an annual grant from the Western Governors' Association, and an annual transfer of Highway Funds.

The Executive Budget recommends total funding of \$3.9 million over the 2019-21 biennium for the agency, which is a 3.0 percent increase compared to the \$3.8 million legislatively approved for the 2017-19 biennium. General Fund appropriations are recommended at \$2.8 million over the biennium, an increase of \$113,842, or 4.3 percent, when compared to the \$2.7 million approved by the

2017 Legislature. General Fund appropriations for the Agency for Nuclear Projects are primarily used to support contract costs including outside attorney's fees and technical experts. The Governor recommends General Fund appropriations of \$2,525 in FY 2020 and \$3,381 in FY 2021 increase the salary of the Administrator of the Division of Planning and to move the position from the classified service to the unclassified service of the state.

GOVERNOR'S OFFICE OF FINANCE

BUDGET DIVISION

The primary responsibilities of the Budget Division are to produce The Executive Budget, provide budgetary oversight to all agencies, and coordinate statewide planning efforts. The division also provides staff support to the Board of Examiners and the Economic Forum. The Governor recommends General Fund appropriations of \$8.7 million over the 2019-21 biennium to fund operations of the Governor's Office of Finance, an increase of 16.3 percent when compared to the \$7.5 million legislatively approved for the 2017-19 biennium.

A new Executive Budget Officer position is recommended by the Governor to address an increase in the division's workload and responsibilities. The new position and associated operating costs would be supported by General Fund appropriations of \$224,557 over the 2019-21 biennium.

The Governor recommends General Fund appropriations totaling \$107,813 over the 2019-21 biennium to provide a one-grade salary increase for 15 classified Executive Branch Budget Officer positions. The Executive Budget also recommends General Fund appropriations totaling \$10,798 in the upcoming biennium to provide an average biennial salary increase of 4.8 percent for an unclassified Chief Assistant Budget Administrator position. The division indicates the recommended salary increases would ensure compensation is competitive and commensurate with duties assigned.

DIVISION OF INTERNAL AUDITS

The Division of Internal Audits consists of three sections:

- Internal Audits – Provides recommendations through the audit process geared toward improving the efficiency and effectiveness of Executive Branch agencies.
- Financial Management – Reviews Executive Branch agencies' internal controls and provides training to ensure effective financial administration.
- Compliance – Statistically samples Executive Branch agency transactions for compliance with laws, regulations, guidelines and contract stipulations.

The Governor recommends General Fund appropriations totaling \$3.4 million over the 2019-21 biennium to fund the operation of the division, representing a 10.2 percent increase from the legislatively approved General Fund appropriations of \$3.1 million for the 2017-19 biennium. The division is supported entirely by the General Fund.

The Executive Budget recommends a new Executive Branch Auditor position to address an increase in workload and a backlog of internal audits. General Fund appropriations totaling \$243,298 over the 2019-21 biennium are recommended to fund the personnel and associated operating costs of the new position.

SMART 21 PROJECT

The 2017 Legislature approved A.B. 504, which provided funding totaling \$15.0 million, including General Fund appropriations of \$12.2 million and Highway Fund appropriations of \$2.8 million, for the 2017-19 biennium for the first phase of a project to replace the state's financial, human resource, procurement and budgeting information systems with a cloud-based enterprise resource planning (ERP) system. The project is known as the Silver State Modernization Approach for Resources and Technology in the 21st Century, or SMART 21 project. The IFC approved allocations totaling \$2.7 million to establish a Project Management Office staffed with 13 positions and associated operating costs to oversee the project, and to support contracts with an IT advisory firm to assist with project planning and a legal consultant that specializes in cloud computing contracting.

The Executive Budget recommends continuing the SMART 21 project and Project Management Office in the 2019-21 biennium with funding totaling \$5.7 million, including General Fund appropriations of \$4.6 million and Highway Fund appropriations of \$1.1 million.

The Governor recommends five new positions for the Project Management Office at a cost of \$662,360 including General Fund appropriations of \$536,511 and Highway Fund appropriations of \$125,949 in over the 2019-21 biennium. A total of \$1.8 million including General Fund appropriations of \$1.5 million Highway Fund appropriations \$342,000 is recommended to support an additional contract with an IT advisory firm to provide independent project verification and validation services during the implementation of the new system.

SPECIAL APPROPRIATIONS

The Special Appropriations budget is used by the Governor's Office of Finance to pass through legislatively approved General Fund appropriations to other governmental entities and not-for-profit organizations. The Governor recommends General Fund appropriations totaling \$16.4 million for operating costs recommended in the 2019-21 biennium.

WESTERN INTERSTATE COMMISSION FOR HIGHER EDUCATION

Nevada's participation in the Western Regional Education Compact and membership in the Western Interstate Commission for Higher Education (WICHE) provides assistance to participants seeking higher education and/or workforce experience in several health care professional fields of study identified as critical workforce needs for the state. Participants are able to access educational programs not established in Nevada at reduced tuition rates, and are offered loan forgiveness for returning to underserved areas in Nevada to practice professionally. Nevada also participates in student exchange

programs with 15 other western states through the WICHE Student Exchange Program. The Governor recommends General Fund appropriations of \$836,134 and \$842,512 in Fiscal Years 2020 and 2021, respectively, for the Loan and Stipend budget compared to FY 2019 appropriations of \$832,369. Total Loan and Stipend budget funding recommended by the Governor is \$1.2 million in each year of the upcoming biennium to maintain the program areas and number of participant slots at a consistent level with the legislatively approved budget for the 2017-19 biennium.

OFFICE OF WORKFORCE INNOVATION

The Executive Budget recommends total funding of \$9.5 million over the 2019-21 biennium for the Office of Workforce Innovation (OWINN). OWINN was established to develop statewide strategies to ensure that employers are able to recruit Nevadans for jobs requiring high-level training and skills, and to implement statewide career pathways, talent development and workforce training. OWINN is also responsible for promoting apprenticeship programs, supports the State Apprenticeship Council, and maintaining the statewide longitudinal data system that links data relating to programs and K-12 public education with data relating to postsecondary education and workforce in the state. The Governor recommends changing the funding for the State Apprenticeship Director position from General Fund appropriations to Workforce Innovation Opportunity Act (WIOA) Governor's Reserve grant funds, resulting in General Fund reductions of \$220,155 over the 2019-21 biennium. The Executive Budget also recommends WIOA Governor's Reserve grant funds of \$192,671 over the 2019-21 biennium to convert three contract positions to non-classified full-time positions.

SENTENCING COMMISSION

Beginning in the 2019-21 biennium, the Governor recommends the creation of a 35-member Sentencing Commission. In conjunction with this recommendation, The Executive Budget includes General Fund appropriations totaling \$813,919 over the upcoming biennium to fund the personnel and operating costs of four unclassified positions, which include one Bureau Chief, one Grants Analyst and two Administrative Assistants. The recommended positions would provide administrative support to the new commission.

LIEUTENANT GOVERNOR

The Lieutenant Governor is elected to a four-year term and serves as the President of the Senate. The Lieutenant Governor serves as the Chairman of the Nevada Commission on Tourism, a member of the Board of Economic Development, Vice Chairman of the Board of Directors of the Nevada Department of Transportation, and is a member of the Governor's Cabinet and the Executive Branch Audit Committee. The Lieutenant Governor also serves as acting Governor whenever the Governor is out of state or unable to perform the duties of the office. The Office of the Lieutenant Governor is supported entirely by General Fund appropriations.

For the 2019-21 biennium, The Executive Budget recommends \$1.48 million over the biennium, which is \$302,623, or a 25.6 percent increase from the \$1.2 million approved by the 2017 Legislature for the 2017-19 biennium. The Executive Budget recommends five unclassified positions, in addition to the Lieutenant Governor, for the Office of the Lieutenant Governor, which is an increase of one position from the four positions included in the budget approved by the 2017 Legislature. The Executive Budget includes General Fund appropriations of \$230,000 over the 2019-21 biennium to establish an Office of the Small Business Advocate, staffed by a new Assistant to the Lieutenant Governor position, within the Office of the Lieutenant Governor. The Small Business Advocate would perform outreach and assist small business owners in navigating state and local laws and regulations.

ATTORNEY GENERAL

The Office of the Attorney General (OAG) serves as legal advisor to nearly all state agencies, boards and commissions and assists the county district attorneys throughout the state. As the state's Chief Law Enforcement Office, the Attorney General represents the people of the State of Nevada before trial and appellate courts of Nevada and the United States in criminal and civil matters. The OAG includes the following five bureaus:

- Criminal Justice – includes the Fraud Unit, Mortgage Fraud Unit, the Workers' Compensation and Insurance Fraud units, and the Medicaid Fraud Control Unit
- Litigation – includes the Transportation Division and Public Safety Division
- Consumer Protection – includes the Civil Mortgage Fraud Unit, Mortgage Settlement Administration and Financial Fraud Unit
- Gaming and Government Affairs – includes the Gaming Division, the Boards and Open Government Division, and the Government and Natural Resources Division
- Business and State Services – includes the Business and Taxation Division, the Personnel Division, and Health and Human Services

The OAG also includes an Administration Division comprising the Fiscal, Information Technology and Personnel units; and the Investigations Division, which includes Tobacco Enforcement, Missing and Exploited Children, Human Sex Trafficking, High Technology Crime and General Fraud units.

The Executive Budget recommends total funding of \$91.2 million (less interagency transfer) over the 2019-21 biennium for the OAG, a 20.4 percent decrease from the \$114.5 million approved for the 2017-19 biennium. The General Fund portion of The Executive Budget totals \$11.9 million for the 2019-21 biennium, a 13.9 percent decrease from the legislatively approved General Fund amount of \$13.8 million for the 2017-19 biennium.

In order to address increasing caseloads related to the Post Conviction Unit, the Criminal Prosecution Unit, and the Nevada Department of Corrections, The Executive Budget recommends \$1.0 million (\$102,740 General Fund) for five new positions, including three Deputy Attorney General positions, one Legal Researcher and one Legal Secretary. Further, to address the increasing volume of requests in the

Constituent Services Unit, The Executive Budget recommends \$230,005 (\$22,806 General Fund) over the 2019-21 biennium to fund two new Administrative Assistant positions.

Due to efficiencies gained in the OAG's Accounting Unit, The Executive Budget recommends eliminating one of two Budget Analyst positions, providing General Fund reductions of \$193,944 over the 2019-21 biennium.

To handle the increasing number of missing and exploited children cases in Nevada, The Executive Budget recommends General Fund appropriations of \$153,842 over the 2019-21 biennium for one Criminal Investigator for the Crime Prevention budget. In addition, The Executive Budget recommends General Fund appropriations of \$115,005 over the 2019-21 biennium in the Victims of Domestic Violence budget for one Administrative Assistant to handle administrative tasks in the Ombudsman's Office, thereby allowing the Ombudsman to spend more time on victim services and less time on administrative duties.

In order to reduce the burden to the General Fund for Yucca Mountain litigation and licensing procedures, The Executive Budget recommends settlement funds totaling \$1.7 million over the 2019-21 biennium to replace General Funds of the same amount in the Special Litigation Fund budget.

SECRETARY OF STATE

The Secretary of State maintains the official records of the acts of the Nevada Legislature and of the Executive Branch of state government. The office is responsible for ensuring the integrity of elections, receiving and recording business entity filings, administering the uniform commercial code, protecting consumers against securities fraud, preserving public records, and promoting public awareness and education in these areas. For the 2019-21 biennium, the Governor recommends General Fund appropriations totaling \$37.8 million, which is a \$1.8 million increase (4.9 percent) from the \$36.1 million approved by the Legislature for the 2017-19 biennium.

The Governor's recommended budget includes General Fund appropriations of \$1.0 million over the 2019-21 biennium to implement the Automatic Voter Registration (AVR) initiative approved by voters in the 2018 General Election. The AVR initiative requires a system to be established that automatically registers an eligible person to vote when applying for the issuance or renewal of a driver license at the Department of Motor Vehicles (DMV). The funding would be used for a contracted three-person project team to begin implementation of the AVR requirements.

The Executive Budget recommends General Fund appropriations of \$1.1 million over the 2019-21 biennium to replace computer hardware and software, including associated maintenance support, and replace office furniture.

HELP AMERICA VOTE ACT (HAVA) ELECTION REFORM

Since its inception in FY 2003, the HAVA Election Reform budget has been funded primarily from reserves from federal grants carried forward from prior years. Due to the exhaustion of federal HAVA funding and associated reserves, the 2017 Legislature approved General Fund appropriations to fund this budget.

In March 2018, the federal government awarded grant funding for states to improve the administration of federal elections, with specific emphasis on election security improvements. Nevada received \$4.3 million of this federal funding, and the Secretary of State has established a five-year (FY 2019 – FY 2023) spending plan for its use. The Governor recommends expenditures of \$1.9 million of the federal grant funding over the 2019-21 biennium for the administration of elections in Nevada, in accordance with the grant requirements.

Additionally, The Executive Budget recommends General Fund appropriations of \$1.5 million over the 2019-21 biennium for the maintenance of the voting machines that were purchased with General Fund appropriations of \$8.0 million approved by the 2017 Legislature (A.B. 519).

STATE TREASURER

The State Treasurer, which has offices located in Carson City and Las Vegas, is responsible for investing state and local governments' funds, issuing and servicing debt on behalf of the state, managing the state's pooled collateral program, distributing interest earnings to statutorily approved funds and budgets, managing the state's banking relationships, reconciling bank transactions, drawing federal funds and distributing state checks. The Treasurer's Office is also responsible for the administration of the Governor Guinn Millennium Scholarship program, Nevada Prepaid Tuition program, the Nevada 529 College Savings Plans program, the Education Savings Accounts program (currently unfunded) and the Unclaimed Property program.

The Executive Budget recommends \$759.4 million in total funding, net of interagency transfers, in the Treasurer's Office budgets for the 2019-21 biennium, of which \$656.9 million is related to the Bond Interest and Redemption Account. This is an increase of 15.9 percent over the \$655.4 million in total funding, net of interagency transfers, approved by the 2017 Legislature for the 2017-19 biennium.

The Governor recommends a new Accountant Technician position within its Debt Management Section to assist the Deputy Treasurer of Debt in managing the division's custodial accounts, reconciling all internal and external accounts, and assisting with debt reconciliation.

COLLEGE SAVINGS TRUST

The College Savings Trust Division administers the Nevada Prepaid Tuition and the Nevada 529 College Savings Plans programs. The programs are designed to help parents and students take advantage of the Internal Revenue Service 529 College Savings Plans. The programs are administered by the State Treasurer through the five-member Board of Trustees of the College Savings Plans of Nevada.

The 2017 Legislature approved A.B. 475, which established the College Kick Start program. Prior to that, the College Kick Start program was operated as a three-year pilot program that commenced in FY 2014. In this program, all kindergarten students who enroll in Nevada's public schools receive a contribution of \$50 to a 529 college savings account established on their behalf. The Governor recommends fund transfers from the Endowment Fund of \$1.8 million in each year of the 2019-21 biennium to provide this contribution to an estimated 36,199 students in FY 2020 and 36,652 students in FY 2021.

As part of the Treasurer's proposed College Savings Navigator Initiative, the Governor recommends transfers from the Endowment Fund of \$143,989 over the 2019-21 biennium to establish a new Program Officer position in Las Vegas, along with operating expenditures. The navigator would be responsible for meeting with the Nevada System of Higher Education, school districts, community partners and other stakeholders to increase awareness of the College Kick Start Program, the 529 college savings programs and the Prepaid Tuition program.

In addition, the Governor recommends transfers from the Endowment Fund of \$191,239 over the 2019-21 biennium to upgrade the existing database application for the Prepaid Tuition program.

MILLENNIUM SCHOLARSHIP ADMINISTRATION

The Millennium Scholarship program was recommended by Governor Guinn and approved by the 1999 Legislature to increase the number of Nevada students who attend and graduate from Nevada institutions of higher education. In general, to be eligible for a Millennium Scholarship, a student must graduate with a diploma from a Nevada high school with at least a 3.25 grade point average, pass all areas of the Nevada High School Proficiency Examination, and have been a resident of Nevada for at least two years of high school. Alternative eligibility paths have been established for students who receive at least the minimum score established by the Board of Regents on a college entrance examination or have a documented physical disability, mental disability, or were previously subject to an individualized education plan. The Millennium Scholarship provides \$40 per enrolled lower division credit hour and \$60 per enrolled upper division credit hour at a Nevada System of Higher Education (NSHE) community college; \$60 per enrolled credit hour at a NSHE state college; and \$80 per enrolled credit hour at all other eligible institutions, excluding remedial courses. The funding is limited to a maximum of 15 credits per semester, counting all coursework at all institutions with a lifetime maximum award of \$10,000 per student.

The Governor recommends the transfer of \$33 million from the projected revenue generated from the 10 percent retail excise tax on the sale of recreational marijuana to the Governor Guinn Millennium Scholarship Fund over the 2019-21 biennium, which would require a statutory change.

STATE CONTROLLER

The State Controller's Office maintains the state's accounting system, pays claims against the state, administers the state's debt collection program and publishes the annual financial statements. The Executive Budget recommends funding the office with General Fund appropriations of \$10.9 million over the 2019-21 biennium, which represents a 4.5 percent increase from the \$10.4 million approved for the 2017-19 biennium.

The Executive Budget recommends reserves of \$382,053 in FY 2020 and \$365,380 in FY 2021 for the Controller's Debt Recovery Account budget, with the projected State Share of Debt Collections totaling \$285,753 in each year of the 2019-21 biennium. To fund contractual costs associated with debt collection activities in the Controller's Office budget, The Executive Budget recommends transfers from the Debt Recovery Account budget to the Controller's Office budget of \$392,765 in FY 2020 and \$395,590 in FY 2021.

LEGISLATIVE BRANCH

The Legislative Counsel Bureau is the administrative support agency for the Nevada Legislature. The bureau includes the Administrative Division, Audit Division, Fiscal Analysis Division, Legal Division and Research Division. The Legal Division includes the State Printing Office. The Interim Nevada Legislature provides for support staff between legislative sessions. The interim staff of the Legislature is responsible for finalizing the work of the preceding session, preparing for the next session, assisting Legislators and providing assistance to the public.

General Fund appropriations of \$37.0 million in FY 2020 and \$36.1 million in FY 2021 are included in The Executive Budget to support the operations of the Legislative Branch during the 2019-21 biennium. This represents an increase of approximately \$205,193, or 0.3 percent, compared to the General Fund appropriations legislatively approved for the 2017-19 biennium.

JUDICIAL BRANCH

Pursuant to NRS 353.246, the budgets for the Judicial Branch are included in The Executive Budget, but are not subject to review by the Governor; therefore, budgets presented represent the budget request of the Judicial Branch.

The budgets of the Judicial Branch include funding for the Supreme Court, Court of Appeals, Specialty Court, Administrative Office of the Courts, Judicial Programs and Services Division, Uniform System of Judicial Records, Supreme Court Law Library, and Commission on Judicial Selection. Additionally, the Judicial Branch budgets include funding for the salaries, travel and pension expenses of district court judges; continuing

education requirements of district court judges, justices of the peace, municipal court judges, and, if funding permits, quasi-judicial officers such as masters and trial court personnel; and the salaries and travel expenses of retired justices and judges who are recalled to active service by the Chief Justice to expedite judicial business.

The Judicial Branch budgets are supported primarily through General Fund appropriations and administrative court assessments authorized under NRS 176.059. Administrative court assessments are the fees charged to defendants in criminal and traffic cases. Other sources of funding include specialty court administrative assessments authorized under NRS 176.0613, peremptory challenge fees (i.e., fees paid by attorneys or litigants to exclude particular judges in civil cases), filing fees, justice court fees, federal grants, fines and penalties, and user fees.

The Executive Budget, excluding the budget for the Commission on Judicial Discipline, includes total funding of \$137.6 million recommended by the Judicial Branch for the 2019-21 biennium, which is an increase of \$13.4 million, or 10.8 percent, over the funding approved by the 2017 Legislature of \$124.2 million. Of the amount requested for the 2019-21 biennium, General Fund appropriations represent \$92.5 million of the total, which is an increase of \$12.9 million, or 16.2 percent, over the \$79.7 million in General Fund appropriations approved by the 2017 Legislature.

Administrative Court Assessment Revenue

Pursuant to NRS 176.059, not less than 51.0 percent of the administrative court assessment revenues deposited in the State General Fund must be distributed to the Administrative Office of the Courts for allocation among various Judicial Branch budgets based on the percentage distribution set in NRS 176.059(8)(a), and not more than 49.0 percent must be distributed to various Executive Branch budgets to the extent of legislative authorization. Any administrative court assessments not distributed to Judicial and Executive Branch budgets must be transferred to the uncommitted balance of the State General Fund.

The Judicial Branch projections for total administrative court assessment revenue of \$21.8 million in FY 2020 and \$21.9 million in FY 2021 reflect an increase of 0.5 percent annually over the FY 2018 actual. Question 1, also known as Marsy's Law and approved by the voters in November 2018, makes restitution the highest priority over other fines and fees including administrative court assessments. According to information provided by the Judicial Branch, the potential impact of Marsy's Law on administrative court assessments cannot yet be determined.

The budgets for the 2017-19 biennium approved by the 2017 Legislature allocated 60.0 percent of total administrative court assessments per year to the Judicial Branch budgets. Although the Judicial Branch recommends continuing the allocation of 60.0 percent of total administrative court assessments per year to the Judicial Branch budgets for the 2019-21 biennium, changes to the distribution among those budgets is recommended by the Judicial Branch, which would require a change to NRS 176.059(8)(a).

Salary Adjustments

The Executive Budget includes General Fund appropriations of \$3.0 million and reductions to reserve of \$209,723 over the 2019-21 biennium to allow for salary increases recommended by the Judicial Branch for 109 positions (60 unclassified and 49 non-classified) as a result of a salary market survey that was completed in FY 2018.

SUPREME COURT

The Supreme Court, established under Article 6 of the Nevada State Constitution, is the highest court of record in Nevada's court system and its primary responsibility is to review and rule on appeals from district court cases. The Supreme Court provides administrative oversight of the Nevada Judicial System, assigns cases to the Court of Appeals, and provides admittance to the legal profession in Nevada. The Supreme Court consists of seven justices, chambers staff, the Office of the Court Clerk, central legal staff, the Law Library and the Administrative Office of the Courts. The Supreme Court is funded primarily through General Fund appropriations and administrative court assessments.

The Executive Budget includes General Fund appropriations of \$220,629 in FY 2020 and \$199,220 in FY 2021 to fund a modification to the Multi-County Integrated Justice Information System (MCIJIS). The modifications to MCIJIS would ensure continued communication with Department of Public Safety's Nevada Criminal Justice Information System (NCJIS) and allow the Court to continue to electronically exchange information such as warrants, dispositions and certain convictions. Additionally, The Executive Budget includes General Fund appropriations of \$87,671 in FY 2020 and \$113,145 in FY 2021 to add a new Marshal position in Carson City to provide adequate coverage and monitoring of the surveillance system and upgrade a position to a Lieutenant to provide supervisory coverage in the north.

LAW LIBRARY

The Supreme Court's Law Library serves as a comprehensive, current and archival legal research facility for the Supreme Court, Court of Appeals, Legislature, Office of the Attorney General and other Executive Branch agencies. The Law Library also serves the local bar and the general public. The budget is funded primarily through General Fund appropriations. The Executive Budget includes a reduction in General Fund appropriations of \$98,940 in FY 2020 and \$99,389 in FY 2021 to eliminate a vacant non-classified position that the Judicial Branch indicates is no longer needed.

ADMINISTRATIVE OFFICE OF THE COURTS

The Administrative Office of the Courts (AOC), authorized under NRS 1.320, serves as the Office of the Court Administrator and provides payroll, personnel, budgeting, accounting and information technology support to the Nevada Supreme Court. The AOC also provides support to the statewide court system by managing the judicial education program, statewide court statistics and trial courts' technology grants and loan programs. The AOC is responsible for recommending operational improvements for trial courts to

the Supreme Court. The AOC is funded by administrative court assessments. The Executive Budget includes reductions to reserve of \$116,520 in FY 2020 and \$130,268 in FY 2021 to add an additional Auditor position to increase audit coverage of the 151 trial and specialty courts statewide in order to perform audits on a regular rotation schedule.

JUDICIAL PROGRAMS AND SERVICES DIVISION

The Judicial Programs and Services Division manages programs and projects to assist trial courts in providing access to justice throughout the Nevada judiciary. The primary functions of the division include the certification of court interpreters and translators; assisting the Supreme Court in studying and making improvements to policies, processes and procedures in the court system; administering the Uniform System of Judicial Records; and administering Federal Court Improvement Program grants. The budget is funded primarily through General Fund appropriations. The Executive Budget includes General Fund appropriations of \$453,008 in FY 2020 and \$497,480 in FY 2021 to continue a Juvenile Dependency Mediation Program, which was previously grant funded, which is an evidence-based program designed to mediate juvenile dependency cases and increase parental involvement.

UNIFORM SYSTEM OF JUDICIAL RECORDS

The Uniform System of Judicial Records (USJR) is responsible for the standardization and implementation of technology to assist the Supreme Court and the state's 75 trial courts in managing their caseloads, judicial records and the reporting of court and judicial statistics. The USJR also helps produce the Nevada Judiciary Annual Report, which provides statistical information about caseloads throughout the Nevada Court System (NCS). Funding in this budget is also used for the development of standards and the purchase and development of information technology systems that meet those standards. The USJR manages two major systems, the NCS and the MCIJIS. The USJR is funded by administrative court assessments, filing fees and user charges. The Executive Budget includes a transfer of \$1.3 million (General Funds) over the 2019-21 biennium from the Supreme Court budget to the USJR budget for a new statewide case management system for the state's general and limited jurisdiction courts.

SPECIALTY COURT

Specialty Court programs, authorized pursuant to NRS 176A.250, 176A.280, 453.580 and 484C.300, facilitate testing, treatment and oversight of certain persons over whom the court has jurisdiction and who the court has determined suffers from a mental illness, alcohol or drug abuse, or other addictions or behaviors as well as those who may be veterans. According to the Nevada Judiciary Annual Report for 2018, Specialty Court programs include adult drug, juvenile drug, family drug, diversion court, community courts, veteran treatment, women in need, habitual offender prevention and education, driving under the influence (DUI), mental health and the medication-assisted treatment programs, which were created to combat opioid abuse. The Specialty Court Funding Committee supported funding 35 specialty court programs with General Fund

appropriations and 40 specialty court programs with other assessment revenues. Other specialty court programs were locally funded. The budget is funded primarily through General Fund appropriations, administrative court assessments, and specialty court administrative assessments. The Executive Budget includes total funding of \$22.3 million including General Fund appropriations of 8.4 million over the 2019-21 biennium which is an increase of 1.5 million or 21.7 percent. The budget includes the continuation of General Fund appropriations of \$3.0 million in each year of the 2019-21 biennium in supplemental funding for Specialty Court services as approved by the 2017 Legislature for the current biennium. The Executive Budget also includes General Fund appropriations of \$640,716 in each year of the 2019-21 biennium to replace revenue generated through a \$100 fee paid by a defendant found guilty of a DUI violation, which sunsets June 30, 2019, pursuant to NRS 484C.515.

JUDICIAL SUPPORT, GOVERNANCE AND SPECIAL EVENTS

The Judicial Support, Governance and Special Events budget funds the travel costs of district judges in relation to their judicial duties and assignments; and other expenses associated with governing the judiciary deemed reasonable and necessary by the Supreme Court. The Executive Budget includes a reduction to reserves of \$95,000 in FY 2020 to fund a study to determine the scope and costs of implementing a statewide e-filing system.

COMMISSION ON JUDICIAL DISCIPLINE

The Nevada Commission on Judicial Discipline (Commission), established under Article 6, Section 21 of the Nevada State Constitution, is charged with the responsibility of investigating allegations of misconduct, violations of the code of judicial conduct, or disability of judges. The seven-member Commission receives and investigates complaints against a justice of the Supreme Court, a judge of the court of appeals, a district judge, a justice of the peace, a municipal judge and aspirants to judicial office. The Commission on Judicial Discipline is funded by General Fund appropriations. The Executive Budget includes General Fund appropriations of \$2.0 million over the 2019-21 biennium which is an increase of \$181,506, or 9.9 percent, over the funding approved by the 2017 Legislature of \$1.8 million.

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Source of Funds Summary
2019-21 Fiscal Report

	2017-2018 Actual	2018-2019 Work Program	2019-2020 GOVERNOR RECOMMENDS	% Change	2020-2021 GOVERNOR RECOMMENDS	% Change
ELECTED OFFICIALS						
ELECTED OFFICIALS						
OFFICE OF THE GOVERNOR	2,261,828	2,356,313	2,687,982	14.08	2,770,979	3.09
GENERAL FUND	2,341,379	2,356,313	2,687,982	14.08	2,770,979	3.09
REVERSIONS	-79,551					
GOVERNOR'S MANSION MAINTENANCE	268,441	347,626	340,708	-1.99	374,964	10.05
GENERAL FUND	320,859	347,626	340,708	-1.99	374,964	10.05
REVERSIONS	-52,418					
COMMISSION FOR PERSONS WHO ARE DEAF	21,318	25,000	25,000	.00	25,000	.00
GENERAL FUND	25,000	25,000	25,000		25,000	
REVERSIONS	-3,682					
GOVERNOR'S WASHINGTON OFFICE	259,434	259,434	259,434	.00	259,434	.00
INTERAGENCY TRANSFER	259,434	259,434	259,434		259,434	
GOVERNOR'S OFFICE HIGH LEVEL NUCLEAR WASTE	1,713,574	1,853,696	1,875,354	1.17	1,991,566	6.20
GENERAL FUND	1,349,382	1,303,696	1,325,354	1.66	1,441,566	8.77
INTERAGENCY TRANSFER	400,000	400,000	400,000		400,000	
OTHER FUND	126,243	150,000	150,000		150,000	
REVERSIONS	-162,051					
GOE - OFFICE OF ENERGY	1,509,069	1,673,798	1,412,453	-15.61	1,497,246	6.00
GENERAL FUND	100	100	100		100	
FEDERAL FUND	332,284	556,481	345,200	-37.97	345,200	
INTERAGENCY TRANSFER	1,081,769	1,012,717	977,403	-3.49	1,062,196	8.68
OTHER FUND	95,016	104,500	89,750	-14.11	89,750	
REVERSIONS	-100					
GOE - RENEWABLE ENERGY ACCOUNT	3,621,260	17,040,452	13,177,376	-22.67	12,485,549	-5.25
BALANCE FORWARD	-183,173	10,038,782	9,628,472	-4.09	9,651,285	.24
OTHER FUND	3,804,433	7,001,670	3,548,904	-49.31	2,834,264	-20.14
OFFICE OF SCIENCE, INNOVATION AND TECHNOLOGY	3,462,357	5,056,753	4,116,863	-18.59	4,135,744	.46
GENERAL FUND	3,112,621	4,930,869	4,116,863	-16.51	4,135,744	.46
BALANCE FORWARD	-19,129	19,129				
OTHER FUND	382,158	106,755				
REVERSIONS	-13,293					
RENEWABLE, EFFICIENCY, CONSERVATION LOAN	807,957	1,440,419	946,932	-34.26	235,211	-75.16
BALANCE FORWARD	220,954	1,260,877	748,662	-40.62	38,975	-94.79
OTHER FUND	587,003	179,542	198,270	10.43	196,236	-1.03
GOVERNOR'S OFFICE - OFFICE OF WORKFORCE INNOVATION	1,027,982	4,292,891	4,133,246	-3.72	3,579,737	-13.39
GENERAL FUND	85,461	106,095	2,541	-97.60	2,541	
BALANCE FORWARD	-23,730	23,731				
INTERAGENCY TRANSFER	934,961	4,123,065	4,130,705	.19	3,577,196	-13.40
OTHER FUND	40,000	40,000				
REVERSIONS	-8,710					

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	2017-2018 Actual	2018-2019 Work Program	2019-2020 GOVERNOR RECOMMENDS	% Change	2020-2021 GOVERNOR RECOMMENDS	% Change
LIEUTENANT GOVERNOR	520,091	612,057	724,181	18.32	760,097	4.96
GENERAL FUND	569,598	612,057	724,181	18.32	760,097	4.96
OTHER FUND	213					
REVERSIONS	-49,720					
AG - EXTRADITION COORDINATOR	542,531	557,192	551,125	-1.09	551,424	.05
GENERAL FUND	498,971	506,056	494,943	-2.20	495,242	.06
OTHER FUND	54,357	51,136	56,182	9.87	56,182	
REVERSIONS	-10,797					
SENTENCING COMMISSION			364,116		449,803	23.53
GENERAL FUND			364,116		449,803	23.53
AG - ADMINISTRATIVE BUDGET ACCOUNT	26,997,688	27,935,905	30,715,853	9.95	31,140,447	1.38
GENERAL FUND	2,662,558	4,080,090	3,937,049	-3.51	2,349,874	-40.31
BALANCE FORWARD	6,989	5,850	1	-99.98		
INTERAGENCY TRANSFER	24,351,230	23,113,331	26,283,697	13.72	28,289,104	7.63
OTHER FUND	494,325	736,634	495,106	-32.79	501,469	1.29
REVERSIONS	-517,414					
OFFICE FOR NEW AMERICANS			186,514		207,217	11.10
GENERAL FUND			186,514		207,217	11.10
AG - SPECIAL LITIGATION FUND	3,048,030	8,886,307	2,843,204	-68.00	2,931,986	3.12
GENERAL FUND	4,903,996	1,893,112	865,046	-54.31	950,067	9.83
BALANCE FORWARD	-3,923,174	6,018,599	85,020	-98.59	85,020	
INTERAGENCY TRANSFER	292,121	295,491	365,254	23.61	361,515	-1.02
OTHER FUND	1,830,300	679,105	1,527,884	124.98	1,535,384	.49
REVERSIONS	-55,213					
OFFICE OF INDIGENT DEFENSE			775,769		974,668	25.64
GENERAL FUND			775,769		974,668	25.64
AG - WORKERS' COMP FRAUD	3,645,991	4,427,637	4,596,956	3.82	4,605,930	.20
BALANCE FORWARD	41,956	302,690	230,653	-23.80	180,020	-21.95
INTERAGENCY TRANSFER	969,861	971,116	971,125	.00	971,125	
OTHER FUND	3,017,396	3,153,831	3,395,178	7.65	3,454,785	1.76
REVERSIONS	-383,222					
AG - CRIME PREVENTION	450,948	469,355	576,224	22.77	601,004	4.30
GENERAL FUND	418,249	431,383	540,469	25.29	565,249	4.58
OTHER FUND	33,975	37,972	35,755	-5.84	35,755	
REVERSIONS	-1,276					
AG - MEDICAID FRAUD	1,970,931	3,594,118	3,564,459	-8.3	3,383,084	-5.09
GENERAL FUND	100	100	100		100	
BALANCE FORWARD	-270,997	1,392,685	1,233,185	-11.45	1,040,612	-15.62
FEDERAL FUND	1,477,331	1,770,722	1,892,528	6.88	1,903,726	.59
OTHER FUND	764,597	430,611	438,646	1.87	438,646	
REVERSIONS	-100					

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	2017-2018 Actual	2018-2019 Work Program	2019-2020 GOVERNOR RECOMMENDS	% Change	2020-2021 GOVERNOR RECOMMENDS	% Change
AG - CONSUMER ADVOCATE	3,544,315	5,608,562	5,479,334	-2.30	5,178,516	-5.49
GENERAL FUND	630,650	674,629	756,816	12.18	805,994	6.50
BALANCE FORWARD	195,502	2,586,681	1,648,329	-36.28	1,448,121	-12.15
OTHER FUND	2,718,163	2,347,252	3,074,189	30.97	2,924,401	-4.87
AG - GRANTS UNIT	3,987,915	6,975,512	3,816,174	-45.29	3,801,702	-.38
GENERAL FUND	53,979	56,095	23,715	-57.72	23,977	1.10
BALANCE FORWARD	-3,021	3,021	14,281	372.72	14,281	
FEDERAL FUND	3,781,074	6,619,513	3,720,044	-43.80	3,705,250	-.40
INTERAGENCY TRANSFER	183,196	296,555	58,134	-80.40	58,194	.10
OTHER FUND	2,951	328				
REVERSIONS	-30,264					
AG - COUNCIL FOR PROSECUTING ATTORNEYS	178,924	330,638	263,113	-20.42	220,451	-16.21
GENERAL FUND	100	100	100		100	
BALANCE FORWARD	42,595	178,893	100,458	-43.84	57,796	-42.47
OTHER FUND	136,329	151,645	162,555	7.19	162,555	
REVERSIONS	-100					
AG - VICTIMS OF DOMESTIC VIOLENCE	340,333	419,988	437,490	4.17	444,947	1.70
GENERAL FUND			50,716		64,289	26.76
BALANCE FORWARD	322	50,342	41,647	-17.27	35,182	-15.52
INTERAGENCY TRANSFER	210,079	242,351	215,019	-11.28	215,019	
OTHER FUND	129,932	127,295	130,108	2.21	130,457	.27
AG - FORFEITURE	145,936	106,073	175,329	65.29	177,351	1.15
BALANCE FORWARD	82,505	106,073	160,629	51.43	160,638	.01
FEDERAL FUND	16,134					
OTHER FUND	47,297		14,700		16,713	13.69
AG - ATTORNEY GENERAL TORT CLAIMS FUND	4,552,822	10,278,108	9,799,200	-4.66	9,816,059	.17
BALANCE FORWARD	174,000	5,716,729	5,711,955	-.08	5,743,179	.55
INTERAGENCY TRANSFER	4,373,178	4,556,379	4,082,245	-10.41	4,067,880	-.35
OTHER FUND	5,644	5,000	5,000		5,000	
AG - NATIONAL SETTLEMENT ADMINISTRATION	5,083,632	21,739,748	15,413,824	-29.10	9,581,982	-37.84
BALANCE FORWARD	4,736,002	21,609,135	15,283,211	-29.27	9,451,369	-38.16
OTHER FUND	347,630	130,613	130,613		130,613	
CONTROLLER - CONTROLLER'S OFFICE	5,438,272	5,468,240	5,757,566	5.29	5,935,960	3.10
GENERAL FUND	5,361,281	5,071,621	5,364,801	5.78	5,540,370	3.27
BALANCE FORWARD	-173,926					
INTERAGENCY TRANSFER	72,337	396,619	392,765	-.97	395,590	.72
INTERIM FINANCE	178,580					
CONTROLLERS OFFICE - DEBT RECOVERY ACCOUNT	73,546	516,456	776,016	50.26	762,168	-1.78
BALANCE FORWARD	-106,580	148,593	395,901	166.43	382,053	-3.50
OTHER FUND	180,126	367,863	380,115	3.33	380,115	

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	2017-2018 Actual	2018-2019 Work Program	2019-2020 GOVERNOR RECOMMENDS	% Change	2020-2021 GOVERNOR RECOMMENDS	% Change
SOS - SECRETARY OF STATE	18,139,630	26,295,012	17,612,771	-33.02	18,560,926	5.38
GENERAL FUND	16,945,163	17,096,838	17,423,840	1.91	18,371,995	5.44
BALANCE FORWARD	2,307,445	8,837,457				
FEDERAL FUND		180,598				
OTHER FUND	187,813	180,119	188,931	4.89	188,931	
REVERSIONS	-1,300,791					
AG - STATE SETTLEMENTS	2,480,899	4,303,681	3,300,422	-23.31	3,142,628	-4.78
BALANCE FORWARD	-4,021,032	4,021,033	3,300,422	-17.92	3,142,628	-4.78
OTHER FUND	6,501,931	282,648				
SOS - HELP AMERICA VOTE ACT (HAVA) ELECTION REFORM	8,970,955	5,429,682	4,453,714	-17.97	1,999,334	-55.11
GENERAL FUND	8,984,785	1,047,319	997,420	-4.76	1,046,182	4.89
BALANCE FORWARD	85,391		3,456,107		952,965	-72.43
FEDERAL FUND		4,277,723				
INTERAGENCY TRANSFER		104,640				
OTHER FUND	187		187		187	
REVERSIONS	-99,408					
TREASURER - STATE TREASURER	2,963,819	3,159,377	3,093,435	-2.09	2,971,601	-3.94
GENERAL FUND	933,822	984,469	540,908	-45.06	551,431	1.95
INTERAGENCY TRANSFER	796,919	908,239	981,382	8.05	1,015,109	3.44
OTHER FUND	1,294,926	1,266,669	1,571,145	24.04	1,405,061	-10.57
REVERSIONS	-61,848					
TREASURER - HIGHER EDUCATION TUITION ADMIN	683,784	715,659	880,119	22.98	805,587	-8.47
OTHER FUND	683,784	715,659	880,119	22.98	805,587	-8.47
TREASURER - BOND INTEREST & REDEMPTION	176,707,597	313,606,259	351,078,043	11.95	373,196,130	6.30
BALANCE FORWARD	-4,809,578	134,352,232	156,274,009	16.32	174,773,386	11.84
INTERAGENCY TRANSFER	13,807,042	12,740,202	18,334,322	43.91	17,169,799	-6.35
OTHER FUND	167,710,133	166,513,825	176,469,712	5.98	181,252,945	2.71
TREASURER - MUNICIPAL BOND BANK REVENUE	7,663,585	6,428,030	7,666,126	19.26	7,666,576	.01
OTHER FUND	7,663,585	6,428,030	7,666,126	19.26	7,666,576	.01
TREASURER - MUNICIPAL BOND BANK DEBT SERVICE	7,719,576	6,603,370	7,721,629	16.93	7,722,079	.01
INTERAGENCY TRANSFER	7,659,247	6,427,394	7,661,788	19.21	7,662,238	.01
OTHER FUND	60,329	175,976	59,841	-65.99	59,841	
TREASURER - MILLENNIUM SCHOLARSHIP ADMINISTRATION	328,146	380,360	376,243	-1.08	384,917	2.31
OTHER FUND	328,146	380,360	376,243	-1.08	384,917	2.31
TREASURER - NEVADA COLLEGE SAVINGS TRUST	3,406,630	3,651,262	3,556,704	-2.59	3,593,730	1.04
OTHER FUND	3,406,630	3,651,262	3,556,704	-2.59	3,593,730	1.04
TREASURER - ENDOWMENT ACCOUNT	3,884,838	17,172,890	17,617,285	2.59	18,535,081	5.21
BALANCE FORWARD	-1,309,570	7,171,541	12,422,877	73.22	13,340,673	7.39
OTHER FUND	5,194,408	10,001,349	5,194,408	-48.06	5,194,408	

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	2017-2018 Actual	2018-2019 Work Program	2019-2020 GOVERNOR RECOMMENDS	% Change	2020-2021 GOVERNOR RECOMMENDS	% Change
TREASURER - UNCLAIMED PROPERTY	2,092,519	2,282,913	2,654,190	16.26	2,682,176	1.05
OTHER FUND	2,092,519	2,282,913	2,654,190	16.26	2,682,176	1.05
GOVERNOR'S OFC OF FINANCE - BUDGET DIVISION	3,429,836	3,980,761	4,072,641	2.31	4,608,205	13.15
GENERAL FUND	3,483,918	3,980,761	4,072,641	2.31	4,608,205	13.15
REVERSIONS	-54,082					
GOVERNOR'S OFC OF FINANCE- DIV OF INTERNAL AUDITS	1,447,466	1,561,634	1,678,654	7.49	1,744,369	3.91
GENERAL FUND	1,545,669	1,561,634	1,678,654	7.49	1,744,369	3.91
REVERSIONS	-98,203					
GOVERNOR'S OFFICE OF FINANCE - SMART 21	1,474,737	1,836,130	2,779,709	51.39	2,944,716	5.94
GENERAL FUND	486,000		2,251,568		2,385,218	5.94
BALANCE FORWARD	-1,002,902	1,002,903				
HIGHWAY FUND	114,000		528,141		559,498	5.94
INTERIM FINANCE	1,877,639	833,227				
GOVERNOR'S OFC OF FINANCE - SPECIAL APPROPRIATIONS	19,264,995	8,178,839	8,357,000	2.18	8,082,000	-3.29
GENERAL FUND	19,715,810	6,626,690	8,357,000	26.11	8,082,000	-3.29
BALANCE FORWARD	-174,899	174,899				
OTHER FUND		1,377,250				
REVERSIONS	-275,916					
W.I.C.H.E. ADMINISTRATION	373,006	382,932	401,409	4.83	426,095	6.15
GENERAL FUND	383,538	382,932	401,409	4.83	426,095	6.15
REVERSIONS	-10,532					
W.I.C.H.E. LOANS & STIPENDS	1,074,613	1,234,486	1,232,200	-.19	1,241,860	.78
GENERAL FUND	714,066	832,369	836,134	.45	842,512	.76
BALANCE FORWARD	43,288	11,688				
OTHER FUND	317,259	390,429	396,066	1.44	399,348	.83
BOE - GENERAL FUND SALARY ADJUSTMENT	17,759,367	55,947,487	31,258,841	-44.13	31,606,834	1.11
GENERAL FUND	27,115,096	55,947,487	31,258,841	-44.13	31,606,834	1.11
REVERSIONS	-9,355,729					
BOE - HIGHWAY FUND SALARY ADJUSTMENT	8,612	4,233,816	6,681,983	57.82	6,795,012	1.69
HIGHWAY FUND	2,039,763	4,233,816	6,681,983	57.82	6,795,012	1.69
REVERSIONS	-2,031,151					
NEVADA P20 WORKFORCE REPORTING	894,069	752,219	876,750	16.56	880,630	.44
GENERAL FUND	951,946	729,719	876,750	20.15	880,630	.44
INTERAGENCY TRANSFER		22,500				
REVERSIONS	-57,877					

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	2017-2018 Actual	2018-2019 Work Program	2019-2020 GOVERNOR RECOMMENDS	% Change	2020-2021 GOVERNOR RECOMMENDS	% Change
TOTAL ELECTED OFFICIALS	356,243,804	600,409,077	593,141,663	-1.21	608,470,712	2.58
GENERAL FUND	103,594,097	111,585,160	91,278,048	-18.20	92,483,412	1.32
BALANCE FORWARD	-8,084,762	205,033,563	210,735,819	2.78	220,498,183	4.63
FEDERAL FUND	5,606,823	13,405,037	5,957,772	-55.56	5,954,176	-.06
HIGHWAY FUND	2,153,763	4,233,816	7,210,124	70.30	7,354,510	2.00
INTERAGENCY TRANSFER	55,391,374	55,870,033	65,113,273	16.54	65,504,399	.60
INTERIM FINANCE	2,056,219	833,227				
OTHER FUND	210,239,738	209,448,241	212,846,627	1.62	216,676,032	1.80
REVERSIONS	-14,713,448					
LEGISLATIVE BRANCH						
LEG - LEGISLATIVE COUNSEL BUREAU	33,906,397	33,732,305	36,598,787	8.50	35,914,588	-1.87
GENERAL FUND	32,859,843	33,093,517	36,016,871	8.83	35,322,604	-1.93
HIGHWAY FUND	5,000	5,000	5,000		5,000	
INTERAGENCY TRANSFER	309,391	254,391	312,425	22.81	251,493	-19.50
OTHER FUND	732,163	379,397	264,491	-30.29	335,491	26.84
LEG - NEVADA LEGISLATURE INTERIM	862,683	723,871	974,762	34.66	789,982	-18.96
GENERAL FUND	862,683	723,871	974,762	34.66	789,982	-18.96
LEG - INTERIM FINANCE COMMITTEE	2,445,957	2,913,155				
GENERAL FUND	2,445,957	2,913,155				
LEG - STATE PRINTING OFFICE	2,705,518	2,951,584	2,776,084	-5.95	2,958,631	6.58
INTERAGENCY TRANSFER	2,689,818	2,931,584	2,762,884	-5.75	2,940,231	6.42
OTHER FUND	15,700	20,000	13,200	-34.00	18,400	39.39
TOTAL LEGISLATIVE BRANCH	39,920,555	40,320,915	40,349,633	.07	39,663,201	-1.70
GENERAL FUND	36,168,483	36,730,543	36,991,633	.71	36,112,586	-2.38
HIGHWAY FUND	5,000	5,000	5,000		5,000	
INTERAGENCY TRANSFER	2,999,209	3,185,975	3,075,309	-3.47	3,191,724	3.79
OTHER FUND	747,863	399,397	277,691	-30.47	353,891	27.44
JUDICIAL BRANCH						
SUPREME COURT	12,099,106	12,425,074	13,726,678	10.48	13,743,313	.12
GENERAL FUND	6,254,502	6,213,864	9,362,367	50.67	9,855,459	5.27
INTERAGENCY TRANSFER	24,877					
INTERIM FINANCE		167,998				
OTHER FUND	6,273,296	6,043,212	4,364,311	-27.78	3,887,854	-10.92
REVERSIONS	-453,569					
COURT OF APPEALS	2,627,364	2,280,581	3,521,097	54.39	3,435,189	-2.44
GENERAL FUND	2,373,186	2,215,581	3,521,097	58.92	3,435,189	-2.44
INTERAGENCY TRANSFER	275,000					
INTERIM FINANCE		65,000				
REVERSIONS	-20,822					
STATE JUDICIAL ELECTED OFFICIALS	21,670,637	22,657,466	22,764,346	.47	22,983,531	.96
GENERAL FUND	22,286,565	22,657,466	22,764,346	.47	22,983,531	.96
REVERSIONS	-615,928					

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	2017-2018 Actual	2018-2019 Work Program	2019-2020 GOVERNOR RECOMMENDS	% Change	2020-2021 GOVERNOR RECOMMENDS	% Change
JUDICIAL SELECTION	5,100	15,349				
GENERAL FUND	15,349	15,349				
REVERSIONS	-10,249					
SENIOR JUSTICE & SENIOR JUDGE PROGRAM	1,468,767	1,492,518	1,544,884	3.51	1,544,906	.00
GENERAL FUND	985,123	989,552	1,044,556	5.56	1,042,289	-.22
OTHER FUND	495,786	502,966	500,328	-.52	502,617	.46
REVERSIONS	-12,142					
LAW LIBRARY	1,715,439	2,002,054	1,921,406	-4.03	1,971,417	2.60
GENERAL FUND	1,866,978	2,000,022	1,919,156	-4.04	1,969,167	2.61
INTERAGENCY TRANSFER		450	750	66.67	750	
OTHER FUND	3,263	1,582	1,500	-5.18	1,500	
REVERSIONS	-154,802					
ADMINISTRATIVE OFFICE OF THE COURTS	3,725,229	5,039,105	5,245,058	4.09	5,280,756	.68
BALANCE FORWARD	333,244	1,750,500	904,594	-48.32	918,591	1.55
INTERAGENCY TRANSFER		17,500				
OTHER FUND	3,391,985	3,271,105	4,340,464	32.69	4,362,165	.50
JUDICIAL PROGRAMS AND SERVICES DIVISION	1,144,579	1,272,317	1,912,124	50.29	1,977,174	3.40
GENERAL FUND	743,239	769,800	1,410,980	83.29	1,476,030	4.61
FEDERAL FUND	323,357	391,391	395,531	1.06	395,531	
INTERAGENCY TRANSFER	136,485	81,311	75,798	-6.78	75,798	
OTHER FUND	29,360	29,815	29,815		29,815	
REVERSIONS	-87,862					
UNIFORM SYSTEM OF JUDICIAL RECORDS	1,376,920	2,234,296	2,770,110	23.98	3,335,871	20.42
BALANCE FORWARD	447,306	1,271,381	770,205	-39.42	825,272	7.15
OTHER FUND	929,614	962,915	1,999,905	107.69	2,510,599	25.54
JUDICIAL EDUCATION	699,237	1,509,035	1,325,051	-12.19	1,300,011	-1.89
BALANCE FORWARD	-92,284	740,304	530,654	-28.32	501,671	-5.46
OTHER FUND	791,521	768,731	794,397	3.34	798,340	.50
SPECIALTY COURT	8,328,547	11,521,265	10,965,041	-4.83	11,337,526	3.40
GENERAL FUND	3,343,971	3,583,971	4,216,086	17.64	4,216,089	.00
BALANCE FORWARD	-265,071	2,971,462	2,129,659	-28.33	2,494,295	17.12
OTHER FUND	5,505,093	4,965,832	4,619,296	-6.98	4,627,142	.17
REVERSIONS	-255,446					
JUDICIAL SUPPORT, GOVERNANCE AND SPECIAL EVENTS	200,066	593,229	789,907	33.15	878,483	11.21
BALANCE FORWARD	-164,884	234,879	424,957	80.93	513,533	20.84
OTHER FUND	364,950	358,350	364,950	1.84	364,950	
JUDICIAL RETIREMENT SYSTEM STATE SHARE	1,598,389	1,738,217	1,659,378	-4.54	1,659,378	.00
GENERAL FUND	1,598,389	1,738,217	1,659,378	-4.54	1,659,378	

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	2017-2018 Actual	2018-2019 Work Program	2019-2020 GOVERNOR RECOMMENDS	% Change	2020-2021 GOVERNOR RECOMMENDS	% Change
JUDICIAL DISCIPLINE	849,712	930,336	1,011,458	8.72	1,006,484	-.49
GENERAL FUND	906,100	930,336	1,011,458	8.72	1,006,484	-.49
REVERSIONS	-56,388					
TOTAL JUDICIAL BRANCH	57,509,092	65,710,842	69,156,538	5.24	70,454,039	1.88
GENERAL FUND	40,373,402	41,114,158	46,909,424	14.10	47,643,616	1.57
BALANCE FORWARD	258,311	6,968,526	4,760,069	-31.69	5,253,362	10.36
FEDERAL FUND	323,357	391,391	395,531	1.06	395,531	
INTERAGENCY TRANSFER	436,362	99,261	76,548	-22.88	76,548	
INTERIM FINANCE		232,998				
OTHER FUND	17,784,868	16,904,508	17,014,966	.65	17,084,982	.41
REVERSIONS	-1,667,208					
ELECTED OFFICIALS						
GENERAL FUND	180,135,982	189,429,861	175,179,105	-7.52	176,239,614	.61
BALANCE FORWARD	-7,826,451	212,002,089	215,495,888	1.65	225,751,545	4.76
FEDERAL FUND	5,930,180	13,796,428	6,353,303	-53.95	6,349,707	-.06
HIGHWAY FUND	2,158,763	4,238,816	7,215,124	70.22	7,359,510	2.00
INTERAGENCY TRANSFER	58,826,945	59,155,269	68,265,130	15.40	68,772,671	.74
INTERIM FINANCE	2,056,219	1,066,225				
OTHER FUND	228,772,469	226,752,146	230,139,284	1.49	234,114,905	1.73
REVERSIONS	-16,380,656					
TOTAL FOR ELECTED OFFICIALS	453,673,451	706,440,834	702,647,834	-.54	718,587,952	2.27
Less: INTER-AGENCY TRANSFER	58,826,945	59,155,269	68,265,130	15.40	68,772,671	.74
NET ELECTED OFFICIALS	394,846,506	647,285,565	634,382,704	-1.99	649,815,281	2.43

FINANCE AND ADMINISTRATION

Finance and Administration encompasses those agencies that generally coordinate, assist, and provide services and information to other agencies and programs in state government. It includes the Department of Taxation in addition to the Department of Administration, which is comprised of several state agencies such as the Division of Enterprise Information Technology Services, the Division of Human Resource Management, the Nevada State Library, Archives and Public Records, and the State Public Works Division.

The Executive Budget recommends General Fund support for the Finance and Administration function totaling \$83.3 million for the 2019-21 biennium, an increase of 9.6 percent compared to \$76.0 million of General Fund support approved for the 2017-19 biennium by the 2017 Legislature. The Executive Budget recommends total funding from all revenue sources, less interagency transfers, of \$277.0 million for the 2019-21 biennium, an increase of 6.5 percent when compared to the funding of \$260.0 million approved for the 2017-19 biennium.

DEPARTMENT OF ADMINISTRATION

DIRECTOR'S OFFICE

The Department of Administration's Director's Office is responsible for the administration of the state's internal service agencies consisting of Administrative Services; Enterprise Information Technology Services; Fleet Services; Grant Procurement, Coordination and Management; Hearings and Appeals including Victims of Crime; Human Resource Management; Library, Archives and Public Records; Purchasing; Risk Management and Public Works which includes the management of all capital improvement projects and state-owned buildings and grounds.

The Executive Budget recommends an additional \$29,980 over the 2019-21 biennium for out-of-state and in-state travel to increase participation at conferences and attend meetings.

NATIONAL JUDICIAL COLLEGE & NATIONAL COLLEGE OF JUVENILE & FAMILY COURT JUDGES

The mission of the National Judicial College (NJC) is to improve justice by providing judge proficiency, performance and productivity training and education. The National College of Juvenile and Family Court Judges (NCJFCJ) provides assistance to judges, court administrators and related professionals whose primary concerns are the care of children and their families. The Executive Budget recommends General Fund appropriations of \$350,000 over the 2019-21 biennium to increase funding for the NJC and the NCJFCJ to expand their program development, training, and policy work. The Governor also recommends a General Fund appropriation of \$80,000 in FY 2020 to support a juvenile justice training institute at the NCJFCJ for Nevada District Court judicial officers.

ADMINISTRATIVE SERVICES DIVISION

The Administrative Services Division provides fiscal and administrative support to the divisions of the Department of Administration, as well as fiscal services to the Board of Examiners, the Office of the Governor, Governor's Mansion, Agency for Nuclear Projects, Office of Energy, Civil Air Patrol, Deferred Compensation Committee, Commission on Ethics, and the Commission for Women. 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.

The Governor recommends the addition of a new Accounting Assistant position and the elimination of a Training Officer position that was transferred from the Controller's Office as approved by the 2017 Legislature. The Governor recommends the transfer of expenses associated with the computer-training classroom to the Silver State Modernization Approach for Resources and Technology in the 21st Century (SMART 21) budget account within the Governor's Office of Finance.

ENTERPRISE INFORMATION TECHNOLOGY SERVICES

The Division of Enterprise Information Technology Services (EITS) provides state agencies and elected officials with centralized information technology (IT) related services, including programming, database management, computing, communications and other technical services. The Executive Budget recommends funding totaling \$118.3 million for the 2019-21 biennium, a 20.6 percent increase from the legislatively approved amount of \$98.1 million for the 2017-19 biennium. EITS consists of five operational units: Office of the Chief Information Officer, Agency IT Services, Computing, Communications and Information Security. It should be noted that the amounts provided for enhancements in the EITS budgets are not reflective of any additional reserves needed to maintain recommended reserve levels associated with these internal service accounts.

OFFICE OF THE CHIEF INFORMATION OFFICER

The Office of the Chief Information Officer (CIO) provides statewide IT strategy and leadership as well as centralized oversight of EITS operational units. The Governor recommends increasing the state's cyber liability insurance limits due to more applications containing personal identifiable information contained in cloud-based solutions, at a cost of \$181,377 over the 2019-21 biennium.

AGENCY IT SERVICES UNIT

The Agency IT Services Unit is responsible for interfacing with customer agencies and consists of 24/7 help desk operations, desktop support, database development and management, application development, project management services and webpage support. The Agency IT Services Unit houses staff from the Agency IT Services and Office of the CIO budget accounts.

In the Agency IT Services budget, the Governor recommends four new positions, including one Program Officer and three Public Service Interns, associated operating costs, software, and contract costs to enhance the remediation program for statewide website compliance with the Americans with Disabilities Act and the Rehabilitation Act, funded with additional Infrastructure Assessment revenue of \$690,656 over the 2019-21 biennium.

COMPUTING UNIT

The Computing Unit, which consists of the Computer Facility budget, is responsible for managing, operating and supporting servers in the state data center, including the mainframe enterprise server, internet servers, and application servers in a secure 24/7 environment.

The Governor recommends \$8.0 million over the 2019-21 biennium, to support the costs associated with continuing the statewide implementation of Office 365, which includes two new IT Professional positions, software and associated licenses, backup services and end-user training. This recommendation would result in all remaining state agencies, with the exception of the Nevada Department of Transportation and the Department of Corrections, which maintain stand-alone e-mail systems, migrating to Office 365. To better align with e-mail and other cloud-based business productivity services provided, The Executive Budget recommends revising EITS cost pools and associated rates charged to agencies for EITS services.

COMMUNICATIONS UNIT

The Communications Unit, comprised of the Data Communications and Network Engineering, Telecommunications and Network Transport Services budgets, provides the planning, procurement, operation and maintenance services necessary to support the communications infrastructure that delivers information transport services, including e-mail, voice, radio, internet access and information data exchanges to state agencies.

In the Telecommunications budget, The Executive Budget recommends \$104,116 over the 2019-21 biennium for additional licensing to upgrade the agency's Voice over Internet Protocol (VoIP) telecommunications system to allow for the correct display of the address of the state site where an originating 911 call is made to provide for a more efficient response to emergencies. The Governor recommends purchasing spare microwave replacement parts and associated licenses, funded with reserve reductions of \$186,495 in FY 2020, and security cameras for microwave communication sites, funded with reserve reductions of \$159,320 in FY 2021, in the Network Transport Services budget.

INFORMATION SECURITY UNIT

The Information Security Unit supports the state information infrastructure through standardizing security policies, ensuring compliance with security procedures, responding to security incidents and mitigating vulnerabilities to networks and systems.

In the IT Security budget, the Governor recommends \$159,674 for one new server to provide failover and disaster recovery functionality for the physical security platform used for card access to buildings throughout the state.

FLEET SERVICES DIVISION

The Fleet Services Division provides safe, dependable and economical transportation solutions for state employees and is responsible for administration of the state's vehicle fleet in Carson City, Reno and Las Vegas. Funding for the division is primarily generated from vehicle rental charges. The Governor recommends vehicle rent fee revenue of \$671,005 in FY 2021 to repay a General Fund loan to purchase replacement vehicles. In addition, the Governor recommends vehicle rent fees of \$573,616 over the 2019-21 biennium to purchase additional vehicles.

OFFICE OF GRANT PROCUREMENT, COORDINATION AND MANAGEMENT

The Office of Grant Procurement, Coordination and Management provides a full range of grant support for state agencies including identifying funding opportunities, grant writing and editing, review, coordination, budget assistance, project management and technical assistance. The Nevada Grants Office also develops, provides and coordinates grant-related training workshops and resources for state agencies, ensures the state has submitted mandated and accurate state and federal grant information, serves as the single point of contact for state grant applications and works with agencies and subgrantees to ensure compliance with federally-mandated activities.

The Governor recommends General Fund appropriations of \$200,000 in each year of the 2019-21 biennium to purchase a statewide grant management system that would integrate grant reports and correspondence into a unified customizable solution. Although the 2017 Legislature approved funding to acquire a new grant management system, the purchase was not made in the 2017-19 biennium.

DIVISION OF HUMAN RESOURCE MANAGEMENT

The Division of Human Resource Management (DHRM) is responsible for attracting and retaining a qualified workforce that serves the citizens of Nevada. The DHRM is primarily funded by assessments to all state agencies for personnel and payroll services. In addition, the DHRM performs personnel services for select state agencies through its AHRM section. Only those agencies receiving personnel services from the AHRM section are assessed for those services.

The Executive Budget recommends transferring the AHRM section, including 12 positions and associated costs, from the current Human Resource Management budget to a new budget entitled DHRM Agency HR Services. Currently, the division has one budget that houses all of the agency's operations. In addition, the Governor recommends three new positions for the department: a Personnel Analyst for the Recruitment Section in Carson City, funded with Personnel Assessment revenue, to assist veterans in Northern Nevada; a Training Officer for the Office of Employee

Development in Carson City, funded with Personnel Assessment revenue, to provide more and expanded training opportunities for state employees; and a Student Worker, funded with AHRS cost allocation reimbursement, to process the increasing quantity of documents generated by new and current employees. If the Student Worker position is approved, it would also be transferred to the DHRM Agency HR Services budget.

NEVADA STATE LIBRARY, ARCHIVES AND PUBLIC RECORDS

The Nevada State Library, Archives and Public Records (NSLA) includes the Nevada State Archives and Public Records, which administers programs for the creation, maintenance, retention, preservation and disposition of records of the Executive Branch. Additionally, Archives and Public Records provides a range of information services to state agencies, public libraries and the public, including reference, research and support services, and services designed for people with disabilities. The NSLA provides administrative services to the Nevada Cooperative Libraries (CoOp), which is a consortium of libraries and related agencies that share library and technological resources, including an automated library catalog to organize, publish and check materials in and out to library users. Currently, the CoOp provides library and technological services to 41 service locations throughout Nevada. Finally, the NSLA's Mail Services section provides a wide range of mail delivery and pick-up services statewide.

The Executive Budget recommends total funding of \$28.5 million for the 2019-21 biennium for the NSLA, which is a nominal decrease of 0.7 percent over the 2017-19 legislatively approved funding of \$28.7 million. The NSLA funding comes primarily from a combination of General Fund appropriations, Federal Title I Library Grant revenues and Interagency Transfers, such as data processing services, mail services, administration charges and interoffice mail services. The Governor recommends General Fund appropriations of \$420,000 over the 2019-21 biennium for local library collection development programs and bookmobile services.

STATE PUBLIC WORKS DIVISION

The duties of the State Public Works Division (SPWD) of the Department of Administration include implementing the state's Capital Improvement Program (CIP); providing the physical building and grounds maintenance and housekeeping for state-owned buildings; procuring office space leases for state agencies; and managing the Marlette Lake Water System that provides water to Carson City and Storey County. The Buildings and Grounds (B&G) section of the SPWD also funds security services provided by the Capitol Police Division of the Department of Public Safety.

The primary source of funding for the B&G section is rent charged to state agencies for the use of state-owned building office and storage space. Rents collected by B&G are recommended to total \$32.0 million over the 2019-21 biennium, an increase of 6.5 percent from the \$30.1 million approved for the 2017-19 biennium. The rental rate charged by B&G for state-owned office space, which is the primary source of rental income,

is recommended to increase by 7.5 percent to \$1.122 per square foot for FY 2020 compared to \$1.044 per square foot approved for FY 2019. The Governor is recommending an additional increase of 2.3 percent to \$1.148 per square foot for state-owned office rent in FY 2021.

The Governor recommends \$1.9 million to address deferred maintenance and renovation projects in state-owned facilities.

The Executive Budget recommends funding for a new Management Analyst position with inspection fee revenues totaling \$190,953 over the 2019-21 biennium. The position would be responsible for construction accounting, project funding and fiscal coordination activities for SPWD capital improvement projects.

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 department is comprised of six divisions: Executive Office, Administrative Services, Information Technology, Compliance, Local Government Services and Marijuana Enforcement. The Executive Budget recommends General Fund support for the department in the amount of \$70.9 million over the 2019-21 biennium, an increase of \$6.3 million, or 9.7 percent, when compared to the legislatively approved General Fund support for the 2017-19 biennium.

To address audit and IT-related workload in the department, the Governor recommends General Fund appropriations totaling \$1.6 million over the 2019-21 biennium for five new Auditor positions and three new IT positions (one IT Manager and two IT Professional positions) and associated operating and travel expenditures. To increase the number of investigations performed on liquor retailers, the Governor also recommends new Liquor Tax administrative fees of \$715,225 over the 2019-21 biennium to fund four new alcohol enforcement positions (one Chief Investigator, two Compliance/Audit Investigators, and one Administrative Assistant position) and associated operating and travel expenditures.

The Executive Budget recommends to establish new license fees for other tobacco products wholesale and retail dealers and increase the existing license fee for cigarette wholesale dealers, which would generate additional fee revenue totaling \$650,000 and reduce Tobacco Settlement Income by \$442,000 over the 2019-21 biennium. The Governor's recommendation also includes Master Service Agreement (MSA) programmer charges totaling \$208,000 in FY 2020 to implement the recommended new and increased fees in the department's computer system.

The Governor recommends a new cost allocation reimbursement that would transfer funds from the department's Marijuana Regulation and Control Account to the Department of Taxation budget for services provided by department staff for the Marijuana Enforcement Division, which would reduce General Fund appropriations by \$2.8 million over the 2019-21 biennium.

MARIJUANA REGULATION AND CONTROL ACCOUNT

The department's Marijuana Regulation and Control Account isolates revenues and expenditures associated with the regulation of medical and recreational marijuana, which is the responsibility of the department's Marijuana Enforcement Division. For the 2019-21 biennium, the Governor recommends revenue totaling \$77.0 million in this budget, largely generated by the 15 percent excise tax on marijuana wholesale sales and application and license fees.

The Governor recommends reserve reductions of \$1.9 million over the 2019-21 biennium for ten new positions for the department's Marijuana Enforcement Division to assist with the enforcement of state regulations on the expanding marijuana industry.

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	2017-2018 Actual	2018-2019 Work Program	2019-2020 GOVERNOR RECOMMENDS	% Change	2020-2021 GOVERNOR RECOMMENDS	% Change
FINANCE & ADMINISTRATION						
DEPARTMENT OF ADMINISTRATION						
FEDERAL SURPLUS PROPERTY PROGRAM			92,444		147,470	59.52
BALANCE FORWARD					55,026	
OTHER FUND			92,444		92,444	
ADMINISTRATION - DIRECTOR'S OFFICE	682,274	1,054,020	875,259	-16.96	890,668	1.76
GENERAL FUND	71,306	87,828	108,206	23.20	107,528	-.63
BALANCE FORWARD	-39,680	187,802	129,188	-31.21	53,688	-58.44
INTERAGENCY TRANSFER	674,889	752,190	617,765	-17.87	708,974	14.76
OTHER FUND		26,200	20,100	-23.28	20,478	1.88
REVERSIONS	-24,241					
ADMINISTRATION - ADMINISTRATIVE SERVICES	2,769,382	3,680,088	3,559,263	-3.28	3,750,902	5.38
GENERAL FUND	95,010	95,087				
BALANCE FORWARD	-177,891	629,264	625,967	-.52	474,784	-24.15
INTERAGENCY TRANSFER	2,852,263	2,955,737	2,933,296	-.76	3,276,118	11.69
ADMINISTRATION - INSURANCE & LOSS PREVENTION	21,413,073	32,765,913	32,867,559	.31	32,259,344	-1.85
BALANCE FORWARD	-289,070	11,452,083	10,166,316	-11.23	8,763,229	-13.80
INTERAGENCY TRANSFER	20,743,239	21,239,537	21,887,922	3.05	22,882,794	4.55
OTHER FUND	958,904	74,293	813,321	994.75	613,321	-24.59
ADMINISTRATION - FLEET SERVICES	5,818,986	5,675,358	6,824,533	20.25	7,937,990	16.32
BALANCE FORWARD	994,454	721,000	512,132	-28.97	802,305	56.66
INTERAGENCY TRANSFER	4,799,820	4,917,518	6,294,993	28.01	7,118,277	13.08
OTHER FUND	24,712	36,840	17,408	-52.75	17,408	
ADMINISTRATION - FLEET SERVICES CAPITAL PURCHASE	1,298,419	1,916,523	1,690,703	-11.78	2,535,147	49.95
BALANCE FORWARD	-332,470	466,633	67,329	-85.57	281,943	318.75
INTERAGENCY TRANSFER	1,299,991	1,209,388	1,382,872	14.34	2,012,702	45.55
OTHER FUND	330,898	240,502	240,502		240,502	
ADMINISTRATION - PURCHASING	4,090,015	4,992,726	4,306,404	-13.75	4,772,420	10.82
BALANCE FORWARD	516,191	1,176,353	1,116,435	-5.09	608,549	-45.49
INTERAGENCY TRANSFER	2,113,508	2,399,744	1,769,270	-26.27	2,740,281	54.88
OTHER FUND	1,460,316	1,416,629	1,420,699	.29	1,423,590	.20
ADMINISTRATION - HEARINGS AND APPEALS DIVISION	4,881,158	5,017,368	5,468,241	8.99	5,563,403	1.74
INTERAGENCY TRANSFER	143,074	64,455	124,403	93.01	124,403	
OTHER FUND	4,948,019	4,952,913	5,343,838	7.89	5,439,000	1.78
REVERSIONS	-209,935					
ADMINISTRATION - VICTIMS OF CRIME	8,908,217	20,688,356	11,388,174	-44.95	9,576,532	-15.91
BALANCE FORWARD	4,511,466	8,141,548	6,614,401	-18.76	4,802,759	-27.39
FEDERAL FUND	691,000	1,068,000	1,068,000		1,068,000	
INTERAGENCY TRANSFER		7,538,450				
OTHER FUND	3,705,751	3,940,358	3,705,773	-5.95	3,705,773	

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	2017-2018 Actual	2018-2019 Work Program	2019-2020 GOVERNOR RECOMMENDS	% Change	2020-2021 GOVERNOR RECOMMENDS	% Change
ADMINISTRATION - SPWD - ADMINISTRATION	928,166	905,848	965,017	6.53	949,690	-1.59
BALANCE FORWARD	-10,522					
INTERAGENCY TRANSFER	939,411	905,848	965,017	6.53	949,690	-1.59
REVERSIONS	-723					
ADMINISTRATION - SPWD - ENGINEERING & PLANNING	4,863,735	6,529,697	7,248,539	11.01	7,527,561	3.85
BALANCE FORWARD	-997,338	1,754,189				
OTHER FUND	5,861,073	4,775,508	7,248,539	51.79	7,527,561	3.85
ADMINISTRATION - SPWD - FACILITY COND & ANALYSIS	323,068	364,456	373,001	2.34	375,484	.67
GENERAL FUND	357,091	364,456	373,001	2.34	375,484	.67
REVERSIONS	-34,023					
ADMINISTRATION - SPWD - BUILDINGS & GROUNDS	15,592,660	19,793,411	19,315,603	-2.41	19,519,064	1.05
BALANCE FORWARD	54,064	3,341,480	2,823,126	-15.51	2,646,310	-6.26
INTERAGENCY TRANSFER	15,431,162	16,391,540	16,385,044	-.04	16,765,321	2.32
OTHER FUND	107,434	60,391	107,433	77.90	107,433	
ADMINISTRATION - SPWD - MARLETTE LAKE	1,166,011	1,193,243	1,050,616	-11.95	1,054,627	.38
GENERAL FUND			137,085		142,146	3.69
BALANCE FORWARD	56,789	235,118	9,999	-95.75	9,999	
OTHER FUND	1,109,222	958,125	903,532	-5.70	902,482	-.12
ADMINISTRATION - EITS - OFFICE OF THE CIO	1,369,665	2,057,503	1,600,694	-22.20	1,664,940	4.01
BALANCE FORWARD	-147,978	510,314	513,006	.53	158,279	-69.15
INTERAGENCY TRANSFER	1,517,258	1,546,982	1,087,481	-29.70	1,506,454	38.53
OTHER FUND	385	207	207		207	
ADMINISTRATION - EITS - AGENCY IT SERVICES	8,656,475	10,459,749	11,752,111	12.36	12,683,521	7.93
BALANCE FORWARD	620,704	1,594,062	1,235,504	-22.49	1,327,125	7.42
INTERAGENCY TRANSFER	8,034,853	8,865,007	10,515,771	18.62	11,355,560	7.99
OTHER FUND	918	680	836	22.94	836	
ADMINISTRATION - EITS - COMPUTER FACILITY	15,915,515	18,809,866	24,935,891	32.57	26,708,184	7.11
BALANCE FORWARD	-94,224	2,454,624	3,209,966	30.77	4,763,486	48.40
INTERAGENCY TRANSFER	15,996,001	16,355,242	21,724,625	32.83	21,943,398	1.01
OTHER FUND	13,738		1,300		1,300	
ADMINISTRATION - EITS - DATA COMM & NETWORK ENGR	4,686,900	7,508,371	5,938,871	-20.90	5,663,886	-4.63
BALANCE FORWARD	-1,053,210	1,823,881	1,046,611	-42.62	700,757	-33.05
INTERAGENCY TRANSFER	5,739,051	5,684,490	4,892,260	-13.94	4,963,129	1.45
OTHER FUND	1,059					
ADMINISTRATION - EITS - TELECOMMUNICATIONS	3,217,067	3,472,091	3,753,783	8.11	3,837,127	2.22
BALANCE FORWARD	223,210	355,023	383,084	7.90	583,054	52.20
INTERAGENCY TRANSFER	2,993,119	3,117,068	3,369,962	8.11	3,253,336	-3.46
OTHER FUND	738		737		737	

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	2017-2018 Actual	2018-2019 Work Program	2019-2020 GOVERNOR RECOMMENDS	% Change	2020-2021 GOVERNOR RECOMMENDS	% Change
ADMINISTRATION - EITS - NETWORK TRANSPORT SERVICES	5,309,345	8,920,469	6,624,163	-25.74	7,173,025	8.29
BALANCE FORWARD	-1,442,414	3,261,997	2,325,327	-28.71	2,874,189	23.60
INTERAGENCY TRANSFER	6,696,808	5,657,347	4,298,836	-24.01	4,298,836	
OTHER FUND	54,951	1,125				
ADMINISTRATION - EITS - IT SECURITY	2,966,337	2,998,458	3,019,018	.69	2,957,655	-2.03
BALANCE FORWARD	501,222	58,205	132,189	127.11	305,970	131.46
INTERAGENCY TRANSFER	2,465,115	2,940,253	2,886,829	-1.82	2,651,685	-8.15
ADMINISTRATION - HRM - HUMAN RESOURCE MANAGEMENT	8,155,913	10,587,085	9,574,678	-9.56	9,542,486	-3.4
BALANCE FORWARD	38,837	1,827,032	1,484,267	-18.76	1,355,588	-8.67
INTERAGENCY TRANSFER	8,085,717	8,726,830	8,059,052	-7.65	8,155,539	1.20
OTHER FUND	31,359	33,223	31,359	-5.61	31,359	
ADMIN - DHRM AGENCY HR SERVICES			1,123,116		1,171,526	4.31
BALANCE FORWARD			98,080		97,652	-.44
INTERAGENCY TRANSFER			1,025,036		1,073,874	4.76
ADMINISTRATION - HRM - UNEMPLOYMENT COMPENSATION	1,526,189	2,097,432	2,278,666	8.64	2,232,880	-2.01
BALANCE FORWARD	506,052	803,815	752,477	-6.39	706,691	-6.08
INTERAGENCY TRANSFER	1,020,137	1,293,617	1,526,189	17.98	1,526,189	
ADMINISTRATION - NSLA - STATE LIBRARY	4,646,815	4,848,848	4,651,773	-4.06	4,716,484	1.39
GENERAL FUND	3,164,127	2,747,067	2,768,851	.79	2,833,562	2.34
BALANCE FORWARD	-205,596	208,001				
FEDERAL FUND	1,789,318	1,892,602	1,882,348	-.54	1,882,348	
OTHER FUND	574	1,178	574	-51.27	574	
REVERSIONS	-101,608					
ADMINISTRATION - NSLA - ARCHIVES & PUBLIC RECORDS	1,431,931	1,595,844	1,617,389	1.35	1,652,346	2.16
GENERAL FUND	1,531,640	1,558,902	1,579,833	1.34	1,614,790	2.21
INTERAGENCY TRANSFER	23,375	36,440	37,556	3.06	37,556	
OTHER FUND		502				
REVERSIONS	-123,084					
ADMINISTRATION - OFFICE OF GRANT PROCUREMENT COORD	459,065	711,583	764,075	7.38	769,373	.69
GENERAL FUND	697,379	711,583	764,075	7.38	769,373	.69
REVERSIONS	-238,314					
ADMINISTRATION - NSLA - LIBRARY COOPERATIVE	268,784	538,751	347,531	-35.49	284,161	-18.23
BALANCE FORWARD	-9,334	143,446	163,753	14.16	94,524	-42.28
FEDERAL FUND		50,000				
INTERAGENCY TRANSFER	50,758	51,161	49,768	-2.72	51,109	2.69
OTHER FUND	227,360	294,144	134,010	-54.44	138,528	3.37

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	2017-2018 Actual	2018-2019 Work Program	2019-2020 GOVERNOR RECOMMENDS	% Change	2020-2021 GOVERNOR RECOMMENDS	% Change
ADMINISTRATION - NSLA - MAIL SERVICES	6,185,851	7,302,986	7,376,304	1.00	7,435,866	.81
BALANCE FORWARD	199,678	619,075	595,532	-3.80	698,496	17.29
INTERAGENCY TRANSFER	5,985,890	6,683,911	6,780,772	1.45	6,737,370	-.64
OTHER FUND	283					
ADMINISTRATION - NSLA - MAIL SERVICES EQUIPMENT	1,388	149,538	148,036	-1.00	147,732	-.21
BALANCE FORWARD	1,388	149,538	148,036	-1.00	147,732	-.21
ADMINISTRATION - NSLA - IPS EQUIPMENT/SOFTWARE	10,118	56,586	47,046	-16.86	52,457	11.50
BALANCE FORWARD	10,118	26,023	41,582	59.79	46,993	13.01
INTERAGENCY TRANSFER		30,563	5,464	-82.12	5,464	
ADMINISTRATION - DO-JUVENILE & FAMILY COURT JUDGES	225,000	200,000	480,000	140.00	375,000	-21.88
GENERAL FUND	225,000	200,000	480,000	140.00	375,000	-21.88
ADMINISTRATION - MERIT AWARD BOARD	445	1,424	3,621	154.28	1,128	-68.85
GENERAL FUND	1,424	1,424	3,621	154.28	1,128	-68.85
REVERSIONS	-979					
DEFERRED COMPENSATION COMMITTEE	380,141	431,747	513,803	19.01	545,630	6.19
BALANCE FORWARD	52,292	69,123	27,888	-59.65	91,305	227.40
OTHER FUND	327,849	362,624	485,915	34.00	454,325	-6.50
TOTAL DEPARTMENT OF ADMINISTRATION	138,148,108	187,325,338	182,575,925	-2.54	186,475,709	2.14
GENERAL FUND	6,142,977	5,766,347	6,214,672	7.77	6,219,011	.07
BALANCE FORWARD	3,486,738	42,009,629	34,222,195	-18.54	32,450,433	-5.18
FEDERAL FUND	2,480,318	3,010,602	2,950,348	-2.00	2,950,348	
INTERAGENCY TRANSFER	107,605,439	119,363,318	118,620,183	-.62	124,138,059	4.65
OTHER FUND	19,165,543	17,175,442	20,568,527	19.76	20,717,858	.73
REVERSIONS	-732,907					
DEPARTMENT OF TAXATION						
DEPARTMENT OF TAXATION	31,893,619	33,409,899	37,660,486	12.72	38,914,577	3.33
GENERAL FUND	32,081,420	32,514,805	34,817,101	7.08	36,072,839	3.61
INTERAGENCY TRANSFER	153,129	207,707	1,490,648	617.67	1,452,559	-2.56
OTHER FUND	673,962	687,387	1,352,737	96.79	1,389,179	2.69
REVERSIONS	-1,014,892					
TAXATION - MARIJUANA REGULATION AND CONTROL ACCT	37,090,348	38,730,523	37,100,833	-4.21	39,942,477	7.66
BALANCE FORWARD	5,604,687	2,776,313	994,946	-64.16	3,836,590	285.61
OTHER FUND	31,485,661	35,954,210	36,105,887	.42	36,105,887	
TOTAL DEPARTMENT OF TAXATION	68,983,967	72,140,422	74,761,319	3.63	78,857,054	5.48
GENERAL FUND	32,081,420	32,514,805	34,817,101	7.08	36,072,839	3.61
BALANCE FORWARD	5,604,687	2,776,313	994,946	-64.16	3,836,590	285.61
INTERAGENCY TRANSFER	153,129	207,707	1,490,648	617.67	1,452,559	-2.56
OTHER FUND	32,159,623	36,641,597	37,458,624	2.23	37,495,066	.10
REVERSIONS	-1,014,892					

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	2017-2018 Actual	2018-2019 Work Program	2019-2020 GOVERNOR RECOMMENDS	% Change	2020-2021 GOVERNOR RECOMMENDS	% Change
FINANCE & ADMINISTRATION						
GENERAL FUND	38,224,397	38,281,152	41,031,773	7.19	42,291,850	3.07
BALANCE FORWARD	9,091,425	44,785,942	35,217,141	-21.37	36,287,023	3.04
FEDERAL FUND	2,480,318	3,010,602	2,950,348	-2.00	2,950,348	
INTERAGENCY TRANSFER	107,758,568	119,571,025	120,110,831	.45	125,590,618	4.56
OTHER FUND	51,325,166	53,817,039	58,027,151	7.82	58,212,924	.32
REVERSIONS	-1,747,799					
TOTAL FOR FINANCE & ADMINISTRATION	207,132,075	259,465,760	257,337,244	-.82	265,332,763	3.11
Less: INTER-AGENCY TRANSFER	107,758,568	119,571,025	120,110,831	.45	125,590,618	4.56
NET FINANCE & ADMINISTRATION	99,373,507	139,894,735	137,226,413	-1.91	139,742,145	1.83

EDUCATION

The Education function consists of two sub-functions: the Department of Education (inclusive of K-12 and the State Public Charter School Authority [SPCSA]) and the Nevada System of Higher Education (NSHE). The Education function continues to be the largest function in the state budget supported by the General Fund for the 2019-21 biennium. General Fund appropriations for educational programs recommended by the Governor total approximately \$4.468 billion, which is a 7.9 percent increase over General Fund appropriations of \$4.141 billion approved for the 2017-19 biennium. The appropriations for educational programs account for 50.0 percent of total General Fund expenditures over the 2019-21 biennium, as compared to 51.9 percent over the 2017-19 biennium.

Total funding recommended by the Governor from all sources for education (net of interagency transfers) total \$3.297 billion in FY 2020, a 6.7 percent increase when compared to the legislatively approved amount of \$3.091 billion for FY 2019, and \$3.340 billion in FY 2021, which represents an increase of 1.3 percent from FY 2020.

EDUCATION (K-12)

The K-12 Education budgets are discussed separately from the Department of Education operating budgets and include: the Distributive School Account (DSA), Other State Education Programs, Professional Development Programs, Contingency Account for Special Education Services, School Remediation Trust Fund, the new School Safety budget, State Supplemental School Support Account, Teach Nevada Scholarship Program, Teachers' School Supplies Reimbursement Account, Incentives for Licensed Educational Personnel, Bullying Prevention Account, Instruction in Financial Literacy budget, New Nevada Education Funding Plan budget, and the state funding associated with the federal Nevada Ready Preschool Development (NRPD) program in the Office of Early Learning and Development budget (match funding of \$13.8 million in the 2017-19 biennium and recommended aid to schools funding of \$42.0 million in the 2019-21 biennium).

K-12 Education Budgets	Legislature Approved 2017-19 Biennium		Governor Recommended 2019-21 Biennium		Increase/(Decrease)	
	Amount	% of Total	Amount	% of Total	Amount	%
General Fund	\$ 2,857,502,473	70.8%	\$ 2,996,586,601	69.8%	\$ 139,084,128	4.9%
Balance Forward	\$ 6,999,800	0.2%	\$ 16,385,037	0.4%	\$ 9,385,237	134.1%
Federal Funds	\$ 8,000,000	0.2%	\$ 8,000,000	0.2%	\$ -	0.0%
Interagency Transfer	\$ 417,770,737	10.4%	\$ 423,541,402	9.9%	\$ 5,770,665	1.4%
Other Funds	\$ 744,610,090	18.5%	\$ 847,340,004	19.7%	\$ 102,729,914	13.8%
Total K-12 Education	\$ 4,034,883,100	100.0%	\$ 4,291,853,044	100.0%	\$ 256,969,944	6.4%
Less Interagency Transfer	\$ (417,770,737)	-10.4%	\$ (423,541,402)	-9.9%	\$ (5,770,665)	1.4%
Net K-12 Education	\$ 3,617,112,363	89.6%	\$ 3,868,311,642	90.1%	\$ 251,199,279	6.9%

As the previous table reflects, The Executive Budget recommends total funding for K-12 Education budgets of \$3.868 billion (net of interagency transfers) for the 2019-21 biennium, an increase of 6.9 percent when compared to the legislatively approved amount of \$3.617 billion for the 2017-19 biennium. Of this amount, the Governor recommends General Fund appropriations totaling \$2.997 billion for the upcoming biennium, an increase of 4.9 percent when compared to the legislatively approved amount of \$2.858 billion for the 2017-19 biennium.

General Fund Appropriations	Legislature Approved 2017-19 Biennium		Governor Recommended 2019-21 Biennium	
	Amount	% of Total	Amount	% of Total
K-12 Education Budgets	\$ 2,857,502,473	35.8%	\$ 2,996,586,601	33.5%
All Other General Fund Budgets Statewide	\$ 5,128,553,508	64.2%	\$ 5,935,519,305	66.5%
Statewide Total General Fund	\$ 7,986,055,981	100.0%	\$ 8,932,105,906	100.0%

General Fund appropriations recommended in The Executive Budget for K-12 Education budgets (excluding the Department of Education operating budgets and including state funding for the NRPD program) account for 33.5 percent of the total recommended General Fund appropriations over the 2019-21 biennium, as compared to 35.8 percent approved over the 2017-19 biennium.

DISTRIBUTIVE SCHOOL ACCOUNT

Supporting Nevada's public elementary and secondary schools is a shared responsibility with state, local and federal sources contributing to the school districts and charter schools operating funds. The DSA budget does not include the entire funding for K-12 Education, but rather, includes only the state's portion of the school district and charter school operating funds that provide the basic support guarantee and other state-supported programs.

The table that follows summarizes the elements (in millions) that are the basis for the DSA as approved by the 2017 Legislature for the 2017-19 biennium and as recommended by the Governor for the 2019-21 biennium. While the "Total Required Support" is guaranteed by the state, only the portion of the table below "Total State Share" is included in the DSA budget.

The Nevada Plan Formula Funding							
	Legislature Approved (Millions)			Governor Recommended (Millions)			Percent Change
	FY 18	FY 19	2017-19 Biennium	FY 20	FY 21	2019-21 Biennium	
Total Operating Expenditures ¹	\$3,788	\$3,898	\$7,686	\$4,185	\$4,292	\$8,477	10.3%
Less: Non-Basic Support Programs ²	(\$187)	(\$201)	(\$388)	(\$215)	(\$222)	(\$437)	12.4%
Total Nevada Plan Formula Funding Expenditures	\$3,601	\$3,697	\$7,298	\$3,970	\$4,070	\$8,040	10.2%
Less: Non-Guaranteed Local Revenues	(\$792)	(\$820)	(\$1,612)	(\$1,007)	(\$1,039)	(\$2,046)	27.0%
Total Regular Basic Support [a]	\$2,809	\$2,877	\$5,686	\$2,962	\$3,031	\$5,994	5.4%
Projected Enrollment [b]	476,338	482,292		489,521	495,640		
Basic Support Guarantee [a] / [b]	\$5,897	\$5,967		\$6,052	\$6,116		
State Guarantee							
Total Required Support	\$2,809	\$2,877	\$5,686	\$2,963	\$3,031	\$5,994	5.4%
Less: Guaranteed Local Revenues	(\$1,561)	(\$1,643)	(\$3,204)	(\$1,730)	(\$1,803)	(\$3,533)	10.2%
Nevada Plan Funding in the Distributive School Account (DSA)							
Total State Share	\$1,248	\$1,234	\$2,482	\$1,233	\$1,228	\$2,461	-0.9%
Less: Miscellaneous DSA Revenues	(\$391)	(\$405)	(\$796)	(\$416)	(\$429)	(\$845)	6.1%
General Fund Support for NV Plan Formula Funding	\$857	\$829	\$1,686	\$817	\$799	\$1,616	-4.2%
General Fund for Categorical Programs in the DSA ³	\$335	\$353	\$688	\$378	\$390	\$768	11.7%
Total General Fund in the DSA	\$1,192	\$1,182	\$2,373	\$1,195	\$1,189	\$2,384	0.4%

Notes: Totals and percentages may not balance due to rounding.

¹ Operating expenditures have been increased by \$588,732 in each year of the biennium to reflect the School Lunch Program.

² Non-Basic Support Programs include Special Education, National School Lunch Program match, and Special Transportation.

³ Categorical Programs in the DSA include all Non-Basic Support Programs as well as the Class-Size Reduction Program.

As shown in the table above, The Executive Budget recommends the total general operating expenditures (Nevada Plan formula funding) for all Nevada school district and charter school operating budgets increase from \$7.298 billion as approved by the 2017 Legislature for the 2017-19 biennium to \$8.040 billion in the 2019-21 biennium, an increase of 10.2 percent. As recommended by the Governor, the total required support for school district and charter school expenditures, after subtracting projected non-guaranteed revenue of \$2.046 billion over the 2019-21 biennium, is \$5.994 billion over the 2019-21 biennium, an increase of 5.4 percent from the total of \$5.686 billion approved by the 2017 Legislature for the 2017-19 biennium.

NEVADA PLAN FORMULA FUNDING

The Legislature determines the level of state aid for school districts and charter schools through a formula called the “Nevada Plan,” which accounts for differences across districts in the cost of providing education and in local wealth. A guaranteed amount of basic support per pupil is calculated for each school district and established in law each session. The state through the DSA, and local districts through the Local School Support

(sales) Tax (LSST) and property tax, share the responsibility for providing the money needed to fund the guaranteed basic support.

- Nevada Plan - Non-Guaranteed Local Revenues

As indicated in the previous table, certain locally-generated revenues are considered before the state's funding responsibility is determined. These local revenues are not guaranteed by the state under the Nevada Plan; therefore, state aid is not increased or decreased based on actual realized revenue from these local revenue sources.

- Property Tax: State law requires a property tax rate of 75 cents per \$100 of assessed valuation for the support of schools. One-third of the proceeds from the 75-cent property tax rate is guaranteed by the state, while the remaining two-thirds of the proceeds of the 75-cent property tax rate is not guaranteed by the state under the Nevada Plan.

For FY 2019, the two-thirds portion is projected to increase 6.8 percent to \$480.0 million. The Executive Budget projects that the two-thirds portion will generate \$509.9 million in FY 2020, which represents a 6.2 percent increase over the amount projected for FY 2019 and \$539.1 million in FY 2021, an increase of 5.7 percent over FY 2020.

- Local Governmental Services Tax (GST): The local GST is estimated to generate \$112.4 million in FY 2020 and \$114.7 million in FY 2021, compared to FY 2018 actual collections of \$104.4 million.
- Other Local Sources: Franchise taxes, federal revenue, interest, tuition and other local revenue and opening balances are estimated to contribute \$385.2 million in each year of the 2019-21 biennium.

For the 2019-21 biennium, non-guaranteed revenues under the Nevada Plan formula funding are budgeted to generate 25.5 percent of the revenue necessary to support the budgets of school districts and charter schools (21.0 percent in the 2017-19 biennium), with the balance being funded through revenue sources guaranteed by the state under the Nevada Plan.

- Nevada Plan - Guaranteed Local Revenues

Nevada Plan funding for school districts and charter schools consists of state financial support received through the DSA and locally-collected revenues that are guaranteed by the state under the Nevada Plan, namely the LSST and the remaining one-third of the proceeds from the 75-cent property tax rate. It is important to note that these two local revenue amounts **are guaranteed** by the state; thus, if budgeted amounts are not actually collected, the state funds the difference, and conversely, if actual revenues exceed projections, the amount of General Fund support is reduced.

- LSST: For the 2019-21 biennium, the 2.60 percent LSST is estimated at \$1.475 billion for FY 2020 (5.2 percent increase over the \$1.401 billion estimated for FY 2019) and at \$1.533 billion for FY 2021 (4.0 percent increase over projected FY 2020).
- Property Tax: Local funding from the one-third portion of the proceeds from the 75-cent property tax rate is recommended at \$254.9 million for FY 2020

(6.2 percent increase over FY 2019 projections of \$240.0 million) and at \$269.5 million for FY 2021 (5.7 percent increase over projected FY 2020).

Combined, these two local sources provide approximately 58.9 percent of the basic support amount with the state contributing the remaining 41.1 percent for the 2019-21 biennium, compared to a 56.3 percent local and a 43.7 percent state share legislatively approved for the 2017-19 biennium.

Nevada Plan State Support

In the Governor's budget, the state's share of funding for the Nevada Plan formula funding in the DSA is largely provided by General Fund appropriations of \$817.0 million in FY 2020 and \$799.3 million in FY 2021, totaling \$1.616 billion for the 2019-21 biennium (exclusive of categorical programs that are funded in the DSA budget and discussed below). The Governor recommended General Fund appropriations of \$1.616 billion for the upcoming biennium are \$70.3 million or 4.2 percent less than the total General Fund appropriations of \$1.687 billion approved for the 2017-19 biennium. This reduction is due to the increases in local revenue that were discussed earlier. When considering Nevada Plan formula funding and categorical programs that are included in the DSA, the Governor recommends total General Fund appropriations in the DSA of \$1.195 billion in FY 2020 and \$1.189 billion in FY 2021, which compares to \$1.192 billion in FY 2018 and \$1.182 billion in FY 2019 that was approved by the 2017 Legislature in the DSA.

Miscellaneous Revenue Sources in the DSA

Other sources of revenue that provide funding for the DSA are included in the earlier "Nevada Plan" table as "Miscellaneous DSA Revenues." These other sources include an annual tax on slot machines, interest earned on investments from the Permanent School Fund, revenue from leases of federal land for mineral exploration and from royalties, LSST from sales that cannot be attributed to a specific county, and transfers of excess revenue from the Department of Taxation's Marijuana Regulation and Control Account.

The Governor recommends estimated proceeds from the Room Tax revenue collected pursuant to NRS 387.191 totaling \$187.9 million in FY 2020 and \$190.0 million in FY 2021 continue to be transferred from the State Supplemental School Support Account to the DSA as a state funding source through the 2019-21 biennium. The Executive Budget recommends total other miscellaneous revenues in the DSA (inclusive of the Room Tax revenue discussed above) at \$844.5 million over the 2019-21 biennium, an increase of 6.1 percent when compared to the \$796.2 million legislatively approved for the 2017-19 biennium.

The following table displays the DSA budget as recommended by the Governor for the 2019-21 biennium, actual revenues and expenditures for FY 2018, projections for FY 2019, and the legislatively approved budget for the 2017-19 biennium.

DISTRIBUTIVE SCHOOL ACCOUNT SUMMARY 2019-21 BIENNIUM						
	FY 2018		FY 2019		FY 2020	FY 2021
	Legislature	FY 2018	Legislature	FY 2019	Governor	Governor
	Approved	Actual	Approved	Estimated	Recommended	Recommended
WEIGHTED ENROLLMENT	476,338	477,894	482,292	483,000	489,521	495,640
ADDITIONAL ENROLLMENT FOR HOLD HARMLESS		1,125	-	1,095	-	-
TOTAL ENROLLMENT	476,338	479,019	482,292	484,095	489,521	495,640
BASIC SUPPORT	\$ 5,897	\$ 5,897	\$ 5,967	\$ 5,967	\$ 6,052	\$ 6,116
TOTAL REGULAR BASIC SUPPORT	\$ 2,809,059,383	\$ 2,824,870,847	\$ 2,877,856,134	\$ 2,888,594,865	\$ 2,962,485,269	\$ 3,031,098,692
CATEGORICAL FUNDING:						
SPECIAL EDUCATION	\$ 185,170,566	\$ 185,470,563	\$ 198,319,875	\$ 198,319,875	\$ 212,331,209	\$ 219,742,179
SPECIAL EDUCATION 50% ABOVE 13% CAP	\$ 1,500,000	\$ 1,200,003	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000
CLASS-SIZE REDUCTION	\$ 147,445,963	\$ 147,289,897	\$ 152,142,582	\$ 152,142,582	\$ 163,603,704	\$ 168,062,644
SCHOOL LUNCH PROGRAM STATE MATCH	\$ 588,732	\$ 588,732	\$ 588,732	\$ 588,732	\$ 588,732	\$ 588,732
SPECIAL TRANSPORTATION	\$ 128,541	\$ 128,541	\$ 128,541	\$ 128,541	\$ 128,541	\$ 128,541
NRS ADJUSTMENT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
OTHER ADJUSTMENTS	\$ -	\$ (3,358,135)	\$ -	\$ -	\$ -	\$ -
TOTAL REQUIRED STATE SUPPORT	\$ 3,143,893,185	\$ 3,156,190,448	\$ 3,230,535,864	\$ 3,241,274,595	\$ 3,340,637,455	\$ 3,421,120,788
LESS - GUARANTEED REVENUE						
LOCAL SCHOOL SUPPORT TAX - 2.60%	\$ (1,340,894,700)	\$ (1,313,956,683)	\$ (1,410,328,800)	\$ (1,401,394,000)	\$ (1,474,882,000)	\$ (1,533,359,000)
1/3 PUBLIC SCHOOLS OPERATING PROPERTY TAX	\$ (219,666,832)	\$ (224,713,395)	\$ (233,165,900)	\$ (239,993,345)	\$ (254,933,300)	\$ (269,537,000)
ADJUSTMENT FOR EUREKA AND LANDER REVENUE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL STATE SHARE	\$ 1,583,331,653	\$ 1,617,520,370	\$ 1,587,041,164	\$ 1,599,887,250	\$ 1,610,822,155	\$ 1,618,224,788
STATE SHARE ELEMENTS						
GENERAL FUND	\$ 1,192,420,159	\$ 1,219,696,627	\$ 1,181,785,421	\$ 1,154,508,953	\$ 1,195,185,348	\$ 1,189,369,493
FY 2017 OVERPAYMENTS TO BE RECEIVED FY 2018	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TRANSFER FROM TAXATION - REC & MED MARIJUANA	\$ 18,935,194	\$ 27,518,741	\$ 22,687,543	\$ 26,625,075	\$ 20,746,407	\$ 24,837,995
RECREATIONAL MARIJUANA RETAIL TAX	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
GENERAL FUND TRANSFER FY19 to FY18	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
DSA SHARE OF SLOT TAX	\$ 27,932,000	\$ 28,330,095	\$ 27,773,000	\$ 28,040,600	\$ 27,597,400	\$ 27,925,300
PERMANENT SCHOOL FUND	\$ 3,000,000	\$ 5,981,905	\$ 3,000,000	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000
FEDERAL MINERAL LEASE REVENUE	\$ 4,000,000	\$ 3,820,943	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000
OUT OF STATE LSST - 2.60%	\$ 148,988,300	\$ 148,703,236	\$ 156,703,200	\$ 160,918,000	\$ 169,357,000	\$ 176,071,000
IP1 (2009) ROOM TAX REVENUE TRANSFER	\$ 185,056,000	\$ 180,468,823	\$ 191,092,000	\$ 183,232,000	\$ 187,936,000	\$ 190,021,000
GENERAL FUND SUPPLEMENTAL APPROPRIATION	\$ -	\$ -	\$ -	\$ 36,492,628	\$ -	\$ -
REVERSION TO GENERAL FUND	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
BALANCE FORWARD FROM/TO NEXT FISCAL YEAR	\$ 3,000,000	\$ 3,000,000	\$ -	\$ 69,994	\$ -	\$ -
TOTAL STATE SHARE ELEMENTS	\$ 1,583,331,653	\$ 1,617,520,370	\$ 1,587,041,164	\$ 1,599,887,250	\$ 1,610,822,155	\$ 1,618,224,788
	\$ -	\$ (0)	\$ -	\$ -	\$ (0)	\$ (0)

Note: Totals may not balance due to rounding

STATEWIDE AVERAGE BASIC SUPPORT PER PUPIL

The 2017 Legislature approved a statewide average basic support per pupil of \$5,897 for FY 2018 and \$5,967 for FY 2019. The Executive Budget recommends a statewide average basic support of \$6,052 per pupil for FY 2020 and \$6,116 per pupil for FY 2021, increases of \$85 per pupil and \$149 per pupil in FY 2020 and FY 2021, respectively, when compared to the FY 2019 legislatively approved statewide average basic support per pupil of \$5,967. The guaranteed basic support per pupil should not be confused with expenditures per pupil. As stated earlier, other resources not considered within the Nevada Plan are also available to cover schools' operating costs. When all local revenue sources (guaranteed and non-guaranteed) and state revenue sources are considered, The Executive Budget reflects average expenditures per pupil of \$8,110 in FY 2020 and \$8,212 in FY 2021 under the Nevada Plan funding formula (excluding categorical programs that provide additional funding for K-12 education).

ENROLLMENT

Each school district's guaranteed level of funding is determined by multiplying the basic support per pupil by weighted enrollment. Weighted enrollment (utilized to distribute Nevada Plan formula funding to school districts and charter schools) equals a full count of pupils enrolled in full-day kindergarten and grades 1 through 12, net of transfers. Weighted enrollment also includes children with disabilities enrolled in special education programs within a district or charter school, and six-tenths of the count of pupils enrolled in programs for three- and four-year-olds with disabilities. Special-needs preschoolers are counted as six-tenths of a pupil, because they typically attend school for half of a day or less. The following chart compares audited weighted enrollment numbers (excluding hold harmless) by fiscal year and the percent of change each year compared to the preceding year.

Nevada Audited Weighted Enrollment									
FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual ¹	FY 2017 Actual	FY 2018 Actual ²	FY 2019 Projected	FY 2020 Gov. Rec.	FY 2021 Gov. Rec.
423,849	429,762	435,522	439,882	450,333	456,943	477,894	483,000	489,521	495,640
	1.40%	1.34%	1.00%	2.38%	1.47%	4.59%	1.07%	1.35%	1.25%

¹ The Department of Education provided revised enrollment data for FY 2016 in January 2019.
² Enrollment reflects the addition of kindergarten students into the Nevada Plan funding formula as full-time students effective July 1, 2017. Prior to that time, kindergarten students were weighted as six-tenths of a pupil.

The Governor recommends General Fund appropriations of \$44.8 million in FY 2020 and \$81.7 million in FY 2021 to provide for the projected enrollment growth for K-12 pupils (inclusive of the Special Education and Class-Size Reduction programs).

HOLD HARMLESS PROVISION

To protect school districts and charter schools during times of declining enrollment, Section 3 of NRS 387.1223 contains a "hold harmless" provision. Under this provision, the guaranteed level of funding is based on the current year's quarter enrollment, unless the decline in enrollment is 5.0 percent or more from the previous year, in which case the funding is based on the higher of the current or the previous year's quarter enrollment. According to the department, the hold harmless provision for eligible school districts and charter schools increased the state responsibility by \$7.2 million in FY 2016, \$6.6 million in FY 2017 and \$1.7 million in FY 2018. Due to the uncertainty of projected enrollments, the cost of the hold harmless provision is not budgeted in the DSA.

POSITIONS AND SALARY ADJUSTMENTS

To determine the number of employees needed to accommodate increased enrollment, the Governor's Finance Office calculated the actual student-to-employee ratios for each major job classification in the FY 2018 base year. Position counts for each year of the upcoming biennium were computed by maintaining the same student-to-employee ratio in each job classification. The Executive Budget estimates that an additional 830 licensed, instructional personnel will be needed by the end of the 2019-21 biennium to maintain the FY 2018 statewide average of 21.5:1 student-to-teacher ratio.

The Executive Budget recommends General Fund appropriations of \$89.4 million in FY 2020 and \$91.2 million in FY 2021 to provide the equivalent of a 3.0 percent cost-of-living adjustment (COLA) for all school employees in FY 2020 (inclusive of the Special Education and Class-Size Reduction programs). Although the Governor's recommendation may have an impact on the funding level for salaries of school district and charter school personnel, the actual salary impact is uncertain since the employee groups in school districts are subject to collective bargaining.

The Governor also recommends General Fund appropriations of \$58.5 million in FY 2020 and \$118.2 million in FY 2021 for "roll-up" costs of 2 percent each year to reflect all school employees (including Special Education and Class-Size Reduction program staff) earning merit increases due to the attainment of additional education and/or additional years of service.

The following table provides the actual and projected statewide average contract salaries and benefits for teachers in the current biennium and recommended for the 2019-21 biennium, inclusive of the 2 percent roll-up and 3 percent COLA, and including the fringe benefit adjustments discussed on the following page.

Statewide Average Contract Salaries and Benefits for Teachers				
	FY 2018 Actual	FY 2019 Projected	FY 2020 Gov. Rec.	FY 2021 Gov. Rec.
Average Contract Salary for Teachers	\$ 55,133	\$ 56,236	\$ 58,740	\$ 59,915
% Change Salaries		2.00%	4.45%	2.00%
Benefits	\$ 23,294	\$ 23,904	\$ 25,586	\$ 26,246
% Change Benefits		2.62%	7.04%	2.58%
Total Salaries and Benefits	\$ 78,427	\$ 80,140	\$ 84,327	\$ 86,161
% Change Salary and Benefits		2.18%	5.22%	2.18%

Average contract salaries for teachers are affected by a number of factors, which include the number of teachers who retire/leave the profession, the number of new teachers hired, the number of teachers who are no longer eligible for merit adjustments, and collective bargaining agreements. It should be noted that local collective bargaining agreements require teachers to work a contractual number of days (usually between 180-184 days depending on the school district). This compares to the number of days a typical full-time employee works in a year (260 days). This distinction should be considered when reviewing and comparing the average contract salaries for teachers with average salaries for employees working 260 days in a year.

FRINGE BENEFIT ADJUSTMENTS

The Executive Budget increases funding for group insurance costs for school personnel by 3.7 percent in FY 2020 and 3.8 percent in FY 2021, based on the projected rate increase for state agencies. The Executive Budget also increases funding to reflect the Public Employees' Retirement System (PERS) contribution rate increase from 28.00 percent to 29.25 percent in the 2019-21 biennium for school employees under the employer-paid plan. The Governor recommends total General Fund appropriations of \$21.6 million in FY 2020 and \$35.2 million in FY 2021 to fund these increases (inclusive of the Special Education and Class-Size Reduction programs).

SUPPLEMENTAL APPROPRIATION

The Executive Budget recommends a General Fund appropriation of \$36.5 million in FY 2019 for the DSA due to unanticipated enrollment growth and lower-than-projected sales tax (LSST) revenue collections, which are guaranteed by the state under the Nevada Plan.

TEXTBOOK FUNDING

The Executive Budget recommends funding for textbooks, instructional supplies, instructional hardware and instructional software in FY 2020 and FY 2021 totaling \$82.8 million and \$83.7 million, respectively, reflecting the total actual expenditures incurred by school districts and charter schools for these items in FY 2018, increased for projected enrollment growth.

FUNDING FOR STUDENTS WITH DISABILITIES

The Executive Budget recommends General Fund appropriations of \$212.3 million in FY 2020 and \$219.7 million in FY 2021 to fund services for students with disabilities, inclusive of increases for projected enrollment growth and the fringe salary/benefit adjustments that were discussed earlier. Total funding of \$432.1 million recommended for students with disabilities in the 2019-21 biennium represents a 12.7 percent increase over the legislatively approved funding of \$383.5 million for the 2017-19 biennium.

To mitigate the issue of over-identification of students with disabilities, NRS 387.122 requires that the funding provided to each school district or charter school must not exceed 13 percent of total pupil enrollment for the school district or charter school. However, NRS 387.122 allows school districts and charter schools with enrollment of students with disabilities that exceed 13 percent of the total student enrollment to receive one-half of the additional funding that is provided by the state for students with disabilities for those students that exceed the 13 percent threshold. The 2017 Legislature approved a total of \$1.5 million in each year of the 2017-19 biennium for this purpose and the Governor recommends the same level of funding in each year of the 2019-21 biennium.

CLASS-SIZE REDUCTION PROGRAM

To finance salaries and fringe benefits of teachers hired to meet the required ratios of 17 pupils per teacher in first and second grades and 20 pupils per teacher in third grade pursuant to Senate Bill 544, the 2017 Legislature appropriated a total of \$299.6 million over the 2017-19 biennium to continue the Class-Size Reduction (CSR) program. Subject to State Board of Education approval, Section 2 of NRS 388.720 authorizes rural school districts (counties whose populations are under 100,000) to use CSR funding to operate a program of alternative pupil-teacher ratios in grades 1 through 6. Under the alternative program, pupil-teacher ratios may not exceed 22:1 in grades 1, 2 and 3 and may not exceed 25:1 in grades 4 and 5, or grades 4, 5 and 6 in school districts that include grade 6 in elementary school.

The Executive Budget continues ratios of 17 pupils per teacher in first and second grades and 20 pupils per teacher in third grade and recommends General Fund appropriations totaling \$331.7 million (\$163.6 million in FY 2020 and \$168.1 million in FY 2021) to continue the CSR program in grades 1 through 3 for the 2019-21 biennium. This represents an increase of 10.7 percent over legislatively approved funding for the 2017-19 biennium. The Governor's recommended budget would provide funding for 1,941 and 1,956 CSR teachers for grades 1 through 3 in FY 2020 and FY 2021, respectively.

NEW NEVADA EDUCATION FUNDING PLAN

The Account for the New Nevada Education Funding Plan, created pursuant to Senate Bill 178 of the 79th Session of the Legislature, provides school districts and charter schools (not designated as a Zoom School or Victory School) with an additional \$1,200 per eligible student in each fiscal year to implement specific education interventions to improve the academic performance of students. Qualifying students must be English Learners or eligible for free or reduced-price lunch, score in the bottom 25 percent of students on certain assessments, and must not have an individualized education plan.

For the 2019-21 biennium, The Executive Budget increases General Fund appropriations by \$33.9 million each year to \$69.9 million each year, representing an increase of 94.3 percent when compared to the \$36.0 million legislatively approved each year for the current biennium. Inclusive of the recommended enhancement, total funding is projected to nearly double the number of students served from 30,000 students in the 2017-19 biennium to 58,250 students in the 2019-21 biennium.

OTHER STATE EDUCATION PROGRAMS

The Other State Education Programs budget provides state funds to school districts, charter schools and other organizations for various programs. Such programs include Read by Grade 3, Career and Technical Education (CTE), Underperforming Schools, Gifted and Talented Education, College and Career Readiness, Early Childhood Education (ECE), Adult High School Diploma (AHSD), Jobs for America's Graduates (JAG), Public Broadcasting, National Board Teacher Certification Reimbursement, Speech Pathologist Increment, and various other smaller programs. Inclusive of the recommended enhancements discussed below, funding for the support of all programs in this budget is recommended by the Governor at \$188.4 million over the 2019-21 biennium, an increase of 22.1 percent when compared to the total funding legislatively approved for the current biennium.

The Governor recommends General Fund appropriations totaling \$31.2 million over the 2019-21 biennium to increase support of six programs, as listed in Table 1 that follows:

Table 1 Other State Education Programs Recommended Enhancements	Leg. App. 2017-19 Biennium	Gov. Rec. 2019-21 Biennium	Dollar Change	% Change
National Board Certification Reimbursement Teachers/Nurses	\$98,570	\$124,820	\$26,250	26.6%
Career and Technical Education	\$25,087,644	\$27,087,644	\$2,000,000	8.0%
Adult High School Diploma	\$36,520,796	\$38,520,796	\$2,000,000	5.5%
Jobs for America's Graduates	\$7,173,290	\$9,455,434	\$2,282,144	31.8%
Read by Grade 3	\$41,075,906	\$63,475,906	\$22,400,000	54.5%
NV Institute on Teaching & Educator Preparation	\$0	\$2,500,000	\$2,500,000	100.0%
Total New Funding	\$109,956,206	\$141,164,600	\$31,208,394	28.4%

A brief description of each program listed in Table 1 and the purpose for which the Governor recommends increased funding for the 2019-21 biennium are provided below.

NATIONAL BOARD CERTIFICATION REIMBURSEMENT FOR TEACHERS AND NURSES

The 1999 Legislature created the National Board Certification Reimbursement program to reimburse public school teachers up to \$2,000 each for costs related to the successful acquisition of national board certification. The Governor recommends General Fund appropriations of \$49,285 each year for the 2019-21 biennium to continue this program at the level funded over the 2017-19 biennium. In addition, as shown in Table 1, the Governor also recommends General Fund appropriations of \$13,125 in each year of the biennium as new funding to reimburse up to 35 nurses per year \$375 each for the cost of the examination to acquire national board certification.

CAREER AND TECHNICAL EDUCATION

The state-funded CTE program provides both competitive and formula grants to school districts and charter schools to establish, maintain and expand CTE programs identified by Nevada's workforce councils. As noted in Table 1, The Executive Budget recommends a General Fund increase of \$1.0 million in each fiscal year of the 2019-21 biennium, bringing total state funding for CTE programs to \$13.5 million in each year. An additional 2,000 students are anticipated to be served over the 2019-21 biennium with the recommended funding increase.

ADULT HIGH SCHOOL DIPLOMA PROGRAM

The Adult High School Diploma (AHSD) program provides funding for the general public in 14 school districts and for the state's correctional system inmates in the 4 school districts that operate programs within correctional facilities. The AHSD programs provide free academic counseling and instruction to eligible students who lack a high school diploma or a General Educational Development certificate. As shown in Table 1, The Executive Budget recommends General Fund appropriations of \$1.0 million in each fiscal year to serve an estimated additional 1,200 students over the 2019-21 biennium. Inclusive of the recommended increase, the Governor recommends total funding of \$19.3 million in each fiscal year for the AHSD program, which represents a 5.5 percent increase from the legislatively approved amounts for the 2017-19 biennium.

JOBS FOR AMERICA'S GRADUATES

The Jobs for America's Graduates program, administered through a state-based national nonprofit organization, is dedicated to preventing dropouts among high school students who are at risk of not graduating. The goal of the program is to help participating students stay in school through graduation, pursue postsecondary education, and secure entry-level jobs leading to career advancement opportunities. As indicated in Table 1, the Governor recommends General Fund appropriations of \$1.1 million in FY 2020 and \$1.2 million in FY 2021 to fund the expansion of the JAG program to an additional 14 high schools, bringing the total number of JAG programs in the state to 55. Inclusive of the enhancement, total recommended funding for the JAG program is \$4.6 million in FY 2020 and \$4.8 million in FY 2021.

READ BY GRADE 3 PROGRAM

The Read by Grade 3 program provides grant funding to school districts and charter schools to support literacy activities to ensure all kindergarten through grade 3 students can read proficiently by the end of third grade. Table 1 reflects the Governor's recommendation for additional General Fund appropriations of \$11.2 million in each year of the 2019-21 biennium to support Learning Strategist positions in all elementary schools and to provide professional development. Total recommended funding for this program is \$31.7 million in each year of the upcoming biennium, which represents a 54.5 percent increase when compared to the legislatively approved funding for the 2017-19 biennium.

NEVADA INSTITUTE ON TEACHING AND EDUCATOR PREPARATION

Senate Bill 548 of the 2017 Legislative Session appropriated \$1.0 million over the current biennium to the State Board of Education as one-time funding to award grants to a college or university within the Nevada System of Higher Education to establish a Nevada Institute on Teaching and Educator Preparation. An institution applying for a grant must provide matching funds, among other requirements outlined in the legislation. As displayed in Table 1, the Governor recommends General Fund appropriations totaling \$1.25 million in each year of the 2019-21 biennium to continue grant funding for the Nevada Institute on Teaching and Educator Preparation.

PROFESSIONAL DEVELOPMENT PROGRAMS

The Executive Budget recommends total General Fund appropriations and interest earnings totaling \$14.0 million in each year of the 2019-21 biennium for the Great Teaching and Leading grant program, Regional Professional Development Programs (RPDPs), and the Peer Assistance and Review program funded in this budget. Of this amount, the Governor recommends \$5.0 million each year for the Great Teaching and Leading grant program where, based on criteria established by the State Board of Education, entities including the RPDPs, school districts, higher education and nonprofit organizations are eligible to apply for grant funding to provide programs of professional development.

Also included in The Executive Budget are General Fund appropriations of \$149,219 in each year of the 2019-21 biennium for a 2 percent COLA for the RPDP staff, which would provide total funding of \$7.7 million each fiscal year for the RPDPs. Lastly, The Executive Budget includes General Fund appropriations of \$1.3 million each year of the 2019-21 biennium for the Peer Assistance and Review program that provides assistance to educators for effective teaching, representing no change from the funding level approved by the 2017 Legislature in FY 2019.

SCHOOL REMEDIATION TRUST FUND

The Account for Programs for Innovation and the Prevention of Remediation (referred to as the School Remediation Trust Fund) was created by the 2005 Legislature pursuant to NRS 387.1247 to support improvement plans developed by schools and school districts to improve the achievement of students. This budget currently provides funding for the support of the following six programs: (1) New Teachers Incentives program; (2) Teacher Incentives for new and transfer teachers to Title I schools; (3) English Learner (EL) program, including the Zoom Schools program (Clark and Washoe School Districts) and the EL grant program for rural school districts and charter schools sponsored by the State Public Charter School Authority (SPCSA); (4) the Victory Schools program; (5) the Nevada Ready 21 Technology program (NR21); and (6) the Social or Other Licensed Mental Health Worker program. The primary funding source for this budget is General Fund appropriations.

The Executive Budget recommends the transfer of the Social or Other Licensed Mental Health Worker program (General Fund appropriations of \$22.4 million over the biennium) from this budget to a proposed new School Safety budget (discussed below). To continue funding the five remaining programs in this budget, the Governor recommends \$179.9 million (General Fund appropriations of \$175.5 million) over the 2019-21 biennium, representing no change from the legislatively approved funding for the 2017-19 biennium.

SCHOOL SAFETY

The Governor recommends the creation of a new budget to support various school safety initiatives to enhance the physical safety and emotional well-being of K-12 students. These initiatives were among several recommendations included in the final report of the 2018 Task Force on School Safety, created in March 2018, pursuant to Executive Order by former Governor Sandoval.

The Executive Budget directs \$53.8 million of the Marijuana 10 Percent Retail Excise Tax revenue over the 2019-21 biennium to this new budget to support the following school safety initiatives:

School Safety Initiative	Governor Recommended		
	FY 2020	FY 2021	Biennium
Social Worker/Behavioral Health Professionals	\$ 6,500,000	\$ 6,500,000	\$ 13,000,000
School Resource Officers	\$ 3,000,000	\$ 7,000,000	\$ 10,000,000
School Safety Improvements	\$ 5,000,000	\$ 20,000,000	\$ 25,000,000
Multi-Tiered System of Support Team	\$ 201,000	\$ 201,000	\$ 402,000
Rural School Threat Assessment Training	\$ 145,000	\$ 145,000	\$ 290,000
5-yr Social, Emotional & Academic Development Strategic Plan	\$ 2,000,000	\$ 2,700,000	\$ 4,700,000
Public Broadcasting System Data Casting Plan	\$ 310,140	\$ 113,510	\$ 423,650
Total Recommended Funding	\$ 17,156,140	\$ 36,659,510	\$ 53,815,650

The Executive Budget also recommends the transfer of the Social or Other Licensed Mental Health Worker program (General Fund appropriations of \$22.4 million over the biennium) to this proposed new budget from the School Remediation Trust Fund budget.

TEACH NEVADA SCHOLARSHIP PROGRAM

The Teach Nevada Scholarship program was created pursuant to NRS 391A.575 to provide scholarships up to \$3,000 per semester, or \$24,000 in the aggregate for students entering certain teaching programs. The Governor recommends total funding of \$7.4 million in FY 2020 (General Fund appropriation of \$2.5 million) and \$8.0 million in FY 2021 (General Fund appropriation of \$2.5 million), to continue these scholarships in the upcoming biennium.

TEACHERS' SCHOOL SUPPLIES REIMBURSEMENT ACCOUNT

The 2017 Legislature approved General Fund appropriations of \$2.5 million in each year of the 2017-19 biennium for the Teachers' School Supplies Reimbursement Account, which was created pursuant to NRS 387.1253 to reimburse teachers (up to \$250 annually) for out-of-pocket expenses. An eligible teacher is defined as licensed employees of a school district, excluding substitute teachers, who devote the majority of their working time providing direct educational services to pupils. The Executive Budget recommends the same level of funding approved by the 2017 Legislature, as well as additional General Fund appropriations of \$2.0 million in each year of the 2019-21 biennium, which would provide total annual funding of \$4.5 million for the program in each year of the biennium.

INCENTIVES FOR LICENSED EDUCATION PERSONNEL

The Governor recommends General Fund appropriations of \$1.0 million in each fiscal year of the 2019-21 biennium to continue funding the estimated outstanding liability for the 1/5 Retirement Credit Purchase program, representing no change from the total funding legislatively approved for the 2017-19 biennium.

The 23rd Special Session (2007), through the passage of Assembly Bill 1, repealed the statutory language of NRS 391.165, which required the purchase of retirement credits for teachers in at-risk schools, psychologists, and teachers in the fields of mathematics, science, special education and English as a second language. However, Assembly Bill 1

provides an option for those employees participating in the program prior to July 1, 2007, to continue the purchase of retirement credits until they have received an additional one full year of retirement credit. Because the enabling legislation refers to participation in the program ceasing once the employee receives one full year of retirement service credit, rather than ceasing after a specific timeframe to earn the retirement service credit, the 1/5 Retirement Credit Purchase program will continue to be funded until all participants have earned one full year of retirement service credit.

INSTRUCTION IN FINANCIAL LITERACY

The Account for Instruction in Financial Literacy, which was established by the 2017 Legislature through Senate Bill 249 and later codified in NRS 388.895, provides funding for instruction in financial literacy for pupils in grades 3 through 12 enrolled in public schools. The 2017 Legislature approved General Fund appropriations of \$1.0 million in FY 2018 and \$1.5 million in FY 2019, to be used by school districts and charter schools to provide instruction in financial literacy, including professional development training for teachers. The Executive Budget recommends eliminating funding for the Account for Instruction in Financial Literacy.

CONTINGENCY ACCOUNT FOR SPECIAL EDUCATION SERVICES

The Contingency Account for Special Education Services budget reimburses school districts and charter schools for extraordinary expenses related to the education of students with disabilities. For the 2019-21 biennium, the Governor recommends the budget be funded with a carry forward of unexpended funding from the prior year and with General Fund appropriations of \$100 in each fiscal year, for a total of \$2.0 million each year. The Department of Education may provide funding for extraordinary expenses from this budget and request funding from the Interim Finance Contingency Account to replenish the expended program funds to the legislatively approved level of \$2.0 million.

DEPARTMENT OF EDUCATION

The Executive Budget recommends total funding for the Nevada Department of Education operating budgets (net of interagency transfers) in the amount of \$601.2 million for the 2019-21 biennium, a decrease of 4.7 percent when compared to the legislatively approved amount of \$630.9 million for the 2017-19 biennium. Of this amount, the Governor recommends General Fund appropriations totaling \$59.3 million for the upcoming biennium, a decrease of 0.9 percent when compared to the legislatively approved amount of \$59.8 million for the 2017-19 biennium. The department's K-12 Education budgets, which include the Distributive School Account, Other State Education Programs, Professional Development Programs, School Remediation Trust Fund, State Supplemental School Support Account, Teachers' School Supplies Reimbursement, Teach Nevada Scholarship Program, Incentives for Licensed Education Personnel, Instruction in Financial Literacy, New Nevada Education Funding Plan, Contingency Account for Special Education Services, Bullying Prevention Account, School Safety, and the state funding associated with the federal Nevada Ready Preschool Development grant, are not included in this total.

EDUCATIONAL TRUST ACCOUNT

The Educational Trust Account budget is funded by year-end transfers of 60 percent of the unredeemed or uncharged value of expired or abandoned gift certificates from the Abandoned Property Trust Account. These funds may only be expended for educational purposes, as approved by the Legislature or the Interim Finance Committee. For the 2017-19 biennium, the budget provides support for the Teacher of the Year program, the biennial Family Engagement Summit and the Educators in Residence/Fellowship Positions/Graduate Students program.

The Governor recommends reserve reductions totaling \$154,585 over the 2019-21 biennium to continue the Educators in Residence/Fellowship Positions/Graduate Students program in the upcoming biennium.

OFFICE OF THE SUPERINTENDENT

The Office of the Superintendent is responsible for the administration of the provisions of law relating to the jurisdiction, duties and functions of the three divisions of the department, which include Business and Support, Educator Effectiveness and Family Engagement, and Student Achievement. The Governor recommends various audio/video equipment and software licenses to broadcast State Board of Education and other department meetings to the public, funded with a General Fund appropriation of \$188,334 in FY 2020.

DISTRICT SUPPORT SERVICES

The District Support Services budget supports positions and operating expenditures for the department staff assigned to administer and distribute state and federal funds to the 17 school districts and the State Public Charter School Authority, including allocations from the Distributive School Account, Class-Size Reduction and Special Education programs. The budget also includes support related to the state and federal grant monitoring function, as well as the department's state auditing function.

The Governor recommends General Fund appropriations of \$459,567 and cost allocation reimbursements totaling \$80,494 over the 2019-21 biennium for the addition of one Grants and Projects Analyst position, one Auditor position, one Management Analyst position, and the reclassification of one part-time Accounting Assistant position to a full-time position. The department indicates the recommendation is largely due to the recent audits conducted by the federal government and the Governor's Finance Office, Division of Internal Audits, which recommended the department improve the efficiency and effectiveness of its grants management and auditing process.

DEPARTMENT SUPPORT SERVICES

The Department Support Services provides for the department's accounts payable and receivable, payroll and personnel, budgeting and purchasing, and information technology support functions. The Governor recommends reserve reductions totaling \$517,055 over the 2019-21 biennium for two new Budget Analyst positions to provide additional budget

oversight, one new IT Technician position to provide IT support for department staff in the Las Vegas office, the reclassification of one Accounting Assistant 2 position to an Accounting Assistant 3 position, and the reclassification of one Management Analyst position to a Budget Analyst position.

ASSESSMENTS AND ACCOUNTABILITY

The Assessments and Accountability budget includes funding for the Nevada Proficiency Examination Program (NPEP) and supports the costs of administering student assessments that are required pursuant to Chapters 389 and 390 of the NRS, including Smarter Balanced Assessments Consortium (SBAC), End of Course Examinations, ACT assessment and the National Assessment of Educational Progress. This budget also includes funding for the Council to Establish Academic Standards.

The Governor recommends General Fund appropriations totaling \$138,000 over the 2019-21 biennium for vendor costs associated with modifying the state education report card to include K-12 expenditures by source of funds (federal, state and local) at the state, school district and school level to comply with the federal Every Student Succeeds Act reporting requirements.

EDUCATOR LICENSURE

The Educator Licensure budget funds the Office of Educator Licensure as well as the Commission on Professional Standards in Education. The Office of Educator Licensure is responsible for determining eligibility for licensure; approving and issuing licenses for administrators, teachers and other educational personnel; and maintaining a competency-testing program for educational personnel. The Commission on Professional Standards in Education, which consists of nine members appointed by the Governor, sets licensure standards for state educational personnel. The Educator Licensure budget is funded by the fees collected for educator licenses, renewals, endorsements, fingerprinting and testing.

The Governor recommends reserve reductions of \$328,476 over the 2019-21 biennium for one Program Officer position to manage the daily operations of the licensure program and one Compliance Investigator position to assist with background investigations and perform investigations related to license suspensions and/or revocations.

GEAR UP

The GEAR UP (Gaining Early Awareness and Readiness for Undergraduate Programs) program is a federally-funded program established to provide low-achieving students who are economically disadvantaged with an opportunity to improve academic achievement. Goals of the program include decreasing the high-school dropout rate, and increasing enrollment in institutions of higher education and success rates at those institutions. The program targets a group of seventh graders and follows them for six years, to completion of high school, and on to college, if certain criteria are met.

The Governor recommends eliminating the GEAR UP budget due to the expiration of the federal grant, resulting in the elimination of three positions over the 2019-21 biennium.

OFFICE OF EARLY LEARNING AND DEVELOPMENT

The Office of Early Learning and Development manages and administers programs for at-risk children who are ready for kindergarten, as well as administers the federal Head Start, certain Child Care Development Fund programs and the federal Nevada Ready Preschool (pre-K) program to improve access and quality of early childhood programs throughout the state.

The Governor recommends General Fund appropriations of \$44.8 million over the 2019-21 biennium (inclusive of \$42.0 million for aid to schools that is considered under the department's K-12 budgets) to continue the Nevada Ready Preschool program that was previously funded by an expiring federal grant and state match funds. To support the program, the Governor also recommends retaining five of the six positions that were previously funded by the program. The department indicates the recommendation would maintain funding for approximately 3,000 pre-K seats.

The Executive Budget also recommends one new Administrative Assistant position to provide administrative support for the office, funded by a transfer of Child Care and Development Block Grant funds of \$112,074 over the 2019-21 biennium from the Division of Welfare and Supportive Services. To increase the number of child care providers participating in the Quality Rating and Improvement System (QRIS), the Governor recommends a transfer of Child Care Development Grant funds of \$251,124 over the 2019-21 biennium from the Division of Welfare and Supportive Services for two contract QRIS coaches to assist providers with implementing the system and its standards.

SAFE AND RESPECTFUL LEARNING

The Safe and Respectful Learning budget includes funding for the Office of Safe and Respectful Learning and oversight of the department's SafeVoice (formerly Safe-to-Tell) anti-bullying program. The Governor recommends General Fund appropriations totaling \$881,050 over the 2019-21 biennium for four new Education Programs Professional positions to support the Office of Safe and Respectful Learning. These positions would serve as a Social, Emotional and Academic Development Coordinator; SafeVoice Coordinator; Behavioral Health and Medicaid Coordinator; and School Climate, Equity and System Coordinator.

STUDENT AND SCHOOL SUPPORT

The Student and School Support budget provides for the distribution and administration of federal Title I assistance to Nevada schools for economically and educationally disadvantaged students. The Governor recommends eliminating funding for the federal School Improvement Grant program due to the expiration of the grant, resulting in the elimination of one position over the 2019-21 biennium.

CAREER AND TECHNICAL EDUCATION

The Career and Technical Education budget, funded primarily by a federal grant authorized by the Carl D. Perkins Career and Technical Education Improvement Act, supports occupational education programs. The Governor recommends transferring expenditures totaling \$288,000 over the 2019-21 biennium from the Career and Technical Education budget to the Assessments and Accountability budget. These expenditures provide assessments for career and technical education and are currently funded utilizing the federal Carl D. Perkins grant; however, the Governor recommends these assessments be funded with General Fund appropriations in the 2019-21 biennium.

The Governor also recommends eliminating the private New Skills for Youth Grant program due to the expiration of the grant, resulting in the elimination of two positions.

INDIVIDUALS WITH DISABILITIES EDUCATION ACT

The Department of Education's Individuals with Disabilities Education Act (IDEA) budget includes federal IDEA funding, which is provided through formula grants to states to increase performance of students with disabilities on statewide assessments with the goal of increasing the high school graduation rate and assisting students with disabilities to improve skills and behaviors to benefit post-secondary outcomes. For the 2019-21 biennium, the Governor recommends total funding of \$163.1 million (\$329,553 General Fund), representing a total 3.3 percent increase from the \$157.9 million (\$283,750 General Fund) legislatively approved for the 2017-19 biennium.

The Governor recommends the reclassification of an Administrative Assistant position to a Program Officer position, which The Executive Budget indicates is more commensurate with the duties of the position. The Governor also recommends the reclassification of an Education Programs Professional position to an Education Programs Supervisor position. Federal grant funds of \$36,964 are recommended to fund the increased cost of these position upgrades over the 2019-21 biennium.

ACCOUNT FOR ALTERNATIVE SCHOOLS

The Account for Alternative Schools budget was established during the 2015-17 biennium after the department received a three-year federal Charter School Program (CSP) grant totaling \$16.5 million, which expired on September 30, 2018. The purpose of the CSP grant was to expand the number of high-quality charter schools throughout Nevada (especially those serving students who are at greater risk of not meeting state academic standards) by providing financial assistance for charter school planning, program design and initial implementation. This budget also supports the Licensure and Regulation of Private Schools Function funded with General Fund appropriations, and License and Fee revenues.

Due to the expiration of the federal CSP grant, the Governor recommends eliminating the CSP program, resulting in the elimination of one position.

ACHIEVEMENT SCHOOL DISTRICT

Chapter 388B of NRS establishes the Achievement School District (ASD) within the department and provides the timeline and criteria for the annual conversion of up to six persistently underperforming public schools to achievement charter schools. The ASD is required to consider student performance data and parental and community input, in consultation with the local school board, in selecting the schools proposed for conversion.

The Governor recommends Charter School Sponsorship Fees of \$276,860 over the 2019-21 biennium to fund the ASD, which is currently funded by the expiring federal School Improvement Grant.

STATE PUBLIC CHARTER SCHOOL AUTHORITY

The State Public Charter School Authority (SPCSA) is responsible for providing oversight and technical assistance to state-sponsored charter schools, as well as fostering a climate in which all charter schools can succeed. As of school year 2018-2019, the number of charter schools throughout the state totals 44, of which, 29 charter schools are sponsored by the SPCSA as shown in the table below.

Total Number of Charter Schools Statewide	
Sponsor	Total Count ¹
State Public Charter School Authority	29
Clark County School District	6
Washoe County School District	8
Carson City School District	1
Total Number of Charter Schools Statewide	44
<small>¹ Represents the total number of charters authorized and not the total number of school campuses. Does not include the university school for profoundly gifted pupils (Davidson Academy) or Achievement School District schools (Democracy Prep, Futuro Academy, Nevada Preparatory Charter School and Nevada Rise Academy).</small>	

The SPCSA is currently funded by a 1.5 percent administrative fee (Charter School Fees) on each sponsored school's per-pupil funding from the Distributive School Account; however, NRS 388A.414 authorizes the SPCSA to collect up to a 2 percent administrative fee. Additionally, the SPCSA, as a local education agency, receives federal funding authorized by the Elementary and Secondary Education Act and the Individuals with Disabilities Education Act (IDEA), as well as funding from various state K-12 education grants.

The Executive Budget recommends Charter School Fees of \$9.9 million over the 2019-21 biennium, an increase of \$3.5 million or 55.2 percent, when compared to the legislatively approved amount of \$6.4 million for the 2017-19 biennium, primarily due to a projected increase in enrollment. In addition, the Governor recommends fund transfers from the Nevada Department of Education (NDE) totaling \$26.2 million over the 2019-21 biennium from federal and state grants, representing an increase of \$7.4 million, or 39.5 percent when compared to the legislatively approved amount of \$18.8 million for the 2017-19 biennium. The increase in fund transfers is primarily due to a projected increase in federal Title I grant revenue, a projected increase in the number of students

qualifying for the federal IDEA grant, and funding from the New Nevada Education Funding Plan (Senate Bill 178, 2017 Legislative Session) that was not reflected in the SPCSA's legislatively approved budget.

The Governor recommends reserve reductions of \$539,457 over the 2019-21 biennium for three new positions that would collect and analyze sponsored charter school data, perform community outreach and provide technical assistance. The Governor also recommends the conversion of one contract position to a full-time state position that would provide administrative support to the SPCSA, funded by a reduction in reserves of \$45,461 over the 2019-21 biennium.

NEVADA SYSTEM OF HIGHER EDUCATION

The Nevada System of Higher Education (NSHE) is governed by an elected, 13-member Board of Regents. The System comprises the Chancellor's Office; the University of Nevada, Reno (UNR); the University of Nevada, Las Vegas (UNLV); the Nevada State College at Henderson (NSC); the College of Southern Nevada (CSN); Great Basin College (GBC); Truckee Meadows Community College (TMCC); Western Nevada College (WNC); the UNR School of Medicine (UNR SOM); the UNLV School of Medicine (UNLV SOM); the UNLV Law School; the UNLV Dental School; and the Desert Research Institute (DRI).

The Executive Budget includes \$2.147 billion for NSHE's total operating budget over the 2019-21 biennium. The recommendation represents a 13.1 percent or \$249.5 million increase above the \$1.897 billion approved by the Legislature for the 2017-19 biennium.

	2017-19 Legislature Approved (Millions)	2019-21 Governor Recommended (Millions)	2019-21 Dollar Change (Millions)	Percent Change
Revenues				
State General Fund	\$ 1,224.3	\$ 1,412.4	\$ 188.1	15.4%
Student Fee/Tuition Revenue ¹	\$ 661.9	\$ 724.0	\$ 62.1	9.4%
Other Sources	\$ 11.2	\$ 10.5	\$ (0.7)	-6.2%
TOTAL	\$ 1,897.4	\$ 2,146.9	\$ 249.5	13.1%

¹Registration (per credit hour) fees, Non-Resident Tuition and Miscellaneous Student Fees. These revenues are discussed in detail under the Budgeting of Student Derived Revenues section.

GOVERNOR RECOMMENDS 15.4 PERCENT GENERAL FUND INCREASE

The Executive Budget recommends a 15.4 percent or \$188.1 million increase in General Fund appropriations, to \$1.412 billion for the 2019-21 biennium. Compared to the FY 2019 General Fund appropriations approved by the 2017 Legislature, the Governor recommends an increase to the seven campus formula (instructional) budgets of 14.4 percent, or \$65.6 million, in FY 2020 and 15.8 percent, or \$72.1 million, in FY 2021. The increase for the seven instructional formula budgets is primarily attributed to recommended caseload increases due to growth in completed Weighted Student Credit Hours system-wide, and due to recommended enhancement funding to continue to build capacity system-wide and support workforce growth and development of the state.

Cumulatively, General Fund appropriations for the Desert Research Institute (DRI) and the professional schools increase by 9.8 percent, or \$9.0 million, in FY 2020, and 17.1 percent, or \$15.8 million, in FY 2021 compared to FY 2019 appropriations approved by the 2017 Legislature. This increase is mainly driven by increases in the recommended General Fund appropriations for the UNLV SOM in each year of the 2019-21 biennium to continue investment in the build out and implementation of the school. The balance of the increase recommended in The Executive Budget occurs across NSHE's non-formula budgets. The following table provides a comparison with the FY 2019 General Fund appropriation levels approved by the 2017 Legislature.

2019-21 Biennium Governor Recommended Total General Fund Appropriations Compared to FY 2019 (Inclusive of Performance Funding)					
Institution	FY 2019 General Fund (Leg. App.)¹	FY 2020 General Fund (Gov. Rec.)	% Change Over FY 2019	FY 2021 General Fund (Gov. Rec.)	% Change Over FY 2019
UNLV	\$ 163,095,774	\$ 189,437,532	16.2%	\$ 191,507,353	17.4%
UNR	\$ 116,604,617	\$ 135,444,838	16.2%	\$ 137,216,074	17.7%
CSN	\$ 97,562,083	\$ 108,478,939	11.2%	\$ 109,984,010	12.7%
GBC	\$ 14,147,792	\$ 13,829,490	-2.2%	\$ 14,090,964	-0.4%
TMCC	\$ 34,905,790	\$ 37,903,265	8.6%	\$ 38,629,629	10.7%
WNC	\$ 14,014,906	\$ 15,277,450	9.0%	\$ 15,046,947	7.4%
NSC	\$ 16,002,707	\$ 21,610,549	35.0%	\$ 21,912,415	36.9%
Formula Accounts SUBTOTAL	\$ 456,333,669	\$ 521,982,063	14.4%	\$ 528,387,392	15.8%
Medical (UNR)	\$ 36,008,436	\$ 37,580,859	4.4%	\$ 37,680,370	4.6%
Medical (UNLV)	\$ 30,194,988	\$ 35,537,106	17.7%	\$ 41,502,707	37.4%
Law	\$ 9,791,110	\$ 10,439,589	6.6%	\$ 10,476,801	7.0%
Dental	\$ 9,104,290	\$ 10,042,862	10.3%	\$ 10,105,454	11.0%
DRI	\$ 7,226,777	\$ 7,771,943	7.5%	\$ 8,320,178	15.1%
Professional Schools SUBTOTAL	\$ 92,325,601	\$ 101,372,359	9.8%	\$ 108,085,510	17.1%
Non-Formula Accounts ² SUBTOTAL	\$ 69,985,375	\$ 76,356,237	9.1%	\$ 76,293,513	9.0%
NSHE TOTAL	\$ 618,644,645	\$ 699,710,659	13.1%	\$ 712,766,415	15.2%
¹ The FY 2019 Leg. App. General Fund amount for the instructional, formula budgets include adjustments approved by the IFC at its December 7, 2017, meeting to correct the distribution of General Funds among the formula budgets.					
² The Non-Formula Account amounts include \$3.3 million in each fiscal year of the 2019-21 biennium for the purpose of paying debt service on general obligation bonds issued for CIP Project 17-C06, Construct New Engineering Building, University of Nevada, Reno.					

NSHE FUNDING FORMULA AND PERFORMANCE FUNDING POOL FOR INSTRUCTIONAL BUDGETS

The Higher Education funding formula is not in statute, but rather is budget policy approved by the Legislature. The Executive Budget continues the previously adopted funding formula policies through the 2019-21 biennium. The following summarizes the major components of the NSHE funding formula for the seven instructional budgets:

- Weighted Student Credit Hours (WSCH): The General Fund appropriations recommended for the 2019-21 biennium instructional budgets for UNR, UNLV, CSN, GBC, TMCC, WNC and NSC are primarily based upon the count of WSCHs completed by Nevada resident students. The WSCHs for non-resident students are excluded. As recommended by the Governor, and consistent with previously adopted policy, the value of each WSCH is uniform across all institutions and is calculated by dividing the available General Fund appropriations in each fiscal year, after any “pre-formula allocations” are distributed, by the total number of FY 2018 WSCH. The WSCH value is an output as the result of this calculation. It is not a pre-determined amount, and is not used to determine General Fund appropriation levels in the budget.

For FY 2020 and FY 2021, the calculated General Fund value of a WSCH is \$165.34 and \$166.14, respectively, in The Executive Budget compared to the legislatively approved WSCH calculated value of \$156.01 for FY 2018 and \$153.18 in FY 2019. Available General Fund appropriations are determined through the traditional base, maintenance and enhancement methodology, less any pre-formula allocations (i.e., small institution and research O&M funding). The Executive Budget utilizes the same credit hour weighting values (taxonomy) for FY 2018 WSCH as approved by the 2017 Legislature.

- WSCH Caseload Adjustment: Consistent with the policy continued by the 2017 Legislature, the Governor recommends General Fund appropriations of \$21.3 million in each year of the 2019-21 biennium based on a 4.8 percent system-wide increase in FY 2018 WSCH compared to FY 2016 WSCH adjusted for the increase in Career and Technical Education (CTE) weights. The 2017 Legislature approved an increase to the weighting of CTE credit hours at the community colleges, effective with the 2017-18 academic year. As such, the FY 2018 WSCHs recommended to distribute General Funds through the formula are inclusive of the increased weights for CTE credit hours.

The Governor’s recommended budget has utilized the FY 2018 calculated WSCH value of \$156.01 in the caseload calculation, which deviates from prior biennia calculations being based on the WSCH value in the odd year of the current biennium (i.e., FY 2019 WSCH’s value of \$153.18).

Governor Recommended Weighted Student Credit Hour Caseload Adjustment by Institution						
	FY 2016 WSCH (Adjusted)	FY 2018 WSCH	WSCH Difference	FY 2018 WSCH Calculated Value (Leg. App.)	FY 2020 Caseload Adjustment (Gov. Rec.)	FY 2021 Caseload Adjustment (Gov. Rec.)
UNLV	1,009,083	1,078,174	69,091	\$ 156.01	\$ 10,778,887	\$ 10,778,887
UNR	721,836	763,270	41,434	\$ 156.01	\$ 6,464,118	\$ 6,464,118
CSN ¹	618,582	627,075	8,493	\$ 156.01	\$ 1,324,993	\$ 1,324,993
GBC ¹	83,883	76,324	(7,559)	\$ 156.01	\$ (1,179,280)	\$ (1,179,280)
TMCC ¹	220,784	218,966	(1,818)	\$ 156.01	\$ (283,626)	\$ (283,626)
WNC ¹	83,842	86,284	2,442	\$ 156.01	\$ 380,976	\$ 380,976
NSC	101,857	126,472	24,615	\$ 156.01	\$ 3,840,186	\$ 3,840,186
Total	2,839,867	2,976,565	136,698	\$ 156.01	\$ 21,326,255	\$ 21,326,255
Note: M-203 decision unit recommends the caseload adjustment resulting from the increase in WSCH for each institution in FY 2018 compared to FY 2016.						
¹ The FY 2016 WSCH displayed for the community colleges in this table have been adjusted to apply and include the increased weighting in CTE credit hours as approved by the 2017 Legislature. This adjustment allows for a consistent comparison between FY 2018 and FY 2016 WSCHs.						

- **Small Institution Funding:** The Governor recommends that GBC and WNC cumulatively receive General Fund appropriations totaling \$1.1 million in each fiscal year of the 2019-21 biennium for small institution funding. This funding is allocated prior to the calculation of the WSCH value. This funding is recommended in recognition that all institutions have certain fixed administrative costs regardless of size. The level of recommended funding for GBC and WNC is determined by the actual number of WSCHs greater than 50,000, but less than 100,000, with a maximum amount for each institution of \$1.5 million per year. As the institutions' WSCHs grow closer to 100,000, the level of small institution funding decreases. For the purposes of calculating the small institution funding, each WSCH is valued at \$30. The small institution funding recommended for the 2019-21 biennium is as follows:

Governor Recommended 2019-21 Biennium Small Institution Funding Allocations Requested for GBC and WNC					
	FY 2019 Leg. App.	FY 2020 Gov. Rec.	FY 2021 Gov. Rec.	Annual % Change Compared to FY 2019	2019-21 Biennium Total Gov. Rec.
GBC	\$ 920,370	\$ 710,280	\$ 710,280	-22.83%	\$ 1,420,560
WNC	\$ 734,520	\$ 411,480	\$ 411,480	-43.98%	\$ 822,960
Total	\$ 1,654,890	\$ 1,121,760	\$ 1,121,760	-32.22%	\$ 2,243,520
Note: M-201 decision unit reflects net change in funding as base funding includes General Fund appropriations for the Small Institution Funding. This table reflects the total amount recommended.					

- **Research Space Operations and Maintenance:** The Governor recommends General Fund appropriations of \$22.3 million over the 2019-21 biennium in research space operations and maintenance (O&M) funding for UNR (\$10.6 million) and UNLV (\$11.7 million). The recommended funding for UNLV represents an annual increase of 4.5 percent, or \$254,547, compared to the \$5.6 million approved by the 2017 Legislature for FY 2019. The recommended funding for UNR represents an

increase of 34.3 percent, or \$1.3 million, in FY 2020, and an increase of 41.0 percent, or \$1.6 million, in FY 2021 compared to the \$3.8 million approved by the 2017 Legislature for FY 2019.

The increase in the funding recommended for UNR was anticipated due to an identified error in the calculation that was used for the approved funding in the 2017-19 biennium. The UNR had omitted costs for maintained acreage, and had testified as such at the March 22, 2017, budget hearing. The money committees did not approve UNR's request to correct the error in the calculation for the current biennium, with the understanding that the 2019-21 biennium budget recommendation would be reflective of the correction. The amount recommended for UNR increases from \$5.1 million in FY 2020 to \$5.4 million in FY 2021 as the result of opening the new engineering building. This funding is allocated prior to the calculation of the WSCH value.

University Research Space Operation and Maintenance (O&M) Funding Governor Recommended 2019-21 Biennium						
	FY 2019 Research O&M (Leg. App.)	FY 2020 Research O&M	FY 2020 % Change Compared to FY 2019	FY 2021 Research O&M	FY 2021 % Change Compared to FY 2019	2019-21 Biennium Research O&M
UNLV	\$ 5,621,935	\$ 5,876,482	4.5%	\$ 5,876,482	4.5%	\$ 11,752,964
UNR	\$ 3,831,987	\$ 5,147,775	34.3%	\$ 5,404,243	41.0%	\$ 10,552,018
Total	\$ 9,453,922	\$ 11,024,257	16.6%	\$ 11,280,725	19.3%	\$ 22,304,982
Note: M-200 decision unit reflects net change in funding as base funding includes General Fund appropriations for Research O&M. This table reflects the total amount recommended.						

- Performance Funding Pool Set-Aside: Consistent with existing policy, the Governor recommends a 20.0 percent set-aside of General Fund appropriations for the performance funding pool in FY 2020 (\$104.4 million) and FY 2021 (\$105.7 million). These General Fund appropriations are transferred from each institution's instructional budget to the Performance Funding Pool budget. Based on the institution's performance, funds would then be transferred from the Performance Funding Pool budget to the applicable institution's instructional budget. In order to allow for sufficient advance planning of operational costs and budgeting, the performance funding earned for a fiscal year is based on actual performance from two years preceding the fiscal year in which funds are appropriated. For example, the recommended FY 2020 performance funding transfer would be based on actual FY 2018 performance. This allows for the performance funding to be made available for, and transferred to the institutions at the beginning of the fiscal year in which they will be expended. The majority of the performance metrics are based on the number of students graduating/earning certificates. The following reflects the amount of General Fund appropriations in The Executive Budget that are transferred to the Performance Funding Pool in FY 2020 and FY 2021.

FY 2020 General Fund Appropriation Performance Funding Set-Aside			FY 2021 General Fund Appropriation Performance Funding Set-Aside		
Institution	FY 2020 Total Budgeted General Fund Gov. Rec.	FY 2020 20% Performance Funding Set-Aside	Institution	FY 2021 Total Budgeted General Fund Gov. Rec.	FY 2021 20% Performance Funding Set-Aside
UNLV ¹	\$ 189,437,532	\$ 37,887,790	UNLV	\$ 191,507,353	\$ 38,301,471
UNR	\$ 135,444,838	\$ 27,088,968	UNR	\$ 137,216,074	\$ 27,443,215
CSN	\$ 108,478,939	\$ 21,695,788	CSN	\$ 109,984,010	\$ 21,996,802
GBC	\$ 13,829,490	\$ 2,765,898	GBC	\$ 14,090,964	\$ 2,818,193
TMCC	\$ 37,903,265	\$ 7,580,653	TMCC	\$ 38,629,629	\$ 7,725,926
WNC	\$ 15,277,450	\$ 3,055,490	WNC	\$ 15,046,947	\$ 3,009,389
NSC	\$ 21,610,549	\$ 4,322,110	NSC	\$ 21,912,415	\$ 4,382,483
TOTAL	\$ 521,982,063	\$ 104,396,696	TOTAL	\$ 528,387,392	\$ 105,677,478

¹ The FY 2020 performance funding set-aside for UNLV is reflective of the amount shown in the E-902 decision unit in The Executive Budget. The amount is \$284 more than 20 percent of UNLV's total recommended funding for FY 2020 due to change in UNLV's budget for inflationary adjustments relating to internal service funds.

BUDGETING OF STUDENT-DERIVED REVENUES

The budgeting of student-derived revenues is based upon budget policy decisions adopted by prior Legislatures rather than being a function of the funding formula or a statutory requirement. In addition, whether student-derived revenues are counted first and/or considered an offset to General Fund appropriations is not dictated by the funding formula. The 2017 Legislature continued the previously adopted policy that for purposes of determining the level of General Fund appropriations to be budgeted in NSHE's state-supported operating budgets, projected non-General Fund revenues should not offset the amount of General Fund appropriations that would otherwise be appropriated. The 2017 Legislature also approved the continued budgeting of fee and tuition revenues in the institutions' state-supported operating budgets for transparency purposes. The Governor's recommended budget carries forward this policy for the 2019-21 biennium.

APPROVED STUDENT REGISTRATION FEE AND NON-RESIDENT TUITION LEVELS

For the 2019-21 biennium, the Board of Regents approved an increase in the undergraduate and graduate registration fees at the universities and community colleges by 4 percent in each of the next two academic years. For NSC, the board approved increasing the undergraduate registration fee to equal the amount charged per credit for upper division courses at the community colleges in FY 2020, and a subsequent 4 percent increase in FY 2021. The board also approved an increase in non-resident tuition by 4 percent for the universities, state college and community colleges in each of the next two academic years. The following table displays the Board of Regents' approved fees upon which registration fee and non-resident tuition revenues contained in The Executive Budget are based.

Type of Institution/Fee	Regents' Approved Charges FY 2019	Regents' Approved Charges FY 2020	% Change	Regents' Approved Charges FY 2021	% Change
<u>Community Colleges</u>					
Lower Division	\$98.75/credit	\$102.75/credit	4.1%	\$106.75/credit	3.9%
Upper Division	\$161.75/credit	\$168.25/credit	4.0%	\$175.00/credit	4.0%
Non-Resident ¹	\$6,913/year	\$7,190/year	4.0%	\$7,477/year	4.0%
<u>Nevada State College</u>					
Undergraduate	\$157.00/credit	\$168.25/credit	7.2%	\$175.00/credit	4.0%
Graduate	\$218.25/credit	\$227.00/credit	4.0%	\$236.00/credit	4.0%
Non-Resident ¹	\$12,020/year	\$12,501/year	4.0%	\$13,001/year	4.0%
<u>Universities</u>					
Undergraduate	\$224.00/credit	\$233.00/credit	4.0%	\$242.25/credit	4.0%
Graduate	\$274.75/credit	\$285.75/credit	4.0%	\$297.25/credit	4.0%
Non-Resident ¹	\$14,472/year	\$15,051/year	4.0%	\$15,653/year	4.0%

¹ Non-residents pay the tuition charge in addition to the per credit hour registration fee.

As shown in the following tables, The Executive Budget recommends student registration fee and non-resident tuition revenues over the 2019-21 biennium of \$569.1 million and \$149.9 million, respectively, for the seven teaching institution and four professional school budgets.

Governor Recommended 2019-21 Biennium Registration Fee Revenues					
Institution	FY 2019 Leg. App.	FY 2020 Gov. Rec.	% Change FY 2020/ FY 2019	FY 2021 Gov. Rec.	% Change FY 2021/ FY 2020
UNLV	\$ 92,265,488	\$ 103,301,970	12.0%	\$ 106,238,086	2.8%
UNR	\$ 79,437,477	\$ 81,088,590	2.1%	\$ 84,225,152	3.9%
CSN	\$ 40,083,285	\$ 41,624,691	3.8%	\$ 41,924,996	0.7%
GBC	\$ 4,309,711	\$ 3,620,806	-16.0%	\$ 3,720,951	2.8%
TMCC	\$ 12,487,226	\$ 12,034,539	-3.6%	\$ 12,476,488	3.7%
WNC	\$ 4,531,050	\$ 4,771,497	5.3%	\$ 4,866,927	2.0%
NSC	\$ 8,227,998	\$ 11,662,199	41.7%	\$ 12,219,817	4.8%
Subtotal	\$ 241,342,235	\$ 258,104,292	6.9%	\$ 265,672,417	2.9%
UNR Medical	\$ 6,089,113	\$ 6,152,725	1.0%	\$ 6,283,616	2.1%
UNLV Medical	\$ 2,268,000	\$ 3,378,375	49.0%	\$ 4,512,375	33.6%
UNLV Dental	\$ 7,768,155	\$ 8,051,098	3.6%	\$ 8,125,876	0.9%
UNLV Law	\$ 4,551,511	\$ 4,414,526	-3.0%	\$ 4,414,526	0.0%
Subtotal	\$ 20,676,779	\$ 21,996,724	6.4%	\$ 23,336,393	6.1%
Total	\$ 262,019,014	\$ 280,101,016	6.9%	\$ 289,008,810	3.2%

Note: The Governor recommends new registration fee revenue of \$55,491 in FY 2020 and \$62,925 in a new Prison Education Program budget, which is discussed in detail under a separate section. These amounts are not included in the table above.

Governor Recommended 2019-21 Biennium Non-Resident Tuition Revenues					
Institution	FY 2019 Leg. App,	FY 2020 Gov. Rec.	% Change FY 2020/ FY 2019	FY 2021 Gov. Rec.	% Change FY 2021/ FY 2020
UNLV	\$30,829,387	\$30,089,411	-2.4%	\$30,118,475	0.1%
UNR	\$ 30,401,920	\$ 33,366,251	9.8%	\$ 34,595,336	3.7%
CSN	\$ 6,973,805	\$ 6,256,476	-10.3%	\$ 6,505,958	4.0%
GBC	\$ 180,000	\$ 192,000	6.7%	\$ 197,000	2.6%
TMCC	\$ 1,559,661	\$ 1,772,261	13.6%	\$ 1,772,261	0.0%
WNC	\$ 317,611	\$ 255,000	-19.7%	\$ 260,100	2.0%
NSC	\$ 420,083	\$ 330,965	-21.2%	\$ 330,965	0.0%
Subtotal	\$ 70,682,467	\$ 72,262,364	2.2%	\$ 73,780,095	2.1%
UNR Medical	\$ 779,421	\$ 806,065	3.4%	\$ 644,398	-20.1%
UNLV Medical	\$ 522,000	\$ 116,000	-77.8%	\$ 116,000	0.0%
UNLV Dental	\$ 1,085,747	\$ 768,210	-29.2%	\$ 794,700	3.4%
UNLV Law	\$ 236,617	\$ 315,350	33.3%	\$ 315,350	0.0%
Subtotal	\$ 2,623,785	\$ 2,005,625	-23.6%	\$ 1,870,448	-6.7%
Total	\$ 73,306,252	\$ 74,267,989	1.3%	\$ 75,650,543	1.9%

NON-FORMULA ENHANCEMENTS

- **Increasing Capacity System-wide:** The Governor recommends General Fund appropriations of \$40.7 million over the 2019-21 biennium to continue to build capacity system-wide and support workforce growth and development of the state. In addition to operating and equipment costs, documentation provided by NSHE indicates funding would support 181.19 positions over the 2019-21 biennium. The recommendation includes funding for each of the seven instructional institutions and also for the Desert Research Institute (DRI).

The 2017 Legislature had approved General Fund appropriations of \$10.0 million for this purpose beginning in FY 2019, with the understanding that the institutions would request additional funding in the 2019-21 biennium to continue their efforts. During the 2017 Legislative Session, each institution had provided a four-year plan for the development and sustainability of capacity for programs that align with workforce and economic development needs of the state. NSHE indicates that the institutional plans have since shifted to a five-year effort, and that the recommendation for the upcoming biennium would represent years two and three. For the instructional institutions, a number of the program areas would result in the generation of new WSCH that would be accounted for in the NSHE funding formula in future biennia. As recommended policy, funding for the instructional institutions is treated as a carve out, and is allocated prior to the calculation of the WSCH cost. Funding for DRI is allocated separately from the DRI funding formula.

NSHE Board of Regents' 2019-21 Biennium Increasing Capacity Enhancement General Fund Appropriation Request			
NSHE Budget Account	FY 2020 NSHE General Fund Gov. Rec.	FY 2021 NSHE General Fund Gov. Rec.	2019-21 Biennium Total General Fund
University of Nevada, Las Vegas	\$ 5,300,000	\$ 6,500,000	\$ 11,800,000
University of Nevada, Reno	\$ 4,100,000	\$ 5,000,000	\$ 9,100,000
College of Southern Nevada	\$ 4,800,000	\$ 5,800,000	\$ 10,600,000
Great Basin College	\$ 500,000	\$ 700,000	\$ 1,200,000
Truckee Meadows Community College	\$ 1,700,000	\$ 2,250,000	\$ 3,950,000
Western Nevada College	\$ 600,000	\$ 300,000	\$ 900,000
Nevada State College	\$ 700,000	\$ 900,000	\$ 1,600,000
Desert Research Institute	\$ 500,000	\$ 1,000,000	\$ 1,500,000
TOTAL REQUESTED APPROPRIATIONS	\$ 18,200,000	\$ 22,450,000	\$ 40,650,000
Note: The Board of Regents requested budget included FTE position figures for each of the institutions; however, FTEs were not included as part of the enhancement (E-288) recommendation in <u>The Executive Budget</u> .			

Brief Description of Increased Capacity Initiatives:

- UNLV:** Continued focus on health care with the Health for Nevada Initiative through research and economic growth and workforce development of health care jobs as part of UNLV's Top Tier Initiative.
- UNR:** Continued focus on supporting the state's growing and evolving advanced manufacturing economic sector.
- CSN:** Focus on expanding accelerated programming, the logistics management program, health and sciences programs, and the transition to a multi-district campus model to align campuses with economic development plans. Additional focus on completion initiatives would also be funded to support access, success, and closing the achievement gap through advising efforts and an expansion of gateway courses.
- GBC:** Focus on increasing capacity in paramedic, human services/substance abuse counseling, and land surveying.
- TMCC:** Continued focus on increasing capacity in science, math and English gateway courses. Develop wrap-around student support services and utilize data analytics to right-size and improve class schedules.
- WNC:** Continued focus on expansion of Jump Start, the sustainability of the nursing program at the Fallon campus, and the creation of an office to support recruitment and retention of underserved populations.
- NSC:** Continued focus on building the teacher pipeline in the state with a focus on early childhood education, speech pathology and the Teacher Academies program. The Teacher Academies program works with high schools to identify students interested in pursuing a teaching career. The college also plans to

expand efforts to deliver bachelor degrees on community college campuses, and establish a degree in informatics and data science.

DRI: Focus on developing a pipeline of early scientific research personnel to strengthen federal research funding, build research partnerships (both public and private) and grow philanthropic resources. The recommendation would also fund the repairing, upgrading or replacing of essential, but aging, scientific laboratory instruments; prioritized based on the scientific impact of the research to address Nevada environmental and health issues.

- UNLV School of Medicine: In addition to base level General Fund appropriations of \$31.1 million in each year of the 2019-21 biennium, the Governor recommends new General Fund appropriations of \$4.2 million in FY 2020 and \$10.1 million in FY 2021 to continue the build out and implementation of the medical school. The funding would support 13 new positions in FY 2020, and an additional 11 new positions in FY 2021. The recommendation also includes \$4.5 million in general operating expenditures over the biennium to fund continued purchases of educational medicine equipment for new or existing clinics. In total, the Governor recommends General Fund appropriations of \$35.5 million in FY 2020 and \$41.5 million in FY 2021 for the UNLV Medical School.
- Desert Research Institute: Consistent with the existing policy, The Executive Budget recommends that funding continue to be based on the DRI formula model for institutional support and research administration functions at DRI. The DRI O&M costs are recommended to be funded using the existing base, maintenance and enhancement methodology. While The Executive Budget recommends increases in General Fund appropriations of \$465,330 over the 2019-21 biennium based on the DRI formula, the Governor recommends decreases in General Fund appropriations of \$1.0 million over the 2019-21 biennium based on changes in O&M expenditures. The net adjustment from these two recommendations results in a decrease in General Fund appropriations of \$567,367 over the 2019-21 biennium.

The Governor recommends new General Fund appropriations of \$222,928 in FY 2020 and \$228,084 in FY 2021 to account for inflationary increases that are not otherwise specifically accounted for in the DRI formula. The inflationary adjustment recommendation is consistent with policy approved by the 2017 money committees. In total, the Governor recommends General Fund appropriations of \$16.1 million over the 2019-21 biennium for the DRI budget, which represents an 8.0 percent increase over the \$14.9 million approved for the 2017-19 biennium.

- Prison Education: The Governor recommends General Fund appropriations of \$757,377 over the 2019-21 biennium to continue and expand the Prison Education Program. This program was approved by the 2017 Legislature (S.B. 19) as a pilot between CSN, the Department of Corrections, and several community partners in Southern Nevada to enroll inmates who are nearing release in postsecondary education programs to assist inmates in obtaining employment upon release. The recommendation expands program funding to WNC and TMCC, and would also extend the programming to justice-involved individuals referred from Parole and

Probation. The program would serve approximately 163 individuals per year across all three schools.

- Nevada Teach: The Governor recommends General Fund appropriations of \$300,000 in FY 2020 to continue the Nevada Teach program at UNR. This program, initially approved by the 2017 Legislature (A.B. 522), allows students to earn dual degrees in secondary education and one of many Science, Technology, Engineering and Math (STEM) majors. The program provides certification for students to teach at the middle school or high school level.

SALARY AND BENEFIT ADJUSTMENTS

Consistent with actions for all other state employees for the 2019-21 biennium, the Governor recommends the continuation of merit pay for classified NSHE employees, and recommends a 3 percent salary cost of living adjustment in FY 2020 for all NSHE employees.

CAPITAL IMPROVEMENT PROJECTS

The Executive Budget recommends funding of \$153.6 million for NSHE-related projects in the 2019 Capital Improvement Program (CIP), of which \$138.2 million is state funding. This includes funding of \$61.9 million for construction of a new Education Academic Building on the NSC campus (19-C19), with a recommended funding split of \$55.9 million in state funding and \$6.0 million in college funds (specific funding source not identified). The recommendation also includes \$76.8 million for construction of a new Health and Sciences Building at the CSN Henderson campus (19-C28), with a recommended funding split of \$70.8 million in state funding and \$6.0 million in college funds (specific funding source not identified). The new Health and Sciences Building is recommended for use by both CSN and NSC. The Governor's recommended 2019 CIP also includes \$15.0 million in funding for NSHE-related deferred maintenance projects (19-M09), which is inclusive of \$3.4 million of slot tax funding.

NSHE-RELATED ITEMS

- The Knowledge Account: The Executive Budget recommends continued General Fund appropriations of \$10.0 million over the 2019-21 biennium in the Nevada Knowledge Account budget within the Governor's Office of Economic Development (GOED). *Nevada Revised Statutes* 231.1592 established the Knowledge Account for the development and commercialization of research and technology at UNLV, UNR and DRI. The Executive Director of GOED allocates the money in the Knowledge Account to provide funding for: (1) the recruitment, hiring and retention of faculty and teams to conduct research in science and technology; (2) research laboratories and related equipment; (3) the construction of research clinics, institutes and facilities and related buildings in the state; and (4) matching funds for federal and private grants that further economic development. The Governor's Office of Economic Development, UNLV, UNR and DRI are authorized to enter into agreements for the allocation of commercialization revenue generated from programs receiving money from the Knowledge Account.

- Governor's Office of Science, Innovation and Technology: The Governor recommends General Fund appropriations of \$2.0 million in each fiscal year of the 2019-21 biennium, to fund Science, Technology, Engineering and Math (STEM) Workforce Challenge grant programs in the Office of Science, Innovation and Technology budget. The office coordinates and aligns efforts by K-12, higher education, workforce development and employers to improve STEM education and workforce development to meet the demands of the state's growing and diversifying economy.
- Special Appropriations: The Governor recommends an annual \$2.0 million increase in General Fund appropriations over the 2019-21 biennium in the Special Appropriations budget for the purpose of providing grants to expand graduate medical education, bringing total funding to \$14.0 million over the 2019-21 biennium for this purpose. The grants, which the NSHE is eligible to apply for, will fund efforts to train quality doctors through residencies and fellowships, with the goal of retaining those doctors in the state to improve the quality of available healthcare.

Nevada Legislative Counsel Bureau
Source of Funds Summary
2019-21 Fiscal Report

	2017-2018 Actual	2018-2019 Work Program	2019-2020 GOVERNOR RECOMMENDS	% Change	2020-2021 GOVERNOR RECOMMENDS	% Change
EDUCATION						
DEPARTMENT OF EDUCATION						
NDE - NEW NEVADA EDUCATION FUNDING PLAN	35,918,709	36,146,717	69,937,000	93.48	69,937,000	.00
GENERAL FUND	36,000,000	36,000,000	69,937,000	94.27	69,937,000	
BALANCE FORWARD	-146,716	146,717				
OTHER FUND	65,425					
NDE - INSTRUCTION IN FINANCIAL LITERACY	479,853	1,500,000				
GENERAL FUND	1,000,000	1,500,000				
REVERSIONS	-520,147					
NDE - DISTRIBUTIVE SCHOOL ACCOUNT	1,617,520,370	1,559,834,690	1,610,822,155	3.27	1,618,224,788	.46
GENERAL FUND	1,232,420,159	1,154,508,953	1,195,185,348	3.52	1,189,369,493	-.49
BALANCE FORWARD	-9,723,532	69,994				
FEDERAL FUND	3,820,943	4,000,000	4,000,000		4,000,000	
INTERAGENCY TRANSFER	207,987,564	213,779,543	208,682,407	-2.38	214,858,995	2.96
OTHER FUND	183,015,236	187,476,200	202,954,400	8.26	209,996,300	3.47
NDE - OTHER STATE EDUCATION PROGRAMS	73,707,706	87,011,598	94,299,655	8.38	94,064,550	-.25
GENERAL FUND	77,209,615	81,446,198	94,299,655	15.78	94,064,550	-.25
BALANCE FORWARD	-1,780,900	5,565,400				
REVERSIONS	-1,721,009					
NDE - PROFESSIONAL DEVELOPMENT PROGRAMS	10,787,341	17,317,644	14,012,012	-19.09	14,012,012	.00
GENERAL FUND	13,627,426	13,727,426	13,917,421	1.38	13,917,421	
BALANCE FORWARD	-2,861,177	3,524,442				
OTHER FUND	94,591	65,776	94,591	43.81	94,591	
REVERSIONS	-73,499					
NDE - SCHOOL REMEDIATION TRUST FUND	108,182,277	116,743,707	92,450,000	-20.81	87,450,000	-5.41
GENERAL FUND	103,160,673	98,160,673	89,218,829	-9.11	86,274,084	-3.30
BALANCE FORWARD	1,365,837	18,104,907	2,055,255	-88.65		
OTHER FUND	3,655,767	478,127	1,175,916	145.94	1,175,916	
NDE - SCHOOL SAFETY			28,344,940		47,848,310	68.81
GENERAL FUND			11,188,800		11,188,800	
OTHER FUND			17,156,140		36,659,510	113.68
NDE - STATE SUPPLEMENTAL SCHOOL SUPPORT ACCOUNT	180,468,823	191,092,000	187,936,000	-1.65	190,021,000	1.11
BALANCE FORWARD	-69,993					
OTHER FUND	180,538,816	191,092,000	187,936,000	-1.65	190,021,000	1.11
NDE - TEACH NEVADA SCHOLARSHIP PROGRAM	910,701	7,366,383	7,389,311	.31	8,014,311	8.46
GENERAL FUND	2,500,000	2,500,000	2,500,000		2,500,000	
BALANCE FORWARD	-2,316,648	2,694,354	4,852,491	80.10	5,477,491	12.88
OTHER FUND	727,349	2,172,029	36,820	-98.30	36,820	

Nevada Legislative Counsel Bureau
Source of Funds Summary
2019-21 Fiscal Report

	2017-2018 Actual	2018-2019 Work Program	2019-2020 GOVERNOR RECOMMENDS	% Change	2020-2021 GOVERNOR RECOMMENDS	% Change
NDE - EDUCATIONAL TRUST ACCOUNT	17,410	729,852	785,366	7.61	860,186	9.53
BALANCE FORWARD	-172,775	596,165	621,825	4.30	696,645	12.03
INTERAGENCY TRANSFER	190,185	133,687	163,541	22.33	163,541	
NDE - TEACHERS' SCHOOL SUPPLIES REIMBURSEMENT	2,507,084	3,074,408	4,500,000	46.37	4,500,000	.00
GENERAL FUND	2,500,000	2,500,000	4,499,000	79.96	4,499,000	
BALANCE FORWARD	5,847	572,408				
OTHER FUND	1,237	2,000	1,000	-50.00	1,000	
NDE - INCENTIVES FOR LICENSED EDUCATION PERSONNEL	506,392	1,000,000	1,000,000	.00	1,000,000	.00
GENERAL FUND	1,000,000	1,000,000	1,000,000		1,000,000	
REVERSIONS	-493,608					
NDE - OFFICE OF THE SUPERINTENDENT	1,671,668	1,685,026	2,002,581	18.85	1,802,587	-9.99
GENERAL FUND	1,780,838	1,575,526	2,001,581	27.04	1,801,587	-9.99
BALANCE FORWARD	-108,500	108,500				
OTHER FUND	1,000	1,000	1,000		1,000	
REVERSIONS	-1,670					
NDE - DISTRICT SUPPORT SERVICES	1,393,708	1,540,827	2,034,960	32.07	2,145,161	5.42
GENERAL FUND	825,317	858,486	1,232,877	43.61	1,326,415	7.59
INTERAGENCY TRANSFER	568,391	682,341	802,083	17.55	818,746	2.08
NDE - DEPARTMENT SUPPORT SERVICES	2,952,003	2,949,452	3,565,109	20.87	4,052,225	13.66
BALANCE FORWARD	399,066	220,599			390,293	
INTERAGENCY TRANSFER	2,552,937	2,728,853	3,565,109	30.64	3,661,932	2.72
NDE - STANDARDS AND INSTRUCTIONAL SUPPORT	2,763,145	1,565,510	1,458,496	-6.84	1,447,631	-.74
GENERAL FUND	1,101,113	1,090,880	1,120,871	2.75	1,103,798	-1.52
BALANCE FORWARD	-19,171	29,166				
FEDERAL FUND	1,846,941	445,464	337,625	-24.21	343,833	1.84
REVERSIONS	-165,738					
NDE - ASSESSMENTS AND ACCOUNTABILITY	18,624,949	24,797,262	20,553,727	-17.11	20,982,145	2.08
GENERAL FUND	19,478,078	20,364,592	15,944,846	-21.70	16,386,876	2.77
BALANCE FORWARD	88,795	52,711				
FEDERAL FUND	5,126,301	4,379,959	4,608,881	5.23	4,595,269	-.30
REVERSIONS	-6,068,225					
NDE - DATA SYSTEMS MANAGEMENT	2,523,645	2,945,982	3,020,036	2.51	3,042,817	.75
GENERAL FUND	2,590,607	2,630,768	2,803,664	6.57	2,818,797	.54
BALANCE FORWARD	1,945					
FEDERAL FUND	63,010	225,136	159,733	-29.05	167,137	4.64
INTERAGENCY TRANSFER	10,000	90,078	56,639	-37.12	56,883	.43
REVERSIONS	-141,917					
NDE - EDUCATOR LICENSURE	2,280,217	3,829,405	4,065,051	6.15	3,861,216	-5.01
GENERAL FUND	100	100	100		100	
BALANCE FORWARD	204,519	1,938,065	1,904,032	-1.76	1,700,197	-10.71
OTHER FUND	2,075,698	1,891,240	2,160,919	14.26	2,160,919	
REVERSIONS	-100					

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	2017-2018 Actual	2018-2019 Work Program	2019-2020 GOVERNOR RECOMMENDS	% Change	2020-2021 GOVERNOR RECOMMENDS	% Change
NDE - EDUCATOR EFFECTIVENESS	12,584,100	17,804,952	12,341,423	-30.69	12,357,475	.13
GENERAL FUND	441,262	446,540	594,224	33.07	610,276	2.70
BALANCE FORWARD	17,345	14,497				
FEDERAL FUND	12,230,580	17,343,915	11,747,199	-32.27	11,747,199	
REVERSIONS	-105,087					
NDE - GEAR UP	3,100,096	4,357,722				
BALANCE FORWARD	702,953	196,052				
FEDERAL FUND	2,069,301	3,000,000				
INTERAGENCY TRANSFER	327,842	1,161,670				
NDE - PARENTAL INVOLVEMENT AND FAMILY ENGAGEMENT	102,392	134,742	151,941	12.76	164,293	8.13
GENERAL FUND	130,703	134,742	151,941	12.76	164,293	8.13
REVERSIONS	-28,311					
NDE - OFFICE OF EARLY LEARNING AND DEVELOPMENT	22,508,597	32,106,323	28,847,532	-10.15	28,871,231	.08
GENERAL FUND	5,933,173	8,062,039	22,559,669	179.83	22,583,368	.11
BALANCE FORWARD	301,382	23,744				
FEDERAL FUND	11,644,152	18,794,967	125,000	-99.33	125,000	
INTERAGENCY TRANSFER	4,790,292	5,225,573	6,162,863	17.94	6,162,863	
REVERSIONS	-160,402					
NDE - SAFE AND RESPECTFUL LEARNING	5,570,232	6,016,459	2,522,681	-58.07	2,588,976	2.63
GENERAL FUND	478,817	482,856	1,036,810	114.72	1,156,584	11.55
BALANCE FORWARD	1,459	2,460				
FEDERAL FUND	4,726,269	5,165,794	1,120,522	-78.31	1,067,043	-4.77
OTHER FUND	386,646	365,349	365,349		365,349	
REVERSIONS	-22,959					
NDE - STUDENT AND SCHOOL SUPPORT	150,511,910	159,201,367	149,753,843	-5.93	149,776,967	.02
GENERAL FUND	865,694	886,009	870,786	-1.72	893,910	2.66
BALANCE FORWARD	1,046,740	1,638,754				
FEDERAL FUND	148,702,468	156,676,604	148,883,057	-4.97	148,883,057	
REVERSIONS	-102,992					
NDE - LITERACY PROGRAMS	280,122	292,612	340,899	16.50	351,113	3.00
GENERAL FUND	290,213	292,612	340,899	16.50	351,113	3.00
BALANCE FORWARD	5,489					
REVERSIONS	-15,580					
NDE - CAREER AND TECHNICAL EDUCATION	12,618,952	11,379,770	11,390,177	.09	11,399,226	.08
GENERAL FUND	688,233	688,233	742,042	7.82	751,091	1.22
BALANCE FORWARD	126,683	263,318				
FEDERAL FUND	11,705,881	9,778,219	10,648,135	8.90	10,648,135	
OTHER FUND	260,000	650,000				
REVERSIONS	-161,845					
NDE - CONTINUING EDUCATION	6,735,880	6,754,794	7,027,043	4.03	7,028,663	.02
GENERAL FUND	624,489	630,670	676,764	7.31	678,384	.24
BALANCE FORWARD	-90,812	162,474				
FEDERAL FUND	6,202,203	5,961,650	6,350,279	6.52	6,350,279	

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	2017-2018 Actual	2018-2019 Work Program	2019-2020 GOVERNOR RECOMMENDS	% Change	2020-2021 GOVERNOR RECOMMENDS	% Change
NDE - INDIVIDUALS WITH DISABILITIES EDUCATION ACT	86,229,149	79,005,435	81,520,913	3.18	81,530,463	.01
GENERAL FUND	129,828	153,922	158,366	2.89	171,187	8.10
FEDERAL FUND	86,177,548	78,851,513	81,362,547	3.18	81,359,276	-.00
REVERSIONS	-78,227					
NDE - CONTINGENCY ACCOUNT FOR SPECIAL ED SERVICES	114,425	1,885,575	2,000,000	6.07	2,000,000	.00
GENERAL FUND	100	100	100		100	
BALANCE FORWARD	-93,734	1,885,475	1,999,900	6.07	1,999,900	
INTERIM FINANCE	208,159					
REVERSIONS	-100					
NDE - ACCOUNT FOR ALTERNATIVE SCHOOLS	2,841,982	11,471,603	789,744	-93.12	124,910	-84.18
GENERAL FUND	89,732	93,449	99,483	6.46	120,310	20.94
BALANCE FORWARD	1,732	11,672				
FEDERAL FUND	2,758,744	11,359,332	685,661	-93.96		
OTHER FUND	4,600	7,150	4,600	-35.66	4,600	
REVERSIONS	-12,826					
NDE - ACHIEVEMENT SCHOOL DISTRICT	130,495	133,857	138,080	3.15	138,780	.51
BALANCE FORWARD	-6,822	6,822				
INTERAGENCY TRANSFER	137,317	127,035				
OTHER FUND			138,080		138,780	.51
NDE - BULLYING PREVENTION ACCOUNT	40,848	49,153	45,000	-8.45	45,000	.00
GENERAL FUND	45,000	45,000	45,000		45,000	
BALANCE FORWARD	-4,152	4,153				
TOTAL DEPARTMENT OF EDUCATION	2,366,585,181	2,391,724,827	2,445,045,675	2.23	2,469,643,036	1.01
GENERAL FUND	1,504,911,170	1,429,779,774	1,532,126,076	7.16	1,523,713,537	-.55
BALANCE FORWARD	-13,125,140	37,832,849	11,433,503	-69.78	10,264,526	-10.22
FEDERAL FUND	297,074,341	315,982,553	270,028,639	-14.54	269,286,228	-.27
INTERAGENCY TRANSFER	216,564,528	223,928,780	219,432,642	-2.01	225,722,960	2.87
INTERIM FINANCE	208,159					
OTHER FUND	370,826,365	384,200,871	412,024,815	7.24	440,655,785	6.95
REVERSIONS	-9,874,242					
STATE PUBLIC CHARTER SCHOOL AUTHORITY						
STATE PUBLIC CHARTER SCHOOL AUTHORITY	11,676,277	18,531,615	22,304,514	20.36	23,401,116	4.92
BALANCE FORWARD	-1,738,761	4,422,341	4,341,731	-1.82	5,276,241	21.52
INTERAGENCY TRANSFER	9,640,853	7,697,287	13,096,231	70.14	13,096,231	
OTHER FUND	3,774,185	6,411,987	4,866,552	-24.10	5,028,644	3.33
PUBLIC CHARTER SCHOOL LOAN PROGRAM	777,951	721,109	662,870	-8.08	573,229	-13.52
BALANCE FORWARD	706,896	579,952	521,109	-10.15	462,870	-11.18
OTHER FUND	71,055	141,157	141,761	.43	110,359	-22.15

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	2017-2018 Actual	2018-2019 Work Program	2019-2020 GOVERNOR RECOMMENDS	% Change	2020-2021 GOVERNOR RECOMMENDS	% Change
TOTAL STATE PUBLIC CHARTER SCHOOL AUTHORITY	12,454,228	19,252,724	22,967,384	19.29	23,974,345	4.38
BALANCE FORWARD	-1,031,865	5,002,293	4,862,840	-2.79	5,739,111	18.02
INTERAGENCY TRANSFER	9,640,853	7,697,287	13,096,231	70.14	13,096,231	
OTHER FUND	3,845,240	6,553,144	5,008,313	-23.57	5,139,003	2.61
NEVADA SYSTEM OF HIGHER EDUCATION						
NSHE - SYSTEM ADMINISTRATION	4,920,497	4,925,992	5,162,198	4.80	5,174,689	.24
GENERAL FUND	4,698,934	4,699,648	4,935,854	5.03	4,948,345	.25
OTHER FUND	221,563	226,344	226,344		226,344	
NSHE - SPECIAL PROJECTS	1,832,264	4,333,834	2,278,461	-47.43	2,281,234	.12
GENERAL FUND	2,232,284	2,007,196	2,278,461	13.51	2,281,234	.12
BALANCE FORWARD	-346,834	2,326,638				
REVERSIONS	-53,186					
NSHE - UNIVERSITY PRESS	428,827	428,755	454,327	5.96	456,372	.45
GENERAL FUND	428,827	428,755	454,327	5.96	456,372	.45
NSHE - SYSTEM COMPUTING CENTER	18,129,136	18,144,662	18,766,866	3.43	18,810,331	.23
GENERAL FUND	18,129,136	18,144,662	18,766,866	3.43	18,810,331	.23
NSHE - STATE-FUNDED PERKINS LOAN	35,793	35,793				
GENERAL FUND	35,793	35,793				
NSHE - EDUCATION FOR DEPENDENT CHILDREN	51,649	65,707	31,653	-51.83	23,050	-27.18
GENERAL FUND		17,068			14,365	
BALANCE FORWARD	50,944	48,639	31,571	-35.09	8,603	-72.75
OTHER FUND	705		82		82	
NSHE - UNIVERSITY OF NEVADA, RENO	226,496,622	227,226,327	223,624,827	-1.58	229,407,463	2.59
GENERAL FUND	116,443,020	116,604,618	108,355,870	-7.07	109,772,859	1.31
INTERAGENCY TRANSFER	3,400,865					
OTHER FUND	106,652,737	110,621,709	115,268,957	4.20	119,634,604	3.79
NSHE - INTERCOLLEGIATE ATHLETICS - UNR	5,388,775	5,399,397	5,475,848	1.42	5,483,860	.15
GENERAL FUND	5,388,775	5,399,397	5,475,848	1.42	5,483,860	.15
NSHE - STATEWIDE PROGRAMS - UNR	8,285,110	8,382,842	8,752,339	4.41	8,470,114	-3.22
GENERAL FUND	8,476,211	8,191,741	8,752,339	6.84	8,470,114	-3.22
BALANCE FORWARD	-191,101	191,101				
NSHE - UNR SCHOOL OF MEDICINE	43,232,566	42,888,355	44,592,914	3.97	44,654,715	.14
GENERAL FUND	36,131,618	36,008,436	37,580,859	4.37	37,680,370	.26
INTERAGENCY TRANSFER	588,445					
OTHER FUND	6,512,503	6,879,919	7,012,055	1.92	6,974,345	-.54
NSHE - HEALTH LABORATORY AND RESEARCH	1,689,538	1,698,181	1,781,005	4.88	1,788,608	.43
GENERAL FUND	1,689,538	1,698,181	1,781,005	4.88	1,788,608	.43

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	2017-2018 Actual	2018-2019 Work Program	2019-2020 GOVERNOR RECOMMENDS	% Change	2020-2021 GOVERNOR RECOMMENDS	% Change
NSHE - AGRICULTURAL EXPERIMENT STATION	7,023,047	7,037,707	7,286,950	3.54	7,302,945	.22
GENERAL FUND	5,312,786	5,327,446	5,576,689	4.68	5,592,684	.29
FEDERAL FUND	1,710,261	1,710,261	1,710,261		1,710,261	
NSHE - COOPERATIVE EXTENSION SERVICE	5,425,723	5,503,116	5,759,179	4.65	5,779,472	.35
GENERAL FUND	3,593,642	3,610,595	3,871,101	7.22	3,891,394	.52
FEDERAL FUND	1,229,105	1,289,543	1,285,102	-.34	1,285,102	
OTHER FUND	602,976	602,978	602,976	-.00	602,976	
NSHE - BUSINESS CENTER NORTH	2,029,238	2,047,710	2,148,180	4.91	2,157,687	.44
GENERAL FUND	2,029,238	2,047,710	2,148,180	4.91	2,157,687	.44
NSHE - UNIVERSITY OF NEVADA, LAS VEGAS	296,035,891	287,880,650	286,573,676	-.45	291,194,996	1.61
GENERAL FUND	163,045,336	163,095,775	151,549,742	-7.08	153,205,882	1.09
INTERAGENCY TRANSFER	5,706,618					
OTHER FUND	127,283,937	124,784,875	135,023,934	8.21	137,989,114	2.20
NSHE - UNLV SCHOOL OF MEDICINE	23,240,200	32,984,988	39,031,481	18.33	46,131,082	18.19
GENERAL FUND	21,767,637	30,194,988	35,537,106	17.69	41,502,707	16.79
INTERAGENCY TRANSFER	333,188					
OTHER FUND	1,139,375	2,790,000	3,494,375	25.25	4,628,375	32.45
NSHE - INTERCOLLEGIATE ATHLETICS - UNLV	7,840,730	7,800,604	7,897,754	1.25	7,905,925	.10
GENERAL FUND	7,800,818	7,800,604	7,897,754	1.25	7,905,925	.10
INTERAGENCY TRANSFER	39,912					
NSHE - STATEWIDE PROGRAMS - UNLV	3,758,818	3,717,851	3,815,763	2.63	3,821,338	.15
GENERAL FUND	3,717,931	3,717,851	3,815,763	2.63	3,821,338	.15
INTERAGENCY TRANSFER	40,887					
NSHE - UNLV LAW SCHOOL	14,796,498	14,605,238	15,201,465	4.08	15,238,677	.24
GENERAL FUND	9,762,787	9,791,110	10,439,589	6.62	10,476,801	.36
INTERAGENCY TRANSFER	302,927					
OTHER FUND	4,730,784	4,814,128	4,761,876	-1.09	4,761,876	
NSHE - UNLV DENTAL SCHOOL	18,178,231	18,043,692	18,947,670	5.01	19,111,530	.86
GENERAL FUND	9,164,796	9,104,290	10,042,862	10.31	10,105,454	.62
INTERAGENCY TRANSFER	436,713					
OTHER FUND	8,576,722	8,939,402	8,904,808	-.39	9,006,076	1.14
NSHE - BUSINESS CENTER SOUTH	1,893,131	1,875,147	1,952,449	4.12	1,960,880	.43
GENERAL FUND	1,851,623	1,875,147	1,952,449	4.12	1,960,880	.43
INTERAGENCY TRANSFER	41,508					
NSHE - DESERT RESEARCH INSTITUTE	7,302,621	7,890,889	7,920,429	.37	8,468,664	6.92
GENERAL FUND	6,987,077	7,226,777	7,771,943	7.54	8,320,178	7.05
BALANCE FORWARD	-515,626	515,626				
INTERIM FINANCE	682,684					
OTHER FUND	148,486	148,486	148,486		148,486	

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	2017-2018 Actual	2018-2019 Work Program	2019-2020 GOVERNOR RECOMMENDS	% Change	2020-2021 GOVERNOR RECOMMENDS	% Change
NSHE - GREAT BASIN COLLEGE	17,650,788	18,709,503	14,950,674	-20.09	15,266,998	2.12
GENERAL FUND	13,466,383	14,147,792	11,063,592	-21.80	11,272,771	1.89
OTHER FUND	4,184,405	4,561,711	3,887,082	-14.79	3,994,227	2.76
NSHE - WESTERN NEVADA COLLEGE	18,393,191	19,067,656	17,302,702	-9.26	17,218,830	-1.48
GENERAL FUND	13,509,212	14,014,905	12,221,960	-12.79	12,037,558	-1.51
OTHER FUND	4,883,979	5,052,751	5,080,742	.55	5,181,272	1.98
NSHE - COLLEGE OF SOUTHERN NEVADA	142,158,338	145,281,815	135,379,318	-6.82	137,133,162	1.30
GENERAL FUND	95,251,823	97,562,083	86,783,151	-11.05	87,987,208	1.39
INTERAGENCY TRANSFER	1,866,952					
OTHER FUND	45,039,563	47,719,732	48,596,167	1.84	49,145,954	1.13
NSHE - TRUCKEE MEADOWS COMMUNITY COLLEGE	47,235,908	49,167,677	44,186,761	-10.13	45,209,801	2.32
GENERAL FUND	33,851,281	34,905,790	30,322,612	-13.13	30,903,703	1.92
INTERAGENCY TRANSFER	296,183					
OTHER FUND	13,088,444	14,261,887	13,864,149	-2.79	14,306,098	3.19
NSHE - NEVADA STATE COLLEGE	25,717,539	24,830,349	29,446,573	18.59	30,245,684	2.71
GENERAL FUND	15,890,343	16,002,707	17,288,439	8.03	17,529,932	1.40
INTERAGENCY TRANSFER	377,750					
OTHER FUND	9,449,446	8,827,642	12,158,134	37.73	12,715,752	4.59
NSHE - PERFORMANCE FUNDING POOL			104,396,697		105,677,479	1.23
GENERAL FUND			104,396,697		105,677,479	1.23
NSHE - 2017 UNR ENGINEERING BUILDING DEBT SERVICE		1,030,563	3,288,350	219.08	3,314,250	.79
GENERAL FUND		1,030,563	3,288,350	219.08	3,314,250	.79
NSHE - SILVER STATE OPPORTUNITY GRANT PROGRAM	4,147,254	5,000,000	5,000,000	.00	5,000,000	.00
GENERAL FUND	4,147,254	5,000,000	5,000,000		5,000,000	
NSHE - PRISON EDUCATION PROGRAM			416,742		459,051	10.15
GENERAL FUND			361,251		396,126	9.65
OTHER FUND			55,491		62,925	13.40
TOTAL NEVADA SYSTEM OF HIGHER EDUCATION	953,317,923	966,005,000	1,061,823,251	9.92	1,085,148,887	2.20
GENERAL FUND	604,804,103	619,691,628	699,710,659	12.91	712,766,415	1.87
BALANCE FORWARD	-1,002,617	3,082,004	31,571	-98.98	8,603	-72.75
FEDERAL FUND	2,939,366	2,999,804	2,995,363	-.15	2,995,363	
INTERAGENCY TRANSFER	13,431,948					
INTERIM FINANCE	682,684					
OTHER FUND	332,515,625	340,231,564	359,085,658	5.54	369,378,506	2.87
REVERSIONS	-53,186					

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	2017-2018 Actual	2018-2019 Work Program	2019-2020 GOVERNOR RECOMMENDS	% Change	2020-2021 GOVERNOR RECOMMENDS	% Change
EDUCATION						
GENERAL FUND	2,109,715,273	2,049,471,402	2,231,836,735	8.90	2,236,479,952	.21
BALANCE FORWARD	-15,159,622	45,917,146	16,327,914	-64.44	16,012,240	-1.93
FEDERAL FUND	300,013,707	318,982,357	273,024,002	-14.41	272,281,591	-.27
INTERAGENCY TRANSFER	239,637,329	231,626,067	232,528,873	.39	238,819,191	2.71
INTERIM FINANCE	890,843					
OTHER FUND	707,187,230	730,985,579	776,118,786	6.17	815,173,294	5.03
REVERSIONS	-9,927,428					
TOTAL FOR EDUCATION	3,332,357,332	3,376,982,551	3,529,836,310	4.53	3,578,766,268	1.39
Less: INTER-AGENCY TRANSFER	239,637,329	231,626,067	232,528,873	.39	238,819,191	2.71
NET EDUCATION	3,092,720,003	3,145,356,484	3,297,307,437	4.83	3,339,947,077	1.29

COMMERCE AND INDUSTRY

The Commerce and Industry function of state government includes those agencies responsible for licensing or regulating various businesses and financial activities within the state, as well as agencies responsible for the promotion of commerce and industry in Nevada. These agencies include the Department of Business and Industry, Department of Agriculture, Division of Minerals, Gaming Control Board, Public Utilities Commission, Governor's Office of Economic Development and the Department of Tourism and Cultural Affairs.

The Executive Budget recommends General Fund support for the Commerce and Industry functional area totaling \$115.8 million for the 2019-21 biennium, which is comparable to the \$115.6 million approved by the Legislature for the 2017-19 biennium. Budget recommendations from all funding sources, less interagency transfers, total \$1.055 billion for the 2019-21 biennium, an increase of 5.3 percent compared to the legislatively approved amount of \$1.002 billion for the 2017-19 biennium.

DEPARTMENT OF AGRICULTURE

The Department of Agriculture is responsible for encouraging, advancing and protecting the livestock and agricultural industries of the state and encouraging sound agricultural resource management. The Department of Agriculture consists of the following divisions: Administration, Plant Industry, Animal Industry, Consumer Equitability and Food and Nutrition. The Executive Budget recommends total funding for the department in the amount of \$476.1 million for the 2019-21 biennium, an increase of \$23.5 million, or 5.2 percent, when compared to the legislatively approved \$452.6 million for the 2017-19 biennium. The Governor recommends total General Fund appropriations of \$7.0 million for the department over the 2019-21 biennium, which represents a 4.3 percent increase from the total legislatively approved General Fund appropriations of \$6.7 million for the 2017-19 biennium.

ADMINISTRATION DIVISION

The department's Administration Division provides oversight, guidance and coordination to all programs and activities within the department. The Governor recommends funding 20 percent of the costs for two existing Information Technology Professional positions (\$118,212 over the biennium) in the Nutrition Education Programs budget through the Administration Division's cost allocation. This funding arrangement would allow these positions to service all of the department's budgets.

PLANT INDUSTRY DIVISION

The Plant Industry Division is responsible for licensing and regulating plant nurseries, regulating the use of fertilizers and pesticides, and controlling insects, pests and noxious weeds. The Governor recommends reserve expenditures totaling \$359,898 over the biennium to fund two new Agriculturalists and two new Agricultural Inspectors. The Agriculturalist positions are proposed to be filled in FY 2020 and the Agricultural Inspector

positions would be filled in FY 2021. These positions' duties would include inspection and grading services for fruits and vegetables that enter or exit the state under the department's proposed new Food Manufacturing Inspection and Enforcement program. The program would allow the department to perform inspection and enforcement services the agency indicates are currently being performed by contracted out-of-state entities.

The Executive Budget recommends reserve expenditures of \$199,209 over the biennium for a new Agriculturalist to provide sampling and analysis for the Plant Pathology program, which identifies plant diseases and potential control methods. The Governor also recommends General Fund appropriations totaling \$82,542 over the biennium to convert an existing Agriculturalist that supports the Drought Initiative program from part- to full-time.

CONSUMER EQUITABILITY

The Consumer Equitability Division offers consumer and marketplace protection through the Petroleum Technology and Weights and Measures programs. The Executive Budget includes Device Testing Fee increases in the base budget previously approved through revisions to the *Nevada Administrative Code*. The agency is projecting total Device Testing Fee revenues of \$3.4 million for the 2019-21 biennium, an increase of 88.6 percent over the \$1.8 million in Device Testing Fee revenues legislatively approved for the 2017-19 biennium. The Governor recommends reserve expenditures of \$577,694 over the 2019-21 biennium to fund five new Weights and Measures Inspector positions to assist the agency in meeting its statutory annual inspection and certification requirements.

FOOD AND NUTRITION DIVISION

The department's Food and Nutrition Division consists of the Commodity Foods Distribution Program budget, the Nutrition Education Programs budget and the Dairy Fund budget. The Executive Budget recommends the elimination of two vacant Driver Warehouse Worker positions in the Commodity Food Distribution budget that the agency indicates are no longer needed due to a restructuring of the program.

COMMISSION ON MINERAL RESOURCES

DIVISION OF MINERALS

The Division of Minerals (DOM) is governed by the Commission on Mineral Resources, which is composed of seven members appointed by the Governor that serve terms of four years. The Division of Minerals encourages and assists in the responsible exploration for and the production of minerals, oil, gas and geothermal energy, which are economically beneficial to the state. The agency also administers the Mine Reclamation Bond Pool and the Abandoned Mine Lands (AML) program. The division is funded primarily through the collection of fees imposed on the mining industry.

The Executive Budget recommends total funding of \$6.9 million over the 2019-21 biennium for the Commission on Mineral Resources, which is a 24.1 percent increase from the \$5.6 million legislatively approved for the 2017-19 biennium.

Total funding in support of the division's AML program that identifies inactive mines, ranks their degree of hazard, and carries out activities to secure the sites is recommended at \$994,000 over the 2019-21 biennium, an increase of 314.2 percent compared to the \$240,000 legislatively approved for the 2017-19 biennium. The increase is due to the addition of several large closure projects planned for the biennium, including the securing of 115 AML sites that have been identified within five miles of the new Walker River State Recreation Area. Additionally, the Governor recommends reserve expenditures of \$84,024 over the 2019-21 biennium to support an increase in the public service intern hours within the AML program. Lastly, the Governor recommends expending reserves of \$40,000 in FY 2020 to fund the replacement of the AML program informational video, which was produced in 1989.

GAMING CONTROL BOARD

Gaming activities are administered through three individual budgets, which include the Nevada Gaming Control Board (GCB), the Gaming Commission and the Gaming Control Board Investigation Fund. The regulation of Nevada's gaming industry is conducted through a tiered system comprised of the Nevada Gaming Commission (5 members), the GCB (3 members) and the Gaming Policy Committee (12 members). The Gaming Commission has final authority on all gaming matters. The GCB functions as the enforcement, investigative and regulatory agency. The Gaming Policy Committee functions as an advisory body, meeting when required to examine and recommend gaming policy. The GCB has six divisions, including Administration, Audit, Enforcement, Investigations, Tax and License, and Technology.

For all gaming budgets included in The Executive Budget, net of interagency transfers, the Governor recommends revenues and expenditures totaling \$95.0 million over the 2019-21 biennium, which is an increase of \$2.0 million, or 2.2 percent, compared to the \$93.0 million legislatively approved amount for the 2017-19 biennium. In total, General Fund appropriations of \$64.2 million are recommended for the biennium, which is an increase of \$3.3 million, or 5.4 percent, compared to the \$60.9 million approved for the 2017-19 biennium.

The GCB budget is supported primarily through General Fund appropriations and transfers from the Gaming Investigation Fund, which pays the investigative costs of those individuals applying for a gaming license through applicant reimbursement. Due to the elimination of 17 agent positions in prior biennia, the Governor recommends eliminating one Investigations Supervisor in the Investigations Division, which would result in a \$253,093 reduction in Investigation Fees over the 2019-21 biennium.

The Nevada Gaming Commission budget provides support for the salaries of the Nevada Gaming Commission, one research staff position, operating costs, and travel costs in order to conduct research in developing policy related to gaming technology and regulations. In the Gaming Commission budget, General Fund appropriations of \$43,240 over the biennium are recommended for the Gaming Commission and a staff member to attend various in-state and out-of-state conferences and meetings.

PUBLIC UTILITIES COMMISSION

The Public Utilities Commission of Nevada (PUCN) regulates public companies engaged in electric, natural gas, telephone, water and sewer services; gas and electric “master metering” service at mobile home parks; some propane systems; and is involved in monitoring gas pipeline and railroad safety. Additionally, the PUCN makes determinations in a number of renewable energy-related matters, has oversight authority regarding electric and gas utilities’ administration of renewable energy incentive and demonstration programs, and administers the portfolio energy credit program.

The PUCN is comprised of three commissioners, appointed by the Governor, whose responsibilities are to balance the interests of customers of public utilities to receive safe and adequate service with reasonable rates, while providing shareholders of public utilities the opportunity to earn a fair return on their investment. The PUCN is responsible for the collection of the Universal Energy Charge (UEC), authorized by NRS 702.150-170, that is deposited into the Fund for Energy Assistance and Conservation. The UEC is based upon each kilowatt-hour of electricity and therm of gas sold at the retail level. The fund is administered in conjunction with the Division of Welfare and Supportive Services and the Division of Housing to assist low-income consumers with power bill payments and energy conservation, weatherization, and energy efficiency needs.

The Executive Budget recommends total funding of \$33.6 million over the 2019-21 biennium for the PUCN, which is an increase of 15.8 percent over the 2017-19 legislatively approved funding of \$29.1 million. Primary funding in this budget is derived from a mill assessment on gross utility operating revenues, statutorily capped at 3.5 mills (one mill = 1/10 of one cent). An additional assessment of up to 0.75 mills is assessed and transferred to the Attorney General’s Consumer Advocate budget. Pursuant to NRS 704.033, the PUCN estimates its annual regulatory assessment at 3.05 mills for the 2019-21 biennium. The mill assessment for FY 2018 and FY 2019 was set at 2.71 and 3.28 mills, respectively. The mill assessment for the Attorney General’s Consumer Advocate budget is 0.75 mills for the 2019-21 biennium.

DEPARTMENT OF BUSINESS AND INDUSTRY

The Department of Business and Industry (B&I) is charged with regulating business enterprises, promoting worker safety, educating the public and businesses regarding their legal rights and responsibilities, and promoting the legal operation of businesses in Nevada. The department consists of the following divisions: Administration, Insurance, Industrial Relations, Housing, Employee Management Relations Board, Real Estate, Taxicab Authority, Transportation Authority, Labor Commissioner, Attorney for Injured Workers, Financial Institutions and Mortgage Lending. Funding sources for the department include General Fund appropriations, Highway Fund appropriations, license and fee revenue, assessments and federal funds. The Executive Budget recommends transferring the Athletic Commission from the Department of Business and Industry to the Governor’s Office effective July 1, 2019.

The Executive Budget recommends total funding for B&I, including the Athletic Commission and net of interagency transfers, of \$319.4 million over the 2019-21 biennium, which is a \$36.0 million, or 12.7 percent increase, over the \$283.4 million legislatively approved for the 2017-19 biennium. General Fund support is recommended at \$7.0 million, which is an increase of \$741,018, or 11.8 percent, from the \$6.3 million legislatively approved for the 2017-19 biennium.

BUSINESS AND INDUSTRY ADMINISTRATION (DIRECTOR'S OFFICE)

The Administration/Director's Office is responsible for providing administrative and budgetary oversight to the various entities that organizationally make up the department. In addition, the Director's Office manages a number of programs and initiatives to address the needs of small businesses, homeowners, and consumers such as small business advocacy, bond programs and housing retention programs.

The Governor recommends state settlement income transferred from the Office of the Attorney General of \$1.4 million over the 2019-21 biennium to retain the Consumer Affairs Unit, including seven positions and operating expenditures, which is scheduled to sunset effective June 30, 2019, pursuant to NRS 232.511. The Governor also recommends \$101,334 in funds transferred from the Mortgage Lending Division for a new Administrative Assistant in the Carson City Licensing Unit to facilitate the processing and maintenance of agent applications and licenses.

DIVISION OF INDUSTRIAL RELATIONS

The Division of Industrial Relations (DIR) regulates Nevada's workers' compensation insurance to ensure injured workers receive the benefits to which they are entitled, enforces federal and state health and safety standards, and assists employers with workplace safety programs. Additionally, the DIR provides safety training and inspections for all active mines in the state and issues or denies operating permits for elevators, escalators, boilers and pressure vessels based on inspections performed by state specialists or an authorized agency. The programs under the division are funded primarily through assessments of workers' compensation insurers, with a smaller portion of funding received through licenses and fees. The division also receives grants from the United States Department of Labor, Occupational Safety and Health Administration, the Mine Safety and Health Administration and the Bureau of Labor Statistics.

The Executive Budget recommends total funding of \$51.2 million over the 2019-21 biennium for DIR, which is an 8.1 percent increase from the \$47.4 million legislatively approved for the 2017-19 biennium. The Governor recommends an allocation from the Workers' Compensation and Safety Fund of \$141,674 over the 2019-21 biennium for a new Business Process Analyst position to assist with the implementation of various IT projects. The Executive Budget also recommends an allocation from the Workers' Compensation and Safety Fund of \$118,720 over the 2019-21 biennium in the Occupational Safety and Health Enforcement budget to enhance the existing Jurisdiction Online Mechanical Inspection Management System.

HOUSING DIVISION

The Housing Division assists and encourages the private sector and other governmental entities in the financing, creation and maintenance of affordable housing throughout the state. The Housing Division has eight major components: Multi-Family Bond Financing, First-Time Homebuyer Program, Low-Income Housing Tax Credit Program, Low-Income Housing Tax Credit Monitoring and Compliance, Home Investment Partnership Program (HOME), Low-Income Housing Trust Fund, Emergency Solutions Grant Program and the Weatherization Program. The division is an enterprise fund, which must generate its own resources through the administration of lending resources or allowable administrative fees from federally-funded allocation programs.

For the entire Housing Division, the Governor recommends total funding (net of interagency transfers) of \$114.6 million, which represents a 17.0 percent increase over the \$97.9 million legislatively approved for the 2017-19 biennium. The recommended increase is primarily due to a higher carryforward of funding from the current biennium and a projected increase in other funds.

Position Changes

The Executive Budget includes the reclassification of one vacant Administrative Services Officer position to a Management Analyst position in the Housing Division budget, which the agency indicates is more commensurate with the duties of the position. The reclassification would result in a reduction of cost-allocation reimbursement revenue totaling \$2,440 and an increase to reserves totaling \$18,088 over the 2019-21 biennium.

In the Account for Low-Income Housing budget, the Governor recommends the reclassification of one Program Officer 3 position to a Program Officer 2 position, which the agency indicates is more commensurate with the duties of the position. The reclassification would result in savings totaling \$22,145 over the 2019-21 biennium.

A Compliance/Audit Investigator position, and associated costs of \$162,697 over the 2019-21 biennium, is recommended to transfer to the Weatherization budget from the Housing and Inspection Compliance budget to align the position cost with its source of revenue.

REAL ESTATE DIVISION

The Real Estate Division is responsible for regulating real estate brokers and salesmen, property managers, appraisers, qualified intermediaries and building inspectors. The division also administers continuing education programs for real estate licensees in Nevada and is responsible for the enforcement of the statutory and regulatory provisions regarding the sale of subdivided lands, timeshares and campground memberships. The division is funded through a combination of fees, interagency transfers, and General Fund appropriations. The Governor recommends General Fund appropriations totaling \$2.4 million over the 2019-21 biennium, which is \$823,747, or 53.7 percent, more than the \$1.5 million in General Fund appropriations approved by the 2017 Legislature.

To address the growth of homeowner associations and common interest communities in Northern Nevada, the Governor recommends one new Program Officer in the Common Interest Communities budget, funded with reserve reductions totaling \$153,983 over the 2019-21 biennium. Also in the Common Interest Communities budget, the Governor recommends reserve reductions totaling \$50,000 over the 2019-21 biennium for a new database that would automate registration and renewal of homeowner associations through a self-service web portal.

NEVADA ATHLETIC COMMISSION

The Nevada Athletic Commission (NAC), established in 1941, supervises and regulates all contests and exhibitions of unarmed combat, including boxing, professional wrestling, mixed martial arts, kickboxing and elimination boxing. Additionally, the commission licenses and regulates persons who conduct, hold, or give contests or exhibitions for unarmed combat where an admission fee is received. The Medical Advisory Board is responsible for preparing standards for the physical and mental examination of contestants and advising the commission regarding the physical or mental fitness of a contestant when requested by the commission.

Pursuant to Assembly Bill 476, passed and approved during the 2015 Legislative Session, the NAC became a self-funded agency. Assembly Bill 476 increased licensing fees from 6 to 8 percent of total gross receipts from admission to a live contest or exhibition of unarmed combat. Of the 8 percent, 6 percent of total gross receipts is credited to the General Fund while the remaining 2 percent funds the agency. The Executive Budget recommends funding of \$6.3 million over the 2019-21 biennium for the NAC, which is a 1.0 percent increase from the \$6.2 million legislatively approved for the 2017-19 biennium. Gate Fee revenues are projected at \$3.0 million over the biennium.

The Executive Budget recommends transferring the NAC budget from the Department of Business and Industry to the Governor's Office. The Executive Budget recommends reserve reductions totaling \$11,187 over the biennium to reclassify an existing Administrative Assistant 3 position in charge of medical clearances for combatants to an Administrative Assistant 4 position.

TAXICAB AUTHORITY

The Taxicab Authority is responsible for regulating the taxicab industry in counties with a population that exceeds 700,000 people (currently only Clark County). The Taxicab Authority is funded by various fees, but primarily a \$.20 trip charge assessed on every taxicab ride.

The Executive Budget recommends Trip Charge revenues of \$5.2 million over the 2019-21 biennium, which is a decrease of \$3.2 million, or 38.0 percent less than the \$8.4 million in Trip Charge revenues approved by the 2017 Legislature for the 2017-19 biennium.

To offset the decrease in Trip Charge revenues, the Governor recommends increasing the medallion fee, the annual issuance and renewal fee for medallions authorizing the operation of individual taxicabs in Clark County, from \$100 to \$300 per cab, per year. This recommendation would result in additional revenues of \$706,000 in each year of the 2019-21 biennium. In addition, the Governor recommends eliminating 15 vacant positions within the Taxicab Authority, which would generate cost savings of \$1.2 million in FY 2020 and \$1.3 million in FY 2021, and would reduce total agency staff from 54 positions to 39 positions. The positions recommended for elimination include 3 Administrative Assistants, 10 Compliance/Enforcement Investigators and 2 Taxicab Vehicle Inspectors.

The Executive Budget also recommends funding the third and final phase of the agency's record management system. The record management system replacement project was approved by the 2015 Legislature and is funded by a Technology Fee of \$.05 per trip that was authorized through Senate Bill 430 of the 2013 Legislative Session. Phase three of the project would provide a web portal for real-time asset management for taxicab companies to remove terminated drivers and obsolete vehicles from their fleets, and the reporting of lost or transferred medallions. The agency indicates these efficiencies will replace paper forms and reduce processing times. This recommendation would be funded by Technology Fee reserve reductions of \$126,024 in FY 2020.

TRANSPORTATION AUTHORITY

The Nevada Transportation Authority (NTA) has statewide regulatory responsibility for the intra-state transportation of passengers, household goods, tow cars, the bus industry, the limousine industry and taxicabs (except taxicabs in Clark County). The 2015 Legislature approved Assembly Bills 175 and 176, which provide for the operation of transportation network companies (TNC), such as Uber and Lyft, in the state. The legislation authorizes the NTA to regulate TNCs and TNC drivers statewide. The budget is supported through Highway Fund appropriations and fees collected from licensees. The Governor recommends Highway Fund appropriations totaling \$5.3 million over the 2019-21 biennium, a 6.1 percent increase over the \$5.0 million legislatively approved for the 2017-19 biennium. Transportation Network Company Regulatory Assessments totaling \$4.1 million are recommended for the 2019-21 biennium, a 12.7 percent increase over the \$3.7 million legislatively approved for the 2017-19 biennium. The Governor recommends TNC Regulatory Assessment revenue of \$7,066 in each fiscal year of the 2019-21 biennium for shift differential pay for TNC enforcement staff.

FINANCIAL INSTITUTIONS DIVISION

The Financial Institutions Division is responsible for the licensure and regulation of all state-chartered financial institutions, including banks, savings and loans, credit unions and check-cashing companies. The division is self-funded through existing licensing fees and industry assessments. The Executive Budget recommends total funding of \$10.5 million over the 2019-21 biennium for the division, which is a 5.1 percent decrease compared to the \$11.0 million legislatively approved for the 2017-19 biennium.

The Governor recommends upgrades for two Financial Institutions Examiner positions and one Administrative Assistant position resulting in reserve reductions totaling \$22,527 over the 2019-21 biennium. The agency indicates that Schwab Trust Bank has become a state-chartered institution, which will require continuous examination throughout the year by the division as well as federal regulatory partners.

DIVISION OF MORTGAGE LENDING

The Division of Mortgage Lending is responsible for the licensure and regulation of mortgage brokers, mortgage bankers, escrow agencies and agents, mortgage servicers, and covered service providers. The division is self-supporting and is funded through licensing fees and industry assessments. The Governor recommends reserve reductions of \$338,378 over the 2019-21 biennium for two new Mortgage Lending Examiners for the Mortgage Servicing Examination Program to conduct audits/examinations and investigations for out-of-state mortgage servicing companies.

ECONOMIC DEVELOPMENT

The 1983 Legislature expanded economic development efforts in Nevada by creating the Nevada Commission on Economic Development, which included the Nevada Film Office, the Rural Community Development program and the Procurement Outreach Program. However, with the passage of Assembly Bill 449, the 2011 Legislature implemented a new economic development strategy for the State of Nevada. The new agency, titled the Governor's Office of Economic Development (GOED), is tasked with diversifying and strengthening the state's economy by attracting companies, subsidiaries, and divisions to locate into the state; assisting in the retention and expansion of existing Nevada companies; and helping new companies to start up in the state.

The office works with regional development authorities to identify, pursue, and achieve the goals of the GOED State Economic Development Plan released in January 2012. The GOED Plan focuses on the following industry sectors: aerospace and defense; energy; healthcare; information technology; hospitality and tourism; mining and manufacturing; and logistics and operations. Through the plan, GOED is also tasked with expanding global exports and foreign investment. The office collaborates with the Department of Employment, Training and Rehabilitation; the Nevada System of Higher Education; and other organizations to identify opportunities to expand Nevada's workforce and provide the qualified people needed by the state's businesses.

The office is comprised of the following ten budgets: Governor's Office of Economic Development; Nevada Film Office; Rural Community Development; Procurement Outreach Program; Nevada Catalyst Fund; Nevada State Small Business Credit Initiative Program; Knowledge Fund; Workforce Innovations for the New Nevada; Small Enterprise Loan Program; and the Nevada Main Street Program.

GOVERNOR'S OFFICE OF ECONOMIC DEVELOPMENT

The Executive Budget recommends General Fund appropriations of \$15.4 million over the 2019-21 biennium for GOED, which is a decrease of 2.3 percent, or \$359,112, compared to the \$15.7 million approved for the 2017-19 biennium.

In order to continue GOED's support for the Unmanned Aerial Vehicle (UAV) industry and operate the Nevada UAV test site through the Nevada Institute for Autonomous Systems, the Governor recommends General Fund appropriations of \$175,000 over the 2019-21 biennium for the UAV program.

RURAL COMMUNITY DEVELOPMENT

The Rural Community Development program administers the state's Community Development Block Grant (CDBG) program on behalf of small cities and rural counties in Nevada. The mission of the Rural Community Development program is to develop rural Nevada communities where current and future generations can choose to live healthy, productive and prosperous lives. Rural Community Development also helps to provide communities with adequate infrastructure, suitable housing and living environments, primarily for low-to-moderate income persons. This budget is mainly funded by the federal block grant received from the United States Department of Housing and Urban Development and supplemented by State General Funds. The General Fund support is used primarily for administrative costs and the required match.

The total funding for the Rural Community Development program is recommended at \$3.4 million in each fiscal year of the 2019-21 biennium, the majority of which consists of the federal CDBG of \$3.2 million annually. The amount of General Fund support recommended is \$362,039 over the 2019-21 biennium, which is an increase of 2.4 percent compared to the amount legislatively approved for the 2017-19 biennium.

PROCUREMENT OUTREACH PROGRAM

The Procurement Outreach Program promotes economic diversification of the state's economy by providing Nevada firms with access to procurement opportunities, necessary technical assistance, and the tools to compete for federal contracts. A primary focus for this program is placed upon retention, expansion and diversification of Nevada companies. The Procurement Outreach Program is funded primarily with federal funds from the United States Department of Defense and General Fund appropriations. The Governor recommends total funding for the Procurement Outreach Program in the amount of \$1.5 million over the 2019-21 biennium, which is 1.5 percent, or \$21,594 more than the legislatively approved funding for the 2017-19 biennium. The Governor recommends General Fund support of \$272,092 over the 2019-21 biennium, an increase of \$21,343, or 8.5 percent more, when compared to the amount of General Fund support legislatively approved for the 2017-19 biennium.

CATALYST FUND

The Catalyst Fund is designed to provide a development resource, a grant or loan, to promote economic development in Nevada and aid in the implementation of the State Plan for Economic Development. Funds may be granted or loaned to regional development authorities and must be used to make grants or loans to, or investments in, businesses seeking to open, expand or relocate to the state. Through the passage of Senate Bill 507 by the 2015 Legislature, the Catalyst Fund does not receive General Fund support, because the bill authorized the Executive Director of GOED and the Board of Economic Development to approve and issue transferrable tax credits to new or expanding businesses in Nevada to promote economic development, rather than issue grants as originally established in the Catalyst Fund. Accordingly, The Executive Budget recommends the balance forward of unspent Catalyst Fund revenues totaling \$3.5 million from FY 2019 to the 2019-21 biennium, with no additional revenue other than interest earnings. For the 2019-21 biennium, The Executive Budget recommends expenditures of \$1.4 million in each year of the biennium to pay existing Catalyst Fund obligations, leaving a reserve balance of \$744,669 at the end of the 2019-21 biennium.

NEVADA STATE SMALL BUSINESS CREDIT INITIATIVE

The State Small Business Credit Initiative (SSBCI) budget was established through approval of the Interim Finance Committee (IFC) in October 2011. The SSBCI Program was created in response to the federal Small Business Jobs Act of 2010 (Act), which was signed into law in September 2010. The purpose of the Act was to help increase small business lending and access to capital, and GOED was designated as the state agency to accept and award the federal SSBCI grant funds. In 2017, the U.S. Treasury transferred the program and associated federal funds to state ownership. For the 2019-21 biennium, the budget will be funded through small business loan repayments and nominal amounts from interest earnings and filling fees. The Executive Budget recommends small business-related loan repayments of \$1.3 million in each year of the 2019-21 biennium, and the balance forward of \$2.3 million of program funds from FY 2019 to FY 2020, and \$1.3 million from FY 2020 to FY 2021.

The Executive Budget recommends eliminating one position from the SSBCI Program, and transferring the duties to the Rural Community Development Director, generating savings totaling \$241,412 over the 2019-21 biennium. Funding of \$8,910 per fiscal year is recommended to support up to 10 percent of the Rural Community Development Director's position, if that position spends time on the SSBCI Program.

NEVADA KNOWLEDGE FUND

The Nevada Knowledge Fund was created by Assembly Bill 449 of the 2011 Legislative Session to make technology-based economic development a priority in Nevada. Initial funding for the Nevada Knowledge Fund was provided by the 2013 Legislature, which approved the Governor's recommendation to provide General Fund appropriations of \$5.0 million in each year of the 2013-15 biennium. Subsequent to the 2013 Legislature, \$5.0 million in each fiscal year was approved for both the 2015-17 and 2017-19 biennia.

The Governor recommends the continuation of General Fund appropriations of \$5.0 million in each year of the 2019-21 biennium, which would continue to provide funding for the four categories allowed under NRS 231.1597:

- The recruitment, hiring and retention of research teams and faculty to conduct research in science and technology, which has the potential to contribute to economic development in the state.
- Research laboratories and related equipment located or to be located in this state.
- The construction of research clinics, institutes and facilities and related buildings located or to be located in the state.
- Matching funds for federal, private sector grants, and contract opportunities that support economic development consistent with the State Plan for Economic Development developed by the Executive Director.

In accordance with NRS 231, the University of Nevada, Reno, the University of Nevada, Las Vegas, and the Desert Research Institute are the institutions eligible to make application for these funds.

WORKFORCE INNOVATIONS FOR THE NEW NEVADA

The Workforce Innovations for a New Nevada (WINN) budget was established through approval of Assembly Bill 1 of the 29th Special Session (2015) of the Nevada Legislature, and requires GOED to develop and implement programs to provide customized workforce development services to companies that create and expand businesses in the state and/or relocate businesses to Nevada. The Governor recommends General Fund appropriations of \$4.0 million in FY 2020 for the WINN program. Any remaining balance in the WINN budget at the end of an even-numbered fiscal year may balance forward to the next year pursuant to NRS 231.151.

SMALL BUSINESS ENTERPRISE LOAN

The Small Business Enterprise Loan (SBEL) program was established through Senate Bill 126 of the 2017 Legislative Session. The legislation requires GOED to develop and carry into effect a program under which a business verified as a small business enterprise, minority-owned business enterprise, women-owned business enterprise or disadvantaged business enterprise may obtain a loan to finance the expansion of its business in Nevada and provided a \$1.0 million General Fund appropriation to establish the program in FY 2018. The SBEL account is a revolving loan account, and money remaining in the account at the end of each fiscal year does not revert to the General Fund and is required to be carried forward to the next fiscal year.

The SBEL program disbursed \$500,000 in each year of the 2017-19 biennium. No additional funding is recommended for the 2019-21 biennium, and The Executive Budget recommends eliminating this budget.

NEVADA MAIN STREET PROGRAM

Assembly Bill 417 of the 2017 Legislative Session created the Nevada Main Street Program and provided a General Fund appropriation of \$350,000 to GOED for the implementation and operation of the program in the 2017-19 biennium. The program is designed to provide state-level coordination with the National Main Street Center, Inc., which is a wholly owned subsidiary of the National Trust for Historic Preservation, a nonprofit organization working to preserve historic places. The Executive Budget recommends eliminating this budget and does not provide additional funding in the 2019-21 biennium.

DEPARTMENT OF TOURISM AND CULTURAL AFFAIRS

The Department of Tourism and Cultural Affairs consists of the Division of Tourism, Nevada Commission on Tourism, Division of Museums and History, Board of Museums and History, Nevada Arts Council, Board of the Nevada Arts Council and Nevada Indian Commission.

DIVISION OF TOURISM

The Division of Tourism is responsible for developing and implementing a domestic and international marketing and advertising campaign to promote Nevada as a tourism and business travel destination. The division is funded by a 3/8 share of 1 percent of the statewide room tax.

The division received \$24.6 million of room tax revenues in FY 2018, which was \$383,203 (1.5 percent) less than the amount budgeted by the 2017 Legislature. The Executive Budget projects FY 2020 room tax revenues at \$25.7 million, which represents a \$1.1 million, or 4.5 percent increase when compared to FY 2018 actual receipts. Room tax revenues are anticipated to increase further to \$26.6 million in FY 2021, or 3.3 percent more than the FY 2020 projected amount. The growth in projected room tax revenues correlates to anticipated increases in visitor volume, occupied room nights and average daily rate projections.

The Governor recommends room tax transfers of \$12.1 million to other state agencies over the 2019-21 biennium as depicted in the following table:

GOVERNOR'S RECOMMENDED ROOM TAX TRANSFERS FROM THE TOURISM DEVELOPMENT FUND			
<u>Intra-Agency Transfers to:</u>	FY 2020	FY 2021	Biennium Total
Lost City Museum	\$ 240,971	\$ 248,217	\$ 489,188
Tourism Development	\$ 100,000	\$ 100,000	\$ 200,000
Nevada Indian Commission	\$ 86,310	\$ 88,551	\$ 174,861
Nevada Historical Society	\$ 352,932	\$ 363,655	\$ 716,587
Nevada State Museum, Carson City	\$ 908,367	\$ 933,960	\$ 1,842,327
Museums & History, Admin	\$ 273,818	\$ 282,107	\$ 555,925
Nevada State Museum, Las Vegas	\$ 869,410	\$ 894,089	\$ 1,763,499
Nevada Arts Council	\$ 1,166,352	\$ 1,172,272	\$ 2,338,624
NV State Railroad Museums	\$ 677,974	\$ 703,984	\$ 1,381,958
Subtotal	\$ 4,676,134	\$ 4,786,835	\$ 9,462,969
<u>Intra-Agency Transfers to:</u>			
Governor's Washington Office	\$ 106,511	\$ 106,511	\$ 213,022
Nevada Film Office	\$ 677,532	\$ 686,392	\$ 1,363,924
State Parks	\$ 509,131	\$ 509,131	\$ 1,018,262
Subtotal	\$ 1,293,174	\$ 1,302,034	\$ 2,595,208
Total Transfers	\$ 5,969,308	\$ 6,088,869	\$ 12,058,177

DIVISION OF MUSEUMS AND HISTORY

The Division of Museums and History includes the Administration office in Carson City and the following facilities: the Nevada State Museum and the Nevada State Railroad Museum in Carson City, the Nevada Historical Society in Reno, the Nevada State Museum in Las Vegas, the Boulder City Railroad Museum, the East Ely Railroad Depot Museum and the Lost City Museum in Overton.

The Executive Budget recommends \$322,385 over the 2019-21 biennium to fund the addition of two full-time and two part-time positions within the Nevada State Railroad Museums. The following table provides the funding breakdown by position.

Department of Tourism and Cultural Affairs; Governor Recommended Positions				
Budget Account	Position Title	FTE	Total Funding 2019-21 Biennium	2019-21 General Fund Appropriation
Division of Museums & History NV State Railroad Museums	Maintenance Repair Specialist (Boulder City)	1	\$ 120,405	\$ 54,182
	Part-Time Museum Attendant (Carson City)	0.49	\$ 50,054	\$ 22,525
	Part-Time Museum Attendant (Carson City)	0.49	\$ 50,054	\$ 22,525
	Maintenance Repair Worker (East Ely)	1	\$ 101,872	\$ 45,843
Department Total		2.98	\$ 322,385	\$ 145,075

CAPITAL IMPROVEMENT PROJECTS

The Governor recommends seven Capital Improvement Program projects for the Department of Tourism and Cultural Affairs during the 2019-21 biennium totaling \$4.0 million in state funds, as described in the following table:

Department of Tourism and Cultural Affairs - Governor Recommended Capital Improvements				
Project Number	Location	Project Title	State Funding	Other
C16	Stewart Campus, Carson City	Renovation of Collection Storage Building	\$ 998,889	\$ -
C17	NV State Museum, Carson City	Storage Facility Addition (Indian Hills Curatorial Center)	\$ 1,346,464	\$100,000
M33	Lost City Museum, Overton	Replace Sanitary Sewer and Upgrade Restrooms	\$ 408,484	\$ -
M45	NV State Museum, Las Vegas	Replace Lighting Control System	\$ 212,811	\$ -
S01	Railroad Museum, Carson City	Roofing Replacement	\$ 819,549	\$ -
S03	Railroad Museum, Carson City	Fire Sprinkler Installation	\$ 112,752	\$ -
S05	Railroad Museum, Boulder City	Pavement Slurry Seal	\$ 36,330	\$ -
Total			\$ 3,935,279	\$100,000

Nevada Legislative Counsel Bureau
Source of Funds Summary
2019-21 Fiscal Report

	2017-2018 Actual	2018-2019 Work Program	2019-2020 GOVERNOR RECOMMENDS	% Change	2020-2021 GOVERNOR RECOMMENDS	% Change
COMMERCE & INDUSTRY						
DEPARTMENT OF AGRICULTURE						
AGRI - AGRICULTURE ADMINISTRATION	2,547,667	2,596,987	3,114,238	19.92	3,310,763	6.31
GENERAL FUND	116,779	40,000	202,471	406.18	343,468	69.64
BALANCE FORWARD	-1,400	12,257	14,079	14.86	7,933	-43.65
FEDERAL FUND	5,000	4,768	5,000	4.87	5,000	
INTERAGENCY TRANSFER	2,423,438	2,531,307	2,888,838	14.12	2,950,512	2.13
OTHER FUND	3,850	8,655	3,850	-55.52	3,850	
AGRI - AGRICULTURE REGISTRATION/ENFORCEMENT	3,384,154	6,025,572	6,165,828	2.33	5,558,587	-9.85
BALANCE FORWARD	-59,723	2,740,845	2,694,347	-1.70	2,086,214	-22.57
FEDERAL FUND	439,267	504,996	493,247	-2.33	493,247	
INTERAGENCY TRANSFER	69,072	137,988	86,323	-37.44	86,519	.23
OTHER FUND	2,935,538	2,641,743	2,891,911	9.47	2,892,607	.02
AGRI - PLANT HEALTH & QUARANTINE SERVICES	885,346	610,582	625,359	2.42	642,613	2.76
GENERAL FUND	1,199,565	610,582	625,359	2.42	642,613	2.76
REVERSIONS	-314,219					
AGRI - PEST, PLANT DISEASE NOXIOUS WEED CONTROL	1,194,360	1,850,153	1,707,035	-7.74	1,609,211	-5.73
BALANCE FORWARD	-305,396	343,860	400,724	16.54	277,751	-30.69
FEDERAL FUND	1,449,412	1,443,956	1,248,715	-13.52	1,274,197	2.04
OTHER FUND	50,344	62,337	57,596	-7.61	57,263	-.58
AGRI - VETERINARY MEDICAL SERVICES	1,188,084	1,366,639	1,370,662	.29	1,341,250	-2.15
GENERAL FUND	1,164,373	1,159,493	1,183,419	2.06	1,152,973	-2.57
BALANCE FORWARD	-2,183	8,918	8,918		8,918	
FEDERAL FUND	44,611	106,566	77,218	-27.54	77,218	
INTERAGENCY TRANSFER	73,671	88,674	98,119	10.65	99,153	1.05
OTHER FUND	2,843	2,988	2,988		2,988	
REVERSIONS	-95,231					
AGRI - COMMERCIAL FEED	2,696	65,163	87,805	34.75	110,709	26.09
BALANCE FORWARD	-23,145	39,320	62,205	58.20	85,109	36.82
OTHER FUND	25,841	25,843	25,600	-.94	25,600	
AGRI - LIVESTOCK INSPECTION	1,276,302	1,514,371	1,778,741	17.46	1,581,502	-11.09
BALANCE FORWARD	152,590	206,258	224,625	8.90	439,024	95.45
OTHER FUND	1,123,712	1,308,113	1,554,116	18.81	1,142,478	-26.49
AGRI - PREDATORY ANIMAL & RODENT CONTROL	796,930	822,593	924,414	12.38	945,973	2.33
GENERAL FUND	777,440	789,470	889,432	12.66	912,850	2.63
INTERAGENCY TRANSFER	14,000	14,000	14,000		14,000	
OTHER FUND	20,982	19,123	20,982	9.72	19,123	-8.86
REVERSIONS	-15,492					
AGRI - CONSUMER EQUITABILITY	2,426,967	3,571,716	3,966,658	11.06	3,873,220	-2.36
BALANCE FORWARD	4,235	1,101,318	683,918	-37.90	584,095	-14.60
INTERAGENCY TRANSFER	752,430	752,430	752,430		752,430	
OTHER FUND	1,670,302	1,717,968	2,530,310	47.29	2,536,695	.25

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	2017-2018 Actual	2018-2019 Work Program	2019-2020 GOVERNOR RECOMMENDS	% Change	2020-2021 GOVERNOR RECOMMENDS	% Change
AGRI - NUTRITION EDUCATION PROGRAMS	167,377,572	193,811,985	186,653,360	-3.69	206,693,474	10.74
GENERAL FUND	537,585	332,419	137,832	-58.54	137,832	
BALANCE FORWARD	156,148	244,121	1,125,442	361.02	936,711	-16.77
FEDERAL FUND	166,705,509	193,235,445	185,324,727	-4.09	205,551,678	10.91
INTERAGENCY TRANSFER			58,159		60,053	3.26
OTHER FUND	8,000		7,200		7,200	
REVERSIONS	-29,670					
AGRI - COMMODITY FOODS DISTRIBUTION PROGRAM	13,505,194	19,342,337	19,835,033	2.55	20,063,568	1.15
GENERAL FUND	98,398	98,398	160,503	63.12	172,513	7.48
BALANCE FORWARD	-40,163	1,220,151	901,122	-26.15	1,022,068	13.42
FEDERAL FUND	1,982,410	1,684,087	1,891,586	12.32	1,987,165	5.05
OTHER FUND	11,469,115	16,339,701	16,881,822	3.32	16,881,822	
REVERSIONS	-4,566					
AGRI - DAIRY FUND	1,055,223	1,907,170	1,727,615	-9.41	1,556,094	-9.93
BALANCE FORWARD	69,403	929,823	676,004	-27.30	502,854	-25.61
INTERAGENCY TRANSFER		53,066	48,381	-8.83	50,010	3.37
OTHER FUND	985,820	924,281	1,003,230	8.54	1,003,230	
AGRI - LIVESTOCK ENFORCEMENT	330,072	407,198	425,235	4.43	444,328	4.49
GENERAL FUND	197,335	202,887	214,271	5.61	223,844	4.47
BALANCE FORWARD	-1,422	1,423	1,423		1,423	
INTERAGENCY TRANSFER	166,179	202,888	209,541	3.28	219,061	4.54
REVERSIONS	-32,020					
TOTAL DEPARTMENT OF AGRICULTURE	195,970,567	233,892,466	228,381,983	-2.36	247,731,292	8.47
GENERAL FUND	4,091,475	3,233,249	3,413,287	5.57	3,586,093	5.06
BALANCE FORWARD	-51,056	6,848,294	6,792,807	-.81	5,952,100	-12.38
FEDERAL FUND	170,626,209	196,979,818	189,040,493	-4.03	209,388,505	10.76
INTERAGENCY TRANSFER	3,498,790	3,780,353	4,155,791	9.93	4,231,738	1.83
OTHER FUND	18,296,347	23,050,752	24,979,605	8.37	24,572,856	-1.63
REVERSIONS	-491,198					
MINERALS						
DIVISION OF MINERALS	2,602,528	3,471,285	3,476,335	.15	3,428,863	-1.37
BALANCE FORWARD	35,939	1,358,743	1,139,097	-16.17	1,141,087	.17
FEDERAL FUND	26,833	50,000	138,891	177.78	107,119	-22.88
INTERAGENCY TRANSFER	243,519	282,700	93,933	-66.77	93,933	
OTHER FUND	2,296,237	1,779,842	2,104,414	18.24	2,086,724	-.84
TOTAL MINERALS	2,602,528	3,471,285	3,476,335	.15	3,428,863	-1.37
BALANCE FORWARD	35,939	1,358,743	1,139,097	-16.17	1,141,087	.17
FEDERAL FUND	26,833	50,000	138,891	177.78	107,119	-22.88
INTERAGENCY TRANSFER	243,519	282,700	93,933	-66.77	93,933	
OTHER FUND	2,296,237	1,779,842	2,104,414	18.24	2,086,724	-.84

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	2017-2018 Actual	2018-2019 Work Program	2019-2020 GOVERNOR RECOMMENDS	% Change	2020-2021 GOVERNOR RECOMMENDS	% Change
GAMING CONTROL BOARD						
GCB - GAMING CONTROL BOARD	42,505,726	45,324,674	45,670,776	.76	45,786,096	.25
GENERAL FUND	29,517,082	30,221,973	31,225,193	3.32	31,348,095	.39
BALANCE FORWARD	1,244,101	972,397				
INTERAGENCY TRANSFER	11,074,289	12,069,996	12,372,450	2.51	12,361,813	-.09
OTHER FUND	2,119,353	2,060,308	2,073,133	.62	2,076,188	.15
REVERSIONS	-1,449,099					
GCB - GAMING COMMISSION	574,471	538,489	801,266	48.80	833,234	3.99
GENERAL FUND	640,189	538,489	801,266	48.80	833,234	3.99
REVERSIONS	-65,718					
GCB - GAMING CONTROL BOARD INVESTIGATION FUND	12,216,193	13,968,425	13,334,019	-4.54	13,324,251	-.07
BALANCE FORWARD		2,000	2,000		2,000	
OTHER FUND	13,097,379	13,966,425	13,332,019	-4.54	13,322,251	-.07
REVERSIONS	-881,186					
TOTAL GAMING CONTROL BOARD	55,296,390	59,831,588	59,806,061	-.04	59,943,581	.23
GENERAL FUND	30,157,271	30,760,462	32,026,459	4.12	32,181,329	.48
BALANCE FORWARD	1,244,101	974,397	2,000	-99.79	2,000	
INTERAGENCY TRANSFER	11,074,289	12,069,996	12,372,450	2.51	12,361,813	-.09
OTHER FUND	15,216,732	16,026,733	15,405,152	-3.88	15,398,439	-.04
REVERSIONS	-2,396,003					
PUBLIC UTILITIES COMMISSION						
PUC - PUBLIC UTILITIES COMMISSION OF NEVADA	11,911,648	17,188,187	17,071,144	-.68	16,577,697	-2.89
BALANCE FORWARD	474,071	3,350,551	3,991,918	19.14	3,471,827	-13.03
FEDERAL FUND	727,996	574,468	689,065	19.95	703,415	2.08
INTERAGENCY TRANSFER	213,737	181,082	213,737	18.03	213,737	
OTHER FUND	10,495,844	13,082,086	12,176,424	-6.92	12,188,718	.10
TOTAL PUBLIC UTILITIES COMMISSION	11,911,648	17,188,187	17,071,144	-.68	16,577,697	-2.89
BALANCE FORWARD	474,071	3,350,551	3,991,918	19.14	3,471,827	-13.03
FEDERAL FUND	727,996	574,468	689,065	19.95	703,415	2.08
INTERAGENCY TRANSFER	213,737	181,082	213,737	18.03	213,737	
OTHER FUND	10,495,844	13,082,086	12,176,424	-6.92	12,188,718	.10
DEPT OF BUSINESS & INDUSTRY						
B&I - OFFICE OF BUSINESS AND PLANNING	313,284	415,917	339,230	-18.44	349,741	3.10
GENERAL FUND	301,828	315,917	339,230	7.38	349,741	3.10
INTERAGENCY TRANSFER	27,547	100,000				
REVERSIONS	-16,091					
ATHLETIC COMMISSION	1,300,677	3,572,090	3,056,993	-14.42	3,206,936	4.90
BALANCE FORWARD	-726,064	1,937,281	1,447,701	-25.27	1,597,644	10.36
OTHER FUND	2,026,741	1,634,809	1,609,292	-1.56	1,609,292	

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	2017-2018 Actual	2018-2019 Work Program	2019-2020 GOVERNOR RECOMMENDS	% Change	2020-2021 GOVERNOR RECOMMENDS	% Change
B&I - BUSINESS AND INDUSTRY ADMINISTRATION	4,799,716	5,279,057	5,120,292	-3.01	5,322,997	3.96
GENERAL FUND	190,290	207,916	97,476	-53.12	116,113	19.12
INTERAGENCY TRANSFER	4,078,435	4,412,130	4,280,124	-2.99	4,438,907	3.71
OTHER FUND	577,564	659,011	742,692	12.70	767,977	3.40
REVERSIONS	-46,573					
B&I - PRIVATE ACTIVITY BONDS	17,888	1,239,071	1,460,612	17.88	1,658,038	13.52
BALANCE FORWARD	-287,191	1,130,436	1,205,257	6.62	1,402,683	16.38
INTERAGENCY TRANSFER	8,000		8,000		8,000	
OTHER FUND	297,079	108,635	247,355	127.69	247,355	
B&I - EMPLOYEE MANAGEMENT RELATIONS BOARD	401,524	1,412,967	1,467,384	3.85	1,437,316	-2.05
BALANCE FORWARD	-166,272	825,424	949,419	15.02	911,561	-3.99
OTHER FUND	567,796	587,543	517,965	-11.84	525,755	1.50
B&I - LABOR COMMISSIONER	1,728,892	1,924,111	1,869,581	-2.83	1,869,212	-.02
GENERAL FUND	1,783,820	1,924,111	1,869,581	-2.83	1,869,212	-.02
BALANCE FORWARD	48,920					
REVERSIONS	-103,848					
B&I - NV ATTORNEY FOR INJURED WORKERS	3,572,217	3,651,219	3,939,410	7.89	3,995,544	1.42
OTHER FUND	3,617,815	3,651,219	3,939,410	7.89	3,995,544	1.42
REVERSIONS	-45,598					
B&I - INSURANCE REGULATION	9,986,178	18,026,071	15,389,217	-14.63	14,899,680	-3.18
BALANCE FORWARD	1,583,035	3,567,471	4,240,611	18.87	3,866,129	-8.83
FEDERAL FUND	423,330	1,256,567				
INTERAGENCY TRANSFER	405,435	414,058	477,522	15.33	482,467	1.04
OTHER FUND	7,574,378	12,787,975	10,671,084	-16.55	10,551,084	-1.12
B&I - CAPTIVE INSURERS	1,093,070	1,345,589	1,677,633	24.68	1,389,888	-17.15
BALANCE FORWARD	134,818	365,183	291,564	-20.16	366,219	25.61
INTERAGENCY TRANSFER	457,069	307,956	457,069	48.42	457,069	
OTHER FUND	501,183	672,450	929,000	38.15	566,600	-39.01
B&I - INSURANCE RECOVERY		209,320	209,320	.00	209,320	.00
BALANCE FORWARD		209,320	209,320		209,320	
B&I - SELF INSURED - WORKERS COMPENSATION	415,557	579,140	427,153	-26.24	435,312	1.91
OTHER FUND	534,413	579,140	427,153	-26.24	435,312	1.91
REVERSIONS	-118,856					
B&I - DIVISION OF INDUSTRIAL RELATIONS	7,298,754	7,239,494	7,851,480	8.45	8,082,497	2.94
BALANCE FORWARD	582,058					
OTHER FUND	7,351,813	7,239,494	7,851,480	8.45	8,082,497	2.94
REVERSIONS	-635,117					

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	2017-2018 Actual	2018-2019 Work Program	2019-2020 GOVERNOR RECOMMENDS	% Change	2020-2021 GOVERNOR RECOMMENDS	% Change
B&I - OCCUPATIONAL SAFETY & HEALTH ENFORCEMENT	10,378,721	11,556,746	12,152,831	5.16	12,438,339	2.35
FEDERAL FUND	1,313,740	1,368,453	1,363,961	-.33	1,363,961	
OTHER FUND	10,307,593	10,188,293	10,788,870	5.89	11,074,378	2.65
REVERSIONS	-1,242,612					
B&I - SAFETY CONSULTATION AND TRAINING	3,526,363	3,628,657	3,577,443	-1.41	3,636,527	1.65
FEDERAL FUND	973,700	994,544	852,540	-14.28	852,540	
OTHER FUND	2,745,103	2,634,113	2,724,903	3.45	2,783,987	2.17
REVERSIONS	-192,440					
B&I - MINE SAFETY & TRAINING	1,508,366	1,600,976	1,697,109	6.00	1,749,846	3.11
FEDERAL FUND	371,351	278,998	377,346	35.25	377,346	
OTHER FUND	1,391,955	1,321,978	1,319,763	-.17	1,372,500	4.00
REVERSIONS	-254,940					
B&I - REAL ESTATE ADMINISTRATION	3,786,192	3,769,673	4,194,617	11.27	4,533,407	8.08
GENERAL FUND	709,878	822,262	1,009,878	22.82	1,346,009	33.28
BALANCE FORWARD	1,450	1,550				
INTERAGENCY TRANSFER	249,860	260,824	224,111	-14.08	226,770	1.19
OTHER FUND	2,958,721	2,685,037	2,960,628	10.26	2,960,628	
REVERSIONS	-133,717					
B&I - REAL ESTATE EDUCATION AND RESEARCH	570,441	1,010,933	907,657	-10.22	748,088	-17.58
BALANCE FORWARD	11,501	561,686	384,366	-31.57	260,916	-32.12
INTERAGENCY TRANSFER	552,783	447,247	517,134	15.63	481,015	-6.98
OTHER FUND	6,157	2,000	6,157	207.85	6,157	
B&I - REAL ESTATE RECOVERY ACCOUNT	579,919	775,472	890,487	14.83	854,368	-4.06
BALANCE FORWARD		300,000	300,000		300,000	
OTHER FUND	579,919	475,472	590,487	24.19	554,368	-6.12
B&I - COMMON INTEREST COMMUNITIES	2,225,516	4,400,931	4,618,823	4.95	4,802,682	3.98
BALANCE FORWARD	-233,175	1,977,158	2,087,258	5.57	2,249,873	7.79
INTERAGENCY TRANSFER	705	1,000				
OTHER FUND	2,457,986	2,422,773	2,531,565	4.49	2,552,809	.84
B&I - HOUSING DIVISION	6,899,715	13,027,535	12,459,657	-4.36	13,374,347	7.34
BALANCE FORWARD	-971,571	1,820,423	203,773	-88.81	1,417,023	595.39
FEDERAL FUND	3,809,279	3,023,400	3,016,970	-.21	3,016,970	
INTERAGENCY TRANSFER	442,121	456,310	511,912	12.19	520,364	1.65
OTHER FUND	3,619,886	7,727,402	8,727,002	12.94	8,419,990	-3.52
B&I - ACCOUNT FOR LOW-INCOME HOUSING	8,163,664	30,524,210	32,449,302	6.31	33,698,863	3.85
BALANCE FORWARD	-1,481,249	19,447,727	20,148,953	3.61	21,398,514	6.20
FEDERAL FUND	1,019,781	3,864,038	3,852,437	-.30	3,852,437	
OTHER FUND	8,625,132	7,212,445	8,447,912	17.13	8,447,912	
B&I - SPECIAL HOUSING ASSISTANCE	375,985	1,239,525	2,134,573	72.21	1,174,453	-44.98
BALANCE FORWARD	227,654	822,155	493,777	-39.94	642,107	30.04
FEDERAL FUND		399,016	1,492,465	274.04	384,015	-74.27
OTHER FUND	148,331	18,354	148,331	708.17	148,331	

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B&I - WEATHERIZATION	5,714,794	7,817,645	7,995,901	2.28	8,000,368	.06
BALANCE FORWARD	284,065	1,675,565	1,881,728	12.30	1,853,587	-1.50
FEDERAL FUND	904,131	871,308	1,016,157	16.62	1,016,157	
INTERAGENCY TRANSFER	1,207,043	2,025,554	1,756,880	-13.26	1,756,880	
OTHER FUND	3,319,555	3,245,218	3,341,136	2.96	3,373,744	.98
B&I - HOUSING INSPECTION & COMPLIANCE	2,562,517	4,470,859	4,394,430	-1.71	4,359,449	-.80
BALANCE FORWARD	-319,219	1,638,022	1,565,208	-4.45	1,517,691	-3.04
FEDERAL FUND	23,040	22,578	21,866	-3.15	21,866	
INTERAGENCY TRANSFER	310,248	545,477	465,084	-14.74	473,034	1.71
OTHER FUND	2,548,448	2,264,782	2,342,272	3.42	2,346,858	.20
B&I - DIVISION OF FINANCIAL INSTITUTIONS	3,465,116	6,011,121	5,550,834	-7.66	4,930,863	-11.17
GENERAL FUND	100	100				
BALANCE FORWARD	-26,261	2,787,784	1,982,810	-28.88	1,442,594	-27.24
OTHER FUND	3,491,377	3,223,237	3,568,024	10.70	3,488,269	-2.24
REVERSIONS	-100					
B&I - FINANCIAL INSTITUTIONS INVESTIGATIONS	69,398	1,479,419	1,518,940	2.67	1,524,824	.39
BALANCE FORWARD	-124,647	1,369,794	1,419,356	3.62	1,449,440	2.12
OTHER FUND	194,045	109,625	99,584	-9.16	75,384	-24.30
B&I - FINANCIAL INSTITUTIONS AUDIT	116,013	243,821	246,854	1.24	238,751	-3.28
BALANCE FORWARD	-11,609	127,111	119,878	-5.69	111,775	-6.76
OTHER FUND	127,622	116,710	126,976	8.80	126,976	
B&I - DIVISION OF MORTGAGE LENDING	2,578,900	12,626,055	13,985,161	10.76	15,123,965	8.14
BALANCE FORWARD	-1,916,874	8,593,664	9,888,176	15.06	10,979,305	11.03
INTERAGENCY TRANSFER	915	1,701				
OTHER FUND	4,494,859	4,030,690	4,096,985	1.64	4,144,660	1.16
B&I - TAXICAB AUTHORITY	5,580,766	11,813,549	9,223,813	-21.92	8,202,149	-11.08
BALANCE FORWARD	-37,393	5,731,204	4,092,601	-28.59	3,534,512	-13.64
OTHER FUND	5,618,159	6,082,345	5,131,212	-15.64	4,667,637	-9.03
B&I - NEVADA TRANSPORTATION AUTHORITY	4,531,890	5,430,631	5,583,353	2.81	5,809,581	4.05
BALANCE FORWARD	137,835	550,832	504,269	-8.45	501,072	-.63
HIGHWAY FUND	2,531,758	2,465,352	2,582,599	4.76	2,717,559	5.23
OTHER FUND	1,958,725	2,414,447	2,496,485	3.40	2,590,950	3.78
REVERSIONS	-96,428					
B&I - TRANSPORTATION AUTHORITY ADMIN FINES	96,339	1,111,127	1,229,558	10.66	1,297,585	5.53
BALANCE FORWARD	-70,110	846,971	1,004,672	18.62	1,072,699	6.77
OTHER FUND	166,449	264,156	224,886	-14.87	224,886	

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	2017-2018 Actual	2018-2019 Work Program	2019-2020 GOVERNOR RECOMMENDS	% Change	2020-2021 GOVERNOR RECOMMENDS	% Change
TOTAL DEPT OF BUSINESS & INDUSTRY	93,658,372	167,432,931	167,619,648	.11	169,354,936	1.04
GENERAL FUND	2,985,916	3,270,306	3,316,165	1.40	3,681,075	11.00
BALANCE FORWARD	-3,360,299	56,286,761	54,420,697	-3.32	57,084,664	4.90
FEDERAL FUND	8,838,352	12,078,902	11,993,742	-.71	10,885,292	-9.24
HIGHWAY FUND	2,531,758	2,465,352	2,582,599	4.76	2,717,559	5.23
INTERAGENCY TRANSFER	7,740,161	8,972,257	8,697,836	-3.06	8,844,506	1.69
OTHER FUND	77,808,804	84,359,353	86,608,609	2.67	86,141,840	-.54
REVERSIONS	-2,886,320					
GOVERNOR'S OFFICE OF ECONOMIC DEVELOPMENT						
SMALL BUSINESS ENTERPRISE LOAN	500,000	500,000				
GENERAL FUND	1,000,000					
BALANCE FORWARD	-500,000	500,000				
NEVADA MAIN STREET PROGRAM	67,022	282,978				
BALANCE FORWARD	-282,978	282,978				
INTERIM FINANCE	350,000					
GOED - GOVERNOR'S OFFICE OF ECONOMIC DEV	8,418,494	8,680,092	8,321,171	-4.13	8,296,009	-.30
GENERAL FUND	7,894,440	7,833,304	7,696,897	-1.74	7,671,735	-.33
FEDERAL FUND	197,917	383,000	197,917	-48.32	197,917	
INTERAGENCY TRANSFER	10,000	8,258	10,000	21.09	10,000	
OTHER FUND	408,857	455,530	416,357	-8.60	416,357	
REVERSIONS	-92,720					
GOED - NEVADA FILM OFFICE	700,204	825,350	861,320	4.36	868,043	.78
BALANCE FORWARD	-7,362	103,202	134,851	30.67	129,684	-3.83
INTERAGENCY TRANSFER	659,416	661,273	678,319	2.58	690,209	1.75
OTHER FUND	48,150	60,875	48,150	-20.90	48,150	
GOED - RURAL COMMUNITY DEVELOPMENT	1,658,956	2,792,165	3,426,611	22.72	3,427,145	.02
GENERAL FUND	177,401	176,129	180,582	2.53	181,457	.48
FEDERAL FUND	1,545,703	2,616,036	3,246,029	24.08	3,245,688	-.01
REVERSIONS	-64,148					
GOED - PROCUREMENT OUTREACH PROGRAM	655,897	724,709	733,879	1.27	738,213	.59
GENERAL FUND	126,032	124,717	133,879	7.35	138,213	3.24
FEDERAL FUND	544,966	599,992	600,000	.00	600,000	
REVERSIONS	-15,101					
GOED - NEVADA CATALYST FUND	1,421,607	4,602,822	3,565,661	-22.53	2,166,276	-39.25
BALANCE FORWARD	1,341,183	4,602,822	3,523,322	-23.45	2,144,054	-39.15
OTHER FUND	80,424		42,339		22,222	-47.51
GOED - NEVADA SBCI PROGRAM	2,296,790	8,363,015	3,576,981	-57.23	2,629,375	-26.49
BALANCE FORWARD	897,436	6,929,476	2,265,553	-67.31	1,333,613	-41.14
OTHER FUND	1,399,354	1,433,539	1,311,428	-8.52	1,295,762	-1.19
GOED - WORKFORCE INNOVATIONS FOR A NEW NEVADA ACCT	394,425	7,605,576	4,000,000	-47.41		
GENERAL FUND	3,500,000	4,500,000	4,000,000	-11.11		
BALANCE FORWARD	-3,105,575	3,105,576				

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	2017-2018 Actual	2018-2019 Work Program	2019-2020 GOVERNOR RECOMMENDS	% Change	2020-2021 GOVERNOR RECOMMENDS	% Change
GOED - NEVADA KNOWLEDGE FUND	5,711,880	8,450,773	7,080,123	-16.22	6,444,082	-8.98
GENERAL FUND	5,000,000	5,000,000	5,000,000		5,000,000	
BALANCE FORWARD	609,129	3,401,889	2,002,811	-41.13	1,368,243	-31.68
OTHER FUND	102,751	48,884	77,312	58.15	75,839	-1.91
TOTAL GOVERNOR'S OFFICE OF ECONOMIC DEVELOPMENT	21,825,275	42,827,480	31,565,746	-26.30	24,569,143	-22.17
GENERAL FUND	17,697,873	17,634,150	17,011,358	-3.53	12,991,405	-23.63
BALANCE FORWARD	-1,048,167	18,925,943	7,926,537	-58.12	4,975,594	-37.23
FEDERAL FUND	2,288,586	3,599,028	4,043,946	12.36	4,043,605	-.01
INTERAGENCY TRANSFER	669,416	669,531	688,319	2.81	700,209	1.73
INTERIM FINANCE	350,000					
OTHER FUND	2,039,536	1,998,828	1,895,586	-5.17	1,858,330	-1.97
REVERSIONS	-171,969					
DEPARTMENT OF TOURISM AND CULTURAL AFFAIRS						
TOURISM - STEWART INDIAN SCHOOL LIVING LEGACY	182,668	315,358	184,638	-41.45	192,364	4.18
GENERAL FUND	162,280	168,358	184,638	9.67	192,364	4.18
BALANCE FORWARD	17,617					
INTERAGENCY TRANSFER	3,041	147,000				
REVERSIONS	-270					
TOURISM - TOURISM DEVELOPMENT FUND	25,303,024	32,323,999	31,825,819	-1.54	31,797,070	-.09
BALANCE FORWARD	638,022	6,547,821	6,064,672	-7.38	5,180,763	-14.57
OTHER FUND	24,665,002	25,776,178	25,761,147	-.06	26,616,307	3.32
TOURISM - TOURISM DEVELOPMENT	2,600	214,551	219,203	2.17	223,855	2.12
BALANCE FORWARD	-102,052	109,817	114,551	4.31	119,203	4.06
INTERAGENCY TRANSFER	100,000	100,000	100,000		100,000	
OTHER FUND	4,652	4,734	4,652	-1.73	4,652	
TOURISM - NEVADA MAGAZINE	1,036,328	1,225,244	1,151,406	-6.03	1,221,455	6.08
BALANCE FORWARD	24,702	85,106	55,797	-34.44	125,846	125.54
OTHER FUND	1,011,626	1,140,138	1,095,609	-3.91	1,095,609	
TOURISM - MUSEUMS & HISTORY	496,391	1,072,999	651,873	-39.25	652,043	.03
GENERAL FUND	453,859	452,694	224,033	-50.51	230,816	3.03
BALANCE FORWARD	-167,055	167,056				
INTERAGENCY TRANSFER	254,067	252,739	278,818	10.32	287,107	2.97
OTHER FUND	168,566	200,510	149,022	-25.68	134,120	-10.00
REVERSIONS	-213,046					
TOURISM - MUSEUMS & HIST - LOST CITY MUSEUM	437,391	513,697	552,790	7.61	568,373	2.82
GENERAL FUND	177,463	187,652	197,141	5.06	203,068	3.01
FEDERAL FUND	406					
INTERAGENCY TRANSFER	198,481	229,415	240,971	5.04	248,217	3.01
OTHER FUND	81,199	96,630	114,678	18.68	117,088	2.10
REVERSIONS	-20,158					

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	2017-2018 Actual	2018-2019 Work Program	2019-2020 GOVERNOR RECOMMENDS	% Change	2020-2021 GOVERNOR RECOMMENDS	% Change
TOURISM - MUSEUMS & HIST-NEVADA HISTORICAL SOCIETY	540,099	639,356	648,221	1.39	667,716	3.01
GENERAL FUND	279,785	284,490	288,763	1.50	297,535	3.04
FEDERAL FUND	4,500					
INTERAGENCY TRANSFER	290,993	347,710	352,932	1.50	363,655	3.04
OTHER FUND	6,526	7,156	6,526	-8.80	6,526	
REVERSIONS	-41,705					
TOURISM - MUSEUMS & HIST - NEVADA STATE MUSEUM, CC	1,798,234	1,859,594	1,941,248	4.39	1,990,104	2.52
GENERAL FUND	689,085	720,813	743,208	3.11	764,150	2.82
BALANCE FORWARD	108,720					
INTERAGENCY TRANSFER	776,265	880,997	908,367	3.11	933,960	2.82
OTHER FUND	278,122	257,784	289,673	12.37	291,994	.80
REVERSIONS	-53,958					
TOURISM - MUSEUMS & HIST - NEVADA STATE MUSEUM, LV	2,010,187	1,660,765	1,717,518	3.42	1,765,760	2.81
GENERAL FUND	1,174,083	686,484	711,334	3.62	731,528	2.84
INTERAGENCY TRANSFER	799,611	839,038	869,410	3.62	894,089	2.84
OTHER FUND	56,348	135,243	136,774	1.13	140,143	2.46
REVERSIONS	-19,855					
TOURISM - MUSEUMS & HIST-NV STATE RAILROAD MUSEUMS	1,435,455	1,429,431	1,696,989	18.72	1,746,630	2.93
GENERAL FUND	426,702	443,441	554,703	25.09	575,990	3.84
BALANCE FORWARD	382,190					
FEDERAL FUND		30,000				
INTERAGENCY TRANSFER	226,744	541,982	677,974	25.09	703,984	3.84
OTHER FUND	457,156	414,008	464,312	12.15	466,656	.50
REVERSIONS	-57,337					
TOURISM - NEVADA ARTS COUNCIL	2,480,804	2,764,115	2,679,216	-3.07	2,677,199	-.08
GENERAL FUND	483,753	491,955	477,971	-2.84	483,895	1.24
BALANCE FORWARD	-3,552	171,537	124,308	-27.53	110,447	-11.15
FEDERAL FUND	696,400	704,200	696,400	-1.11	696,400	
INTERAGENCY TRANSFER	1,126,266	1,183,906	1,166,352	-1.48	1,172,272	.51
OTHER FUND	214,185	212,517	214,185	.78	214,185	
REVERSIONS	-36,248					
TOURISM - NEVADA HUMANITIES	100,000	100,000	100,000	.00	100,000	.00
GENERAL FUND	100,000	100,000	100,000		100,000	
TOURISM - INDIAN COMMISSION	389,916	316,682	330,624	4.40	342,753	3.67
GENERAL FUND	219,134	226,182	239,849	6.04	249,737	4.12
BALANCE FORWARD	122,808	10,373				
INTERAGENCY TRANSFER	57,326	80,127	90,775	13.29	93,016	2.47
REVERSIONS	-9,352					

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	2017-2018 Actual	2018-2019 Work Program	2019-2020 GOVERNOR RECOMMENDS	% Change	2020-2021 GOVERNOR RECOMMENDS	% Change
TOTAL DEPARTMENT OF TOURISM AND CULTURAL AFFAIRS	36,213,097	44,435,791	43,699,545	-1.66	43,945,322	.56
GENERAL FUND	4,166,144	3,762,069	3,721,640	-1.07	3,829,083	2.89
BALANCE FORWARD	1,021,400	7,091,710	6,359,328	-10.33	5,536,259	-12.94
FEDERAL FUND	701,306	734,200	696,400	-5.15	696,400	
INTERAGENCY TRANSFER	3,832,794	4,602,914	4,685,599	1.80	4,796,300	2.36
OTHER FUND	26,943,382	28,244,898	28,236,578	-.03	29,087,280	3.01
REVERSIONS	-451,929					
COMMERCE & INDUSTRY						
GENERAL FUND	59,098,679	58,660,236	59,488,909	1.41	56,268,985	-5.41
BALANCE FORWARD	-1,684,011	94,836,399	80,632,384	-14.98	78,163,531	-3.06
FEDERAL FUND	183,209,282	214,016,416	206,602,537	-3.46	225,824,336	9.30
HIGHWAY FUND	2,531,758	2,465,352	2,582,599	4.76	2,717,559	5.23
INTERAGENCY TRANSFER	27,272,706	30,558,833	30,907,665	1.14	31,242,236	1.08
INTERIM FINANCE	350,000					
OTHER FUND	153,096,882	168,542,492	171,406,368	1.70	171,334,187	-.04
REVERSIONS	-6,397,419					
TOTAL FOR COMMERCE & INDUSTRY	417,477,877	569,079,728	551,620,462	-3.07	565,550,834	2.53
Less: INTER-AGENCY TRANSFER	27,272,706	30,558,833	30,907,665	1.14	31,242,236	1.08
NET COMMERCE & INDUSTRY	390,205,171	538,520,895	520,712,797	-3.31	534,308,598	2.61

HEALTH AND HUMAN SERVICES

The Health and Human Services function consists of the Department of Health and Human Services (DHHS), which includes the divisions of Health Care Financing and Policy, Aging and Disability Services, Public and Behavioral Health, Welfare and Supportive Services, Child and Family Services and the Public Defender's Office. This function also includes the Department of Employment, Training and Rehabilitation.

The Executive Budget recommends General Fund support for the Health and Human Services functional area totaling \$3.024 billion for the 2019-21 biennium, which is a 21.1 percent increase compared to the \$2.497 billion approved by the 2017 Legislature for the 2017-19 biennium. The Governor recommends \$11.967 billion in the 2019-21 biennium from all funding sources, less interagency transfers, which is a 14.0 percent increase over the \$10.493 billion approved for the 2017-19 biennium.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

DIRECTOR'S OFFICE

The Director's Office is responsible for coordinating all departmental programs, overseeing the department's budgets and providing technical assistance to the various divisions within the department. The following budgets are directly administered by the Director's Office: Grief Support Trust Account; Administration; Upper Payment Limit Holding Account; Developmental Disabilities; Grants Management Unit; Consumer Health Assistance; Indigent Hospital Care; State Public Defender, Individuals with Disabilities Education Act-Part C; Problem Gambling; and Children's Trust Account. The Executive Budget recommends moving the Problem Gambling budget to the Division of Public and Behavioral Health (DPBH), and the Children's Trust Account budget to the Division of Child and Family Services (DCFS).

UPPER PAYMENT LIMIT HOLDING ACCOUNT

The 2017 Legislature authorized the continuation of the Upper Payment Limit (UPL) Holding Account through Section 57 of Assembly Bill 518 to allow the Department of Health and Human Services (DHHS) to receive funding transferred from other DHHS divisions resulting from savings associated with not providing health care and related services. The legislation also specifies that funding transferred to this account must be utilized to support the state share of an expanded Medicaid supplemental payment program and associated administrative costs, with any remaining funding reverting to the General Fund.

The Executive Budget recommends continuing the UPL Holding Account in the 2019-21 biennium. To provide for enhanced tracking and transparency, the Governor recommends establishing authority to revert excess tobacco settlement funding to the Fund for a Healthy Nevada.

The Governor recommends transferring savings of \$13.8 million in each year of the 2019-21 biennium that are budgeted but not incurred from the DPBH, DCFS and Aging and Disability Services Division budgets to this budget in the Director's Office. The Governor recommends transferring \$8.4 million and \$8.0 million in FY 2020 and FY 2021, respectively, from this account to the Division of Health Care Financing and Policy (DHCFP) to provide the state share of the Private Hospital Collaborative UPL supplemental payment program. General Fund reversions are projected to amount to \$4.2 million in FY 2020 and \$4.6 million in FY 2021 and reversions to the Fund for a Healthy Nevada are projected at \$1.1 million in each year of the 2019-12 biennium.

GRANTS MANAGEMENT UNIT

The Grants Management Unit (GMU) administers grant programs within the DHHS Director's Office, which include: tobacco settlement funds (Fund for a Healthy Nevada); Federal Title XX Purchase of Social Services; Community Services Block Grant; Children's Trust Account; Community-Based Child Abuse Prevention grant; and funds for the Prevention and Treatment of Problem Gambling.

Revenue for the Fund for a Healthy Nevada (FHN) is provided through a transfer from the Treasurer's Office (non-Executive budget) of tobacco settlement funds received by the state pursuant to the Tobacco Master Settlement Agreement of 1998. *Nevada Revised Statutes* 439.620 requires that the FHN be administered by the State Treasurer. After allocations to the Attorney General's Office for the Tobacco Enforcement Unit and the Department of Taxation's Compliance Unit, the Treasurer transfers 60 percent of the tobacco settlement funds from the FHN to various DHHS budgets, and the remaining 40 percent supports the Governor Guinn Millennium Scholarship program.

Pursuant to NRS 439.630, the DHHS Director must consider the recommendations of the Grants Management Advisory Committee, the Nevada Commission on Aging and the Nevada Commission on Services for Persons with Disabilities, after conducting a statewide needs assessment, in developing a spending plan for the allocation of tobacco settlement funds. For the entire department, The Executive Budget recommends the following FHN allocations over the 2019-21 biennium pursuant to the spending plan developed by the DHHS Director:

Use Category	FY 2020	FY 2021	Biennium Total	Notes
Senior Rx; Senior Independent/Assisted Living NRS 439.630(c-e)	\$ 6,670,000	\$ 6,670,000	\$ 13,340,000	
Tobacco Cessation NRS 439.630(f)	\$ 950,000	\$ 950,000	\$ 1,900,000	
Wellness NRS 439.630(g)	\$ 12,720,976	\$ 12,698,625	\$ 25,419,601	Includes: Minority Health, Incubator Project, Suicide Prevention, Hunger Prevention, SafeVoice, Immunization, 2-1-1 Support, Differential Response, Family Resource Centers, Adult/Youth Mental Health
Disability Grants, Disability Rx NRS 439.630(h-i)	\$ 5,381,500	\$ 5,381,500	\$ 10,763,000	Includes: Respite, Positive Behavior Support, Independent Living grants, NV 2-1-1, Autism, Family Preservation
Sub-Total	\$ 25,722,476	\$ 25,700,125	\$ 51,422,601	
Administrative Costs	\$ 1,044,623	\$ 1,044,623	\$ 2,089,246	
Total	\$ 26,767,099	\$ 26,744,748	\$ 53,511,847	

Of the \$53.5 million in tobacco settlement funds shown in the table above, The Executive Budget recommends \$15.0 million over the 2019-21 biennium for the GMU to administer the funds and award grants, which represents a 10.3 percent decrease from the \$16.7 million approved for the GMU over the 2017-19 biennium. The decrease is primarily due to the Governor's recommendation to transfer funding for the Hunger Prevention program to DPBH, and transfer funding for the Differential Response program to DCFS.

Regarding the tobacco settlement funds of \$15.0 million over the 2019-21 biennium that the GMU would administer directly, the Governor recommends several notable changes from the 2017-19 biennium:

- New funding of \$1.0 million in each year of the 2019-21 biennium for Wellness for Family Services. The funding would be subgranted by the Grants Management Advisory Committee for the purpose of providing preventive and early intervention services.
- Transfer existing funding of \$2.1 million in each year of the 2019-21 biennium, supporting the Hunger Prevention program, to the Chronic Disease budget in DPBH. The recommendation also includes the transfer of an existing position and associated costs.
- Transfer existing funding of \$1.4 million in each year of the 2019-21 biennium, supporting the Differential Response program, to the Children, Youth and Family Administration budget in DCFS. The recommendation also includes the transfer of an existing position and associated costs.

In addition to the recommended changes for GMU-administered tobacco settlement funds, The Executive Budget recommends transferring other funding out of the GMU budget:

- Transfer existing Children's Trust Fund funding and the Community-Based Child Abuse Prevention grant, totaling \$1.8 million over the 2019-21 biennium, to the Children, Youth and Family Administration budget in DCFS. The recommendation also includes the transfer of an existing position and associated costs.
- Transfer existing Problem Gambling Prevention funding, totaling \$211,060 over the 2019-21 biennium, to the Behavioral Health Prevention and Treatment budget in DPBH. The recommendation also includes the transfer of an existing position and associated costs.

Title XX Purchase of Social Services

The Purchase of Social Services program, established under Title XX of the federal Social Security Act, provides states with funds for a wide variety of social service programs. The state's Title XX funds support subgrants to state and non-state agencies. The Executive Budget recommends total expenditure authority of \$28.7 million over the 2019-21 biennium. The Governor recommends Title XX grants to non-state agencies at \$3.7 million for each fiscal year of the 2019-21 biennium, an increase to the

\$1.1 million per year authorized for the 2017-19 biennium. The increase is due to a change implemented during the 2017-19 biennium, whereby the GMU directly disburses \$2.6 million per year in Title XX grants to Washoe County and Clark County (non-state agencies) for child welfare services. Previously, the GMU disbursed this funding to DCFS, which subgranted the funding to the two counties.

CONSUMER HEALTH ASSISTANCE

To streamline consumer-related information, and improve the facilitation of resources and outreach efforts, the 2011 Legislature approved the Governor's recommendation to merge the Office of Consumer Health Assistance with the Office of Minority Health.

The Office of Consumer Health Assistance assists Nevada consumers in navigating the health care system to understand patient rights and responsibilities under various health care plans, including industrial insurance, Medicaid and prescription drug programs. The office responds to and investigates complaints regarding health care plans and policies, resolves disputes between patients and hospitals, and conducts and coordinates statewide educational outreach to increase awareness of and access to health care services. The mission of the Nevada Office of Minority Health is to improve the quality of health care services for members of minority groups.

The Governor recommends General Fund appropriations of \$510,411 over the 2019-21 biennium to establish a Consumer Health Protection Bureau to provide mediation for disputed billings for out-of-network service charges incurred during emergency visits. The recommendation includes two new positions, an unclassified chief advocate and a classified Management Analyst, and associated expenditures, as well as a database for collection of "agreed-upon rates" to be used as benchmarks.

INDIGENT HOSPITAL CARE

The Indigent Hospital Care account, previously known as the Indigent Supplemental account, was created to provide reimbursement to Nevada counties for unpaid hospital charges for medical treatment of indigent persons and reimbursement to hospitals for care provided to indigent persons who have been injured in motor vehicle accidents in Nevada. The account is primarily funded by a property tax levy of 1.5 cents on each \$100 of assessed valuation and unmet free care funding collected from hospitals pursuant to NRS 439B.340. The account is administered by the Board of Trustees of the Fund for Hospital Care to Indigent Persons.

The 2013 Legislature approved Senate Bill 452, which authorizes the Board of Trustees to enter into an agreement with the DHCFP to transfer funds from this account to the DHCFP to provide for enhanced reimbursement rates for hospital care for Medicaid recipients or make supplemental payments to hospitals in accordance with the Medicaid State Plan. Funding from this account may also provide relief to counties that are unable to meet the obligation to fund their portion of the state share of costs associated with the County Indigent population in the Medicaid budget.

The Executive Budget recommends continuing the transfer of funding from this account to the DHCFP to support the state share of the Medicaid supplemental payment program, known as the Indigent Accident Fund Upper Payment Limit program, and includes transfers of \$34.2 million in each year of the upcoming biennium.

PROBLEM GAMBLING

The Revolving Account for the Prevention and Treatment of Problem Gambling was created by the 2005 Legislature (NRS 458A) to provide for programs that expand and improve the treatment and prevention of problem gambling through workforce development, research and evaluation and increasing the number of treatment facilities and providers in Nevada. The program is funded through a transfer of an amount equal to \$2 for each slot machine subject to the quarterly slot machine license fee.

The Governor recommends changing the funding source for the Problem Gambling budget from the current Quarterly Slot Tax to a small portion of the Gaming Percentage Fees revenue currently collected by the state. In addition, The Executive Budget recommends increasing the budget's revenues by \$6.8 million over the 2019-21 biennium, which would be utilized for problem gambling grants.

AGING AND DISABILITY SERVICES DIVISION

The Aging and Disability Services Division (ADSD) develops, coordinates and delivers a comprehensive system of support services, which allow Nevada's residents who are 60 years of age and older, and persons with disabilities, to lead independent, meaningful and dignified lives.

The Governor recommends General Fund appropriations of \$399.3 million over the 2019-21 biennium, representing an increase of \$63.1 million, or 18.8 percent, over the \$336.2 million approved by the 2017 Legislature. Total funding is recommended to increase by \$102.7 million, or 15.2 percent, from \$674.1 million to \$776.9 million; however, if interagency transfers are excluded, total funding would increase by \$64.7 million, or 15.7 percent, from \$412.1 million to \$476.7 million. Although General Fund appropriations are the largest funding source for the division, other funding sources for ADSD include Medicaid reimbursements, various federal funding sources, and tobacco settlement funds transferred from the State Treasurer's Office (i.e., Healthy Nevada Funds).

Budget Reorganization

The Executive Budget includes various transfers between ADSD budgets that would create a true administrative budget, separate from programs and grants; help align the budgets with the different services provided; and allow for the cost allocation of time spent by staff and managers on multiple programs.

SENIOR RX AND DISABILITY RX PROGRAMS

The Senior Rx and Disability Rx programs assist eligible low-income seniors and the disabled to obtain prescription medications. The programs help recipients pay for Medicare Part D premiums and Medicare Part D gap (i.e., the “doughnut hole”) costs. In addition, the programs provide assistance for enrollees not eligible for Medicare. The Executive Budget recommends the programs continue to be supported by Healthy Nevada Funds. The Governor recommends reducing Healthy Nevada Funds by \$922,412 in FY 2020 and \$928,903 in FY 2021 due to a projected reduction in Senior Rx and Disability Rx clients as a result of the implementation of income verification/eligibility verification in May 2017. The caseload for the Senior Rx program is projected to decrease from 4,536 actual clients in June 2017 to 2,977 clients in June 2020 and 2,975 clients in June 2021. The caseload for the Disability Rx program is projected to decrease from 707 actual clients in June 2017 to 377 clients in June 2020 and increases slightly to 380 clients in June 2021.

FEDERAL PROGRAMS AND ADMINISTRATION

The Federal Programs and Administration budget is the primary administrative budget and provides centralized fiscal, human resources and information technology services for the division. The budget is funded with General Fund appropriations and cost allocation revenue charged for services provided to the other budgets within the division.

The Governor recommends transferring programs including the Long-Term Care Ombudsman Program (LTCOP), nutrition and home-delivered meals programs, and social services and family caregiver support programs to the Home and Community Based Services budget as part of the ADSD budget reorganization. The recommended base budget transfer includes total funding of \$20.4 million (\$3.3 million General Fund appropriation) in FY 2020 and \$20.5 million (\$3.4 million General Fund appropriation) in FY 2021, 57 positions, and related operating and grant expenditures.

In addition to the base budget transfer, the Governor recommends General Fund appropriations of \$1.5 million over the 2019-21 biennium to increase the caseloads for the LTCOP, which provides information and advocacy services to individuals in long-term care facilities. The caseload for the LTCOP is recommended to increase from a monthly average of 1,063 in FY 2019 to a monthly average of 1,153 and 1,244 for FY 2020 and FY 2021, respectively. The recommendation includes the addition of 11 positions (9 Elder Rights positions, a Social Services Program Specialist and an Administrative Assistant) by the end of FY 2021 with associated operating and equipment expenditures. The Governor also recommends additional General Fund appropriations of \$822,911 in each year of the 2019-21 biennium for the home-delivered meals program. The funding would provide meals to an estimated 3,898 individuals, which includes 97 individuals on the waitlist that have been evaluated and deemed eligible for services. According to information provided by the agency, there are currently an additional 576 individuals that are waiting for evaluation. The funding recommended by the Governor would also provide for a \$0.50 rate increase for home-delivered meals from \$3.15 per meal to \$3.65 per meal. As part of the ADSD budget reorganization, the

LTCOP and the home-delivered meals program are recommended by the Governor to be transferred to the Home and Community Based Services budget.

HOME AND COMMUNITY BASED SERVICES

The Home and Community Based Services budget, includes Community Based Care Services (Community Options Program for the Elderly [COPE], Personal Assistance Services [PAS] and Homemaker programs) and the Adult Protective Services (APS) program. The budget also includes aging programs such as the LTCOP, nutrition and home-delivered meals programs, and social services and family caregiver support programs recommended by the Governor to be transferred from the Federal Programs and Administration budget as part of the ADSD budget reorganization. Also as part of the ADSD budget reorganization, Communication Access Services and the Autism Treatment Assistance Program (ATAP) are recommended to be transferred from the Home and Community Based Services budget to new, standalone budgets. The Home and Community Based Services budget is primarily funded with General Fund appropriations and federal funds.

Community Based Services provide alternatives to nursing home placement for seniors at risk of institutionalization through the federally-funded Medicaid Home and Community Based Waiver (HCBW) for the Frail Elderly and HCBW for Persons with Physical Disabilities. The Division of Health Care Financing and Policy has administrative authority, establishes policy and makes payments for services for the HCBW programs, while the ADSD incurs the personnel and operating costs related to overseeing and operating the waiver programs.

Home and Community Based Services Caseloads and Waitlists

The Executive Budget includes \$5.3 million (\$4.4 million General Fund appropriations) over the 2019-21 biennium to adjust the caseloads for the community-based care, COPE, PAS, homemaker and APS programs as well as eliminate the projected waitlists for the COPE and homemaker programs. The recommendations include the addition of 28 positions with associated operating and equipment expenditures.

Adult Protective Services Program

The Executive Budget includes Federal Victims of Crime Act grant funds transferred from the Division of Child and Family Services of \$688,313 in FY 2020 and \$652,981 in FY 2021 to continue expansion of the current APS program to a full APS program. In Nevada, adults with disabilities do not have coverage of protective services the way children (0-18 years of age) and older adults (60 years of age and over) do. The base budget includes the initial expansion from an Elder Protective Services program to an APS program, including nine positions with operating costs. The additional funding recommended by the Governor would expand the program to a full APS program by allowing ADSD to perform investigations for vulnerable individuals.

Personal Care Services Rate Increase

The Governor recommends General Fund appropriations of \$335,273 over the 2019-21 biennium for a provider rate increase for personal care services for the Personal Assistance Services and Community Options for the Elderly programs from \$4.25 to \$4.39 per service unit (15 minutes) effective January 1, 2020.

COMMUNICATION ACCESS SERVICES

The Governor recommends transferring Communication Access Services, which provides communication access to Nevadan's who are deaf, hard of hearing or speech impaired, from the Home and Community Based Services budget to a new budget as part of the ADSD budget reorganization. The recommendation transfers total Telephone Surcharge funding of \$4.5 million in each year of the 2019-21 biennium and four positions with associated operating costs. Nevada's communication access programs are funded by telephone users through a monthly surcharge on phone lines in the state that is collected by the Public Utilities Commission and administered through ADSD.

EARLY INTERVENTION SERVICES

Early Intervention Services (EIS) are provided to children who are birth to three years of age who have known or suspected developmental delays in the areas of cognition, communication, physical development (including vision and hearing), social and emotional development, and/or adaptive skills as required by Part C of the Individuals with Disabilities Education Act. The program provides services and support for families with children who have developmental delays and helps facilitate the children's learning and individualized development. The Executive Budget includes General Fund appropriations of \$267,670 over the 2019-21 biennium to adjust the average number of children served per month from 3,653 children at the end of FY 2018 to 3,601 children at the end of FY 2020 and 3,639 children at the end of FY 2021. The recommendation continues the current EIS service model in which caseload management and service delivery for 50 percent of the caseload is overseen by the state and 50 percent of the caseload is overseen by community providers.

The Executive Budget also includes a net reduction in General Fund appropriations of \$23,947 and Medicaid funding of \$5,244 to reduce the net staffing level for the EIS program by two positions. The recommendation includes requesting three Management Analyst positions to support and oversee statewide initiatives for children's services to be funded through the elimination of four vacant Developmental Specialist positions. In addition, the Governor recommends replacing a half-time contracted physician that has been difficult to fill and retain with a full-time state Physician position that would be partially funded with the elimination of two vacant Developmental Specialist positions.

AUTISM TREATMENT ASSISTANCE PROGRAM

The Governor recommends transferring the Autism Treatment Assistance Program (ATAP), which assists parents and caregivers with the cost of providing Autism-specific treatments to children with Autism Spectrum Disorder, from the Home and Community Based Services budget to a new budget as part of the ADSD budget reorganization. The recommendation transfers total funding of \$16.0 million (\$7.8 million General Fund appropriation) in FY 2020 and \$18.0 million (\$9.5 million General Fund appropriation) in FY 2021, and a total of 57 positions with associated operating costs by the end of FY 2021. Of these totals, the Governor recommends \$5.3 million (\$4.4 million General Fund appropriations) over the 2019-21 biennium to eliminate the ATAP waitlist, including the addition of 17 positions (a Clinical Program Planner, 14 Developmental Specialists and 2 Administrative Assistants) by the end of FY 2021 with associated operating and equipment expenditures. The total recommendation also includes replacing General Fund appropriations of \$3.5 million in each year of the 2019-21 biennium with \$1.4 million in Healthy Nevada Funds transferred from the Treasurer's Office and \$2.1 million in Temporary Assistance for Needy Families funds transferred from the Division of Welfare and Supportive Services.

DEVELOPMENTAL SERVICES

Developmental Services include an array of services provided to people of all ages with intellectual and/or developmental disabilities and their families through three regional centers. Sierra Regional Center (SRC) serves all of Washoe County; Desert Regional Center (DRC) serves the greater Las Vegas area and Clark County with the exception of the majority of the outlying rural areas; and Rural Regional Center (RRC) serves the remainder of the state. The DRC also has a 48-bed licensed Intermediate Care Facility for Individuals with Intellectual Disabilities (ICF/IID) that provides comprehensive and individualized health care and rehabilitation services to individuals to promote their functional status and independence. The Family Preservation Program (FPP) is administered by SRC, but serves clients in all three regional centers. The FPP is a statewide program that provides financial assistance to low-income families residing in Nevada who provide care in their home for family members with profound or severe intellectual disabilities or children under six years of age who have developmental delays that require support equivalent to that required by a person with profound or severe intellectual or developmental disabilities.

Intermediate Care Facility for Individuals with Intellectual Disabilities Staffing Increase

The Governor recommends General Fund appropriations of \$679,825 and Title XIX Medicaid funding of \$1.3 million over the 2019-21 biennium to increase the staffing level at the ICF/IID by 21 positions (19 Developmental Support Technicians and 2 Quality Assurance Specialists) with associated operating and equipment expenditures. The increased staffing level would allow the ICF/IID to serve the higher number of clients with dual diagnosis, which requires higher staffing levels to ensure the safety of clients, staff and visitors.

Supported Living Arrangement (SLA) Provider Rate Increase

The Executive Budget includes General Fund appropriations of \$15.2 million and Title XIX Medicaid funding of \$15.4 million over the 2019-21 biennium for a provider rate increase for SLAs to \$22.00 and \$23.00 per hour in Fiscal Years 2020 and 2021, respectively, to support less restrictive and integrated community placements.

Developmental Services Caseloads and Waitlists

The Executive Budget includes General Fund appropriations of \$23.3 million and Medicaid funding of \$24.5 million over the 2019-21 biennium to allow for a projected increase in the caseloads for developmental services including SLA, Jobs and Day Training (JDT), and Self-Directed Family Supports/Respite programs. The funding would also allow for projected caseload increases in the FPP as well as the elimination of the projected service waitlists of over 90 days for the SLA and JDT programs. The recommendations would add 42 new positions by the end of FY 2021 with associated operating and equipment expenditures. The developmental services caseload for the three regional centers is projected to increase from 7,049 actual clients in June 2018 to 7,684 clients at the end of FY 2020 and 7,935 clients at the end of FY 2021. The FPP caseload is projected to increase from 649 actual clients in June 2018 to 672 clients at the end of FY 2020 and 682 clients at the end of FY 2021.

DIVISION OF HEALTH CARE FINANCING AND POLICY

The mission of the Division of Health Care Financing and Policy (DHCFP) is to purchase and provide quality health care services to low-income Nevadans through the Medicaid and Nevada Check Up programs in the most efficient manner; to promote equal access to health care at an affordable cost; to restrain the growth of health care costs; and to maximize the receipt of federal revenue for the provision of health care programs.

The Executive Budget recommends total funding to support the division's programs in the amount of \$9.548 billion for the 2019-21 biennium, which is an increase of \$1.24 billion (14.9 percent) when compared to the \$8.310 billion legislatively approved for the 2017-19 biennium. General Fund appropriations are recommended to increase by \$397.8 million (28.0 percent) to \$1.818 billion over the 2019-21 biennium, compared to the \$1.420 billion approved for the 2017-19 biennium.

INTERGOVERNMENTAL TRANSFER PROGRAM

The Intergovernmental Transfer (IGT) budget collects funds from other governmental entities to be used as state matching funds for Medicaid expenditures, thereby reducing the need for General Fund appropriations. Funds are collected in the IGT budget and then transferred to Medicaid for use as state matching funds. The IGT payments that are in excess of the required state match are used to offset General Fund appropriations for other Medicaid expenditures, referred to as the state net benefit. The significant programs supported by IGT funding and associated budgetary recommendations are described below.

- Disproportionate Share Hospital (DSH) Program: The DSH program provides payments to hospitals that have a disproportionate share of uncompensated costs due to services provided to indigents and the uninsured in comparison to other hospitals. The federal government provides a specific annual allotment of federal funds for each state; however, in order to receive these funds, states must provide matching funds.

Pursuant to *Nevada Administrative Code* (NAC) 422.105, Clark and Washoe Counties are required to make IGT payments to the division in support of the DSH program. Through the enactment of Senate Bill 452, the 2013 Legislature directed revenue from a \$0.01 ad valorem tax on each \$100 of assessed value of taxable property to the IGT budget. Pursuant to NAC 422.105, this revenue is used as an offset to county contributions to the DSH program.

The Executive Budget recommends decreasing payments that participating hospitals receive from FY 2018 actual payments of \$78.7 million to \$74.1 million in FY 2020 and \$62.0 million in FY 2021. Projected payments in the 2019-21 biennium are lower due to provisions in the Patient Protection and Affordable Care Act (ACA) and the Bipartisan Budget Act of 2018, which decrease federal DSH allotments to states on the assumption there would be fewer uninsured and less uncompensated care due to the expansion of health insurance coverage. The counties benefit indirectly from these payments by approximately \$21.9 million for FY 2020 and \$18.4 million for FY 2021 when comparing the hospital DSH payments to the amount of the IGT payments. The Executive Budget estimates that ad valorem tax revenues will offset county contributions in support of the DSH program by \$17.7 million over the 2019-21 biennium. For the 2019-21 biennium, The Executive Budget estimates the IGT program will generate a state net benefit amounting to \$25.5 million in FY 2020 and \$21.5 million in FY 2021.

- Upper Payment Limit (UPL) Programs: Federal Medicaid law allows states the option of making supplemental payments to qualifying hospitals up to the amount Medicare would have paid for the same services provided to fee-for-service recipients, known as the upper payment limit. The intent is to preserve access to inpatient and outpatient hospital services for needy individuals by reimbursing hospitals that qualify for uncompensated or under-compensated care.

The Public Hospital UPL programs provide payments to county-owned hospitals for inpatient and outpatient services. Pursuant to interlocal agreements, counties make IGT payments to be used as state matching funds for the Public Hospital UPL programs. The Executive Budget recommends continuing the Public Hospital UPL programs for the 2019-21 biennium, with payments to participating hospitals totaling \$78.1 million in FY 2020 and \$88.8 million in FY 2021. The net benefit to counties (hospital payments less IGT payments) is budgeted to be \$44.7 million for FY 2020 and \$50.9 million for FY 2021. The estimated net benefit for the state is \$7.6 million for FY 2020 and \$8.6 million for FY 2021.

At its October 2013 meeting, the Interim Finance Committee approved establishing the Private Hospital Collaborative UPL program to make supplemental payments for inpatient services to privately-owned hospitals that have entered into an agreement with the state or a local government in Nevada to collaborate in providing health care services to low-income and needy persons. The Executive Budget recommends continuing the Private Hospital Collaborative UPL program in the 2019-21 biennium. Participating hospitals would receive payments totaling \$27.5 million in FY 2020 and \$27.6 million in FY 2021. The Director's Office transfers funding from savings realized in other departmental budgets to this budget to provide the state share of the supplemental payments. The state net benefit from the Private Hospital Collaborative UPL, which is budgeted in the Director's Office for reversion to the General Fund rather than as an offset to General Fund in the Medicaid budget, is projected to be \$4.2 million in FY 2020 and \$4.6 million in FY 2021.

The Interim Finance Committee approved establishing the Indigent Accident Fund UPL program to make supplemental payments to qualifying public and privately-owned acute care hospitals for inpatient services at its October 2014 meeting. The Governor recommends continuing the Indigent Accident Fund UPL program in the 2019-21 biennium, with the state share of supplemental payments provided by funding transferred from the Indigent Hospital Care account in the Director's Office. Participating hospitals are budgeted to receive supplemental payments of \$110.4 million in FY 2020 and \$118.7 million in FY 2021 and the net benefit to hospitals is budgeted to be approximately \$76.2 million in FY 2020 and \$84.5 million in FY 2021. This program generates a state net benefit due to a voluntary contribution provided by the Board of Trustees for the Fund for Hospital Care to Indigent Persons and is estimated to be \$578,901 in each year of the 2019-21 biennium.

- Medical Education Supplemental Payments: The Practitioner's UPL and Graduate Medical Education (GME) programs provide additional Medicaid payments in recognition of the higher cost of providing medical services in a teaching environment.

In FY 2007, the division and the University of Nevada, Reno School of Medicine (UNR SOM) entered into an agreement that provides supplemental payments to the UNR SOM in recognition of the gap between Medicaid reimbursement and the average private insurance reimbursement for the same services (primarily outpatient services). During the 2017-19 biennium, the program expanded to include the University of Nevada, Las Vegas, Schools of Medicine and Dental Medicine. Governmental entities provide the IGT revenue to be used as the state's match to receive federal Title XIX funds. Supplemental payments for the Practitioner's UPL program are recommended to be \$5.0 million in each year of the 2019-21 biennium, and the program is estimated to generate a state net benefit of \$580,520 over the 2019-21 biennium.

The GME supplemental payment program provides supplemental payments to public and private hospitals with qualifying graduate medical education programs. Governmental entities provide the IGT revenue to be used as the state's match.

The Executive Budget recommends GME payments of \$31.5 million in FY 2020 and \$31.4 million in FY 2021. The GME program generates a state net benefit, estimated at \$2.3 million in FY 2020 and \$2.4 million in FY 2021.

The Executive Budget includes a beginning FY 2020 reserve balance totaling \$7.6 million for the following purposes:

- \$2.0 million reserve throughout the 2019-21 biennium in funding transferred from the Indigent Hospital Care account to provide relief to counties that are unable to meet the obligation to fund their portion of the state share of costs associated with the county indigent population in the Medicaid budget.
- \$5.6 million reserve throughout the 2019-21 biennium in funding transferred from the Indigent Hospital Care account to support the state share of the Indigent Accident Fund UPL program, should revenues not materialize as budgeted.

ADMINISTRATION

The Administration budget provides the administrative staff and support services for the DHCFP, which includes administration, accounting, budgeting, personnel, rates, compliance, utilization surveillance and review, privacy, recipient rights, provider enrollment and information technology, as well as the cost containment function required under NRS 439B.

The Governor recommends \$4.2 million (\$2.0 million General Fund appropriation) over the 2019-21 biennium to add 17 new positions, summarized as follows.

- One Health Care Coordinator position and associated operating costs is recommended to support a projected increase in the Katie Beckett caseload, which allows certain children with disabilities who would not normally qualify because of the parent's income or resources to receive Medicaid services in a home and community-based setting rather than an institution.
- Nine new positions, including five Management Analysts, three Social Service Program Specialists and one Health Care Coordinator, and associated operating and contract costs are recommended to enhance program integrity through provider reviews, data analysis and the recoupment of improper payments. Within the Medicaid budget, the program integrity efforts carried out by the new positions are projected to generate \$3.4 million (\$1.2 million General Fund appropriation) in savings over the 2019-21 biennium.
- Two new positions, one IT Professional and one IT Technician are recommended to enhance the division's information security.
- Three new positions, two Social Services Program Specialists and one Management Analyst, and associated operating and contract costs are recommended to support the division's efforts to expand Certified Community Behavioral Health in the state.

- One new Public Information Officer position and associated operating costs is recommended to support the volume of information requests received by the division and to effectively communicate the division's policies.
- The Governor recommends adding back one Social Services Program Specialist position that was eliminated from the base budget as directed by the money committees in the 2017 Legislative Session.

The Governor recommends net funding increases of \$4.3 million (\$1.4 million General Fund appropriation) over the 2019-21 biennium to support administrative and fiscal agent costs associated with implementing federal mandates, caseload changes, waiver slot increases and technology projects.

INCREASED QUALITY OF NURSING CARE

The Increased Quality of Nursing Care budget was created in accordance with Assembly Bill 395 approved by the 2003 Legislature, which amended NRS Chapter 422 to institute a methodology that requires the division to establish a provider tax program encompassing all freestanding long-term care facilities (except those owned by the state) in Nevada. *Nevada Revised Statutes* 422.3755-379 stipulates that funding received via the provider tax and used to match federal Title XIX funds must be applied to increasing reimbursement rates and cannot be used to replace existing state expenditures paid to long-term care facilities.

The Executive Budget indicates that the total available for supplemental payments will be \$39.4 million in FY 2020 and \$41.7 million in FY 2021. The Medicaid budget includes supplemental payments to long-term care facilities of \$109.6 million and \$118.8 million in FY 2020 and FY 2021, respectively. *Nevada Revised Statutes* 422.3785 allows the division to use no more than 1 percent of the taxes collected to administer the provider tax program.

NEVADA CHECK UP

The Balanced Budget Act of 1997 created the Children's Health Insurance Program under Title XXI of the Social Security Act to enable states to initiate and expand health care coverage targeted to low-income uninsured children. The Nevada Check Up program was approved to cover children ages birth through 18 years from families with incomes up to 205 percent of the federal poverty level. Eligible families pay quarterly premiums ranging from \$0 to \$80 based on their income level and family size. Services are provided under a managed care arrangement with participating managed care organizations (MCO) in Clark and Washoe Counties and on a fee-for-service basis in areas of the state where a MCO network does not exist.

Caseload Growth: The Executive Budget recommends \$2.2 million (\$122,705 General Fund appropriation) in FY 2020 and \$3.0 million (\$509,219 General Fund appropriation) in FY 2020 to increase the Nevada Check Up monthly caseload to 29,781 in FY 2020 and 30,156 in FY 2021, from the FY 2018 actual average monthly caseload of 27,300, as shown in the following table.

Check Up Average Monthly Caseload							
	FY 2018 Actual	FY 2019 Projected	% Change	FY 2020 Projected	% Change	FY 2021 Projected	% Change
Caseload	27,300	28,632	4.88%	29,781	4.01%	30,156	1.26%

Provider Rate Increases (Mandatory and Discretionary): The Executive Budget recommends \$1.6 million (\$172,052 General Fund appropriation) in FY 2020 and \$3.4 million (\$750,272 General Fund appropriation) in FY 2021. Mandated rate increases include managed care capitation rates, dental capitation rates, prescription drugs, Rural Health and Federally Qualified Health Centers, Indian Health Services and hospice services. All provider rates for which increases are required under federal law are recommended to increase by 3.73 percent in FY 2020 and 3.85 percent in FY 2021.

NEVADA MEDICAID

Medicaid is the state-administered program for medical assistance established in 1965 through the passage of Title XIX of the Social Security Act. Medicaid covers low-income adults, children, the aged, blind and/or disabled, and other people who are eligible to receive federally-assisted income maintenance payments. Under federal Medicaid law, there are certain eligible groups and benefits that must be covered by states; however, states are given discretion and flexibility to determine the various categories of benefits and the eligible groups their Medicaid programs will cover. Nevada has adopted optional eligibility groups and optional benefit packages to be covered under its Medicaid plan.

Overall funding for the Medicaid program is recommended to increase to \$8.65 billion for the 2019-21 biennium, which is an increase of \$1.22 billion, or 16.4 percent, when compared to the total funding of \$7.43 billion legislatively approved for the 2017-19 biennium. General Fund appropriations are recommended to increase to \$1.75 billion for the 2019-21 biennium, which is an increase of \$383.6 million, or 28.1 percent, when compared to the General Fund appropriations of \$1.37 billion approved by the 2017 Legislature for the 2017-19 biennium.

Caseload Growth: The Executive Budget recommends additional funding of \$35.3 million (\$17.7 million General Fund appropriation) in FY 2020 and \$101.8 million (\$33.6 million General Fund appropriation) in FY 2021 for increased costs associated with projected growth in the Medicaid caseload. According to the department's projections, which are based on October 2018 actual enrollments, the average monthly caseload for Medicaid is projected to increase from approximately 657,000 in FY 2019 to approximately 677,000 in FY 2021.

The department's Medicaid caseload projections anticipate that average monthly caseload would increase by 1.5 percent per year throughout the 2019-21 biennium, from approximately 657,000 in FY 2019 to approximately 677,000 in FY 2021. The following table displays the FY 2018 actual average monthly Medicaid caseload and projected caseloads for FY 2019 and the 2019-21 biennium.

Medicaid Average Monthly Caseload							
	FY 2018 Actual	FY 2019 Projected	%Change	FY 2020 Projected *	%Change	FY 2021 Projected *	%Change
Caseload*	651,594	657,006	0.8%	666,805	1.5%	677,028	1.5%

*Caseload figures include retroactive eligibility and do not include Special Low -Income Medicare Beneficiaries (SLMB).

Provider Rate Increases (Mandatory and Discretionary): The Executive Budget recommends \$120.5 million (\$26.2 million General Fund appropriation) in FY 2020 and \$217.2 million (\$50.0 million General Fund appropriation) in FY 2021 for mandatory reimbursement rate increases for Medicaid providers. Mandated rate increases include managed care capitation rates, dental capitation rates, prescription drugs, Rural Health and Federally Qualified Health Centers, Indian Health Services and hospice services. All provider rates for which increases are required under federal law are recommended to increase by 3.73 percent in FY 2020 and 3.85 percent in FY 2021.

The Governor recommends \$17.1 million (\$4.0 million General Fund appropriation) in FY 2020 and \$31.8 million (\$7.9 million General Fund appropriation) in FY 2021 for discretionary provider reimbursement rate increases. The recommendations include:

- A 25 percent increase to the daily rate for Neonatal Intensive Care Unit services is recommended. The recommendation, which would be effective January 1, 2020, requires additional funding of \$25.2 million (\$8.9 million General Fund appropriation).
- A 15 percent increase for Pediatric Intensive Care Unit services is recommended, effective January 1, 2020. The recommendation requires additional funding of \$2.5 million (\$886,992 General Fund appropriation).
- A 3.3 percent increase for personal care service providers is recommended, effective January 1, 2020, at a cost of \$6.1 million (\$2.1 million General Fund appropriation) over the biennium.
- A 12.3 percent increase for providers who serve individuals receiving services through the Supported Living Arrangements program within the Aging and Disability Services Division (ADSD) is recommended, funded with federal funds of \$15.4 million. The General Fund state share (\$15.2 million) of this recommendation is located within ADSD budgets.

New Initiatives to Expand Medicaid Services

The Governor recommends expanding certain Medicaid services, at an additional cost of \$48.7 million (\$9.9 million General Fund appropriation) over the 2019-21 biennium, as described below:

- Certified Community Based Behavioral Health Clinics: The Governor recommends continuing coverage for services provided through Certified Community Based Behavioral Health Clinics (CCBHCs) through a new 1115(a) Demonstration Waiver, at a cost of \$38.9 million over the biennium (\$8.0 million General Fund appropriation). Currently, Nevada is participating in a federal demonstration project, expiring June 30, 2019, to create CCBHCs, which were designed as a collaborative effort

between state and local agencies to improve behavioral health services. The CCBHCs' services include 24-hour mobile crisis, outpatient mental health and substance use treatment, case management and recovery supports. The proposed waiver includes a continuation of the existing three CCBHCs and expanding the number of providers by seven, to a total of ten providers, effective October 1, 2019.

- Housing Instability: The Governor recommends adding coverage for services intended to reduce housing instability through a 1915(i) State Plan Option, at a total cost of \$9.8 million (\$1.9 million General Fund appropriation) over the 2019-21 biennium. The recommendation would provide tenancy support and housing case management, including assistance with searching for housing and preparing housing applications, landlord relationship management, eviction prevention, participant education on tenant rights and responsibilities, as well as coordination with medical providers, social services and other associated services.

Increase County Support for the Medicaid County Match Population: The Governor recommends decreasing General Fund appropriations by \$19.2 million and replacing the funding with a corresponding amount of County Reimbursements over the 2019-21 biennium to revise the methodology for determining county financial support for the nonfederal share of Medicaid costs for certain County Match participants.

Reduce Clark County Voluntary Contribution Rate: The Governor recommends additional General Fund appropriations of \$31.1 million over the 2019-21 biennium to replace a corresponding amount of funding provided by Clark County to reduce the Clark County voluntary contribution in support of supplemental payment programs.

Waiver Slot Increases: The Governor recommends \$67.8 million (\$15.5 million General Fund appropriation) to increase waiver slots for the division's three approved Medicaid waiver programs, which allow eligible Medicaid recipients to receive long-term care services in home and community-based settings rather than in institutional settings. The recommended increases account for standard caseload growth as well as the reduction of the waitlists for those clients waiting longer than 90 days for services. The recommended increases are as follows:

- Increase waiver slots for the Waiver for Individuals with Intellectual Disabilities and Related Conditions (IDRC) by 577, from 2,218, the June 2019 projection, to 2,795 over the 2019-21 biennium, an increase of 26.0 percent.
- Increase waiver slots for the Home and Community Based Waiver (HCBW) for the Frail Elderly by 565, from 2,236, the June 2019 projection, to 2,801 over the 2019-21 biennium, an increase of 25.3 percent.
- Increase waiver slots for the HCBW for Persons with Physical Disabilities by 284, from 808, the June 2019 projection, to 1,092 over the 2019-21 biennium, an increase of 35.2 percent.

DIVISION OF PUBLIC AND BEHAVIORAL HEALTH

The Division of Public and Behavioral Health (DPBH) is broadly dedicated to improving the health and wellness of Nevadans. The division's budgets fund activities related to public health matters, enforcement of laws and regulations pertaining to public health, prevention of disease, injury, and disability and behavioral health care, including access to mental health and substance abuse and prevention treatment services.

The Executive Budget recommends General Fund support of \$311.7 million for the 2019-21 biennium, which represents an 8.7 percent, or \$25.1 million, increase from the 2017-19 biennium legislatively approved \$286.6 million. Total recommended funding for the division is \$724.8 million for the 2019-21 biennium, net of interagency transfers, which represents an increase of 4.9 percent when compared to the \$690.7 million, net of interagency transfers, approved by the Legislature for the 2017-19 biennium.

CHILD CARE SERVICES

The Child Care Licensing program is responsible for licensing, monitoring and providing technical assistance to child care facilities caring for five or more children that are not licensed by local entities. The program investigates reports of unlicensed child care operations to ensure compliance with state laws by licensing or reducing the number of children in care. The program also maintains a registry of complaints regarding child care providers.

The Governor recommends the addition of one Administrative Assistant and one Childcare Facility Surveyor to meet increased workload requirements. The recommendations total \$252,358 over the 2019-21 biennium and are supported by a transfer from the Division of Welfare and Supportive Services.

NEVADA CENTRAL CANCER REGISTRY PROGRAM

Pursuant to *Nevada Revised Statutes* 457.230, the Cancer Control Registry collects, registers and maintains records of reportable cases of cancer occurring in the state. Timely and complete cancer data is used to evaluate the appropriateness of measures for the prevention and control of cancer, and conducting epidemiological surveys of cancer and cancer-related deaths both statewide and nationally.

The Governor recommends General Fund appropriations of \$339,085 over the 2019-21 biennium to support five new contract positions to meet increased workload requirements. Four part-time Cancer Registry Specialists would assist in abstracting cancer cases. One full-time Administrative Assistant would be responsible for data entry and reviewing case submissions for completeness.

HEALTH CARE FACILITIES REGULATION

The mission of the Health Care Quality and Compliance (HCQC) program is to protect the health and welfare of the public through licensure, regulation, enforcement and education of various types of health facilities. The division has an agreement with the Centers for

Medicare and Medicaid Services to inspect facilities that receive Medicare and/or Medicaid reimbursements, as well as laboratories that must conform to the Clinical Laboratory Improvement Amendments. The program also conducts complaint investigations regarding medical facilities and coordinates with other oversight bodies, such as the Board of Medical Examiners and the Board of Pharmacy.

On February 7, 2018, DPBH reclassified eight vacant Psychiatric Caseworker positions in the Southern Nevada Adult Mental Health Services (SNAMHS) and Northern Nevada Adult Mental Health Services (NNAMHS) budgets to Health Facility Inspector positions to absorb the responsibilities of certifying and regulating Community-Based Living Arrangement (CBLA) homes for the mentally ill. While the positions remained in the respective behavioral health budgets during the current biennium, workload and oversight responsibilities were provided by HCQC. The Governor recommends the transfer of the positions, as well as \$1.2 million in General Fund appropriations over the 2019-21 biennium, from the SNAMHS and NNAMHS budgets to this budget.

The Governor recommends a reduction in program reserves totaling \$637,591 over the upcoming biennium to support the addition of three Health Facility Inspectors and one Administrative Assistant to meet increased demand for facility inspections and complaint investigations. The Governor also recommends transferring one Education and Information Officer from the Public Health Preparedness budget to this budget, as the position has been 100 percent funded and utilized by the HCQC budget.

CHRONIC DISEASE

The Chronic Disease budget funds various programs that work to control, prevent and track the incidence and prevalence of communicable and chronic disease among Nevadans. These programs include: Women's Health Connection (Breast and Cervical Cancer Early Detection Program); Tuberculosis Elimination; Tobacco Prevention and Education; Comprehensive Cancer Control; Diabetes; Colorectal Cancer Screening; Preventative Health and Human Services block grant; Chronic Disease Prevention and the Oral Health Program.

The Governor recommends General Fund appropriations of \$500,000 in each year of the 2019-21 biennium to maintain the funding levels approved by the 2017 Legislature for the Women's Health Connection program (A.B. 388, 2017 Legislature). The funding would be used to provide breast and cervical cancer early detection services.

The Governor recommends one Health Program Manager to provide administrative direction and supervision to programs within the Nutrition Services Unit, which was formed in 2015 and contains multiple programs throughout the Department of Health and Human Services. Position costs totaling \$174,048 over the 2019-21 biennium would be split between federal funds in this budget, and funding transfers from the Women, Infants and Children budget and the Division of Welfare and Supportive Services.

Transfer existing funding of \$2.1 million in each year of the 2019-21 biennium, supporting the Hunger Prevention program, to the Chronic Disease budget in DPBH. The recommendation also includes the transfer of an existing position and associated costs.

OFFICE OF HEALTH ADMINISTRATION

The Office of Health Administration provides support services to program areas within the division and for the State Board of Health, including administrative and fiscal oversight, information technology support, human resources management and public information officer support.

The Governor recommends a supplemental General Fund appropriation of \$1.6 million in FY 2019 to fund a shortfall in the division's cost allocation revenue due to an incorrect calculation in indirect cost reimbursements throughout the division's Public Health budgets.

The Governor recommends cost allocation reimbursement revenue totaling \$210,730 over the 2019-21 biennium to fund one Administrative Services Officer to manage and expand the Upper Payment Limit program, including contracts with Nevada Clinical Services. The Governor also recommends a reduction in program reserves totaling \$169,220 over the 2019-21 biennium to fund one Auditor position to review compliance activities and reporting for division subgrantees. In addition, the Governor recommends transferring one Medical Epidemiologist from the Biostatistics and Epidemiology budget to this budget. The recommendation would change the funding source for this position from federal grant funding to cost allocation reimbursements totaling \$439,462.

COMMUNITY HEALTH SERVICES

The Community Health Nursing program provides public health nursing in 14 of Nevada's rural counties and operates community health nursing clinics in 8 of those counties. The Community Health Nursing program provides public health preparedness coverage and epidemiology assistance in 12 rural counties, except Lyon and Douglas, which utilize the Carson City Department of Health and Human Services. Essential public health nursing services include adult and child immunizations, and Early Periodic Screening Diagnosis and Treatment examinations, including lead testing. In addition, family planning, cancer screening and identification/treatment of communicable diseases such as Tuberculosis, Sexually Transmitted Infections and Human Immunodeficiency Virus (HIV) are provided. The Tonopah Community Health Nurse functions as the school health nurse for the Esmeralda County School District as that district does not have a school nurse. Services are provided at low or no cost.

The Governor recommends General Fund appropriations of \$3.0 million in each year of the 2019-21 biennium to increase education, outreach and access to family planning programs and prenatal care throughout the state. Increased funding would also support the addition of one Grants and Project Analyst to oversee the use of the funding. The 2017 Legislature approved General Fund appropriations of \$1.3 million over the 2017-19 biennium to maintain services and partially offset a reduction in federal Title X Family Planning funds from the U.S. Department of Health and Human Services.

BEHAVIORAL HEALTH

Behavioral health agencies provide a safety net of services and programs designed to assist individuals coping with mental illness and/or substance abuse problems. Services include psychiatric assessments, case management, residential supports, mobile crisis, mental health court, forensic assessment and hospitalization, and outpatient clinical services provided in both rural and urban areas.

The Governor recommends total funding of \$365.4 million, net of interagency transfers, for the 2019-21 biennium behavioral health budgets compared to the 2017-19 biennium legislatively approved budget of \$340.6 million, which represents a 7.3 percent overall increase. Recommended General Fund appropriations for the 2019-21 biennium total \$283.5 million, which represents an increase of 4.5 percent when compared to the \$271.2 million approved by the Legislature for the 2017-19 biennium.

NORTHERN NEVADA ADULT MENTAL HEALTH SERVICES

Northern Nevada Adult Mental Health Services (NNAMHS) provides numerous services, including psychiatric evaluations, medication and case management, residential housing and support services, justice involved diversion programs, and mobile crisis and outreach services. At the Dini-Townsend Hospital, psychiatric and psychological services are provided to the seriously mentally ill population in Northern Nevada. The hospital is funded to operate 30 beds, which includes 10 emergency beds in the Rapid Stabilization Unit.

To meet projected caseload growth needs, the Governor recommends General Fund appropriation increases of \$1.9 million over the 2019-21 biennium for NNAMHS to add 12 positions, including 6 Psychiatric Nurses and 6 Mental Health Technicians, to assist with higher-acuity inpatient civil psychiatric care at Dini-Townsend Hospital. The Governor recommends increased funding of \$418,548 over the 2019-21 biennium, including General Fund appropriations of \$380,022, to fund 2 Psychiatric Nurse positions to support projected increases in outpatient Medication Clinic caseloads.

SOUTHERN NEVADA ADULT MENTAL HEALTH SERVICES

Southern Nevada Adult Mental Health Services (SNAMHS) operates five sites in Clark County to provide psychiatric outpatient and inpatient services to individuals in need of mental health services. The main SNAMHS campus is located on West Charleston Boulevard in Las Vegas and includes the Rawson Neal Psychiatric Hospital and the Stein Hospital forensic facility. Rawson Neal Psychiatric Hospital's current capacity includes 186 beds, 20 of which are for inpatient forensic services. Stein Hospital's current capacity is 48 beds.

To meet projected caseload growth needs, the Governor recommends General Fund appropriation increases of \$1.0 million over the 2019-21 biennium to support five full-time Psychiatric Nurse positions. Similar to the recommendation in the NNAMHS budget, the

positions would support higher-acuity inpatient civil psychiatric care at Rawson Neal Psychiatric Hospital.

The Governor recommends General Fund appropriations of \$1.0 million over the 2019-21 biennium to fund a two-grade pay increase for 88 Forensic Specialist positions operating the forensic units within Stein and Rawson Neal Hospitals. The increase would align the salaries of Forensic Specialists with those of Correctional Officers. Forensic Specialists are required to obtain Peace Officer Standards and Training (POST) certification, and the responsibilities performed by a Forensic Specialist are similar to that of a Correctional Officer. The primary difference between the two positions is the population served by Forensic Specialists consists of seriously mental ill offenders.

RURAL CLINICS

The Rural Clinics program provides community-based outpatient mental health services to persons of all age groups, serving 12 rural Nevada counties through 10 full-service clinics and 6 partial service/mobile outreach clinics. Full-service clinics are located in Carson City, Fallon, Gardnerville, Elko, Winnemucca, Silver Springs, Fernley, Yerington, Pahrump and Ely. Partial service/mobile outreach clinics provide services to Battle Mountain, Caliente, Dayton, Hawthorne, Tonopah and Lovelock.

The Governor recommends increased funding of \$511,357 over the 2019-21 biennium, including \$251,012 in General Fund appropriations, to support the addition of three Mental Health Counselor positions to provide outpatient assessments and services to individuals currently on a waitlist for services. The Governor also recommends increased funding of \$222,112 over the 2019-21 biennium, including \$143,020 in General Fund appropriations, to fund one Psychiatric Nurse to improve supervisory caseload ratios.

STATEWIDE EXPANDED MOBILE CRISIS SERVICES

The Governor recommends increased funding of \$2.4 million over the 2019-21 biennium, including General Fund appropriations of \$357,173, to expand mobile behavioral crisis services across the state. The 2017 Legislature approved funding in Senate Bill 192 to expand the operations of Mobile Outreach Safety Teams (MOST) in Clark and Washoe counties so that services for adult populations were available from 8:00 a.m. to 12:00 a.m., seven days a week, including holidays. Increased funding of \$957,173 would provide MOST services 24 hours a day, 7 days a week in the urban counties, with \$646,349 allocated to SNAMHS, and \$310,824 allocated to NNAMHS. In the rural areas of the state, increased funding of \$1.4 million would fund mobile crisis teams for both adult and children populations.

FACILITY FOR THE MENTAL OFFENDER – LAKE’S CROSSING CENTER

The Lake's Crossing Center provides statewide forensic mental health services in a maximum-security facility to mentally disordered offenders who are referred from the court system so their competency can be restored or who require mental health services in a secure setting. The facility is located in Washoe County and has 56 beds with an additional 20 to 30 beds available in the annex located at the Dini-Townsend Psychiatric

Hospital. The Governor recommends the continuation of funding 86 beds, 10 of which are made available by doubling up individuals in one room as client acuity allows.

The Governor recommends General Fund appropriations of \$720,042 over the 2019-21 biennium to fund a two-grade pay increase for 57 Forensic Specialist positions throughout the facility.

CAPITAL IMPROVEMENT PROJECTS

A total of \$1.2 million in state funds are recommended for two DPBH maintenance projects. One maintenance project, at a cost of \$854,658, is recommended for the installation of a panic alarm system at the Dini-Townsend Hospital on the NNAMHS campus. The Governor recommends \$388,875 to fund the replacement of a main electrical switchgear on the SNAMHS campus.

DIVISION OF WELFARE AND SUPPORTIVE SERVICES

The Division of Welfare and Supportive Services (DWSS) is responsible for administering the delivery of federally-funded cash grants and electronic benefit transfers for the Supplemental Nutrition Assistance Program (SNAP), enforcing child support, administering employment and training programs for welfare recipients, distributing child care funding, and determining eligibility for Nevada's Medicaid program.

The Executive Budget recommends General Fund appropriations of \$186.8 million in the 2019-21 biennium, an increase of \$16.4 million, or 9.6 percent, when compared to the General Fund appropriations of \$170.5 million for the 2017-19 biennium. Including all sources of funds, the DWSS budget is recommended to increase by \$58.4 million, or 8.5 percent, to \$744.2 million in the 2019-21 biennium.

WELFARE ADMINISTRATION

The DWSS Administration budget supports the administrative staff, who provide oversight to various programs administered by the division, and includes support resources provided to the division's field staff, who operate the various programs under the division's jurisdiction.

In the DWSS Administration budget, the Governor recommends the transfer of \$42,180 over the biennium from the Silver State Health Insurance Exchange (SSHIX) to the DWSS Administration budget to satisfy a federal requirement that SSHIX enter into an agreement with agencies administering insurance affordability programs for the appeals processes.

TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

The Temporary Assistance for Needy Families (TANF) budget provides funding for temporary cash assistance for eligible recipients; supports the employment and training programs and services administered by the division designed to help clients prepare for

and find work; and provides a wide variety of support services for families and individuals to support and maintain self-sufficiency.

The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 replaced the Aid to Families with Dependent Children (AFDC) program, an open-ended federal entitlement, with the TANF program. The federal funding to support the TANF program is now allocated to states in the form of a block grant that is capped and covers cash assistance, welfare employment and training, and the administrative costs associated with providing those services. The 1997 Legislature, with passage of Assembly Bill 401 and Senate Bill 356, enacted legislation to conform state laws to the PRWORA requirements and authorized a number of welfare reform initiatives unique to Nevada.

The PRWORA legislation requires states to continue contributing state funds equal to 80 percent of the amount spent in Federal Fiscal Year 1994 on welfare programs consolidated into TANF. The maintenance of effort (MOE) provisions require Nevada to continue to spend a minimum of \$27.2 million in state funds each fiscal year on welfare-related programs. The 80 percent MOE can be reduced to 75 percent if work participation rate requirements are met.

In support of the TANF budget, the Governor recommends \$83.1 million (\$49.2 million General Fund appropriations) over the 2019-21 biennium. General Fund appropriations recommended for the 2019-21 biennium equal the legislatively approved amount for the preceding biennium.

The federal block grant that is allocated to Nevada is projected at \$43.8 million in each year of the 2019-21 biennium. The TANF block grant is allocated among the Division of Welfare and Supportive Services TANF, Welfare Administration, Welfare Field Services and Welfare Child Assistance and Development budgets. The Executive Budget recommends utilizing TANF block grant funds to replace General Fund appropriations in the ADSD and the Division of Child and Family Services (DCFS) through the transfer of \$5.3 million in TANF block grant funds over the biennium to two budgets outside of DWSS, including \$2.1 million in each year of the biennium to the ADSD Autism Treatment Assistance Program and \$517,852 in each year of the biennium to the DCFS Rural Child Welfare Program, to support a child's care during the first 120 days of emergency placement.

TANF Caseloads: As shown in the following table, The Executive Budget projects a total of 22,992 average monthly recipients in FY 2020 and 22,820 in FY 2021, yielding decreases of 10.7 percent (2,752 fewer recipients) and 11.4 percent (2,924 fewer recipients), respectively, compared to FY 2018.

TANF Caseload Projections							
	FY 2018	FY 2019	% Change Over the Year	FY 2020	% Change Over the Year	FY 2021	% Change Over the Year
	Actual	Projected		Projected		Projected	
TANF Cash Assistance	25,744	23,536	-8.6%	22,992	-2.3%	22,820	-0.7%

Cash Grants: The Executive Budget recommends retaining TANF cash assistance grants at their existing levels for the 2019-21 biennium. The monthly cash assistance grants are \$386 for a TANF recipient without a public housing allowance and \$538 for non-needy caretakers. The cash assistance grants for recipients in the Kinship Care program are \$401 for a single child age 12 and under and \$463 for a child 13 years of age and older.

ASSISTANCE TO AGED AND BLIND

Assistance to the Aged and Blind is an option to the Supplemental Security Income (SSI) program established by Public Law 92-603. The federal SSI program replaced the state-run assistance programs for the aged, blind and disabled and established uniform payment amounts. The Social Security Administration (SSA) administers the program. Nevada has paid a state supplement to the aged and blind who live at home or in an adult group care facility since January 1, 1974. Nevada has never elected the option to supplement payments to the disabled. The purpose of the program is to provide supplemental income to low-income aged and blind individuals and provide adult group care facilities with supplements that enable individuals to avoid or delay institutionalization.

To fund projected caseload increases in the Assistance to Aged and Blind budget, The Executive Budget recommends increases in General Fund appropriations totaling \$989,024 over the 2019-21 biennium. The Executive Budget projects caseloads to increase from 14,679 average monthly recipients in FY 2018 to 15,708 in FY 2020 (a 7.0 percent increase from FY 2018) and to 16,220 in FY 2021 (a 10.5 percent increase from FY 2018). The Executive Budget does not recommend a state-funded increase in the amount of the supplement paid to eligible aged and blind individuals or a rate increase for group care operators.

FIELD SERVICES

The Field Services budget provides for the salaries, operating expenses and support costs for staff that determine eligibility for the TANF, SNAP and Medicaid programs, as well as the support staff of the employment and training programs administered by the division.

To address projected increases in monthly client actions, the Governor recommends a net increase of 27 permanent positions and associated costs, and a decrease of 5 intermittent staff over the 2019-21 biennium, supported with additional funding totaling \$1.8 million (\$586,655 General Funds) over the biennium. The recommendation includes the elimination of 9 Administrative Assistants (5 intermittent and 4 permanent staff) and the addition of 29 Family Services Specialists and 2 Family Services Supervisors. The division projects its average number of monthly client actions performed to increase from 140,435 in FY 2019 to 142,022 in FY 2020 (1.1 percent increase from FY 2019) and to 144,007 in FY 2021 (1.4 percent increase from FY 2020).

CHILD SUPPORT ENFORCEMENT PROGRAM

The Child Support Enforcement (CSE) program provides five basic services: locating absent parents, establishing parentage, establishing child and medical support orders, enforcing support payments, and collecting and distributing child and medical support. In Nevada, the CSE program is administered by the DWSS and jointly operated by the division and county district attorneys. The CSE budget is funded with a portion of the child support collections the state is allowed to retain, which are used to match Title IV-D funds. The state's share of collections typically supports all non-federal expenditures.

The Governor recommends total funding for the CSE budget of \$32.6 million for the 2019-21 biennium, which is a decrease of \$3.2 million (9.0 percent) compared to total funding of \$35.9 million approved by the Legislature for the 2017-19 biennium.

To implement a federally-mandated fee increase, The Executive Budget recommends a net revenue increase of \$274,631 over the 2019-21 biennium to increase the annual fee assessed to families who do not receive public assistance for child support services from \$25 to \$35, effective October 2019. Due to declining reserve levels from the cost of replacing the CSE's processing system and the cost of assuming CSE services in Douglas County, the Governor recommends a base budget adjustment to eliminate of 52 Administrative Assistant, Family Services Specialist, Family Services Supervisor, Social Services Manager and Management Analyst positions. However, the Governor also recommends \$5.0 million (\$1.6 million General Funds) over the biennium to reestablish all 52 positions. Separately, due to gains in efficiency, the Governor recommends the elimination of four Administrative Assistant positions for a projected savings of \$426,626 over the 2019-21 biennium.

CHILD ASSISTANCE AND DEVELOPMENT

The Child Assistance and Development budget provides for all child-care-related expenditures for TANF recipients, former TANF recipients, non-TANF-eligible clients who are at risk of losing employment due to a lack of assistance with child care and low-income non-TANF-eligible clients.

The Governor recommends total funding for the Child Assistance and Development budget of \$150.1 million for the 2019-21 biennium, which is an increase of \$30.3 million compared to total funding of \$119.8 million approved by the 2017 Legislature for the 2017-19 biennium. The recommended increase to this budget is entirely federal funds. The Executive Budget recommends the Child Assistance and Development MOE remain at the minimum required level of \$2.6 million in each year of the 2019-21 biennium. In addition to the General Fund appropriation for MOE, the agency utilizes certified matching funds from outside child care entities in lieu of state hard-dollar cash match for the TANF budget.

To support projected caseload increases, the Governor recommends additional federal funds of \$7.1 million over the 2019-21 biennium to issue child care benefits to additional clients. The caseload is projected to increase from 8,804 actual average monthly clients in FY 2018 to 11,060 clients in FY 2021, a 25.6 percent increase. The Governor also

recommends additional federal funding of \$10.4 million over the biennium (including TANF funds of \$5.0 million in each year) to implement a federal requirement to reimburse child care providers based on the 75th percentile of the current market rate.

To support the addition of two contracted Quality Rating Improvement System (QRIS) coaches in the Department of Education, Office of Early Learning and Development budget, The Executive Budget includes federal funds of \$125,562 in each year of the 2019-21 biennium, which would be transferred to the Department of Education, to increase the number of providers enrolled in the QRIS program. The QRIS is a voluntary program open to all child care centers in Nevada, and is a systematic approach to improve and assess the level of quality in child care centers.

ENERGY ASSISTANCE PROGRAM

The Energy Assistance program provides payments for eligible households, which can be applied to either the heating provider, the cooling provider or split between the two. Funding is provided through a combination of Low Income Home Energy Assistance (LIHEA) Block Grant funds and Universal Energy Charges established by the 2001 Legislature and collected from certain electric and gas utilities.

Due to a projected decline in caseload, the Governor recommends reducing Universal Energy Charge revenues by \$100,675, and the federal Energy Assistance grant by \$115,830 over the 2019-21 biennium. However, the average monthly households served is expected to increase from the actual FY 2018 level of 2,059, with an average annual assistance payment of \$718, to 2,207 in FY 2020 and 2,214 in FY 2021, with average annual assistance payments projected at \$721 in each year of the 2019-21 biennium.

The Executive Budget recommends business process reengineering services to gain efficiencies in the current Energy Assistance program's eligibility and business processes, at a total cost of \$123,480 over the 2019-21 biennium (\$89,671 in Universal Energy Charge revenue and \$33,809 in federal funds).

DIVISION OF CHILD AND FAMILY SERVICES

The Division of Child and Family Services (DCFS) provides a wide array of services to children and adolescents and is organized into four major program areas: Residential Services, Community Services, Administrative Services and Quality and Oversight. The Executive Budget recommends total funding of \$620.5 million to support DCFS over the 2019-21 biennium, which is an 11.3 percent increase from the \$557.5 million approved for the 2017-19 biennium. General Fund support is recommended to increase 9.2 percent, or \$24.5 million, from \$265.8 million to \$290.3 million for the 2019-21 biennium.

CHILDREN, YOUTH AND FAMILY ADMINISTRATION

The Children, Youth and Family Administration budget is the central administrative budget of the division and contains the unclassified Administrator, the division's four unclassified Deputy Administrators, and central fiscal, accounting and personnel staff.

The Executive Budget recommends transferring \$4.5 million over the 2019-21 biennium, which includes the Differential Response program, Children's Trust Fund, Community-Based Child Abuse Prevention grant, and one Social Services Specialist position from the DHHS Director's Office Grants Management Unit budget to the Children, Youth and Family Administration budget. The agency indicated the activities contained within these programs better align with the current scope of the Division of Child and Family Services.

INFORMATION SERVICES

The Information Services budget, formerly UNITY/SACWIS, represents the division's compliance with a federal mandate to automate foster care and adoption information systems. The 2017 Legislature approved funding of \$592,800 over the 2017-19 biennium to convert the state's Statewide Automated Child Welfare Information System (SACWIS) to an updated Comprehensive Child Welfare Information System (CCWIS). This budget supports the Information Management Services unit, which provides helpdesk support and application training to all three Nevada child welfare agencies (DCFS, Clark County and Washoe County), and network and desktop computer support for DCFS.

The Governor recommends \$876,414 (\$438,206 General Fund appropriations) over the 2019-21 biennium for continued improvements to Nevada's CCWIS, the Unified Nevada Information Technology for Youth, or UNITY system. The recommendations included in The Executive Budget would fund enhancements allowing for two-way communication between child welfare contributing agencies and other external systems used to collect or use child welfare data, and also includes two new Information Technology Professional positions and associated expenditures.

Additionally, the Governor recommends \$263,475 (\$147,236 General Funds) over the 2019-21 biennium to fund additional Cognos software licenses, allowing all UNITY users to run interactive reports and access operational dashboards.

The Executive Budget includes an \$86,196 reduction, net of a \$51,493 reduction in General Fund appropriations, over the 2019-21 biennium to fund one new Information Technology Manager position. Associated reductions to contracted expenditures generate a reduction in total personnel-related expenditures.

CHILD WELFARE

The Governor recommends \$351,000 in General Fund appropriations each year of the 2019-21 biennium to fund enhanced child and respite care for foster families across the state within the Washoe County, Clark County and Rural Child Welfare budgets. Child care includes daily care when the parents are at work, while respite care provides short-term relief for the primary caregivers and can include either one-time or regular child care.

Funding for child and respite care has historically varied between Clark County, Washoe County, and the rural region. However, Washoe County significantly expanded the provision of child and respite care services in FY 2018 and represents nearly 70 percent of this recommendation.

URBAN CHILD WELFARE

As approved by the 2011 Legislature, the division awards block grants to counties whose populations are 100,000 or more (currently Clark and Washoe Counties) for the provision of child welfare services in those counties. The counties that receive the block grants must use the money without restriction for child welfare services, and without requirement to revert unspent money to the General Fund. A categorical grant is provided to the same counties for the cost of adoption assistance services within the counties. Each county, and the division itself, is required to submit improvement plans biennially to improve the safety, permanency and well-being of children in the agencies' care. Additionally, the division is required to administer an incentive program for the counties that provide child welfare services, and to make fiscal incentive payments based upon the counties' achievement of specific goals for improvement proposed by the counties and approved by the division.

WASHOE COUNTY CHILD WELFARE

The Washoe County Child Welfare budget funds the delivery of child welfare services for Washoe County, which are provided by the county's Human Services Agency. Total recommended funding for the 2019-21 biennium is \$74.5 million, including General Fund appropriations of \$35.9 million.

To fund projected caseload growth in adoption subsidies in Washoe County, the Governor recommends total funding of \$1.5 million (\$655,933 General Fund appropriations) over the 2019-21 biennium.

CLARK COUNTY CHILD WELFARE

The Clark County Child Welfare budget funds the delivery of child welfare services for Clark County, which are provided by the county's Department of Family Services. Total recommended funding for the 2019-21 biennium is \$226.3 million, including General Fund appropriations of \$108.6 million. To fund projected caseload growth in adoption subsidies in Clark County, the Governor recommends total funding of \$5.8 million (\$2.5 million General Fund appropriations) over the 2019-21 biennium.

RURAL CHILD WELFARE

The Rural Child Welfare budget funds the delivery of child welfare services in the rural counties, including foster care placement costs and subsidized adoption costs for the rural region. Total recommended funding for the 2019-21 biennium is \$47.5 million, including General Fund appropriations of \$17.8 million.

For caseload growth in adoption subsidies, advanced foster care, specialized foster care, the court jurisdiction program, and KinGap, along with caseload reductions for family foster care, The Executive Budget recommends total funding of \$235,054 (\$107,188 General Fund appropriations) over the 2019-21 biennium.

The Governor recommends 15 new positions and related expenditures to comply with the program improvement plan issued by the federal Administration for Children and Families, along with personnel support for the foster care licensing and intake units. In total, The Executive Budget includes \$2.2 million (\$1.5 million General Fund appropriations) over the 2019-21 biennium for the three initiatives.

The Governor recommends additional Temporary Assistance for Needy Families (TANF) revenue of \$517,852 each year of the 2019-21 biennium to replace General Fund appropriations in the same amount by utilizing allowable TANF funding for the first 120 days of foster care expenditures.

JUVENILE JUSTICE SERVICES

The DCFS includes the Juvenile Justice Services budget and operates three juvenile justice facilities within the state.

The Juvenile Justice Services budget subgrants funds to local governments and private agencies for various juvenile justice programs. The budget also supports the Social Services Chief, who performs compliance and monitoring of youth facilities, serves as Nevada's juvenile justice specialist, and prepares monitoring and performance reports for various federal grant programs.

Between the Juvenile Justice Services budget and the three state-run juvenile facilities, the Governor recommends a total of 97 new positions and associated expenditures to bring the state into compliance with the federal Prison Rape Elimination Act (PREA). Among other things, PREA requires juvenile facilities to maintain a 1:8 staff-to-youth ratio during the day (16 hours) and a 1:16 ratio during sleep hours (8 hours). Included in The Executive Budget is one Criminal Investigator position within the Juvenile Justice Services budget to investigate PREA claims, as the agency indicated is required for federal compliance, at a total cost of \$258,826 in General Fund appropriations over the 2019-21 biennium.

SUMMIT VIEW YOUTH CENTER

Summit View Youth Center (SVYC) is a maximum-security male youth correctional facility located near the Las Vegas urban center, with funding for 48 beds. The Executive Budget recommends 16 new positions over the 2019-21 biennium to comply with federal PREA mandates, totaling \$1.8 million in General Fund appropriations over the 2019-21 biennium. Two new Psychiatric Caseworker positions are recommended to replace an existing contract at a net cost of \$4,303 in General Fund appropriations over the 2019-21 biennium. Additionally, the Governor recommends FY 2019 one-shot General Fund appropriations of

\$308,723 for deferred maintenance projects the agency indicates are essential for security and operation of the facility.

CALIENTE YOUTH CENTER

The Caliente Youth Center is a co-educational juvenile residential correctional facility that serves youth between the ages of 12 and 19, with a capacity of 140 youth. As a component of statewide PREA compliance, The Executive Budget includes 54 new positions and associated expenditures, totaling \$5.2 million in General Fund appropriations over the 2019-21 biennium.

NEVADA YOUTH TRAINING CENTER

The Nevada Youth Training Center (NYTC) is a residential juvenile correctional facility for male youth between 12 and 20 years of age, located in Elko, and is funded for 60 beds. The Executive Budget includes 26 new positions and associated expenditures for PREA compliance, totaling \$2.1 million in General Fund appropriations over the 2019-21 biennium.

NORTHERN NEVADA CHILD AND ADOLESCENT SERVICES

Northern Nevada Child and Adolescent Services (NNCAS) provides a continuum of mental health services to severely emotionally-disturbed children, adolescents, and their families in Northern Nevada, including early childhood and outpatient services, mobile crisis services, and residential treatment services such as the Family Learning Homes and the Adolescent Treatment Center.

The Governor recommends \$1.6 million (net of a \$103,102 General Fund reduction) over the 2019-21 biennium to add seven Psychiatric Nurse positions and associated expenditures and convert existing Family Learning Homes to Psychiatric Residential Treatment Facilities (PRTF). Conversion to a PRTF would allow for a bundled daily rate as opposed to billing various individual mental health procedure codes. This billing change is facilitated by a shift in Medicaid provider type, from a behavioral health outpatient provider to a residential treatment center.

SOUTHERN NEVADA CHILD AND ADOLESCENT SERVICES

Southern Nevada Child and Adolescent Services (SNCAS) provides a comprehensive continuum of behavioral health care services in Southern Nevada for severely emotionally-disturbed children and adolescents from birth through 18 years of age. Outpatient services are provided in Neighborhood Family Service Centers, and through the Mobile Crisis Unit (MCU). Residential services are provided at the West Charleston campus and include the Oasis Treatment Homes and Desert Willow Treatment Center, a hospital, which provides inpatient and residential and acute psychiatric services.

In conjunction with NNCAS, the Governor recommends \$1.6 million (net of a \$555,911 General Fund reduction) over the 2019-21 biennium to add seven Psychiatric Nurse

positions and associated expenditures and convert existing Oasis Treatment Homes to Psychiatric Residential Treatment Facilities (PRTF). Conversion to a PRTF would allow for a bundled daily rate as opposed to billing various individual mental health procedure codes. This billing change is facilitated by a shift in Medicaid provider type, from a behavioral health outpatient provider to a residential treatment center.

DEPARTMENT OF EMPLOYMENT, TRAINING AND REHABILITATION

The Department of Employment, Training and Rehabilitation (DETR) serves Nevada citizens by facilitating the training and stability of a qualified workforce that supports a growing and diverse economy, enforcing rules that protect citizens from workplace and personal discrimination, and regulating private colleges, universities and vocational training schools within Nevada.

The department is the lead state agency responsible for the administration of the Workforce Innovation and Opportunity Act (WIOA) in Nevada. The department consists of the Director's Office and centralized administrative services, the Employment Security Division, the Rehabilitation Division, the Research and Analysis Bureau, Information Development and Processing, the Nevada Equal Rights Commission (NERC) and the Commission on Postsecondary Education (CPE).

Funding for the department includes, but is not limited to, federal funds from the United States Departments of Labor and Education, the Social Security Administration, a surcharge of 0.05 percent on wages paid by Nevada employers, and penalties and interest related to employer contributions. General Fund appropriations are made to NERC, which supplement contract payments from the federal Equal Employment Opportunity Commission, and to the CPE, which is partially funded by the federal Department of Veterans Affairs. General Fund appropriations are also provided to the Vocational Rehabilitation program and the Bureau of Services to the Blind and Visually Impaired, primarily to match federal Section 110 funding.

Excluding interagency transfers, The Executive Budget includes total funding of \$325.3 million over the 2019-21 biennium, which represents an 8.9 percent increase (\$26.5 million) compared to the \$298.8 million approved by the 2017 Legislature for the 2017-19 biennium. Recommended General Fund appropriations increase by 2.1 percent, or \$210,986, to \$10.3 million in the 2019-21 biennium.

REHABILITATION DIVISION

The Rehabilitation Division includes an administrative budget; the Bureau of Vocational Rehabilitation, which provides vocational rehabilitation services leading to employment for persons with disabilities; the Bureau of Services to the Blind and Visually Impaired (BSBVI), which provides vocational rehabilitation services leading to employment and independent living services to eligible individuals with blindness and visual impairments; the Bureau of Disability Adjudication (BDA), which makes medical determinations of eligibility for Social Security Administration disability benefit payment programs; and the Blind Business Enterprise program (BEN), which provides blind individuals seeking

self-sufficiency the opportunity to operate snack bars and vending operations in federal, state and municipal buildings statewide.

BUREAU OF DISABILITY ADJUDICATION

As a result of federal Social Security Administration (SSA) hiring practices, the Governor recommends converting 11 permanent positions to intermittent positions with no budgetary impact. The Disability Adjudication budget is entirely federally funded through the SSA and, according to the agency, must receive express authority to hire. However, temporary and intermittent staff do not require this formal hiring authority, and the agency indicates converting these positions would allow for vacancies to be filled as they occur.

BUREAU OF VOCATIONAL REHABILITATION

The Governor recommends federal funds and transfers totaling \$377,131 each year of the 2019-21 biennium to fund a joint program between Vocational Rehabilitation and Southern Nevada Adult Mental Health Services (SNAMHS), within the Division of Public and Behavioral Health, Department of Health and Human Services. According to the agency, shared clients would participate in a training recovery model learning on-the-job skills at a café located on the SNAMHS campus

To support students with disabilities transitioning into the workforce, individuals with significant disabilities, job placements efforts, and internal quality control, the Governor recommends six new positions and associated expenditures totaling \$986,005 (\$210,019 General Fund appropriations) over the 2019-21 biennium.

BLIND BUSINESS ENTERPRISE OF NEVADA

The Governor recommends \$227,611 from reserves over the 2019-21 biennium to fund one new Business Enterprise Officer to oversee the BEN statewide training program, conduct specialized training for blind entrepreneurs, and expand program sites for trainees.

EMPLOYMENT SECURITY DIVISION

The Employment Security Division (ESD) is responsible for the administration of the Unemployment Insurance program and numerous state and federally-funded workforce investment programs that seek to connect Nevada employers with a skilled and qualified workforce.

The Governor recommends creation of a new budget account, Employment Security Division (ESD) Administration, comprised of transfers from the Workforce Development and Unemployment Insurance budgets including 11 permanent positions, 1 intermittent position and the Employment Security Council. The agency indicated the creation of this budget account would facilitate the proper funding and accounting for staff and the appropriate allocation of ESD administrative expenditures to all programs and budgets within the division. Major components of the transfer include \$1.1 million and 6 positions

(including 1 intermittent) from the Workforce Development budget and \$1.3 million and 6 positions from the Unemployment Insurance budget.

WORKFORCE DEVELOPMENT

The Governor recommends \$803,129 in federal and Career Enhancement Program funds over the 2019-21 biennium to fund five new permanent positions and associated expenditures within the Workforce Development budget, including two positions to assist with prisoner re-entry, one program specialist to manage grant programs and two supervisory positions.

The Governor recommends \$94,377 in Career Enhancement Program funds over the 2019-21 biennium to fund 25 intermittent-to-permanent conversions. Of the recommended conversions, 19 intermittent positions were initially approved at the August 2018 meeting of the Interim Finance Committee. The remaining 6 positions support the Reemployment and Eligibility Assessment Nevada program that helps Unemployment Insurance claimants become re-employed.

UNEMPLOYMENT INSURANCE

Due to changes in regulation, decreasing federal Unemployment Insurance Administration grant funds, and to discontinue the practice of utilizing the Employment Security Special Fund to support ongoing agency operations, the Governor recommends the elimination of 42 positions and associated expenditures resulting in reductions of \$6.1 million over the 2019-21 biennium.

The Governor recommends \$1.9 million in FY 2020 from Employment Security Special Fund budget reserves to develop a Spanish language translation for the Customer Self-Service portal and Dynamic Fact Finding components of the UInv system. Federal standards require sufficient services and information in Spanish, so individuals are effectively informed about, and able to participate in, the Unemployment Insurance program. The UInv is the state's unemployment insurance claim filing and customer self-service system.

The Executive Budget includes \$1.0 million over the 2019-21 biennium in Employment Security Special Fund reserves to fund Master Service Agreement (MSA) staff for UInv enhancements, maintenance and support.

Activities and funding related to the completed Unemployment Insurance bond program, first authorized in S.B. 515 during the 2013 Legislative Session, are recommended to terminate, resulting in a \$434,108 reduction over the 2019-21 biennium.

NEVADA EQUAL RIGHTS COMMISSION

The Governor recommends \$177,909 in General Fund appropriations over the 2019-21 biennium to fund a new permanent Management Analyst position and associated expenditures within the Nevada Equal Rights Commission (NERC).

DETR ADMINISTRATIVE SERVICES

The Governor recommends elimination of one position and associated expenditures resulting in cost allocated reductions of \$120,856 over the 2019-21 biennium. One Personnel Technician position would be eliminated to align personnel expenditures with reductions in program costs for cost allocated budget accounts.

INFORMATION DEVELOPMENT AND PROCESSING

The Governor recommends cost allocated funding of \$83,942 in FY 2021 to fund two new part-time Public Service Intern positions and associated expenditures within the Information Development and Processing budget. The agency indicated the requested positions would create a development path for individuals to enter state Information Technology (IT) services and that IT positions are difficult to hire.

The Governor recommends eliminating one IT Professional and associated expenditures in FY 2020 and one IT Technician and associated expenditures in FY 2021 due to decreasing Unemployment Insurance grant funding, resulting in cost allocated reductions of \$358,637 over the 2019-21 biennium.

The Governor recommends transfers of \$290,300 in each year of the 2019-21 biennium to continue funding for the Semi-Autonomous Research Assistant (SARA) project, which is an artificial intelligence communication and integration tool for all WIOA partners.

RESEARCH AND ANALYSIS

The Governor recommends elimination of two positions and associated expenditures resulting in federal and cost allocated reductions of \$382,171 over the 2019-21 biennium. The first, an ESD Program Specialist position, was created to support the Governor's Workforce Investment Board and the industry sector councils. The second elimination, an Economist position, would keep personnel expenditures in line with funding from the Bureau of Labor Statistics and the Workforce Innovation and Opportunity Act.

COMMISSION ON POSTSECONDARY EDUCATION

The Commission on Postsecondary Education (CPE) consists of seven members appointed by the Governor. The Commission sets policy, adopts regulations, grants licenses to operate private postsecondary institutions, and approves training programs for alcohol awareness. The CPE budget is largely funded with General Fund appropriations, with additional funding provided by a U.S. Department of Veterans Affairs grant.

The 2017 Legislature approved transferring the CPE, its four positions, and the associated budget to the Department of Employment, Training and Rehabilitation (DETR). The Executive Budget recommends funding for an additional board member, totaling \$411 per year, bringing the CPE to a total of eight members.

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Source of Funds Summary
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	2017-2018 Actual	2018-2019 Work Program	2019-2020 GOVERNOR RECOMMENDS	% Change	2020-2021 GOVERNOR RECOMMENDS	% Change
HEALTH AND HUMAN SERVICES						
HEALTH AND HUMAN SERVICES - DIRECTOR'S OFFICE						
HHS-DO - GRIEF SUPPORT TRUST ACCOUNT	13,000	117,429	118,909	1.26	161,524	35.84
BALANCE FORWARD	-54,179	54,179	54,179		96,909	78.87
INTERAGENCY TRANSFER	66,874	62,750	64,425	2.67	64,310	-.18
OTHER FUND	305	500	305	-39.00	305	
HHS-DO - ADMINISTRATION	1,595,005	1,771,329	1,881,079	6.20	1,902,522	1.14
GENERAL FUND	1,368,409	1,385,330	1,460,751	5.44	1,474,494	.94
INTERAGENCY TRANSFER	321,163	385,999	420,328	8.89	428,028	1.83
REVERSIONS	-94,567					
HHS-DO - UPL HOLDING ACCOUNT	7,774,796	13,056,427	13,753,351	5.34	13,813,325	.44
INTERAGENCY TRANSFER	7,774,796	13,056,427	13,753,351	5.34	13,813,325	.44
HHS-DO - DEVELOPMENTAL DISABILITIES	776,775	713,456	736,637	3.25	741,649	.68
GENERAL FUND	177,301	177,165	181,440	2.41	186,453	2.76
FEDERAL FUND	599,474	536,291	555,197	3.53	555,196	-.00
HHS-DO - GRANTS MANAGEMENT UNIT	26,183,751	28,229,246	25,599,420	-9.32	25,601,801	.01
GENERAL FUND	42,837	6,381	37,042	480.50	37,523	1.30
FEDERAL FUND	18,159,194	18,203,129	18,080,699	-.67	18,080,699	
INTERAGENCY TRANSFER	748,883	1,019,802				
OTHER FUND	7,237,978	8,999,934	7,481,679	-16.87	7,483,579	.03
REVERSIONS	-5,141					
HHS-DO - CONSUMER HEALTH ASSISTANCE	1,358,000	1,449,613	1,701,174	17.35	1,797,247	5.65
GENERAL FUND	207,968	202,998	402,596	98.33	461,375	14.60
INTERAGENCY TRANSFER	587,281	635,762	589,817	-7.23	613,596	4.03
OTHER FUND	630,044	610,853	708,761	16.03	722,276	1.91
REVERSIONS	-67,293					
HHS-DO - INDIGENT HOSPITAL CARE	30,869,208	54,926,185	59,011,417	7.44	60,023,284	1.71
BALANCE FORWARD	-2,188,291	23,558,289	23,709,721	.64	24,721,588	4.27
OTHER FUND	33,057,499	31,367,896	35,301,696	12.54	35,301,696	
HHS-DO - PUBLIC DEFENDER	2,964,272	3,402,964	3,343,106	-1.76	3,344,175	.03
GENERAL FUND	2,030,512	2,034,389	1,937,861	-4.74	1,938,319	.02
FEDERAL FUND	35,078	37,520	36,176	-3.58	36,176	
OTHER FUND	1,264,749	1,331,055	1,369,069	2.86	1,369,680	.04
REVERSIONS	-366,067					
HHS-DO - INDIVIDUALS WITH DISABILITIES ED PART C	3,959,603	3,800,297	4,123,803	8.51	4,123,803	.00
FEDERAL FUND	3,959,603	3,800,297	4,123,803	8.51	4,123,803	
HHS-DPBH - PROBLEM GAMBLING	1,325,741	1,906,913	5,085,433	166.68	5,025,443	-1.18
BALANCE FORWARD	-2,171	592,476	412,573	-30.36	263,435	-36.15
OTHER FUND	1,327,912	1,314,437	4,672,860	255.50	4,762,008	1.91

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	2017-2018 Actual	2018-2019 Work Program	2019-2020 GOVERNOR RECOMMENDS	% Change	2020-2021 GOVERNOR RECOMMENDS	% Change
HHS-DCFS - CHILDREN'S TRUST ACCOUNT	704,051	1,352,508	1,528,711	13.03	1,616,349	5.73
BALANCE FORWARD	-85,043	638,587	758,206	18.73	831,692	9.69
INTERAGENCY TRANSFER	779,028	711,112	760,439	6.94	774,591	1.86
OTHER FUND	10,066	2,809	10,066	258.35	10,066	
TOTAL HEALTH AND HUMAN SERVICES - DIRECTOR'S OFFICE	77,524,202	110,726,367	116,883,040	5.56	118,151,122	1.08
GENERAL FUND	3,827,027	3,806,263	4,019,690	5.61	4,098,164	1.95
BALANCE FORWARD	-2,329,684	24,843,531	24,934,679	.37	25,913,624	3.93
FEDERAL FUND	22,753,349	22,577,237	22,795,875	.97	22,795,874	-.00
INTERAGENCY TRANSFER	10,278,025	15,871,852	15,588,360	-1.79	15,693,850	.68
OTHER FUND	43,528,553	43,627,484	49,544,436	13.56	49,649,610	.21
REVERSIONS	-533,068					
AGING AND DISABILITY SERVICES						
HHS-ADSD - SENIOR RX AND DISABILITY RX	2,282,501	2,864,400	1,530,900	-46.55	1,530,900	.00
OTHER FUND	2,282,501	2,864,400	1,530,900	-46.55	1,530,900	
HHS-ADSD - TOBACCO SETTLEMENT PROGRAM	5,729,375	5,943,500	5,943,500	.00	5,943,500	.00
OTHER FUND	5,729,375	5,943,500	5,943,500		5,943,500	
HHS-ADSD - FEDERAL PROGRAMS AND ADMINISTRATION	26,259,737	28,444,318	9,827,255	-65.45	10,293,052	4.74
GENERAL FUND	6,288,939	6,029,624	1,994,783	-66.92	2,230,705	11.83
BALANCE FORWARD	-10,839	41,223				
FEDERAL FUND	12,487,175	13,133,378				
INTERAGENCY TRANSFER	8,050,650	9,053,852	7,832,472	-13.49	8,062,347	2.93
OTHER FUND	109,635	186,241				
REVERSIONS	-665,823					
HHS-ADSD - HOME AND COMMUNITY-BASED SERVICES	36,310,928	44,136,199	50,812,758	15.13	52,959,876	4.23
GENERAL FUND	21,092,364	21,176,244	23,950,700	13.10	25,869,718	8.01
BALANCE FORWARD	-730,477	1,912,804	41,223	-97.84	41,223	
FEDERAL FUND	2,083,816	4,583,284	16,208,529	253.64	16,227,453	.12
INTERAGENCY TRANSFER	8,947,494	10,471,409	10,482,522	.11	10,691,626	1.99
OTHER FUND	5,610,047	5,992,458	129,784	-97.83	129,856	.06
REVERSIONS	-692,316					
HHS-ADSD - COMMUNICATION ACCESS SERVICES			4,518,567		4,512,259	-.14
BALANCE FORWARD			1,912,289		1,912,289	
OTHER FUND			2,606,278		2,599,970	-.24
HHS-ADSD - EARLY INTERVENTION SERVICES	36,241,855	44,254,765	39,532,641	-10.67	40,533,130	2.53
GENERAL FUND	29,695,236	31,531,031	31,705,883	.55	32,557,732	2.69
BALANCE FORWARD		454,915				
FEDERAL FUND	307,587	1,941,231	315,804	-83.73	316,251	.14
INTERAGENCY TRANSFER	6,763,955	9,312,931	7,342,261	-21.16	7,490,012	2.01
OTHER FUND	171,452	1,014,657	168,693	-83.37	169,135	.26
REVERSIONS	-696,375					

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	2017-2018 Actual	2018-2019 Work Program	2019-2020 GOVERNOR RECOMMENDS	% Change	2020-2021 GOVERNOR RECOMMENDS	% Change
HHS - ADSD- AUTISM TREATMENT ASSISTANCE PROGRAM			15,973,257		18,057,040	13.05
GENERAL FUND			7,801,566		9,519,960	22.03
FEDERAL FUND			1,372,618		1,507,950	9.86
INTERAGENCY TRANSFER			3,060,026		3,218,542	5.18
OTHER FUND			3,739,047		3,810,588	1.91
HHS-ADSD-APPLIED BEHAVIOR ANALYSIS		204,405	204,405	.00	204,405	.00
OTHER FUND		204,405	204,405		204,405	
HHS-ADSD - FAMILY PRESERVATION PROGRAM	2,829,618	2,964,092	2,994,820	1.04	3,038,029	1.44
GENERAL FUND	1,636,416	1,664,092	1,694,820	1.85	1,738,029	2.55
INTERAGENCY TRANSFER	1,000,000	1,100,000	1,100,000		1,100,000	
OTHER FUND	200,000	200,000	200,000		200,000	
REVERSIONS	-6,798					
HHS-ADSD - SIERRA REGIONAL CENTER	42,576,251	51,236,291	56,753,426	10.77	60,262,425	6.18
GENERAL FUND	25,416,100	26,718,913	27,885,062	4.36	29,711,938	6.55
INTERAGENCY TRANSFER	21,104,821	23,805,259	27,972,022	17.50	29,654,399	6.01
OTHER FUND	926,653	712,119	896,342	25.87	896,088	-.03
REVERSIONS	-4,871,323					
HHS-ADSD - DESERT REGIONAL CENTER	128,611,270	150,449,934	165,011,978	9.68	175,744,214	6.50
GENERAL FUND	68,615,298	74,510,899	85,339,504	14.53	91,653,400	7.40
BALANCE FORWARD	10,982	442,551				
INTERAGENCY TRANSFER	62,053,647	73,098,284	76,497,298	4.65	80,915,976	5.78
OTHER FUND	4,131,472	2,398,200	3,175,176	32.40	3,174,838	-.01
REVERSIONS	-6,200,129					
HHS-ADSD - RURAL REGIONAL CENTER	19,033,952	20,412,521	24,506,513	20.06	26,180,770	6.83
GENERAL FUND	10,607,466	11,177,739	12,352,223	10.51	13,268,247	7.42
INTERAGENCY TRANSFER	9,295,533	9,168,501	11,975,073	30.61	12,732,519	6.33
OTHER FUND	185,219	66,281	179,217	170.39	180,004	.44
REVERSIONS	-1,054,266					
TOTAL AGING AND DISABILITY SERVICES	299,875,487	350,910,425	377,610,020	7.61	399,259,600	5.73
GENERAL FUND	163,351,819	172,808,542	192,724,541	11.52	206,549,729	7.17
BALANCE FORWARD	-730,334	2,851,493	1,953,512	-31.49	1,953,512	
FEDERAL FUND	14,878,578	19,657,893	17,896,951	-8.96	18,051,654	.86
INTERAGENCY TRANSFER	117,216,100	136,010,236	146,261,674	7.54	153,865,421	5.20
OTHER FUND	19,346,354	19,582,261	18,773,342	-4.13	18,839,284	.35
REVERSIONS	-14,187,030					
HEALTH CARE FINANCING & POLICY						
HHS-HCF&P - INTERGOVERNMENTAL TRANSFER PROGRAM	160,227,772	207,840,216	180,618,850	-13.10	174,923,693	-3.15
BALANCE FORWARD	-8,314,662	34,567,264	7,573,584	-78.09	7,573,584	
INTERAGENCY TRANSFER	35,743,172	40,550,749	42,654,331	5.19	42,306,857	-.81
OTHER FUND	132,799,262	132,722,203	130,390,935	-1.76	125,043,252	-4.10

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	2017-2018 Actual	2018-2019 Work Program	2019-2020 GOVERNOR RECOMMENDS	% Change	2020-2021 GOVERNOR RECOMMENDS	% Change
HHS-HCF&P - HCF&P ADMINISTRATION	174,634,535	183,916,899	164,963,714	-10.31	170,539,194	3.38
GENERAL FUND	23,104,949	30,111,051	27,529,954	-8.57	28,894,173	4.96
BALANCE FORWARD	3,279,711	2,232,242	720,838	-67.71	766,355	6.31
FEDERAL FUND	146,582,582	149,967,158	134,642,676	-10.22	138,974,802	3.22
INTERAGENCY TRANSFER	443,346	424,436	446,678	5.24	470,241	5.28
OTHER FUND	1,575,891	1,182,012	1,623,568	37.36	1,433,623	-11.70
REVERSIONS	-351,944					
HHS-HCF&P - INCREASED QUALITY OF NURSING CARE	35,104,504	40,052,540	40,676,792	1.56	43,033,059	5.79
BALANCE FORWARD	-1,599,899	2,499,900	900,000	-64.00	900,000	
OTHER FUND	36,704,403	37,552,640	39,776,792	5.92	42,133,059	5.92
HHS-HCF&P - NEVADA CHECK UP PROGRAM	52,370,639	64,012,631	59,403,317	-7.20	62,119,012	4.57
GENERAL FUND	530,222	618,457	2,808,355	354.09	9,397,594	234.63
FEDERAL FUND	49,149,846	60,046,002	53,252,286	-11.31	48,952,554	-8.07
INTERAGENCY TRANSFER	15,179	20,876	425,677	1,939.07	815,134	91.49
OTHER FUND	2,675,392	3,327,296	2,916,999	-12.33	2,953,730	1.26
HHS-HCF&P - NEVADA MEDICAID, TITLE XIX	3,770,749,123	3,889,383,337	4,195,994,888	7.88	4,456,077,415	6.20
GENERAL FUND	671,703,899	693,966,920	835,307,676	20.37	913,929,479	9.41
BALANCE FORWARD	-2,108,613	870,742	479,303	-44.95	684,059	42.72
FEDERAL FUND	2,883,054,332	2,951,699,538	3,114,180,557	5.50	3,299,267,967	5.94
INTERAGENCY TRANSFER	194,798,945	211,830,180	211,799,703	-.01	208,047,793	-1.77
OTHER FUND	23,300,560	31,015,957	34,227,649	10.35	34,148,117	-.23
TOTAL HEALTH CARE FINANCING & POLICY	4,193,086,573	4,385,205,623	4,641,657,561	5.85	4,906,692,373	5.71
GENERAL FUND	695,339,070	724,696,428	865,645,985	19.45	952,221,246	10.00
BALANCE FORWARD	-8,743,463	40,170,148	9,673,725	-75.92	9,923,998	2.59
FEDERAL FUND	3,078,786,760	3,161,712,698	3,302,075,519	4.44	3,487,195,323	5.61
INTERAGENCY TRANSFER	231,000,642	252,826,241	255,326,389	.99	251,640,025	-1.44
OTHER FUND	197,055,508	205,800,108	208,935,943	1.52	205,711,781	-1.54
REVERSIONS	-351,944					
DIVISION OF PUBLIC AND BEHAVIORAL HEALTH						
HHS-DPBH - RADIATION CONTROL	3,092,900	4,966,337	4,459,483	-10.21	4,058,345	-9.00
BALANCE FORWARD	103,554	1,963,698	1,473,376	-24.97	1,061,151	-27.98
FEDERAL FUND	272,845	270,000	230,000	-14.81	230,000	
INTERAGENCY TRANSFER	4,192	55,230	14,422	-73.89	14,422	
OTHER FUND	2,720,009	2,677,409	2,741,685	2.40	2,752,772	.40
REVERSIONS	-7,700					
HHS-DPBH - CHILD CARE SERVICES	1,461,174	1,845,790	2,118,521	14.78	2,166,956	2.29
BALANCE FORWARD	-53,342	107,427	209,943	95.43	258,378	23.07
INTERAGENCY TRANSFER	1,387,718	1,542,705	1,750,596	13.48	1,750,596	
OTHER FUND	126,798	195,658	157,982	-19.26	157,982	
HHS-DPBH - LOW-LEVEL RADIOACTIVE WASTE FUND	86,130	1,269,493	522,942	-58.81	522,942	.00
BALANCE FORWARD	-299,522	1,048,921				
OTHER FUND	385,652	220,572	522,942	137.08	522,942	

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	2017-2018 Actual	2018-2019 Work Program	2019-2020 GOVERNOR RECOMMENDS	% Change	2020-2021 GOVERNOR RECOMMENDS	% Change
HHS-DPBH - NEVADA CENTRAL CANCER REGISTRY	555,120	811,731	897,768	10.60	850,904	-5.22
GENERAL FUND			166,780		172,305	3.31
BALANCE FORWARD	3,443	194,529	155,488	-20.07	103,099	-33.69
INTERAGENCY TRANSFER	551,677	575,000	575,000		575,000	
OTHER FUND		42,202	500	-98.82	500	
HHS-DPBH - HEALTH STATISTICS AND PLANNING	1,453,195	3,459,750	3,341,867	-3.41	3,470,883	3.86
BALANCE FORWARD	-345,925	1,941,547	1,511,524	-22.15	1,675,954	10.88
INTERAGENCY TRANSFER	426,356	295,728	398,560	34.77	398,560	
OTHER FUND	1,372,764	1,222,475	1,431,783	17.12	1,396,369	-2.47
HHS-DPBH - ENVIRONMENTAL HEALTH SERVICES	1,666,668	2,398,701	2,413,977	.64	2,281,063	-5.51
BALANCE FORWARD	-45,723	528,359	433,567	-17.94	300,653	-30.66
FEDERAL FUND	245,914	267,053	283,283	6.08	283,283	
OTHER FUND	1,466,477	1,603,289	1,697,127	5.85	1,697,127	
HHS-DPBH - IMMUNIZATION PROGRAM	6,463,143	6,549,036	6,177,477	-5.67	6,503,483	5.28
GENERAL FUND	668,786	668,786	738,732	10.46	1,063,650	43.98
BALANCE FORWARD	74,902					
FEDERAL FUND	3,580,348	3,727,862	3,285,682	-11.86	3,285,682	
INTERAGENCY TRANSFER	2,139,777	2,152,388	2,003,063	-6.94	2,004,151	.05
OTHER FUND			150,000		150,000	
REVERSIONS	-670					
HHS-DPBH - WIC FOOD SUPPLEMENT	62,024,894	72,186,274	67,442,824	-6.57	67,442,824	.00
BALANCE FORWARD	-433	1,313				
FEDERAL FUND	46,861,578	56,557,202	51,987,455	-8.08	51,987,455	
OTHER FUND	15,163,749	15,627,759	15,455,369	-1.10	15,455,369	
HHS-DPBH - COMMUNICABLE DISEASES	24,300,820	30,691,022	26,044,415	-15.14	25,696,650	-1.34
BALANCE FORWARD	2,095,530	1,288,286	349,132	-72.90	501	-99.86
FEDERAL FUND	12,365,396	10,632,262	12,096,197	13.77	12,097,063	.01
OTHER FUND	9,839,894	18,770,474	13,599,086	-27.55	13,599,086	
HHS-DPBH - HEALTH CARE FACILITIES REG	12,096,287	20,789,485	18,980,752	-8.70	17,417,265	-8.24
GENERAL FUND			601,811		627,759	4.31
BALANCE FORWARD	-601,435	10,480,678	6,136,090	-41.45	4,546,655	-25.90
FEDERAL FUND	2,227,613	1,667,093	1,853,162	11.16	1,853,162	
INTERAGENCY TRANSFER	2,399,615	1,670,934	2,220,969	32.92	2,220,969	
OTHER FUND	8,070,494	6,970,780	8,168,720	17.19	8,168,720	
HHS-DPBH - HEALTH CARE FACILITIES ADMIN PENALTY	375	163,534	205,926	25.92	259,378	25.96
BALANCE FORWARD	-22,925	109,934	152,326	38.56	205,778	35.09
OTHER FUND	23,300	53,600	53,600		53,600	

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	2017-2018 Actual	2018-2019 Work Program	2019-2020 GOVERNOR RECOMMENDS	% Change	2020-2021 GOVERNOR RECOMMENDS	% Change
HHS-DPBH - PUBLIC HEALTH PREPAREDNESS PROGRAM	10,201,998	11,603,570	10,755,683	-7.31	10,763,916	.08
BALANCE FORWARD	-6,555	13,039				
FEDERAL FUND	9,877,442	11,195,429	10,323,000	-7.79	10,321,578	-.01
INTERAGENCY TRANSFER	316,877	210,031	233,356	11.11	238,456	2.19
OTHER FUND	14,400	185,071	199,327	7.70	203,882	2.29
REVERSIONS	-166					
HHS-DPBH - BIOSTATISTICS AND EPIDEMIOLOGY	6,955,855	11,385,104	9,860,553	-13.39	9,922,771	.63
GENERAL FUND	303,191	308,879	393,674	27.45	424,167	7.75
FEDERAL FUND	5,859,874	9,834,564	8,735,141	-11.18	8,740,934	.07
INTERAGENCY TRANSFER	712,670	1,199,761	636,505	-46.95	658,633	3.48
OTHER FUND	81,371	41,900	95,233	127.29	99,037	3.99
REVERSIONS	-1,251					
HHS-DPBH - CHRONIC DISEASE	9,861,074	10,984,303	12,897,793	17.42	12,909,519	.09
GENERAL FUND	500,000	500,000	500,000		500,000	
BALANCE FORWARD	-23,293	23,293				
FEDERAL FUND	7,593,776	8,643,578	8,700,375	.66	8,701,233	.01
INTERAGENCY TRANSFER	850,457	685,909	618,737	-9.79	624,163	.88
OTHER FUND	1,087,577	1,131,523	3,078,681	172.08	3,084,123	.18
REVERSIONS	-147,443					
HHS-DPBH - MATERNAL CHILD & ADOLESCENT HEALTH SVCS	8,042,891	8,632,031	8,209,745	-4.89	8,234,864	.31
GENERAL FUND	1,217,601	1,219,860	1,369,599	12.28	1,396,924	2.00
FEDERAL FUND	6,268,866	6,797,240	6,387,363	-6.03	6,387,363	
INTERAGENCY TRANSFER	553,362	614,931	452,783	-26.37	450,577	-.49
OTHER FUND	3,103					
REVERSIONS	-41					
HHS-DPBH - OFFICE OF HEALTH ADMINISTRATION	8,478,863	8,945,881	10,014,492	11.95	10,312,232	2.97
GENERAL FUND	3,382,152	3,179,228	4,642,413	46.02	4,942,476	6.46
BALANCE FORWARD	1,118,078	228,548	95,524	-58.20	76,173	-20.26
FEDERAL FUND			2,385		2,951	23.73
INTERAGENCY TRANSFER	3,978,634	5,538,105	5,274,170	-4.77	5,290,632	.31
REVERSIONS	-1					
HHS-DPBH - COMMUNITY HEALTH SERVICES	2,961,203	4,355,834	6,452,977	48.15	6,445,020	-.12
GENERAL FUND	2,005,862	2,056,697	4,579,065	122.64	4,572,519	-.14
BALANCE FORWARD	-399,145	399,145				
FEDERAL FUND	175,953	222,313	201,000	-9.59	201,000	
INTERAGENCY TRANSFER	843,470	1,056,182	1,072,900	1.58	1,071,489	-.13
OTHER FUND	601,909	621,497	600,012	-3.46	600,012	
REVERSIONS	-266,846					

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	2017-2018 Actual	2018-2019 Work Program	2019-2020 GOVERNOR RECOMMENDS	% Change	2020-2021 GOVERNOR RECOMMENDS	% Change
HHS-DPBH - EMERGENCY MEDICAL SERVICES	731,860	1,651,703	1,002,149	-39.33	1,019,672	1.75
GENERAL FUND	687,977	696,019	726,688	4.41	739,208	1.72
BALANCE FORWARD	-11,017	79,480	78,766	-.90	81,993	4.10
FEDERAL FUND	43,601	129,999	130,000	.00	130,000	
INTERAGENCY TRANSFER		686,126				
OTHER FUND	63,489	60,079	66,695	11.01	68,471	2.66
REVERSIONS	-52,190					
HHS-DPBH - MARIJUANA HEALTH REGISTRY	1,004,471	4,126,602	3,885,121	-5.85	4,015,935	3.37
BALANCE FORWARD	-460,706	2,240,883	2,405,707	7.36	3,000,561	24.73
OTHER FUND	1,465,177	1,885,719	1,479,414	-21.55	1,015,374	-31.37
HHS-DPBH - BEHAVIORAL HEALTH ADMINISTRATION	3,610,017	5,678,782	4,223,577	-25.63	4,227,093	.08
GENERAL FUND	3,301,799	3,431,769	3,524,616	2.71	3,504,948	-.56
BALANCE FORWARD	80,053	1,572,986				
INTERAGENCY TRANSFER	360,181	674,027	698,961	3.70	722,145	3.32
REVERSIONS	-132,016					
HHS-DPBH - ALCOHOL TAX PROGRAM	1,164,768	1,194,078	1,189,091	-.42	1,183,225	-.49
BALANCE FORWARD	19,525	64,638	64,638		64,638	
OTHER FUND	1,145,243	1,129,440	1,124,453	-.44	1,118,587	-.52
HHS-DPBH - BEHAVIORAL HEALTH PREV & TREATMENT	34,678,287	59,675,200	38,738,297	-35.08	38,774,824	.09
GENERAL FUND	6,441,166	6,441,313	6,415,790	-.40	6,441,147	.40
BALANCE FORWARD	-187,805	384,836				
FEDERAL FUND	28,137,007	51,744,026	31,774,586	-38.59	31,781,458	.02
INTERAGENCY TRANSFER	186,437	350,000	453,381	29.54	457,679	.95
OTHER FUND	351,831	755,025	94,540	-87.48	94,540	
REVERSIONS	-250,349					
HHS-DPBH - RURAL CLINICS	13,728,664	15,399,206	16,216,058	5.30	16,572,069	2.20
GENERAL FUND	10,687,827	11,568,931	11,869,843	2.60	12,140,022	2.28
FEDERAL FUND	444,594	414,065	495,610	19.69	505,531	2.00
INTERAGENCY TRANSFER	3,311,921	3,059,599	3,388,628	10.75	3,448,559	1.77
OTHER FUND	540,168	356,611	461,977	29.55	477,957	3.46
REVERSIONS	-1,255,846					
HHS-DPBH - NO NV ADULT MENTAL HEALTH SVCS	26,336,157	29,759,990	29,603,806	-.52	30,391,348	2.66
GENERAL FUND	25,426,100	24,752,167	24,410,030	-1.38	25,110,909	2.87
FEDERAL FUND	2,469,496	2,274,886	2,896,932	27.34	2,960,035	2.18
INTERAGENCY TRANSFER	1,967,547	2,406,163	1,946,462	-19.11	1,964,210	.91
OTHER FUND	178,668	326,774	350,382	7.22	356,194	1.66
REVERSIONS	-3,705,654					

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HHS-DPBH - SO NV ADULT MENTAL HEALTH SERVICES	81,279,578	87,908,421	90,394,032	2.83	92,360,910	2.18
GENERAL FUND	77,346,800	79,028,730	82,121,321	3.91	83,974,784	2.26
BALANCE FORWARD	63,741	293,774				
FEDERAL FUND	3,826,212	4,217,900	2,586,810	-38.67	2,619,716	1.27
INTERAGENCY TRANSFER	5,226,475	3,966,468	5,206,523	31.26	5,285,175	1.51
OTHER FUND	381,410	401,549	479,378	19.38	481,235	.39
REVERSIONS	-5,565,060					
HHS-DPBH - FACILITY FOR THE MENTAL OFFENDER	11,637,985	11,967,565	12,408,397	3.68	12,672,695	2.13
GENERAL FUND	11,332,985	11,453,702	11,873,354	3.66	12,137,768	2.23
OTHER FUND	496,362	513,863	535,043	4.12	534,927	-.02
REVERSIONS	-191,362					
TOTAL DIVISION OF PUBLIC AND BEHAVIORAL HEALTH	333,874,377	418,399,423	388,457,723	-7.16	390,476,786	.52
GENERAL FUND	143,302,246	145,306,081	153,933,716	5.94	157,748,586	2.48
BALANCE FORWARD	1,101,000	22,965,314	13,066,081	-43.11	11,375,534	-12.94
FEDERAL FUND	130,250,515	168,595,472	141,968,981	-15.79	142,088,444	.08
INTERAGENCY TRANSFER	25,217,366	26,739,287	26,945,016	.77	27,175,416	.86
OTHER FUND	45,579,845	54,793,269	52,543,929	-4.11	52,088,806	-.87
REVERSIONS	-11,576,595					
WELFARE AND SUPPORTIVE SERVICES						
HHS-WELFARE - ADMINISTRATION	47,790,574	51,596,917	46,656,516	-9.57	47,707,278	2.25
GENERAL FUND	11,667,403	11,770,371	12,139,841	3.14	12,461,275	2.65
BALANCE FORWARD	148,035	1,387,139				
FEDERAL FUND	26,761,337	26,504,980	24,662,346	-6.95	24,903,487	.98
INTERAGENCY TRANSFER	8,381,454	11,225,530	8,753,886	-22.02	9,204,078	5.14
OTHER FUND	1,051,470	708,897	1,100,443	55.23	1,138,438	3.45
REVERSIONS	-219,125					
HHS-WELFARE - TANF	42,039,870	47,048,504	41,659,428	-11.45	41,449,264	-.50
GENERAL FUND	24,607,702	24,607,702	24,607,703	.00	24,607,703	
FEDERAL FUND	17,432,168	22,440,802	17,051,725	-24.01	16,841,561	-1.23
HHS-WELFARE - ASSISTANCE TO AGED AND BLIND	10,125,000	10,564,945	10,817,560	2.39	11,243,680	3.94
GENERAL FUND	10,068,633	10,564,945	10,817,560	2.39	11,243,680	3.94
INTERAGENCY TRANSFER	75,000					
REVERSIONS	-18,633					
HHS-WELFARE - WELFARE FIELD SERVICES	113,125,584	121,639,582	128,764,915	5.86	134,135,504	4.17
GENERAL FUND	35,620,005	36,391,426	41,276,251	13.42	42,966,929	4.10
BALANCE FORWARD	-653,628	618,180				
FEDERAL FUND	34,400,094	39,955,192	36,716,267	-8.11	38,258,781	4.20
INTERAGENCY TRANSFER	44,131,670	44,660,624	50,753,306	13.64	52,889,697	4.21
OTHER FUND	36,990	14,160	19,091	34.82	20,097	5.27
REVERSIONS	-409,547					

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HHS-WELFARE - CHILD SUPPORT ENFORCEMENT PROGRAM	18,571,674	43,057,515	16,167,556	-62.45	16,462,342	1.82
GENERAL FUND			322,582		1,245,477	286.10
BALANCE FORWARD	1,727,020	10,485,976	803,985	-92.33		
FEDERAL FUND	12,205,268	27,837,540	10,256,940	-63.15	10,451,627	1.90
OTHER FUND	4,639,386	4,733,999	4,784,049	1.06	4,765,238	-.39
HHS-WELFARE - CHILD SUPPORT FEDERAL REIMBURSEMENT	25,015,343	29,281,911	26,379,996	-9.91	27,459,514	4.09
BALANCE FORWARD	5,120	251,220	279,184	11.13	274,064	-1.83
FEDERAL FUND	25,010,223	28,994,176	26,100,812	-9.98	27,185,450	4.16
OTHER FUND		36,515				
HHS-WELFARE - CHILD ASSISTANCE AND DEVELOPMENT	54,250,818	60,594,991	74,828,147	23.49	75,242,164	.55
GENERAL FUND	2,580,421	2,580,421	2,580,421		2,580,421	
FEDERAL FUND	51,670,397	58,014,570	72,247,726	24.53	72,661,743	.57
HHS-WELFARE - ENERGY ASSISTANCE PROGRAM	19,925,761	19,301,205	22,602,147	17.10	22,627,160	.11
FEDERAL FUND	13,940,520	9,820,267	14,158,535	44.18	14,065,919	-.65
OTHER FUND	5,985,241	9,480,938	8,443,612	-10.94	8,561,241	1.39
TOTAL WELFARE AND SUPPORTIVE SERVICES	330,844,624	383,085,570	367,876,265	-3.97	376,326,906	2.30
GENERAL FUND	84,544,164	85,914,865	91,744,358	6.79	95,105,485	3.66
BALANCE FORWARD	1,226,547	12,742,515	1,083,169	-91.50	274,064	-74.70
FEDERAL FUND	181,420,007	213,567,527	201,194,351	-5.79	204,368,568	1.58
INTERAGENCY TRANSFER	52,588,124	55,886,154	59,507,192	6.48	62,093,775	4.35
OTHER FUND	11,713,087	14,974,509	14,347,195	-4.19	14,485,014	.96
REVERSIONS	-647,305					
CHILD AND FAMILY SERVICES						
HHS-DCFS - CHILDREN, YOUTH & FAMILY ADMINISTRATION	34,393,016	36,748,080	40,179,704	9.34	40,361,638	.45
GENERAL FUND	5,750,485	5,868,765	6,867,379	17.02	6,824,687	-.62
BALANCE FORWARD	-58,405	97,104	97,104		57,655	-40.63
FEDERAL FUND	27,915,737	29,303,918	29,678,623	1.28	29,938,594	.88
INTERAGENCY TRANSFER	1,269,034	1,321,305	2,086,598	57.92	2,090,702	.20
OTHER FUND	180,399	156,988	1,450,000	823.64	1,450,000	
REVERSIONS	-664,234					
HHS-DCFS - VICTIMS OF DOMESTIC VIOLENCE	3,336,433	3,845,234	3,236,683	-15.83	3,206,175	-.94
BALANCE FORWARD	280,258	758,561	180,508	-76.20	150,000	-16.90
OTHER FUND	3,056,175	3,086,673	3,056,175	-.99	3,056,175	
HHS-DCFS - INFORMATION SERVICES	7,055,003	7,214,317	8,462,521	17.30	8,488,402	.31
GENERAL FUND	3,876,006	3,930,647	4,635,608	17.93	4,645,530	.21
FEDERAL FUND	2,963,576	2,876,652	3,364,861	16.97	3,381,949	.51
INTERAGENCY TRANSFER	390,629	407,018	462,052	13.52	460,923	-.24
REVERSIONS	-175,208					

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HHS-DCFS - WASHOE COUNTY CHILD WELFARE	35,388,402	34,587,883	36,993,785	6.96	37,541,902	1.48
GENERAL FUND	17,047,827	17,206,072	17,834,542	3.65	18,022,803	1.06
FEDERAL FUND	18,538,629	17,205,444	19,025,256	10.58	19,385,112	1.89
INTERAGENCY TRANSFER	133,987	176,367	133,987	-24.03	133,987	
REVERSIONS	-332,041					
HHS-DCFS - CLARK COUNTY CHILD WELFARE	108,225,643	109,552,527	112,174,952	2.39	114,113,664	1.73
GENERAL FUND	51,856,177	53,211,543	53,981,447	1.45	54,627,891	1.20
FEDERAL FUND	56,599,368	56,333,539	58,183,731	3.28	59,475,999	2.22
INTERAGENCY TRANSFER	9,774	7,445	9,774	31.28	9,774	
REVERSIONS	-239,676					
HHS-DCFS - RURAL CHILD WELFARE	18,851,563	22,948,058	23,415,010	2.03	24,058,382	2.75
GENERAL FUND	7,799,907	8,043,601	8,667,502	7.76	9,096,462	4.95
BALANCE FORWARD	-7,117	203,108	426,262	109.87	426,262	
FEDERAL FUND	7,194,733	8,552,581	8,224,667	-3.83	8,365,057	1.71
INTERAGENCY TRANSFER	1,641,200	2,470,042	2,377,974	-3.73	2,377,984	.00
OTHER FUND	3,431,587	3,678,726	3,718,605	1.08	3,792,617	1.99
REVERSIONS	-1,208,747					
HHS-DCFS - CHILD WELFARE TRUST	178,227	319,103	263,560	-17.41	274,499	4.15
BALANCE FORWARD	-10,939	74,394	74,394		85,333	14.70
OTHER FUND	189,166	244,709	189,166	-22.70	189,166	
HHS-DCFS - TRANSITION FROM FOSTER CARE	1,429,415	1,476,427	1,582,219	7.17	1,501,693	-5.09
BALANCE FORWARD	494,361	565,812	662,745	17.13	582,219	-12.15
OTHER FUND	935,054	910,615	919,474	.97	919,474	
HHS-DCFS - REVIEW OF DEATH OF CHILDREN	129,397	551,185	589,686	6.99	588,902	-.13
BALANCE FORWARD	-26,993	428,060	460,835	7.66	460,282	-.12
OTHER FUND	156,390	123,125	128,851	4.65	128,620	-.18
HHS-DCFS - JUVENILE JUSTICE SERVICES	4,418,257	3,594,740	3,411,844	-5.09	3,448,391	1.07
GENERAL FUND	4,150,923	3,130,681	2,968,157	-5.19	3,004,574	1.23
BALANCE FORWARD	-7,268	11,581				
FEDERAL FUND	521,603	447,478	434,937	-2.80	435,067	.03
OTHER FUND	8,750	5,000	8,750	75.00	8,750	
REVERSIONS	-255,751					
HHS-DCFS - YOUTH ALTERNATIVE PLACEMENT	4,335,793	4,370,793	4,370,793	.00	4,370,793	.00
GENERAL FUND	2,184,481	2,184,481	2,184,481		2,184,481	
OTHER FUND	2,151,312	2,186,312	2,186,312		2,186,312	
HHS-DCFS - SUMMIT VIEW YOUTH CENTER	7,440,236	6,102,681	7,183,004	17.70	7,804,528	8.65
GENERAL FUND	7,126,949	5,959,295	7,113,064	19.36	7,734,588	8.74
BALANCE FORWARD	94,462	57,538				
INTERAGENCY TRANSFER	382,975	85,848	69,940	-18.53	69,940	
REVERSIONS	-164,150					

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HHS-DCFS - CALIENTE YOUTH CENTER	8,715,274	9,829,990	10,671,822	8.56	13,049,490	22.28
GENERAL FUND	8,538,815	8,752,414	10,146,666	15.93	12,524,334	23.43
BALANCE FORWARD	225,491	674,765				
INTERAGENCY TRANSFER	126,998	402,811	525,156	30.37	525,156	
OTHER FUND	100					
REVERSIONS	-176,130					
HHS-DCFS - NEVADA YOUTH TRAINING CENTER	7,964,581	8,259,070	8,338,386	.96	9,311,439	11.67
GENERAL FUND	7,048,877	7,181,690	8,080,517	12.52	9,053,570	12.04
BALANCE FORWARD	605,041	824,621				
INTERAGENCY TRANSFER	397,791	228,405	235,249	3.00	235,249	
OTHER FUND	22,623	24,354	22,620	-7.12	22,620	
REVERSIONS	-109,751					
HHS-DCFS - YOUTH PAROLE SERVICES	5,994,033	6,563,401	6,776,106	3.24	6,930,281	2.28
GENERAL FUND	3,182,669	3,170,495	3,334,652	5.18	3,408,818	2.22
INTERAGENCY TRANSFER	26,844	208,513	26,844	-87.13	26,844	
OTHER FUND	2,991,029	3,184,393	3,414,610	7.23	3,494,619	2.34
REVERSIONS	-206,509					
HHS-DCFS - NORTHERN NV CHILD & ADOLESCENT SERVICES	8,526,744	9,559,352	10,553,453	10.40	11,015,596	4.38
GENERAL FUND	3,264,290	3,521,336	4,320,852	22.70	3,642,986	-15.69
BALANCE FORWARD	2,561	68,366				
INTERAGENCY TRANSFER	4,670,350	5,237,813	5,477,336	4.57	6,617,345	20.81
OTHER FUND	759,648	731,837	755,265	3.20	755,265	
REVERSIONS	-170,105					
HHS-DCFS - SOUTHERN NV CHILD & ADOLESCENT SERVICES	28,109,501	28,820,242	28,752,485	-.24	27,524,926	-4.27
GENERAL FUND	10,718,639	11,070,957	12,907,165	16.59	12,488,911	-3.24
BALANCE FORWARD	244,063	42,802				
FEDERAL FUND	4,060,112	3,515,490	2,127,564	-39.48	436,444	-79.49
INTERAGENCY TRANSFER	11,486,571	12,138,523	11,713,872	-3.50	12,758,755	8.92
OTHER FUND	2,216,005	2,052,470	2,003,884	-2.37	1,840,816	-8.14
REVERSIONS	-615,889					
TOTAL CHILD AND FAMILY SERVICES	284,491,518	294,343,083	306,956,013	4.29	313,590,701	2.16
GENERAL FUND	132,546,045	133,231,977	143,042,032	7.36	147,259,635	2.95
BALANCE FORWARD	1,835,515	3,806,712	1,901,848	-50.04	1,761,751	-7.37
FEDERAL FUND	117,793,758	118,235,102	121,039,639	2.37	121,418,222	.31
INTERAGENCY TRANSFER	20,536,153	22,684,090	23,118,782	1.92	25,306,659	9.46
OTHER FUND	16,098,238	16,385,202	17,853,712	8.96	17,844,434	-.05
REVERSIONS	-4,318,191					
EMPLOYMENT, TRAINING AND REHABILITATION						
DETR - COMMISSION ON POSTSECONDARY EDUCATION	460,420	487,903	530,376	8.71	552,254	4.12
GENERAL FUND	375,749	387,903	431,857	11.33	454,641	5.28
FEDERAL FUND	118,315	100,000	98,519	-1.48	97,613	-.92
REVERSIONS	-33,644					

Nevada Legislative Counsel Bureau
Source of Funds Summary
2019-21 Fiscal Report

	2017-2018 Actual	2018-2019 Work Program	2019-2020 GOVERNOR RECOMMENDS	% Change	2020-2021 GOVERNOR RECOMMENDS	% Change
DETR - ADMINISTRATION	4,677,974	5,429,388	5,946,536	9.52	6,163,395	3.65
BALANCE FORWARD	-1,443	451,734	404,833	-10.38	404,834	.00
INTERAGENCY TRANSFER	4,677,975	4,977,654	5,541,703	11.33	5,758,561	3.91
OTHER FUND	1,442					
DETR - INFORMATION DEVELOPMENT AND PROCESSING	12,698,041	15,887,821	13,588,270	-14.47	13,698,738	.81
BALANCE FORWARD	949,144	998,893	1,123,847	12.51	1,123,846	-.00
INTERAGENCY TRANSFER	11,648,222	14,748,293	12,380,792	-16.05	12,491,239	.89
OTHER FUND	100,675	140,635	83,631	-40.53	83,653	.03
DETR - RESEARCH & ANALYSIS	2,539,932	2,751,578	2,682,969	-2.49	2,736,917	2.01
BALANCE FORWARD	207,041	212,422	216,599	1.97	221,599	2.31
FEDERAL FUND	1,157,274	1,189,649	1,152,424	-3.13	1,181,310	2.51
INTERAGENCY TRANSFER	1,175,235	1,349,507	1,313,946	-2.64	1,334,008	1.53
OTHER FUND	382					
DETR - EQUAL RIGHTS COMMISSION	1,855,776	1,871,034	1,982,803	5.97	2,051,245	3.45
GENERAL FUND	1,450,304	1,421,066	1,504,658	5.88	1,573,100	4.55
FEDERAL FUND	477,590	449,253	477,590	6.31	477,590	
OTHER FUND	400	715	555	-22.38	555	
REVERSIONS	-72,518					
DETR - REHABILITATION ADMINISTRATION	1,105,228	1,404,563	1,394,837	-.69	1,407,037	.87
BALANCE FORWARD		192,996	217,748	12.83	176,124	-19.12
INTERAGENCY TRANSFER	1,104,820	1,211,567	1,177,089	-2.85	1,230,913	4.57
OTHER FUND	408					
DETR - DISABILITY ADJUDICATION	16,136,042	20,337,943	21,330,017	4.88	22,390,474	4.97
FEDERAL FUND	16,135,760	20,337,943	21,330,017	4.88	22,390,474	4.97
OTHER FUND	282					
DETR - VOCATIONAL REHABILITATION	19,273,160	23,671,122	22,315,664	-5.73	22,792,554	2.14
GENERAL FUND	2,847,361	2,824,461	2,671,102	-5.43	2,742,893	2.69
BALANCE FORWARD	190,474	333,821				
FEDERAL FUND	16,894,485	20,320,245	19,539,303	-3.84	19,944,402	2.07
INTERAGENCY TRANSFER	2,912	173,595	88,180	-49.20	88,180	
OTHER FUND	18,038	19,000	17,079	-10.11	17,079	
REVERSIONS	-680,110					
DETR - SERVICES TO BLIND OR VISUALLY IMPAIRED	2,585,178	3,639,161	2,941,695	-19.17	3,017,107	2.56
GENERAL FUND	383,593	396,878	452,424	14.00	467,626	3.36
BALANCE FORWARD	47,619	83,455				
FEDERAL FUND	2,293,608	3,153,828	2,484,271	-21.23	2,544,481	2.42
OTHER FUND	11,112	5,000	5,000		5,000	
REVERSIONS	-150,754					
DETR - BLIND BUSINESS ENTERPRISE PROGRAM	1,642,352	4,860,098	4,479,364	-7.83	4,192,070	-6.41
BALANCE FORWARD	223,452	3,412,746	3,060,586	-10.32	2,773,292	-9.39
OTHER FUND	1,418,900	1,447,352	1,418,778	-1.97	1,418,778	

Nevada Legislative Counsel Bureau
Source of Funds Summary
2019-21 Fiscal Report

	2017-2018 Actual	2018-2019 Work Program	2019-2020 GOVERNOR RECOMMENDS	% Change	2020-2021 GOVERNOR RECOMMENDS	% Change
DETR - WORKFORCE DEVELOPMENT	56,240,911	75,801,321	71,191,048	-6.08	70,990,987	-.28
BALANCE FORWARD	-4,133,372	15,667,357	12,289,563	-21.56	11,377,647	-7.42
FEDERAL FUND	44,585,609	46,622,015	42,030,176	-9.85	41,744,974	-.68
INTERAGENCY TRANSFER	353,058					
OTHER FUND	15,435,616	13,511,949	16,871,309	24.86	17,868,366	5.91
DETR - EMPLOYMENT SECURITY - SPECIAL FUND	1,904,990	9,065,298	9,737,793	7.42	10,765,583	10.55
BALANCE FORWARD	-1,863,459	7,183,896	6,148,126	-14.42	7,168,022	16.59
OTHER FUND	3,768,449	1,881,402	3,589,667	90.80	3,597,561	.22
DETR - UNEMPLOYMENT INSURANCE	29,551,800	30,674,249	26,757,408	-12.77	27,234,799	1.78
BALANCE FORWARD	8,603	860	866	.70	4,698	442.49
FEDERAL FUND	24,338,934	25,508,215	23,504,197	-7.86	23,670,044	.71
INTERAGENCY TRANSFER	4,014,756	4,385,354	3,047,054	-30.52	3,334,159	9.42
OTHER FUND	1,189,507	779,820	205,291	-73.67	225,898	10.04
DETR - ESD ADMINISTRATION			1,319,264		1,367,297	3.64
BALANCE FORWARD			113,048		113,047	-.00
INTERAGENCY TRANSFER			1,206,216		1,254,250	3.98
TOTAL EMPLOYMENT, TRAINING AND REHABILITATION	150,671,804	195,881,479	186,198,044	-4.94	189,360,457	1.70
GENERAL FUND	5,057,007	5,030,308	5,060,041	.59	5,238,260	3.52
BALANCE FORWARD	-4,371,941	28,538,180	23,575,216	-17.39	23,363,109	-.90
FEDERAL FUND	106,001,575	117,681,148	110,616,497	-6.00	112,050,888	1.30
INTERAGENCY TRANSFER	22,976,978	26,845,970	24,754,980	-7.79	25,491,310	2.97
OTHER FUND	21,945,211	17,785,873	22,191,310	24.77	23,216,890	4.62
REVERSIONS	-937,026					
HEALTH AND HUMAN SERVICES						
GENERAL FUND	1,227,967,378	1,270,794,464	1,456,170,363	14.59	1,568,221,105	7.69
BALANCE FORWARD	-12,012,360	135,917,893	76,188,230	-43.95	74,565,592	-2.13
FEDERAL FUND	3,651,884,542	3,822,027,077	3,917,587,813	2.50	4,107,968,973	4.86
INTERAGENCY TRANSFER	479,813,388	536,863,830	551,502,393	2.73	561,266,456	1.77
OTHER FUND	355,266,796	372,948,706	384,189,867	3.01	381,835,819	-.61
REVERSIONS	-32,551,159					
TOTAL FOR HEALTH AND HUMAN SERVICES	5,670,368,585	6,138,551,970	6,385,638,666	4.03	6,693,857,945	4.83
Less: INTER-AGENCY TRANSFER	479,813,388	536,863,830	551,502,393	2.73	561,266,456	1.77
NET HEALTH AND HUMAN SERVICES	5,190,555,197	5,601,688,140	5,834,136,273	4.15	6,132,591,489	5.12

PUBLIC SAFETY

Public Safety consists of agencies that generally promote safety, provide law enforcement and protect the public and community throughout the state. The Department of Motor Vehicles, Department of Public Safety, including the Nevada Highway Patrol and the Division of Parole and Probation, Peace Officer Standards and Training and Nevada Department of Corrections comprise the Public Safety function.

The Governor recommends General Fund appropriations for the Public Safety function totaling \$787.6 million for the 2019-21 biennium, an increase of 10.7 percent compared to General Fund appropriations of \$711.5 million approved by the 2017 Legislature for the 2017-19 biennium. Amounts recommended from all funding sources, less interagency transfers, total \$1.550 billion for the 2019-21 biennium, which is an increase of 9.7 percent compared to the \$1.412 billion approved for the 2017-19 biennium.

PEACE OFFICER STANDARDS AND TRAINING COMMISSION

The Peace Officer Standards and Training Commission (POST) establishes minimum professional standards for training and certification of peace officers within the state. Also, POST provides basic law enforcement academies, certifies and monitors continuing education courses, and audits other law enforcement academies. The Executive Budget recommends total funding of \$5.6 million over the 2019-21 biennium, an 11.7 percent increase when compared to the \$5.0 million approved for the 2017-19 biennium.

The Governor recommends \$37,120 in court assessments over the 2019-21 biennium to fund new furniture at the POST facility.

DEPARTMENT OF CORRECTIONS

The Department of Corrections (NDOC) is governed by the Board of Prison Commissioners, which consists of the Governor, the Attorney General, and the Secretary of State. The Governor serves as Chairperson of the Board and appoints the director of the department. The department's facilities consist of 9 major institutions, 10 conservation camps and 2 transitional housing facilities. Of the 21 institutions and facilities, 2 major institutions and 1 facility are closed and in mothball status.

The Executive Budget recommends General Fund support for the NDOC of \$637.3 million, which is a 9.1 percent (\$53.0 million) increase over the \$584.3 million approved in the 2017-19 biennium by the 2017 Legislature.

	FY 2018	FY 2019	FY 2020	FY 2021
	Actuals	Legislature Approved Budget	Governor Recommended Budget	Governor Recommended Budget
Total Funding (millions) ¹	\$304,357,129	\$305,923,112	\$321,636,649	\$332,491,765
General Fund Support (millions) ²	\$291,540,087	\$296,207,541	\$313,231,124	\$324,042,831
Average Inmate Population	13,579	13,856	13,501	13,561
Annual Cost per Inmate	\$22,414	\$22,079	\$23,823	\$24,518
Positions (full-time equivalents)	2,878.13	2,889.13	2,963.62	2,969.62
¹ Operating budgets only – does not contain proposed revenue authority for the Offenders Store Fund, the Prison Industries Fund, the Inmate Welfare Account or Prison Ranch.				
² The General Fund amounts for FY 2018 Actual and FY 2019 Legislature Approved include \$3.3 million and \$158,000, respectively, as approved by the Interim Finance Committee pursuant to NRS 353.268.				

INMATE POPULATION

Nevada's average inmate population is projected to be 13,501 in FY 2020, which represents an decrease of 0.6 percent compared to the FY 2018 actual inmate population of 13,579. The inmate population is projected to increase in FY 2020 by 0.4 percent in FY 2021 to an average of 13,561. Projections are provided by JFA Associates, an independent forecasting contractor. The Executive Budget recommends additional General Fund appropriations of \$242,572 in FY 2020 and \$406,008 in FY 2021 for inmate-driven expenses compared to the actual inmate-driven expenses incurred in FY 2018.

FACILITY CAPACITY

The Executive Budget includes General Fund reductions of \$5.9 million over the 2019-21 biennium to return 100 inmates from the out-of-state contracted facility in Eloy, Arizona to Southern Desert Correctional Facility in July 2019. However, to address NDOC's continued capacity constraints, the Governor is recommending retaining General Fund appropriations of \$5.9 million over the 2019-21 biennium to continue housing 100 inmates at the out-of-state contracted facility. Additionally, to address an increase in the growing medium-custody inmate population, the Governor is recommending \$4.1 million in state funding for CIP Project 19-C07, Security Perimeter Upgrades at Three Lakes Valley Conservation Camp to allow the department to house higher-level custody inmates at this facility. The Governor is also recommending \$3.2 million in state funding for CIP Project 19-P03, Advance Planning: NNCC Housing Unit and Core Expansion for a new dormitory housing unit and support facilities at Northern Nevada Correctional Center.

NEW POSITIONS

The Executive Budget recommends funding for 75 new positions, totaling \$7.9 million (\$6.8 million General Fund appropriations) over the 2019-21 biennium. The following table reflects the recommended positions and related costs for the 2019-21 biennium:

Budget Account	FTE	Positions	Total Position Funding 2019-21 Biennium
Director's Office	1.00	Accounting Assistant	\$ 94,917
Prison Medical	2.00	Certified Nursing Assistant	\$ 187,306
Correctional Programs	10.00	Program Officers (2), Mental Health Counselors (3), Substance Abuse Treatment Counselors (5)	\$ 1,019,950
Southern Desert Correctional Center	10.00	Correctional Officers	\$ 1,093,786
Northern Nevada Correctional Center	8.00	Correctional Officers	\$ 904,429
High Desert State Prison	21.00	Correctional Officers	\$ 2,128,319
Florence McClure Women's Correctional Center	13.00	Correctional Officers	\$ 1,464,437
Offenders' Store Fund	10.00	Retail Store Keepers and Accounting Assistant	\$ 902,083
Inmate Welfare Account	1.00	Administrative Assistant	\$ 103,944
Total FTE	76.00	Total Funding	\$ 7,899,171

RURAL PAY INCREASES

The Governor recommends General Fund appropriations of \$1.5 million over the 2019-21 biennium to fund a 5 percent increase for a rural pay adjustment for all custody positions, including Sergeants, Senior Correctional Officers and Correctional Officers, at Ely State Prison and Ely Conservation Camp due to high vacancy rates in custody staff positions at these two locations.

SUPPLEMENTAL APPROPRIATIONS

The Executive Budget recommends a General Fund supplemental appropriation of \$1.5 million to fund a projected shortfall in utilities, inmate-driven and food costs.

OTHER FUNDING RECOMMENDATIONS

Other significant funding recommendations for the department contained in The Executive Budget include the following:

- General Fund appropriations of \$3.4 million over the 2019-21 biennium for inflationary increases in outside medical expenses, medical supplies and prosthetics. In total, the Governor recommends General Fund appropriations of \$98.9 million over the 2019-21 biennium to support the Prison Medical Care budget.
- Funding of \$1.4 million (\$1.0 million in General Fund appropriations) over the 2019-21 biennium for new and replacement equipment including, but not limited to, operating lease payments for copiers, computer equipment and software and a refrigerated truck for the Prison Ranch.
- General Fund appropriations of \$224,000 over the 2019-21 biennium for extraordinary maintenance projects, including telephone-related issues and maintenance emergencies at NDOC facilities.

- General Fund appropriations of \$622,821 in the 2019-21 biennium to maintain the mothball status of Nevada State Prison, Southern Nevada Correctional Center and Silver Springs Conservation Camp.

CAPITAL IMPROVEMENT PROJECTS

Capital improvements for NDOC recommended by the Governor include \$5.0 million for construction projects, \$55.2 million for maintenance projects and \$6.4 million for planning projects as outlined in the following table.

Capital Improvement Projects Recommend by the Governor For the Department of Corrections 2019-21 Biennium

Project Number	Facility	Project Title	Project Amount
Construction Projects:			
19-C07	Three Lakes Valley Conservation Camp	Security Perimeter Upgrades	\$4,090,412
19-C13	High Desert State Prison	Heavy Equipment Simulator Classrooms	\$808,851
Construction Projects Total			\$4,899,263
Critical Maintenance Projects:			
19-M02	High Desert State Prison	Electrical Outlet and Cable Upgrades	\$1,653,626
19-M09	Ely State Prison	Boiler Replacement	\$6,101,353
19-M10	Lovelock Correctional Center	Underground Piping and Boiler Replacement	\$12,214,101
19-M11	Ely State Prison	Replace Domestic and Heating Hot Water Piping	\$2,204,109
19-M12	Northern Nevada Correctional Center	Central Plant Renovation - Phase 2	\$8,073,180
19-M15	Ely State Prison	HVAC Replacement (Building 9)	\$1,844,192
19-M23	High Desert State Prison	Install Security Cameras	\$4,658,968
19-M24	Casa Grande Transitional Housing	Surveillance System Replacement	\$1,720,849
19-M28	Northern Nevada Correctional Center	HVAC Systems Renovations (Operations, Administration Buildings and Housing Unit 6)	\$1,863,293
19-M35	Ely State Prison	Replace Door Locks and Controls - Phase 1	\$4,218,060
19-M43	Southern Desert Correctional Center	Replace Cooling Towers (Central Plant Building)	\$3,818,124
19-M46	Southern Desert Correctional Center	Install Security Cameras	\$6,301,871
19-M48	Southern Desert Correctional Center and High Desert State Prison	Install Recreation Yard Fencing	\$571,412
Critical Maintenance Projects Total			\$ 55,243,138
Planning Projects:			
19-P03	Northern Nevada Correctional Center	Advance Planning: Housing Unit and Core Expansion	\$3,214,759
19-P04	Northern Nevada Correctional Center	Advance Planning: Replace Domestic Water and Sanitary Sewer	\$1,314,436
19-P06	Northern Nevada Correctional Center	Advance Planning: Electrical Distribution Upgrade	\$1,259,372
19-P07	High Desert State Prison	Advance Planning: Central Plant Renovation	\$659,075
Planning Projects Total			\$ 6,447,642
Total NDOC 2019 CIP Projects			\$ 66,590,043

DEPARTMENT OF MOTOR VEHICLES

The Department of Motor Vehicles (DMV) provides compliance and enforcement of Nevada laws concerning vehicle registrations, driver licensing, motor carrier services, motor and special fuel tax reporting, emission control, verification of insurance functions, and automobile wreckers and body shops. The following table represents the total recommended funding for the 2019-21 biennium.

	Legislature Approved 2017-19 Biennium		Governor Recommended 2019-21 Biennium		Increase / (Decrease)	
	Amount	% of Total	Amount	% of Total	Amount	%
General Fund ¹	\$ 73,190	0.02%	\$ 178,142	0.05%	\$ 104,952	143.40%
Balance Forward	\$ 6,639,841	1.89%	\$ 10,403,941	2.72%	\$ 3,764,100	56.69%
Highway Fund	\$ 136,183,676	38.75%	\$ 137,592,984	35.95%	\$ 1,409,308	1.03%
Interagency Transfer	\$ 25,644,767	7.30%	\$ 25,827,535	6.75%	\$ 182,768	0.71%
Other Funds	\$ 182,876,510	52.04%	\$ 208,684,671	54.53%	\$ 25,808,161	14.11%
Total DMV	\$ 351,417,984	100.00%	\$ 382,687,273	100.00%	\$ 31,269,289	8.90%
Less Interagency Transfer	\$ (25,644,767)		\$ (25,827,535)		\$ (182,768)	
Net DMV	\$ 325,773,217		\$ 356,859,738		\$ 31,086,521	9.54%

¹ The increase in General Fund appropriations in the 2019-21 biennium is largely attributed to the Automatic Voter Registration (AVR) Initiative that was approved at the November 2018 General Election through the passage of Question 5. The Governor recommends General Fund appropriations of \$111,744 over the 2019-

ADMINISTRATIVE CAP

Historically, *Nevada Revised Statutes* (NRS) 408.235 limited the DMV from expending more than 22 percent of Highway Fund collections on administration, excluding gasoline tax revenue that is not subject to this limitation. This administrative cap was increased to 27 percent by the 2015 Legislature in its approval of the department's system modernization project, which will replace the DMV's current mainframe computer system. This increased administrative cap recognizes the increased expenditures associated with this project and is scheduled to sunset after FY 2020, at which time the DMV initially projected the new computer system would be deployed.

Based on revenue projections provided by the department in December 2018, Highway Fund proceeds (excluding gasoline tax and Governmental Services Tax [GST] revenue) are projected to be \$291.5 million in FY 2019, \$295.1 million in FY 2020, and \$297.0 million in FY 2021, which is an increase of 1.3 percent in FY 2020 and 0.6 percent in FY 2021. Additionally, NRS 482.182 currently requires 75 percent of GST revenue to be deposited in the Highway Fund and 25 percent of GST revenue to be deposited in the General Fund through FY 2019. *Nevada Revised Statutes* 482.182 requires GST revenue to be deposited entirely in the Highway Fund beginning in FY 2020; however, the Governor recommends continuing redirecting 25 percent of the GST revenue to the General Fund in the 2019-21 biennium. Based on NRS 482.182 and the Governor's recommendation, the DMV projects GST revenue deposited in the Highway Fund totaling \$62.8 million in FY 2019, \$64.1 million in FY 2020 and \$65.0 million in FY 2021. Including this projected GST revenue, Highway Fund proceeds (excluding gasoline tax revenue) are projected to be \$354.2 million in FY 2019, \$359.2 million in FY 2020 and \$362.0 million in FY 2021.

Based on the DMV's revenue projections, the Governor's recommendation regarding GST revenue, and the inclusion of other projected revenues such as Highway Fund reversions from the Records Search, Insurance Verification and Special Plates Trust budgets, the department's 22 percent cap threshold would be \$82.8 million for FY 2020 and \$83.4 million for FY 2021. Excluding estimated gasoline tax administration costs that are not subject to the administrative cap, The Executive Budget recommends

Highway Fund appropriations in the amount of \$62.6 million in FY 2020 and \$73.8 million in FY 2021. The Governor's recommended budget for the DMV appears to be under the historic 22 percent cap by \$20.2 million in FY 2020 and \$9.5 million in FY 2021.

DEPARTMENT-WIDE

The Governor recommends Highway Fund appropriations of \$755,221, Vehicle Reinstatement Registration Fee revenue of \$157,952, and Records Search Charge revenue of \$119,148 over the 2019-21 biennium in the Central Services Division, Verification of Insurance, Records Search budgets to reclassify 116 DMV Services Technician 2 positions as DMV Services Technician 3 positions. The department indicates this would align these positions with comparable positions in the Field Services Division.

SYSTEM TECHNOLOGY APPLICATION REDESIGN

The System Technology Application Redesign (STAR) budget (formerly the System Modernization budget) isolates the expenditures associated with the replacement of the DMV's existing Common Business Oriented Language (COBOL) mainframe and PowerBuilder computer system with a new integrated computer system that will operate on a single platform. The department indicates the new system would improve service delivery, reduce transaction time, enhance security and provide disaster recovery capabilities. This project is funded with Highway Fund appropriations, as well as Technology Fee revenue generated by a \$1 technology fee collected on any transaction performed by the DMV for which a fee is charged. Pursuant to NRS 481.064, the Technology Fee is scheduled to expire after FY 2020, the date the DMV initially projected the new computer system would be deployed.

To continue the system modernization project over the 2019-21 biennium, the Governor recommends Highway Fund appropriations of \$43.9 million and Technology Fee revenue of \$14.0 million. Included in this funding is \$7.0 million in Technology Fee revenue that would be generated in FY 2021, based on the Governor's recommendation to continue the Technology Fee through FY 2022. The Executive Budget indicates a bill draft request has been submitted to continue the Technology Fee through FY 2022.

The Governor recommends the following major expenditures over the 2019-21 biennium for the continuation of the project:

- \$50.0 million for a new vendor to implement the system
- \$844,503 for 10 new positions to serve as subject matter experts
- \$149,217 to reclassify 5 existing positions assigned to the project
- \$560,620 associated with the increased use of the state's mainframe

The Governor also recommends the transfer of expenditures totaling \$2.0 million over the 2019-21 biennium due to the transfer of 12 existing positions to the department's Automation budget for support of the department's existing IT system. The Governor further recommends the elimination of 2 IT Professional positions, which would generate Highway Fund reductions of \$325,343 over the 2019-21 biennium.

AUTOMATION UNIT

The Automation budget supports the Motor Vehicle Information Technology Division (MVIT), which provides data processing support, maintains application systems and infrastructure for systems data, and provides technical and operating support for the DMV. Total funding is recommended to increase from \$10.4 million legislatively approved in FY 2019 to \$11.8 million in FY 2020 and then increase to \$12.2 million in FY 2021. The Executive Budget recommends the purchase of equipment and software to migrate to Microsoft Office 365, funded with Highway Fund appropriations of \$265,858 in FY 2021.

ADMINISTRATIVE SERVICES DIVISION

The Administrative Services Division provides support services, including fiscal and purchasing services, revenue and bad debt services, and contract management for the department. Total funding for Administrative Services is recommended to decrease from \$17.0 million legislatively approved in FY 2019 to \$15.4 million in FY 2020, and then nominally increase to \$15.7 million in FY 2021. The Governor recommends Highway Fund appropriations of \$178,709 over the 2019-21 biennium for a new Auditor position to ensure compliance with state and department fiscal policies and procedures at locations that perform DMV transactions, including American Automobile Association and county assessor offices.

COMPLIANCE ENFORCEMENT DIVISION

The Compliance Enforcement Division is the regulatory arm of the DMV and serves as the umbrella organization for the Motor Vehicle Pollution Control budget. The primary purpose of the Compliance Enforcement Division is to support the activities of division investigators regulating the automobile industry as they relate to the sale or transfer of ownership of vehicles. Total funding for the Compliance Enforcement budget is recommended to remain relatively flat at \$5.4 million in FY 2020 with a slight increase to \$5.5 million in FY 2021 compared to \$5.2 million that was legislatively approved for FY 2019. The Governor recommends a reduction in Highway Fund appropriations of \$278,177 over the 2019-21 biennium due to the elimination of a vacant Deputy Administrator position located in Northern Nevada. The Executive Budget indicates the former duties of this position would continue to be performed by the Division Administrator and Deputy Division Administrator positions.

MOTOR VEHICLE POLLUTION CONTROL

The Motor Vehicle Pollution Control budget is responsible for ensuring compliance with *Nevada Revised Statutes* and the *Nevada Administrative Code* as they relate to vehicle emission standards in counties whose population equals or exceeds 100,000 (Clark and Washoe Counties). Revenue generated from fees charged for every vehicle receiving a smog certificate supports the enforcement effort. *Nevada Revised Statutes* 445B.830 requires a minimum reserve level in the Pollution Control budget of \$1.0 million. Reserve levels in excess of the statutory limit are distributed back to the counties in which the

revenue was generated, proportionate to the number of certificates issued in those counties. Overall, The Executive Budget recommends total funding of \$12.2 million in FY 2020 and \$12.7 million in FY 2021, compared to \$12.3 million legislatively approved in FY 2019.

The Executive Budget recommends continuing transfers to the Tahoe Regional Planning Agency in the amount of \$419,021 in each year of the 2019-21 biennium. The Governor further recommends reserve reductions of \$199,607 over the 2019-21 biennium for moving costs and specialty equipment associated with vehicle emission operations at the new DMV field office in South Reno, which is scheduled to open in FY 2021.

CENTRAL SERVICES DIVISION

The Central Services Division provides for alternative services to DMV customers, including mail renewals, and Internet, web and telephone transactions for driver license and registration renewals. The Executive Budget recommends total funding to increase from \$11.5 million in FY 2019 to \$12.1 million in FY 2020 and \$12.2 million in FY 2021. The Governor also recommends additional General Fund appropriations of \$55,872 in each year of the 2019-21 biennium due to an anticipated increase in postage costs related to implementation of the Automatic Voter Registration Initiative that was approved at the November 2018 General Election through the passage of Question 5.

VERIFICATION OF INSURANCE

The Verification of Insurance Program verifies that owners of motor vehicles registered in Nevada maintain Nevada liability insurance. As a self-funded account, the budget derives its revenue from fees charged and collected for reinstatements resulting from “no insurance” suspensions. Fines in excess of budgetary requirements and a balance forward amount of \$500,000 are transferred to the Highway Fund each year pursuant to *Nevada Revised Statutes* 482.4805. Total funding for the program is recommended to increase from \$13.1 million legislatively approved in FY 2019 to \$16.5 million in each year of the 2019-21 biennium. The Governor recommends a statutory change to increase fee revenues based upon increasing administrative fines for second offenses of 91 days to 180 days, from \$500 to \$750, which would provide additional transfers to the Highway Fund of \$1.5 million over the 2019-21 biennium.

FIELD SERVICES DIVISION

The Field Services Division is responsible for the direct customer service operations of the driver licensing and vehicle registration functions. Total funding for Field Services is recommended to increase from \$53.5 million legislatively approved in FY 2019 to \$57.0 million in FY 2020 and \$58.4 million in FY 2021. The Executive Budget recommends total Highway Fund appropriations of \$448,398 over the 2019-21 biennium for a new Employee Development Manager position to oversee the division’s training units and two new Program Officer positions for the Commercial Driver License offices due to recent federal mandates associated with commercial drivers, driving schools and companies.

MOTOR CARRIER DIVISION

The Motor Carrier Division is responsible for the collection of gasoline and special fuel taxes, registration fees, and the Governmental Services Tax for licensing of vehicles in excess of 26,000 pounds. Total funding is recommended to increase from \$4.5 million legislatively approved in FY 2019, to \$6.1 million in FY 2020 with a decrease to \$5.0 million in FY 2021. The Governor recommends a statutory change to increase the administrative fees charged to county governments for the collection of fuel taxes, which would generate Highway Fund savings of \$3.7 million over the 2019-21 biennium. The Governor further recommends a technology investment notification (TIN) to implement and maintain a new International Registration Plan (IRP) system for the division, funded with Highway Fund appropriations of \$1.5 million over the 2019-21 biennium that would allow customers to manage their account online with filing and account maintenance options.

DEPARTMENT OF PUBLIC SAFETY

The Department of Public Safety (DPS) divisions include the Director's Office, Highway Patrol (NHP), Parole and Probation (P&P), Investigation Division, Emergency Management, Office of Cyber Defense Coordination, Records, Communications and Compliance Division, Fire Marshal, Capitol Police, the Office of Traffic Safety, Office of Criminal Justice Assistance and the Parole Board.

The Governor recommends total funding, excluding one-shots, supplemental appropriations and interagency transfers, of \$453.8 million for the 2019-21 biennium. This represents an increase of \$36.0 million, or 8.6 percent, over the \$417.9 million that was legislatively approved for the 2017-19 biennium.

NEVADA HIGHWAY PATROL DIVISION

The Nevada Highway Patrol enforces the traffic laws of the state, investigates traffic accidents, and enforces and regulates motor carriers transporting cargo and hazardous materials. The Governor recommends Highway Funds totaling \$152.6 million over the 2019-21 biennium, an 8.0 percent increase over the \$141.3 million approved for the 2017-19 biennium.

The Governor recommends \$2.8 million in Highway Fund appropriations to create substations in Boulder City along Interstate 11 in Southern Nevada and USA Parkway in Northern Nevada. The recommendation includes six additional sworn officers for each location and associated costs.

DIVISION OF PAROLE AND PROBATION

The mission of the Division of Parole and Probation is to monitor and enforce offenders' compliance with the conditions of their community supervision, assist offenders in successfully reintegrating into society, and ensure objective sentencing information and recommendations are delivered to the district courts of Nevada.

The Governor recommends General Fund appropriations of \$113.1 million over the 2019-21 biennium, an 11.8 percent increase compared to the legislatively approved \$101.1 million for the 2017-19 biennium. The increase includes \$2.0 million in General Fund appropriations for a recommended net increase of 10 positions. The net increase includes 27 new positions and 17 position eliminations through caseload adjustments, and 15 new positions being recommended as an enhancement to restore positions that are otherwise recommended to be eliminated due to a caseload calculation error, according to the agency. The following table provides the Governor's recommended position changes:

	FY 2020	FY 2021
Position Title	FTE Count	
DPS Sergeant	5.00	6.00
P&P Specialist 2	1.00	1.00
P&P Specialist 3	6.00	6.00
P&P Specialist 4	8.00	8.00
P&P Supervisor	6.00	6.00
Subtotal New Positions	26.00	27.00
DPS Officer 2	-1.00	-1.00
P&P Specialist 3	-7.00	-7.00
P&P Specialist 4	-7.00	-7.00
P&P Supervisor	-2.00	-2.00
Subtotal Position Eliminations	-17.00	-17.00
Net Position Changes	9.00	10.00

The following table depicts historical caseload information for FY 2017, FY 2018, and projected caseload information for FY 2019 through FY 2021:

JFA Caseload Estimates	FY 2017 Actual	FY 2018 Actual	FY 2019 Projected	FY 2020 Projected	FY 2021 Projected
Warrants	2,877	3,041	3,056	3,083	3,100
Interstate Compact	1,562	1,523	1,619	1,660	1,698
Pre-Release	2,296	2,236	2,256	2,273	2,289
Pardons Investigations	78	96	110	112	120
Post Convictions	108	684	714	719	725
Pre-Sentence Investigations (PSI)	10,887	10,740	10,703	10,780	10,852
Miscellaneous	3,384	4,752	4,969	5,222	5,315
Regular Supervision	10,128	10,424	10,441	10,536	10,662
Intense Supervision Unit/Residential Confinement	1,018	1,055	1,062	1,078	1,095
Sex Offenders	1,889	1,927	1,997	2,090	2,186

RECORDS, COMMUNICATION AND COMPLIANCE DIVISION

The Records, Communication and Compliance Division (RCCD) provides centralized support services to other DPS divisions and state agencies. The RCCD includes a Communications Bureau and a Records Bureau. The Communications Bureau provides centralized dispatch services to other DPS divisions and state agencies. The Records Bureau administers the Nevada Criminal Justice Information System (NCJIS) and is the repository for criminal history record information and crime statistics. The repository includes the National Incident Based Reporting System program, the Point-of-Sale firearms program (Brady), the Nevada Domestic Violence Protection Order Registry, the Nevada Sex Offender Registry, Sexual Assault Kit Tracking program and the Civil Name Check program.

The division is primarily supported by cost allocation reimbursements, court assessments, fees for services and nominal General Fund appropriations. The Executive Budget recommends funding totaling \$77.8 million over the 2019-21 biennium, an 8.4 percent increase from the 2017-19 legislatively approved funding of \$71.8 million.

The Governor recommends a General Fund appropriation of \$8.5 million and \$7.0 million in reserves to continue the Nevada Criminal Justice Information System (NCJIS) modernization project. The NCJIS modernization project began in FY 2012 and is expected to be completed in FY 2025.

The Governor recommends a \$3.50 state fee increase for civil applicant fingerprints, which would increase fee revenues for the RCCD by an estimated \$1.9 million over the 2019-21 biennium to support funding for the NCJIS modernization project.

The Governor recommends \$780,013 in court assessments and the use of \$294,409 in reserves over the 2019-21 biennium to hire an additional eight positions and associated operating costs in order to expand various units within RCCD to meet workload requirements detailed in the following table:

FTE #	Unit	Description
4	Sex Offender Registry	Increases in Sex Offender Caseload
1	Fingerprint Technician Unit	Increases in Fingerprint Workload
1	Criminal Records Unit	Increases in Workload
2	Project Oversight Section	NCJIS Oversight

The Governor recommends a General Fund appropriation of \$292,900 over the 2019-21 biennium to fund the Sexual Assault Kit tracking system associated with the program established in A.B. 97 (2017 Legislature) to track sexual assault forensic evidence kits. The RCCD was designated as the agency to establish this program by the Attorney General's Office in FY 2018.

STATE FIRE MARSHAL

The State Fire Marshal is primarily responsible for enforcing laws associated with the prevention of fires, the storage of combustible and other hazardous materials and explosives, inspections of buildings for fire and safety compliance, building reviews, and fire-related investigations. The Executive Budget recommends General Funds of \$763,905 over the 2019-21 biennium, a 22.3 percent increase from the amount approved for the 2017-19 biennium of \$624,515.

The Governor recommends transfers of hazardous waste fees totaling \$235,742 over the 2019-21 biennium for a new Training Officer position and associated costs. The position would serve as a hazardous materials specialist, and be responsible for developing hazardous material training programs, and establishment of a mobile training team to train volunteer firefighters.

PAROLE BOARD

The Parole Board, consisting of six members and a chairman, conducts inmate parole hearings and revocation hearings for persons accused of violating parole. To assist the Board in meeting hearing requirements, NRS 213.133 permits the Board to appoint and utilize hearing representatives who hear, consider and act upon applications subject to final approval of a majority of the Board members.

The Parole Board is supported entirely by the General Fund. The Executive Budget recommends General Fund appropriations of \$6.8 million over the 2019-21 biennium, a 17.9 percent increase when compared to the \$5.8 million approved for the 2017-19 biennium. The increase in recommended General Fund appropriations is primarily driven by personnel-related costs in the base budget, and the result of inflationary increases in statewide internal service fund rates.

CAPITAL IMPROVEMENT PROJECTS

The Governor recommends two capital improvement projects for the DPS during the 2019-21 biennium totaling \$1.6 million in state funds and \$1.8 million in Highway Funds.

Carson City Training Division Building Renovation: The Governor recommends \$1.2 million in state funds and \$1.6 million in Highway funds to renovate the Carson City Training Division building. The renovation would include exterior improvements such as roofing repairs, HVAC units, window and wall repairs, and site improvements including the relocation of the irrigation system, repairs for walkways and paving, tree removal and lighting.

DPS Headquarters Building: Advance Planning: In order to consolidate the DPS headquarters into a single campus facility, the Governor recommends \$368,114 in state funds and \$181,310 in Highway Funds to fund the advance planning phase for a new headquarters campus in Carson City.

Nevada Legislative Counsel Bureau
Source of Funds Summary
2019-21 Fiscal Report

	2017-2018 Actual	2018-2019 Work Program	2019-2020 GOVERNOR RECOMMENDS	% Change	2020-2021 GOVERNOR RECOMMENDS	% Change
PUBLIC SAFETY						
PEACE OFFICERS STANDARDS & TRAINING						
PEACE OFFICER STANDARDS & TRAINING COMMISSION	2,063,653	2,775,885	2,816,140	1.45	2,814,474	-.06
BALANCE FORWARD	34,028	591,189	587,526	-.62	556,826	-5.23
OTHER FUND	2,029,625	2,184,696	2,228,614	2.01	2,257,648	1.30
TOTAL PEACE OFFICERS STANDARDS & TRAINING	2,063,653	2,775,885	2,816,140	1.45	2,814,474	-.06
BALANCE FORWARD	34,028	591,189	587,526	-.62	556,826	-5.23
OTHER FUND	2,029,625	2,184,696	2,228,614	2.01	2,257,648	1.30
DEPARTMENT OF CORRECTIONS						
NDOC - DIRECTOR'S OFFICE	32,186,300	35,639,839	32,820,574	-7.91	33,482,952	2.02
GENERAL FUND	32,189,931	33,071,907	32,578,155	-1.49	33,238,198	2.03
BALANCE FORWARD	-175,871	28,943				
FEDERAL FUND		1,291,184				
INTERAGENCY TRANSFER	599,255	179,170	181,248	1.16	183,583	1.29
INTERIM FINANCE	1,168,178	158,000				
OTHER FUND	87,801	910,635	61,171	-93.28	61,171	
REVERSIONS	-1,682,994					
NDOC - PRISON MEDICAL CARE	49,430,519	46,809,670	52,729,475	12.65	53,897,688	2.22
GENERAL FUND	44,449,652	45,516,519	48,850,279	7.32	50,039,073	2.43
INTERAGENCY TRANSFER	4,927,954	1,230,987	3,817,032	210.08	3,796,451	-.54
OTHER FUND	52,913	62,164	62,164		62,164	
NDOC - CORRECTIONAL PROGRAMS	9,157,236	9,688,607	9,275,023	-4.27	9,714,074	4.73
GENERAL FUND	7,243,384	7,388,076	8,686,737	17.58	9,080,117	4.53
FEDERAL FUND	1,284,823	1,410,884				
INTERAGENCY TRANSFER	576,797	888,547	587,186	-33.92	632,857	7.78
INTERIM FINANCE	80,226					
OTHER FUND		1,100	1,100		1,100	
REVERSIONS	-27,994					
NDOC - ELY STATE PRISON	28,581,957	28,758,723	30,268,958	5.25	31,211,846	3.12
GENERAL FUND	27,836,229	28,540,444	30,124,853	5.55	31,067,694	3.13
INTERAGENCY TRANSFER	799,538	27,820	32,722	17.62	32,722	
OTHER FUND	70,606	190,459	111,383	-41.52	111,430	.04
REVERSIONS	-124,416					
NDOC - HIGH DESERT STATE PRISON	53,562,481	53,324,140	56,853,578	6.62	59,636,856	4.90
GENERAL FUND	51,913,968	53,105,110	56,642,917	6.66	59,426,393	4.91
BALANCE FORWARD	-597,118					
INTERAGENCY TRANSFER	1,407,198	122,812	123,225	.34	123,225	
INTERIM FINANCE	748,485					
OTHER FUND	89,948	96,218	87,436	-9.13	87,238	-.23

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Source of Funds Summary
2019-21 Fiscal Report**

	2017-2018 Actual	2018-2019 Work Program	2019-2020 GOVERNOR RECOMMENDS	% Change	2020-2021 GOVERNOR RECOMMENDS	% Change
NDOC - NORTHERN NEVADA CORRECTIONAL CENTER	29,558,572	29,712,609	31,327,627	5.44	32,236,937	2.90
GENERAL FUND	28,780,998	29,481,975	31,122,655	5.57	32,035,082	2.93
BALANCE FORWARD	-471,674					
INTERAGENCY TRANSFER	795,201	145,095	139,830	-3.63	139,830	
INTERIM FINANCE	471,674					
OTHER FUND	66,553	85,539	65,142	-23.85	62,025	-4.78
REVERSIONS	-84,180					
NDOC - NEVADA STATE PRISON	88,708	83,298	75,525	-9.33	73,709	-2.40
GENERAL FUND	81,713	82,348	75,525	-8.29	73,709	-2.40
INTERAGENCY TRANSFER	12,601					
OTHER FUND		950				
REVERSIONS	-5,606					
NDOC - SOUTHERN DESERT CORRECTIONAL CENTER	25,642,150	25,657,182	27,747,584	8.15	29,150,811	5.06
GENERAL FUND	24,993,793	25,514,067	27,606,035	8.20	29,005,355	5.07
BALANCE FORWARD	-375,709					
INTERAGENCY TRANSFER	570,230	83,649	90,204	7.84	90,204	
INTERIM FINANCE	405,490					
OTHER FUND	48,346	59,466	51,345	-13.66	55,252	7.61
NDOC - LOVELOCK CORRECTIONAL CENTER	25,021,022	26,175,545	27,549,247	5.25	28,235,303	2.49
GENERAL FUND	25,443,810	26,000,345	27,325,965	5.10	28,014,598	2.52
INTERAGENCY TRANSFER	-425,729	70,587	81,231	15.08	81,231	
OTHER FUND	139,625	104,613	142,051	35.79	139,474	-1.81
REVERSIONS	-136,684					
NDOC - SOUTHERN NEVADA CORRECTIONAL CENTER	222,226	232,401	233,563	.50	230,562	-1.28
GENERAL FUND	232,420	232,401	233,563	.50	230,562	-1.28
INTERAGENCY TRANSFER	-5,571					
REVERSIONS	-4,623					
NDOC - WARM SPRINGS CORRECTIONAL CENTER	11,329,857	11,623,915	12,333,802	6.11	12,582,578	2.02
GENERAL FUND	11,394,371	11,589,690	12,305,492	6.18	12,554,576	2.02
INTERAGENCY TRANSFER	39,951	23,933	18,261	-23.70	18,261	
OTHER FUND	22,682	10,292	10,049	-2.36	9,741	-3.06
REVERSIONS	-127,147					
NDOC - FLORENCE MCCLURE WOMENS CORRECTIONAL CENTER	16,136,130	16,777,918	18,140,314	8.12	19,180,011	5.73
GENERAL FUND	15,342,983	16,683,389	18,031,806	8.08	19,070,853	5.76
BALANCE FORWARD	-236,939					
INTERAGENCY TRANSFER	780,557	31,342	44,183	40.97	44,183	
INTERIM FINANCE	236,939					
OTHER FUND	67,619	63,187	64,325	1.80	64,975	1.01
REVERSIONS	-55,029					

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Source of Funds Summary
2019-21 Fiscal Report

	2017-2018 Actual	2018-2019 Work Program	2019-2020 GOVERNOR RECOMMENDS	% Change	2020-2021 GOVERNOR RECOMMENDS	% Change
NDOC - CASA GRANDE TRANSITIONAL HOUSING	4,487,475	4,688,263	4,810,265	2.60	4,907,645	2.02
GENERAL FUND	3,171,662	3,223,262	3,349,427	3.91	3,438,609	2.66
INTERAGENCY TRANSFER	55,569	39,524	22,137	-43.99	22,137	
OTHER FUND	1,373,119	1,425,477	1,438,701	.93	1,446,899	.57
REVERSIONS	-112,875					
NDOC - NORTHERN NEVADA TRANSITIONAL HOUSING	1,451,487	1,278,160	1,330,314	4.08	1,353,908	1.77
GENERAL FUND	574,050	582,743	450,828	-22.64	465,800	3.32
OTHER FUND	888,108	695,417	879,486	26.47	888,108	.98
REVERSIONS	-10,671					
NDOC - STEWART CONSERVATION CAMP	1,889,638	1,872,609	1,979,336	5.70	2,023,661	2.24
GENERAL FUND	1,696,305	1,735,048	1,840,136	6.06	1,883,680	2.37
BALANCE FORWARD	-82,627					
INTERAGENCY TRANSFER	75,252	12,431	11,034	-11.24	11,034	
INTERIM FINANCE	82,627					
OTHER FUND	137,544	125,130	128,166	2.43	128,947	.61
REVERSIONS	-19,463					
NDOC - PIOCHE CONSERVATION CAMP	1,618,786	1,870,183	1,921,579	2.75	1,965,587	2.29
GENERAL FUND	1,821,605	1,846,947	1,894,849	2.59	1,939,453	2.35
BALANCE FORWARD	-15,515					
INTERAGENCY TRANSFER	-124,390	5,990	4,700	-21.54	4,700	
INTERIM FINANCE	15,515					
OTHER FUND	24,888	17,246	22,030	27.74	21,434	-2.71
REVERSIONS	-103,317					
NDOC - THREE LAKES VALLEY CONSERVATION CAMP	2,675,752	2,834,370	3,045,228	7.44	3,139,160	3.08
GENERAL FUND	2,726,350	2,808,892	3,021,214	7.56	3,115,066	3.11
INTERAGENCY TRANSFER	-27,436	12,474	10,124	-18.84	10,124	
OTHER FUND	13,492	13,004	13,890	6.81	13,970	.58
REVERSIONS	-36,654					
NDOC - WELLS CONSERVATION CAMP	1,362,378	1,377,103	1,467,949	6.60	1,511,586	2.97
GENERAL FUND	1,341,907	1,360,512	1,451,099	6.66	1,494,736	3.01
BALANCE FORWARD	-26,025					
INTERAGENCY TRANSFER	44,635	4,880	3,352	-31.31	3,352	
INTERIM FINANCE	26,025					
OTHER FUND	13,110	11,711	13,498	15.26	13,498	
REVERSIONS	-37,274					
NDOC - HUMBOLDT CONSERVATION CAMP	1,328,138	1,447,556	1,520,630	5.05	1,563,313	2.81
GENERAL FUND	1,336,634	1,427,745	1,498,872	4.98	1,541,435	2.84
BALANCE FORWARD	-19,673					
INTERAGENCY TRANSFER	-12,245	4,668	5,204	11.48	5,204	
INTERIM FINANCE	19,673					
OTHER FUND	15,224	15,143	16,554	9.32	16,674	.72
REVERSIONS	-11,475					

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Source of Funds Summary
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	2017-2018 Actual	2018-2019 Work Program	2019-2020 GOVERNOR RECOMMENDS	% Change	2020-2021 GOVERNOR RECOMMENDS	% Change
NDOC - ELY CONSERVATION CAMP	1,263,942	1,411,897	1,518,047	7.52	1,556,723	2.55
GENERAL FUND	1,368,913	1,400,204	1,495,884	6.83	1,534,391	2.57
INTERAGENCY TRANSFER	-68,335					
OTHER FUND	21,655	11,693	22,163	89.54	22,332	.76
REVERSIONS	-58,291					
NDOC - JEAN CONSERVATION CAMP	1,580,843	1,676,419	1,776,170	5.95	1,833,551	3.23
GENERAL FUND	1,611,101	1,659,570	1,757,699	5.91	1,814,874	3.25
INTERAGENCY TRANSFER	23,528	8,252	5,945	-27.96	5,945	
OTHER FUND	11,080	8,597	12,526	45.70	12,732	1.64
REVERSIONS	-64,866					
NDOC - SILVER SPRINGS CONSERVATION CAMP	3,616	3,677	4,701	27.85	4,761	1.28
GENERAL FUND	3,616	3,677	4,701	27.85	4,761	1.28
NDOC - CARLIN CONSERVATION CAMP	1,231,664	1,423,854	1,427,440	.25	1,468,473	2.87
GENERAL FUND	1,385,736	1,409,610	1,416,328	.48	1,457,361	2.90
INTERAGENCY TRANSFER	-124,297	4,289	3,448	-19.61	3,448	
OTHER FUND	6,340	9,955	7,664	-23.01	7,664	
REVERSIONS	-36,115					
NDOC - TONOPAH CONSERVATION CAMP	1,291,420	1,397,174	1,479,720	5.91	1,530,070	3.40
GENERAL FUND	1,344,124	1,385,060	1,466,105	5.85	1,516,455	3.43
INTERAGENCY TRANSFER	-45,435	2,260	1,691	-25.18	1,691	
OTHER FUND	12,094	9,854	11,924	21.01	11,924	
REVERSIONS	-19,363					
NDOC - OFFENDERS' STORE FUND	19,987,075	29,604,369	33,042,533	11.61	32,353,034	-2.09
BALANCE FORWARD	644,259	12,862,728	13,618,581	5.88	12,843,979	-5.69
INTERAGENCY TRANSFER	149,947	126,686	149,947	18.36	149,947	
OTHER FUND	19,192,869	16,614,955	19,274,005	16.00	19,359,108	.44
NDOC - INMATE WELFARE ACCOUNT	6,651,020	4,523,600	7,114,804	57.28	7,234,282	1.68
BALANCE FORWARD	-145,083	293,738	363,992	23.92	24,045	-93.39
INTERAGENCY TRANSFER	5,997,782	3,524,947	5,934,803	68.37	6,380,891	7.52
OTHER FUND	798,321	704,915	816,009	15.76	829,346	1.63
NDOC - ONE-SHOT APPROPRIATIONS	227,405	6,297,829				
BALANCE FORWARD	227,405	6,297,829				
NDOC - PRISON INDUSTRY	4,273,915	7,040,042	7,626,859	8.34	7,286,821	-4.46
GENERAL FUND			15,561		23,978	54.09
BALANCE FORWARD	-293,823	2,480,984	2,663,842	7.37	2,315,387	-13.08
INTERAGENCY TRANSFER	48,000	48,000	48,000		48,000	
OTHER FUND	4,519,738	4,511,058	4,899,456	8.61	4,899,456	
NDOC - PRISON RANCH	1,703,254	4,072,226	3,814,991	-6.32	3,991,284	4.62
BALANCE FORWARD	-230,640	1,375,606	1,782,534	29.58	1,958,827	9.89
FEDERAL FUND	1,196,670	2,000,000				
OTHER FUND	737,224	696,620	2,032,457	191.76	2,032,457	

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Source of Funds Summary
2019-21 Fiscal Report

	2017-2018 Actual	2018-2019 Work Program	2019-2020 GOVERNOR RECOMMENDS	% Change	2020-2021 GOVERNOR RECOMMENDS	% Change
TOTAL DEPARTMENT OF CORRECTIONS	333,944,966	357,303,178	373,235,836	4.46	383,357,186	2.71
GENERAL FUND	288,285,255	296,049,541	313,246,685	5.81	324,066,809	3.45
BALANCE FORWARD	-1,799,033	23,339,828	18,428,949	-21.04	17,142,238	-6.98
FEDERAL FUND	2,481,493	4,702,068				
INTERAGENCY TRANSFER	16,070,557	6,598,343	11,315,507	71.49	11,789,020	4.18
INTERIM FINANCE	3,254,832	158,000				
OTHER FUND	28,410,899	26,455,398	30,244,695	14.32	30,359,119	.38
REVERSIONS	-2,759,037					
DEPARTMENT OF MOTOR VEHICLES						
DMV - SYSTEM TECHNOLOGY APPLICATION REDESIGN	6,877,510	26,288,149	23,870,776	-9.20	33,991,145	42.40
HIGHWAY FUND	17,988,681	19,274,809	16,866,137	-12.50	26,986,506	60.00
INTERAGENCY TRANSFER		200,000				
OTHER FUND	6,877,518	6,813,340	7,004,639	2.81	7,004,639	
REVERSIONS	-17,988,689					
DMV - DIRECTOR'S OFFICE	4,574,124	5,098,791	5,440,289	6.70	5,504,861	1.19
HIGHWAY FUND	2,568,646	2,804,818	3,296,092	17.52	3,309,363	.40
INTERAGENCY TRANSFER	2,010,310	2,283,773	2,133,997	-6.56	2,185,298	2.40
OTHER FUND		10,200	10,200		10,200	
REVERSIONS	-4,832					
DMV - HEARINGS	1,213,038	1,255,208	1,302,242	3.75	1,303,891	.13
HIGHWAY FUND	1,244,834	1,250,908	1,298,401	3.80	1,300,050	.13
OTHER FUND	3,841	4,300	3,841	-10.67	3,841	
REVERSIONS	-35,637					
DMV - AUTOMATION	9,215,188	10,433,240	11,772,136	12.83	12,192,607	3.57
HIGHWAY FUND	4,880,983	5,086,526	6,389,162	25.61	6,834,264	6.97
INTERAGENCY TRANSFER	6,321,463	4,735,065	4,748,678	.29	4,723,894	-.52
OTHER FUND	691,511	611,649	634,296	3.70	634,449	.02
REVERSIONS	-2,678,769					
DMV - ADMINISTRATIVE SERVICES DIVISION	14,847,564	17,635,887	15,361,652	-12.90	15,700,713	2.21
HIGHWAY FUND	5,640,782	6,821,958	6,622,263	-2.93	6,912,559	4.38
INTERAGENCY TRANSFER	409,267	405,484	253,789	-37.41	257,549	1.48
OTHER FUND	9,212,330	10,408,445	8,485,600	-18.47	8,530,605	.53
REVERSIONS	-414,815					
DMV - COMPLIANCE ENFORCEMENT	4,585,419	5,173,762	5,422,534	4.81	5,487,497	1.20
HIGHWAY FUND	4,721,851	4,770,871	4,824,013	1.11	4,836,865	.27
INTERAGENCY TRANSFER	196,579	271,126	449,364	65.74	501,475	11.60
OTHER FUND	109,903	131,765	149,157	13.20	149,157	
REVERSIONS	-442,914					
DMV - MOTOR VEHICLE POLLUTION CONTROL	10,718,859	12,675,175	12,245,560	-3.39	12,663,247	3.41
BALANCE FORWARD	224,053	2,382,038	1,203,766	-49.46	1,621,453	34.70
OTHER FUND	10,494,806	10,293,137	11,041,794	7.27	11,041,794	

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	2017-2018 Actual	2018-2019 Work Program	2019-2020 GOVERNOR RECOMMENDS	% Change	2020-2021 GOVERNOR RECOMMENDS	% Change
DMV - CENTRAL SERVICES	10,555,939	11,501,422	12,142,052	5.57	12,202,148	.49
GENERAL FUND	13,076	13,194	64,810	391.21	64,935	.19
HIGHWAY FUND	4,407,472	4,566,882	4,882,120	6.90	4,968,896	1.78
INTERAGENCY TRANSFER	5,151,722	5,086,214	5,293,028	4.07	5,258,523	-.65
OTHER FUND	1,830,323	1,835,132	1,902,094	3.65	1,909,794	.40
REVERSIONS	-846,654					
DMV - LICENSE PLATE FACTORY	3,832,060	8,376,207	7,223,372	-13.76	6,471,026	-10.42
BALANCE FORWARD	-1,258,352	2,751,029	3,618,042	31.52	2,860,680	-20.93
OTHER FUND	5,090,412	5,625,178	3,605,330	-35.91	3,610,346	.14
DMV - VERIFICATION OF INSURANCE	2,196,714	13,112,712	16,480,371	25.68	16,485,216	.03
BALANCE FORWARD		500,000	500,000		500,000	
OTHER FUND	13,059,137	12,612,712	15,980,371	26.70	15,985,216	.03
REVERSIONS	-10,862,423					
DMV - RECORDS SEARCH	9,411,600	10,023,354	9,848,157	-1.75	9,847,623	-.01
BALANCE FORWARD		50,000	50,000		50,000	
OTHER FUND	10,170,350	9,973,354	9,798,157	-1.76	9,797,623	-.01
REVERSIONS	-758,750					
DMV - FIELD SERVICES	47,989,301	53,538,971	56,987,381	6.44	58,360,728	2.41
GENERAL FUND	23,460	23,460	24,036	2.46	24,361	1.35
HIGHWAY FUND	19,948,182	21,849,163	15,373,490	-29.64	16,746,512	8.93
OTHER FUND	35,636,028	31,666,348	41,589,855	31.34	41,589,855	
REVERSIONS	-7,618,369					
DMV - MOTOR CARRIER DIVISION	4,232,410	4,514,377	6,067,207	34.40	5,024,067	-17.19
FEDERAL FUND	15,289	12,210				
HIGHWAY FUND	2,609,863	2,688,899	2,000,119	-25.62	877,987	-56.10
INTERAGENCY TRANSFER	675		675		675	
OTHER FUND	1,965,444	1,813,268	4,066,413	124.26	4,145,405	1.94
REVERSIONS	-358,861					
DMV - DIVISION OF MANAGEMENT SERVICES & PROGRAMS	1,451,712	1,538,787	1,624,620	5.58	1,664,155	2.43
HIGHWAY FUND	1,518,761	1,538,787	1,614,325	4.91	1,653,860	2.45
INTERAGENCY TRANSFER			10,295		10,295	
REVERSIONS	-67,049					
TOTAL DEPARTMENT OF MOTOR VEHICLES	131,701,438	181,166,042	185,788,349	2.55	196,898,924	5.98
GENERAL FUND	36,536	36,654	88,846	142.39	89,296	.51
BALANCE FORWARD	-1,034,299	5,683,067	5,371,808	-5.48	5,032,133	-6.32
FEDERAL FUND	15,289	12,210				
HIGHWAY FUND	65,530,055	70,653,621	63,166,122	-10.60	74,426,862	17.83
INTERAGENCY TRANSFER	14,090,016	12,981,662	12,889,826	-.71	12,937,709	.37
OTHER FUND	95,141,603	91,798,828	104,271,747	13.59	104,412,924	.14
REVERSIONS	-42,077,762					

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	2017-2018 Actual	2018-2019 Work Program	2019-2020 GOVERNOR RECOMMENDS	% Change	2020-2021 GOVERNOR RECOMMENDS	% Change
DEPARTMENT OF PUBLIC SAFETY						
DPS - NEVADA OFFICE OF CYBER DEFENSE COORDINATION	202,922	478,083	522,785	9.35	534,934	2.32
GENERAL FUND	398,870	478,083	522,785	9.35	534,934	2.32
REVERSIONS	-195,948					
DPS - DIRECTOR'S OFFICE	2,872,492	3,340,273	3,558,994	6.55	3,612,462	1.50
INTERAGENCY TRANSFER	2,872,492	3,340,273	3,558,994	6.55	3,612,462	1.50
DPS - OFFICE OF PROF RESPONSIBILITY	762,055	792,667	812,691	2.53	834,250	2.65
INTERAGENCY TRANSFER	762,055	792,667	812,691	2.53	834,250	2.65
DPS - EVIDENCE VAULT	612,258	658,097	790,210	20.08	702,461	-11.10
INTERAGENCY TRANSFER	612,258	658,097	790,210	20.08	702,461	-11.10
DPS - TRAINING DIVISION	1,767,071	2,029,586	2,217,165	9.24	2,233,919	.76
GENERAL FUND	850,645	841,123	1,020,510	21.33	1,027,487	.68
HIGHWAY FUND	1,189,663	1,180,081	1,193,144	1.11	1,202,921	.82
INTERAGENCY TRANSFER	56,209	4,871				
OTHER FUND	2,650	3,511	3,511		3,511	
REVERSIONS	-332,096					
DPS - FORFEITURES - LAW ENFORCEMENT	525,674	2,286,971	668,682	-70.76	841,065	25.78
BALANCE FORWARD	-164,337	218,295	299,361	37.14	471,744	57.58
FEDERAL FUND	600,000	2,000,000	300,000	-85.00	300,000	
OTHER FUND	90,011	68,676	69,321	.94	69,321	
DPS - NEVADA HIGHWAY PATROL DIVISION	71,598,082	74,676,090	79,099,970	5.92	80,736,845	2.07
GENERAL FUND	17,834	17,834	17,834		17,834	
BALANCE FORWARD	-57,843	203,397				
HIGHWAY FUND	70,231,494	71,087,094	75,443,661	6.13	77,116,636	2.22
INTERAGENCY TRANSFER	1,457,551	1,724,739	957,894	-44.46	924,538	-3.48
INTERIM FINANCE	64,677					
OTHER FUND	3,298,818	1,643,026	2,680,581	63.15	2,677,837	-.10
REVERSIONS	-3,414,449					
DPS - NHP K-9 PROGRAM	32,227	29,109	17,858	-38.65	27,541	54.22
INTERAGENCY TRANSFER	32,227	29,109	17,858	-38.65	27,541	54.22
DPS - HIGHWAY SAFETY GRANTS ACCOUNT	2,213,952	3,728,398	2,332,152	-37.45	2,376,773	1.91
FEDERAL FUND	2,171,087	3,681,140	2,265,559	-38.45	2,309,752	1.95
HIGHWAY FUND	47,314	47,258	66,593	40.91	67,021	.64
REVERSIONS	-4,449					
DPS - DIGNITARY PROTECTION	854,577	1,067,050	1,190,463	11.57	1,213,463	1.93
GENERAL FUND	1,090,708	1,067,050	1,190,463	11.57	1,213,463	1.93
OTHER FUND	3,145					
REVERSIONS	-239,276					

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	2017-2018 Actual	2018-2019 Work Program	2019-2020 GOVERNOR RECOMMENDS	% Change	2020-2021 GOVERNOR RECOMMENDS	% Change
DPS - DIVISION OF PAROLE AND PROBATION	56,860,820	60,261,193	65,260,627	8.30	67,224,940	3.01
GENERAL FUND	50,862,806	50,261,523	55,629,581	10.68	57,429,997	3.24
INTERAGENCY TRANSFER	12,482	30,124	12,482	-58.56	12,482	
OTHER FUND	8,616,714	9,969,546	9,618,564	-3.52	9,782,461	1.70
REVERSIONS	-2,631,182					
DPS - INVESTIGATION DIVISION	7,545,244	9,350,064	8,149,890	-12.84	8,265,198	1.41
GENERAL FUND	6,462,146	6,078,658	6,344,209	4.37	6,603,558	4.09
BALANCE FORWARD	-15,562	59,814				
FEDERAL FUND	73,000	32,039	49,131	53.35	49,131	
HIGHWAY FUND	403,043	376,370	419,593	11.48	425,535	1.42
INTERAGENCY TRANSFER	632,029	2,476,720	1,012,970	-59.10	1,012,968	-0.00
INTERIM FINANCE	8,691					
OTHER FUND	180,168	326,463	323,987	-.76	174,006	-46.29
REVERSIONS	-198,271					
DPS - PUBLIC SAFETY ONE-SHOTS	5,512,257	4,623,511				
BALANCE FORWARD	5,512,257	4,623,511				
DPS - DIVISION OF EMERGENCY MANAGEMENT	5,885,862	6,178,085	4,846,124	-21.56	4,836,644	-.20
GENERAL FUND	784,493	452,646	474,523	4.83	466,544	-1.68
BALANCE FORWARD	-414,949	109				
FEDERAL FUND	584,703	632,499	666,984	5.45	667,414	.06
INTERAGENCY TRANSFER	3,171,571	3,923,202	3,443,636	-12.22	3,438,351	-.15
INTERIM FINANCE	1,202,462	291,773				
OTHER FUND	557,582	877,856	260,981	-70.27	264,335	1.29
DPS - EMERGENCY MANAGEMENT ASSISTANCE GRANTS	11,887,168	14,885,956	16,456,738	10.55	16,496,822	.24
BALANCE FORWARD	46,581					
FEDERAL FUND	11,816,110	14,385,956	15,956,738	10.92	15,996,822	.25
OTHER FUND	121,344	500,000	500,000		500,000	
REVERSIONS	-96,867					
DPS - STATE EMERGENCY RESPONSE COMMISSION	1,168,969	3,300,084	3,191,531	-3.29	3,203,776	.38
BALANCE FORWARD	-230,009	1,899,711	1,773,157	-6.66	1,787,474	.81
FEDERAL FUND	165,523	248,638	204,402	-17.79	204,402	
HIGHWAY FUND	273,406	270,516	268,531	-.73	266,459	-.77
OTHER FUND	1,011,728	881,219	945,441	7.29	945,441	
REVERSIONS	-51,679					
DPS - FIRE MARSHAL	3,429,362	3,059,715	3,232,354	5.64	3,281,656	1.53
GENERAL FUND	301,272	323,243	374,190	15.76	389,715	4.15
BALANCE FORWARD	373	11,912				
FEDERAL FUND	17,139	20,000	17,139	-14.31	17,139	
INTERAGENCY TRANSFER	398,059	455,021	438,247	-3.69	441,569	.76
OTHER FUND	2,890,734	2,249,539	2,402,778	6.81	2,433,233	1.27
REVERSIONS	-178,215					

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	2017-2018 Actual	2018-2019 Work Program	2019-2020 GOVERNOR RECOMMENDS	% Change	2020-2021 GOVERNOR RECOMMENDS	% Change
DPS - CIG FIRE SAFE STD & FIREFIGHTER SUPPORT	57,868	159,520	165,166	3.54	123,104	-25.47
BALANCE FORWARD	45,172	70,094	130,107	85.62	111,045	-14.65
OTHER FUND	12,696	89,426	35,059	-60.80	12,059	-65.60
DPS-CENTRAL REP FOR NV RECORDS OF CRIMINAL HISTORY	17,092,455	33,400,594	39,316,287	17.71	24,252,203	-38.32
GENERAL FUND	100	100	8,769,495	8,769,395.00	276,725	-96.84
BALANCE FORWARD	-478,629	12,117,427	11,565,168	-4.56	4,454,688	-61.48
INTERAGENCY TRANSFER	2,094,688	3,451,053	1,208,268	-64.99	1,218,812	.87
INTERIM FINANCE		86,398				
OTHER FUND	15,476,396	17,745,616	17,773,356	.16	18,301,978	2.97
REVERSIONS	-100					
DPS - RECORDS COMMUNICATIONS AND COMPLIANCE	5,564,073	6,667,948	7,184,808	7.75	7,060,545	-1.73
INTERAGENCY TRANSFER	5,555,913	6,661,977	7,179,833	7.77	7,055,570	-1.73
OTHER FUND	8,160	5,971	4,975	-16.68	4,975	
DPS - CHILD VOLUNTEER BACKGROUND CHECKS TRUST ACCT	15,087	15,087	15,087	.00	15,087	.00
GENERAL FUND	15,087	15,087	15,087		15,087	
DPS - CAPITOL POLICE	2,756,370	2,937,693	3,073,286	4.62	3,145,161	2.34
BALANCE FORWARD	-196,632					
INTERAGENCY TRANSFER	2,952,977	2,935,793	3,073,286	4.68	3,145,161	2.34
OTHER FUND	25	1,900				
DPS - HIGHWAY SAFETY PLAN & ADMIN	3,038,361	4,046,608	2,637,100	-34.83	2,653,109	.61
BALANCE FORWARD	2,807					
FEDERAL FUND	117,152	70,317	90,994	29.41	93,369	2.61
HIGHWAY FUND	270,498	282,842	333,606	17.95	338,389	1.43
INTERAGENCY TRANSFER	2,667,049	3,640,062	2,212,500	-39.22	2,221,351	.40
INTERIM FINANCE		53,387				
OTHER FUND	18,833					
REVERSIONS	-37,978					
DPS - TRAFFIC SAFETY	6,380,435	7,161,486	6,269,057	-12.46	6,280,027	.17
FEDERAL FUND	4,328,539	4,367,439	4,491,105	2.83	4,501,807	.24
INTERAGENCY TRANSFER	2,051,896	2,794,047	1,777,952	-36.37	1,778,220	.02
DPS - MOTORCYCLE SAFETY PROGRAM	448,753	933,799	949,964	1.73	811,446	-14.58
BALANCE FORWARD	-48,873	484,982	458,535	-5.45	320,017	-30.21
OTHER FUND	497,626	448,817	491,429	9.49	491,429	
DPS - JUSTICE GRANT	429,511	531,687	509,335	-4.20	522,764	2.64
GENERAL FUND	312,881	322,899	308,133	-4.57	315,794	2.49
INTERAGENCY TRANSFER	116,630	208,788	201,202	-3.63	206,970	2.87
DPS - JUSTICE ASSISTANCE ACT	2,631,203	8,528,710	939,630	-88.98	937,749	-.20
BALANCE FORWARD	9,632	8,006	8,006		6,125	-23.49
FEDERAL FUND	2,591,780	8,196,453	819,773	-90.00	819,773	
INTERAGENCY TRANSFER	1,145	4,555	3,486	-23.47	3,486	
OTHER FUND	28,646	319,696	108,365	-66.10	108,365	

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	2017-2018 Actual	2018-2019 Work Program	2019-2020 GOVERNOR RECOMMENDS	% Change	2020-2021 GOVERNOR RECOMMENDS	% Change
DPS - JUSTICE ASSIST GRANT TRUST ACCOUNT	1,840,215	4,015,734	2,142,752	-46.64	2,142,752	.00
BALANCE FORWARD	-307,060	1,786,996				
FEDERAL FUND	2,134,288	2,219,244	2,132,227	-3.92	2,132,227	
OTHER FUND	12,987	9,494	10,525	10.86	10,525	
DPS - ACCOUNT FOR REENTRY PROGRAMS		5,000	5,000	.00	5,000	.00
OTHER FUND		5,000	5,000		5,000	
DPS - PAROLE BOARD	2,855,303	2,864,017	3,367,983	17.60	3,425,201	1.70
GENERAL FUND	2,898,060	2,864,017	3,367,983	17.60	3,425,201	1.70
REVERSIONS	-42,757					
DPS - HOMELAND SECURITY	441,322	465,383	482,564	3.69	484,487	.40
GENERAL FUND	168,900	170,262	171,928	.98	172,439	.30
FEDERAL FUND	45,210	47,775	49,147	2.87	48,724	-.86
INTERAGENCY TRANSFER	231,598	247,346	261,489	5.72	263,324	.70
REVERSIONS	-4,386					
TOTAL DEPARTMENT OF PUBLIC SAFETY	217,281,948	262,478,198	259,406,253	-1.17	248,281,384	-4.29
GENERAL FUND	64,163,802	62,892,525	78,206,721	24.35	71,888,778	-8.08
BALANCE FORWARD	3,702,928	21,484,254	14,234,334	-33.75	7,151,093	-49.76
FEDERAL FUND	24,644,531	35,901,500	27,043,199	-24.67	27,140,560	.36
HIGHWAY FUND	72,415,418	73,244,161	77,725,128	6.12	79,416,961	2.18
INTERAGENCY TRANSFER	25,678,829	33,378,444	26,962,998	-19.22	26,899,516	-.24
INTERIM FINANCE	1,275,830	431,558				
OTHER FUND	32,828,263	35,145,756	35,233,873	.25	35,784,476	1.56
REVERSIONS	-7,427,653					
PUBLIC SAFETY						
GENERAL FUND	352,485,593	358,978,720	391,542,252	9.07	396,044,883	1.15
BALANCE FORWARD	903,624	51,098,338	38,622,617	-24.42	29,882,290	-22.63
FEDERAL FUND	27,141,313	40,615,778	27,043,199	-33.42	27,140,560	.36
HIGHWAY FUND	137,945,473	143,897,782	140,891,250	-2.09	153,843,823	9.19
INTERAGENCY TRANSFER	55,839,402	52,958,449	51,168,331	-3.38	51,626,245	.89
INTERIM FINANCE	4,530,662	589,558				
OTHER FUND	158,410,390	155,584,678	171,978,929	10.54	172,814,167	.49
REVERSIONS	-52,264,452					
TOTAL FOR PUBLIC SAFETY	684,992,005	803,723,303	821,246,578	2.18	831,351,968	1.23
Less: INTER-AGENCY TRANSFER	55,839,402	52,958,449	51,168,331	-3.38	51,626,245	.89
NET PUBLIC SAFETY	629,152,603	750,764,854	770,078,247	2.57	779,725,723	1.25

INFRASTRUCTURE

The Infrastructure function of state government comprises those agencies responsible for capital assets of the state, as well as its natural resources. The function includes the Colorado River Commission, Department of Conservation and Natural Resources, Department of Wildlife, Department of Transportation and the Tahoe Regional Planning Agency.

General Fund support for Infrastructure recommended by the Governor for the 2019-21 biennium totals \$84.4 million, which is an increase of 8.1 percent when compared to funding of \$78.1 million for the 2017-19 biennium approved by the 2017 Legislature. The amounts recommended from all funding sources, excluding interagency transfers, total \$2.504 billion for the 2019-21 biennium, which is a 26.6 percent increase from the 2017-19 biennium approved amount of \$1.978 billion.

COLORADO RIVER COMMISSION

The Colorado River Commission (CRC) was created in 1935 and is responsible for acquiring, managing and protecting Nevada's allocation of hydropower and water resources from the Colorado River (allocated to Nevada by the federal government) for the residents of Nevada. The commission is governed by seven commissioners – four appointed by the Governor (including the chairperson), and three appointed by and are members of the Board of Directors of the Southern Nevada Water Authority (SNWA). The CRC is supported by an administrative charge on the sale of electric power and water to the commission's customers and the SNWA. Additional revenues are received through the sale of raw water to a number of small water users along the Colorado River and from interest income derived from the investment of funds by the state. The CRC is entirely funded by its customers and does not receive state or federal funds.

The Hoover Power Allocation Act (HPAA) of 2011 (Public Law 112-72) was signed into law by the President in December 2011 ensuring the continued availability and reliability of Hoover power to the citizens of Arizona, California and Nevada. The HPAA authorized the Western Area Power Administration to offer 50-year contracts (2017-2067) to existing Hoover power contractors at 95 percent of their current allocations with the remaining 5 percent to be allocated to eligible entities and federally-recognized Indian tribes located in the Boulder City Marketing Area that do not currently have allocations of Hoover power. Contracts allocating hydropower under the HPAA are in place, providing power beginning October 1, 2017.

The Executive Budget recommends total funding of \$18.2 million over the 2019-21 biennium for the CRC, which is a 1.7 percent decrease from the \$18.5 million legislatively approved amount for the 2017-19 biennium due to decreases in administrative charge revenues received from the agency's water purveyor customers.

The Research and Development Account is utilized as a pass-through budget for the costs related to the Lower Colorado River Multi-Species Conservation Program (LCRMSCP) to comply with the Endangered Species Act. This is a 50-year program

implemented in April 2005 to address the biological needs of mammals, birds, fish, amphibians and reptiles, as well as invertebrates and plants. Nevada has entered into a regional partnership with Arizona, California and the U.S. Department of the Interior, as well as various non-federal stakeholders and water and hydroelectric power agencies along the lower Colorado River. The partnership is governed by an interstate cost-sharing agreement in which funding commitments for the costs associated with the non-federal portion of the project are covered. Funding for this budget is provided primarily through administrative charges in accordance with the multi-species funding contracts between the CRC and its water and power customers. The Executive Budget recommends total funding of \$23.0 million over the 2019-21 biennium for the LCRMSCP, the majority of which are prior years' balances that are carried forward.

The Power Delivery Project budget accounts for all of the costs associated with the CRC's high-voltage power delivery system for the SNWA water delivery system. The budget accounts for all costs of power purchases for water deliveries and for operation and maintenance costs associated with the project. The CRC develops annual operating budgets for the power delivery projects that are reviewed and approved by the SNWA pursuant to contract. Funding is provided through monthly billings to SNWA in accordance with the approved operational budget. The Executive Budget includes \$25.0 million in Power Sales over the 2019-21 biennium.

The Power Marketing budget is used to record purchases and sales of power, debt service related to the Hoover Upgrading Bonds, and operational costs of the Basic Substation project. This budget accounts for all power-related activities except those dedicated to the Southern Nevada Water System and its customers. All hydropower allocations to Nevada administered by the CRC are recorded in this budget. Funding is provided through monthly billings to hydropower customers. The Executive Budget includes \$73.7 million in Power Sales for the 2019-21 biennium.

DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES

The Department of Conservation and Natural Resources (DCNR) is responsible for ensuring Nevada's natural resources are used, maintained and preserved in a manner that will best serve the citizens of the state. The department comprises the Director's Office and the Divisions of Environmental Protection, Forestry, State Lands, State Parks and Water Resources. The department also includes the Sagebrush Ecosystem Program, the Conservation Districts Program, Nevada Natural Heritage, the Nevada Tahoe Regional Planning Agency, the Off-Highway Vehicles Commission, the State Environmental Commission, and the State Historic Preservation Office.

For the entire department, the Governor recommends General Fund appropriations of \$77.5 million over the 2019-21 biennium, a 6.3 percent increase from the \$72.9 million approved for the 2017-19 biennium. For the 2019-21 biennium, total funding recommended for the department (excluding interagency transfers) is \$248.8 million, which represents a 6.2 percent increase over the \$234.4 million approved for the 2017-19 biennium.

ADMINISTRATION

The Director's Office of the Department of Conservation and Natural Resources provides administrative, technical, budgetary and supervisory support to agencies within the department. The Director's Office is funded with General Fund appropriations, along with cost allocation revenues. Total funding for the Director's Office is recommended at \$3.5 million over the 2019-21 biennium, which is the same level of funding approved for the 2017-19 biennium. The Governor recommends General Fund appropriations totaling \$1.5 million over the 2019-21 biennium, a decrease of 21.7 percent when compared to the \$2.0 million in General Fund appropriations approved for the 2017-19 biennium.

SAGEBRUSH ECOSYSTEM PROGRAM

The Sagebrush Ecosystem Program supports six Sagebrush Ecosystem Technical Team positions and provides funding for the Sagebrush Ecosystem Council, contract costs related to the Conservation Credit System (CCS) and CCS subgrants. The CCS subgrants fund habitat improvement projects on private and public lands that enhance and restore sagebrush habitat for the Greater Sage-grouse. The Sagebrush Ecosystem Program is currently funded with General Fund appropriations balanced forward from the previous biennium, pursuant to the 2017 Appropriations Act (Assembly Bill 518, 2017 Legislature).

The Governor recommends total funding of \$695,057 for the Sagebrush Ecosystem Program over the 2019-21 biennium, which represents a decrease of 65.9 percent when compared to the \$2.0 million approved for the 2017-19 biennium. The Governor recommends reducing expenditures for the CCS subgrants, with a total of \$471,202 recommended over the 2019-21 biennium, funded by reserves.

ENVIRONMENTAL QUALITY IMPROVEMENT

The Executive Budget includes a new Environmental Quality Improvement budget containing enforcement action funds resulting from settlements and penalties assessed by the Division of Environmental Protection. Upon the identification of environmentally-beneficial projects under the division's supplemental environmental projects program, funding would be transferred from this budget to other budgets in the department. The recommended budget includes reserves of \$89,313 in each year of the upcoming biennium, funded by enforcement action funds previously collected by the division.

CONSERVATION DISTRICTS PROGRAM

The Conservation Districts Program works with Nevada's 28 locally-elected conservation districts, which work to conserve, improve and sustain the state's renewable natural resources, in a statewide conservation program. The mission of the program is to train and assist the districts by providing outreach and technical assistance to landowners in partnership with other local, state and federal agencies, and to promote actively managing and restoring landscapes to achieve sage-grouse habitat. The program also provides annual grants to each of the 28 conservation districts and provides support for the State Conservation Commission.

To continue the salary and associated operating costs of the Program Manager and three Conservation Staff Specialist positions who work with the conservation districts and local area work groups, the Governor recommends General Fund appropriations totaling \$1.3 million over the 2019-21 biennium. In addition, the Governor recommends increasing the annual grants awarded to the 28 conservation districts by \$500, for a total annual grant award of \$5,000 per district, funded with General Fund appropriations of \$14,000 in each year of the 2019-21 biennium. This recommendation would restore the annual grant program to the level that was legislatively approved prior to the budget reductions that took effect during the 2009 and 2011 Legislative Sessions.

DIVISION OF STATE PARKS

The Division of State Parks plans, develops, and maintains a system of 27 parks and recreational areas for the use and enjoyment of residents and visitors. The division also preserves areas of scenic, historic, and scientific significance in Nevada. The primary funding sources for the division include General Fund appropriations, park user fees and motor boat fuel taxes. To support the ongoing operation and maintenance of Nevada's state parks, the Governor recommends total funding of \$38.3 million for the 2019-21 biennium, a decrease of 1.6 percent when compared to the \$38.9 million legislatively approved for the 2017-19 biennium. Of the total funding, the Governor recommends General Fund appropriations totaling \$16.5 million, a decrease of 19.4 percent when compared to the \$20.5 million legislatively approved for the 2017-19 biennium.

With increased overall visitation and the recent expansion of the State Parks system, the Governor recommends General Fund appropriations of \$1.3 million over the 2019-21 biennium to support the addition of eight full-time positions. Additionally, the Governor recommends FY 2019 one-shot General Fund appropriations for the Division of State Parks totaling \$3.8 million, to support continued improvements at existing parks and at the new Ice Age Fossils State Park in Clark County, as well as new and replacement equipment, including 28 vehicles and law enforcement equipment for commissioned park rangers.

The Governor also recommends an FY 2019 supplemental appropriation of \$142,047 to support the terminal leave payout costs of employees within the division who retire in FY 2019.

DIVISION OF WATER RESOURCES

The Division of Water Resources conserves, protects, manages and enhances the water resources of Nevada through appropriation and reallocation of public waters. The division quantifies existing water rights, monitors water usage, distributes water in accordance with court decrees, reviews water availability for new development, reviews the construction and operation of dams, and licenses and regulates well drillers. The Division of Water Resources is primarily funded with General Fund appropriations.

For the 2019-21 biennium, the Governor recommends total funding of \$18.3 million for the Water Resources budget, an increase of 20.0 percent when compared to the \$15.2 million legislatively approved for the 2017-19 biennium. Of the total funding, the Governor recommends General Fund appropriations totaling \$15.6 million, an increase of 10.3 percent when compared to the \$14.1 million approved for the 2017-19 biennium.

The General Fund increase is primarily due to the Governor's recommendation to support statewide water planning and drought response efforts with General Fund appropriations totaling \$1.0 million over the 2019-21 biennium. Of the \$1.0 million appropriation, \$894,791 would fund the creation of a new Nevada Water Planning and Drought Resiliency Program, including three new permanent positions (an unclassified Water Engineer, a Professional Engineer, and an Associate Engineer). The remaining \$102,892 would fund the creation of an Advisory Committee on Water Planning and Drought, consisting of eight board members.

DIVISION OF FORESTRY

The Division of Forestry is responsible for supervising, managing and coordinating all forestry, watershed, fire prevention, and control work on state and privately-owned lands in Nevada. Additionally, the division provides assistance to county and local fire districts, and adopts and enforces fire prevention regulations. Other division programs include cooperative forest management, rural fire protection, resource rehabilitation, and control of insects and diseases in trees. The Governor recommends total funding of \$23.1 million for the Forestry budget for the 2019-21 biennium, a decrease of 1.5 percent when compared to the \$23.4 million approved for the 2017-19 biennium. Of the total funding, the Governor recommends General Fund appropriations totaling \$15.7 million for the 2019-21 biennium, an increase of 16.9 percent when compared to the \$13.4 million approved for the 2017-19 biennium.

The Governor recommends funding for replacement field equipment, including radio communication equipment, chainsaws and chainsaw repair kits for use on emergency incidents and resource conservation projects, funded with General Fund appropriations totaling \$435,516 over the 2019-21 biennium. The Governor also recommends additional funding for seasonal firefighters, funded with General Fund appropriations totaling \$155,283 over the 2019-21 biennium. With this recommendation, funding for seasonal firefighters over the 2019-21 biennium would total \$1.9 million, an increase of 27.1 percent compared to the \$1.5 million legislatively approved for the previous biennium.

To improve the productivity and accuracy of the Incident Business Unit (IBU) within the Division of Forestry, the Governor recommends supporting a new cloud-based automated fire billing information system, funded by reimbursement revenue transferred from the Forest Fire Suppression budget totaling \$93,880 over the 2019-21 biennium.

FOREST FIRE SUPPRESSION

The Forest Fire Suppression program covers expenses necessary for the protection of life, property, and natural resources from fire, flood and other disasters and emergencies; and for forest health and watershed management required as a result of fire or other emergencies. The program is funded by a combination of General Fund appropriations and reimbursements for firefighting assistance provided on lands outside of the state's jurisdiction. When the volume or severity of fire incidents results in insufficient funds in this budget, funding is available from the State Board of Examiners' Reserve for the Statutory Contingency Account (NRS 353.264), with additional funding available from the Interim Finance Committee's Contingency Account (NRS 353.266).

The 2007 Legislature approved increasing the General Fund appropriation for the Forest Fire Suppression budget from \$1.0 million to \$2.5 million for each year of the biennium to decrease the frequency in which the division needed to request additional funds from contingency sources. For the 2019-21 biennium, the Governor recommends increasing the total annual General Fund appropriation by 60.0 percent, from \$2.5 million to \$4 million to support Forest Fire Suppression operations. Additionally, to support higher than budgeted firefighting costs in FY 2019, the Governor recommends a supplemental General Fund appropriation of \$9.6 million.

FORESTRY CONSERVATION CAMPS

The Forestry Conservation Camp program coordinates and supervises labor-intensive work projects performed by inmates from the Nevada Department of Corrections (NDOC). The inmates reside in NDOC conservation camps and work on projects that generate revenue for the state, provide free or reduced-cost labor for state and local agencies, and provide fire suppression resources to the division. Funding sources in this budget consist primarily of General Fund appropriations and revenues received for projects completed by the inmate crews. For the 2019-21 biennium, the Governor recommends total funding of \$20.2 million for the Forestry Conservation Camps, an increase of 5.7 percent when compared to the \$19.1 million approved for the 2017-19 biennium. Of the total funding, the Governor recommends General Fund appropriations totaling \$14.0 million, an increase of 13.4 percent when compared to the \$12.3 million approved for the 2017-19 biennium.

FORESTRY WILDLAND FIRE PROTECTION PROGRAM

In place of the Inter-Governmental Agreement All-Risk Fire Management Program, the 2013 Legislature approved a new voluntary Wildland Fire Protection Program (WFPP). The WFPP provides wildland fire management services to participating entities that voluntarily opt-in, educates and prepares landowners for wildland fires, and participates in the rehabilitation efforts to land damaged after a wildland fire. The program is supported with county participation funds.

The Governor recommends total funding of \$6.5 million for the WFPP budget for the 2019-21 biennium, a decrease of 30.2 percent when compared to the \$9.3 million approved

for the 2017-19 biennium. The decline in overall funding is primarily due to the utilization of reserves to support fire suppression costs in the Forest Fire Suppression budget and the purchase of three fire engines, totaling \$3.1 million over the 2017-19 biennium.

To provide needed staffing on existing fire equipment as part of a new standard staffing policy to better manage wildland firefighting resources and ensure emergency response equipment is staffed seven days a week, consistent with the national standard, the Governor recommends two new Fire Captains and four new seasonal firefighter positions, funded with County Participation Funds totaling \$624,910 over the 2019-21 biennium. The Governor also recommends additional funding for seasonal firefighters, funded with County Participation Funds totaling \$448,478 over the 2019-21 biennium. With this recommendation, funding for seasonal firefighters over the 2019-21 biennium would total \$2.0 million, an increase of 71.8 percent compared to the \$1.2 million legislatively approved for the previous biennium.

DIVISION OF STATE LANDS

The Division of State Lands acquires land or interests in land, holds, and disposes of all state lands and interests in lands; maintains state land records; provides land-use planning services; develops policies and plans for the use of lands under federal management; and coordinates various state programs at Lake Tahoe. Programs at Lake Tahoe include the Nevada Tahoe Resource Team, responsible for the Environmental Improvement Program (EIP) and the Tahoe Mitigation Program. The division is also responsible for the implementation of the Conservation and Resource Protection Grant Program (also known as the Question One program). The division is primarily funded with General Fund appropriations and transfers from the Tahoe Mitigation Fund and the Question 1 (Q1) and EIP bond programs.

For the 2019-21 biennium, the Governor recommends total funding of \$4.2 million, an increase of 11.4 percent when compared to the \$3.8 million legislatively approved for the 2017-19 biennium. Of the total funding, the Governor recommends General Fund appropriations totaling \$3.4 million, an increase of 14.4 percent when compared to the \$2.9 million approved for the 2017-19 biennium.

Due to the reduced availability of bond interest revenues from the Tahoe EIP and Q1 bond programs, the Governor recommends the addition of new fee revenue totaling \$146,623 over the 2019-21 biennium. This revenue would primarily support a portion of the operating, personnel and equipment costs associated with the EIP and Q1 bond programs, replacing interest earned from bond proceeds with new fee revenue over the biennium. The Executive Budget does not contain any details regarding the nature of the new fee or whether legislation would be required to implement the new fee.

DIVISION OF ENVIRONMENTAL PROTECTION

The Division of Environmental Protection (DEP) implements programs authorized and required by state and federal laws and enforces regulations adopted by the State Environmental Commission. The division comprises an Administrative Services office

and ten bureaus: Air Pollution Control; Air Quality Planning; Corrective Actions; Federal Facilities; Industrial Site Cleanup; Mining Regulation and Reclamation; Safe Drinking Water; Waste Management; Water Pollution Control; and Water Quality Planning. The Division of Environmental Protection is primarily funded with fees and federal funds. The Governor recommends total funding of \$132.4 million over the 2019-21 biennium, an increase of 9.2 percent compared to the \$121.2 million legislatively approved for the 2017-19 biennium.

To support environmental remediation and mitigation efforts, including continuation of the Anaconda Mine Site cleanup, administration of the Volkswagen Environmental Mitigation Trust Fund to reduce air emissions, and additional contract services for cleanup projects at legacy mine sites and U.S. Department of Defense installations with environmental contamination, the Governor recommends total funding of \$5.9 million (fees and federal funds) over the 2019-21 biennium.

The Governor also recommends the addition of three permanent positions, including one Professional Engineering Specialist for the Bureau of Corrective Actions, one Personnel Technician for the Bureau of Administrative Services and one Public Service Intern for the Bureau of Air Pollution Control, at a total cost of \$581,027 (fees, federal funds and reserves) over the 2019-21 biennium.

Additionally, the Governor recommends improvements to the Air Quality Program's Air Information Management System, the State Revolving Loan Program's Loan and Grants Tracking System, the Brownfield Site database, and Mining Regulation and Reclamation databases funded by the utilization of reserves and federal funds totaling \$600,550 over the 2019-21 biennium.

OFF-HIGHWAY VEHICLE COMMISSION

The Commission on Off-Highway Vehicles (OHVs) was created during the 2009 Legislative Session pursuant to Senate Bill 394 to promote the safe and responsible use of recreational off-highway vehicles. During the 2015-17 biennium, the OHV Commission was placed under the management of the department. Assembly Bill 29 of the 2017 Legislative Session revised provisions governing OHVs, including the creation of the OHV program and commission within the department. The program provides grants to fund OHV-related projects for law enforcement, education, and OHV trail management and development statewide. The program, including the operating costs of the commission, is funded with OHV registration fees collected by the Department of Motor Vehicles.

The Governor recommends total funding of \$8.2 million over the 2019-21 biennium for the OHV Commission. Total funding recommended for OHV grants is \$1.0 million over the 2019-21 biennium.

DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES BOND PROGRAMS

The Governor recommends the issuance of general obligation bonds for programs managed by the DCNR totaling \$14.0 million over the 2019-21 biennium, which includes: \$3.0 million for the Commission for Cultural Centers and Historic Preservation Grant Program managed by the State Historic Preservation Office; \$8.0 million for the Lake Tahoe Environmental Improvement Program managed by the Division of State Lands; and \$3.0 million for the Water Infrastructure Grant Program managed by the Division of Environmental Protection. There is no recommendation to issue general obligation bonds for the Q1 Conservation and Recreation Bond Program over the 2019-21 biennium.

CAPITAL IMPROVEMENT PROJECTS

The Governor recommends state funding for visitor center renovations and replacement comfort stations at Valley of Fire State Park; plumbing, electrical, and mechanical systems upgrades at Silver Springs State Park; and advance planning for exterior envelope protection of the historic structures at the Spring Mountain Ranch State Park, totaling \$2.8 million over the 2019-21 biennium. Additionally, the Governor recommends state funding of \$458,392 over the 2019-21 biennium for advance planning to construct a heavy equipment shop and convert an existing building into a storage facility for the Division of Forestry Northern Region Shop in Elko. Finally, \$226,800 in state funding is recommended for a roofing project at Fort Churchill State Park as part of the statewide roofing program.

DEPARTMENT OF WILDLIFE

The Nevada Department of Wildlife (NDOW) is responsible for protecting, preserving, managing and restoring wildlife and its habitat for aesthetic, scientific, recreational and economic benefit to residents and visitors. The department administers, enforces and implements the Nevada Boat Act, including the registration and titling of boats, enforcement of laws and regulations, boating safety education and development of public access facilities.

The department is funded primarily from federal programs, licenses and fees, and gifts and donations. General Fund appropriations are also recommended to support non-game diversity programs, facility maintenance and to recognize the impact of low-cost licenses. The Governor recommends total funding of \$105.6 million in the 2019-21 biennium for the department, which is an increase of \$12.3 million, or 13.2 percent, when compared to the \$93.3 million approved for the 2017-19 biennium.

The Governor recommends General Fund appropriations of \$3.2 million over the 2019-21 biennium for the department, an increase of \$1.5 million, or 89.7 percent, when compared to the \$1.7 million in General Fund appropriations approved for the 2017-19 biennium. Recommended additional General Fund appropriations for the department include:

- **Technical Review Program Funding Change:** General Fund appropriations of \$312,664 over the 2019-21 biennium are recommended in the Habitat budget to fund NDOW's Technical Review program, which analyzes and reviews various efforts including range improvements, impact of mining projects, power transmission projects and wilderness management projects. This program is currently funded with Sportsmen Revenue.
- **State Match for Federal Grants:** General Fund appropriations of \$299,674 over the biennium are recommended in the Diversity budget to fund state matching requirements for certain federal wildlife restoration grants. The match requirement is currently funded with Sportsmen Revenue.
- **Deferred Maintenance for NDOW Facilities:** General Fund appropriations of \$432,478 over the biennium are recommended in the Director's Office budget to fund deferred facility maintenance requests at various NDOW offices, as well as fishery and Wildlife Management Area facilities.
- **New Conservation Educator Position:** General Fund appropriations of \$137,125 over the biennium are recommended in the Conservation Education budget to fund one new Conservation Educator to be stationed at NDOW Headquarters in Reno to provide guidance and program coordination in regard to the recruitment and retention of outdoor recreation enthusiasts.
- **Funding Change for Two Urban Wildlife Coordinators:** General Fund appropriations of \$159,778 over the biennium are recommended in the Conservation Education budget to fully fund two existing Urban Wildlife Coordinator positions with General Funds. These positions are currently funded with a combination of General Funds and Sportsmen Revenue – this recommendation would replace the Sportsmen Revenue portion with General Funds.
- **Funding Change for Public Records and Administrative Requests:** General Fund appropriations of \$140,078 over the biennium are recommended in the Director's Office budget to offset costs incurred by NDOW staff when responding to public records requests, special administrative requests and certain conservation efforts. These costs are currently funded with Sportsmen Revenue.

The Executive Budget also recommends the centralization of the department's fiscal administration and engineering staff within the Director's Office budget as well as the centralization of the department's technology staff within the Operations budget, which is proposed to be renamed the Data and Technology Services (DATS) budget. The DATS budget would manage the department's licensing program, vessel registration and titling, hunt applications and the random tag draw, information technology and geographic information systems (GIS). The recommended reorganization would require the transfer of six positions from the Operations budget to the Director's Office budget, including two Professional Engineers, one Fleet Specialist, one Construction Project Coordinator, one Conservation Staff Specialist and one Administrative Assistant. In addition, one Biologist position working as a GIS specialist would transfer from the Game Management budget to the Operations budget. Finally, two Biologists and

one Wildlife Staff Specialist that also serve as GIS specialists would transfer from the Diversity budget to the Operations budget.

NEVADA DEPARTMENT OF TRANSPORTATION

The Nevada Department of Transportation (NDOT) is funded through a combination of federal funds, dedicated state highway user revenues and bond issues. Excluding interagency transfers, The Executive Budget recommends \$2.035 billion in total funding for the department over the 2019-21 biennium. This is a 33.9 percent increase when compared to the \$1.519 billion legislatively approved for the 2017-19 biennium largely due to higher bond issuances being recommended by the Governor in the 2019-21 biennium. The Governor's recommendations include state Highway Fund authorizations of \$487.3 million in FY 2020 and \$484.2 million in FY 2021. The Governor projects federal fund revenue of \$368.0 million in each year of the 2019-21 biennium.

The Executive Budget recommends funding for highway construction totaling \$560.0 million in each year of the 2019-21 biennium with a combination of federal funds and Highway Fund authorizations. The Executive Budget also recommends bond funding of \$161.6 million in each year of the biennium to finance the construction phases of the Spaghetti Bowl Xpress project in Reno/Sparks to improve traffic flow, and the Centennial Bowl project in northwest Las Vegas to construct remaining system interchanges on U.S. Highway 95 and Interstate 15.

The Governor recommends Highway Fund authorizations of \$25.6 million and \$4.1 million in an FY 2019 one-time General Fund appropriation to the Governor's Office of Finance Special Appropriations budget over the 2019-21 biennium to continue the replacement of the Nevada Shared Radio System (NSRS). The Executive Budget recommends Highway Fund authorizations of \$7.5 million over the 2019-21 biennium for maintenance and enhancements of IT systems used by the department. The Executive Budget further recommends Highway Fund authorizations of \$13.9 million and projected Sales of Equipment revenue from existing airplanes totaling \$650,000 over the 2019-21 biennium to replace the department's two airplanes. The Governor further recommends Highway Fund authorizations totaling \$2.3 million over the 2019-21 to design improvements at three existing rest facilities in Northern Nevada.

The Governor recommends Highway Fund authorizations totaling \$192,612 over the 2019-21 biennium to reclassify nine various classified positions with the state's engineering occupation group and Highway Fund authorizations of \$73,630 over the 2019-21 biennium to increase the salaries for three of NDOT's unclassified Pilot positions. Over the 2019-21 biennium, The Executive Budget recommends Highway Fund authorizations of \$15.8 million for routine replacement of existing large equipment; \$27.3 million to fund the maintenance, new construction and alterations of department-owned facilities; and \$15.2 million for new equipment such as computers, office furniture, fleet additions and shop tools.

TAHOE REGIONAL PLANNING AGENCY

The Tahoe Regional Planning Agency (TRPA) was jointly created by the States of Nevada and California and the United States Congress through the approval of the Tahoe Regional Planning Compact by all three entities. The TRPA provides a leadership and advocacy role in the regional cooperative efforts to preserve, restore and enhance Lake Tahoe's unique natural and human environments. The TRPA exercises environmental controls over water, land, air, wildlife and development in the Lake Tahoe region. Pursuant to Article VIII of the Tahoe Regional Planning Compact (NRS 277.200), requests for state funds by the TRPA must be apportioned two-thirds from California and one-third from Nevada.

For the 2019-21 biennium, the Governor recommends General Fund appropriations of \$3.7 million in support of the TRPA, an increase of 4.9 percent when compared to the \$3.6 million approved for the 2017-19 biennium. The Governor also recommends continuing the transfer of \$419,021 in each year of the 2019-21 biennium from the DMV Pollution Control budget to support preservation and improvement of air quality in the Lake Tahoe Basin.

Of the total General Fund appropriation, the Governor recommends \$250,000 in each year of the 2019-21 biennium for Nevada's share of funding to support the TRPA's costs associated with the Lake Tahoe Shoreline Plan, which would fund the implementation of amended shoreline ordinances that were adopted over the 2017-19 biennium following a comprehensive environmental impact report. The Governor also recommends General Fund appropriations of \$100,000 in FY 2020 for Nevada's share of funding to support the TRPA's Environmental Threshold Evaluation Study to better understand wildfire risks, establish a website for information sharing, and monitor pollutant loads of streams in the Lake Tahoe Basin.

Total funding in support of the TRPA from Nevada is recommended at \$2.3 million in FY 2020 and \$2.2 million in FY 2021. Given California's recommended funding of \$4.7 million in FY 2020 and \$4.5 million in FY 2021, Nevada's recommended funding represents 33.3 percent and 33.2 percent of the total TRPA funding compared to California's share for FY 2020 and FY 2021, respectively.

Nevada Legislative Counsel Bureau
Source of Funds Summary
2019-21 Fiscal Report

	2017-2018 Actual	2018-2019 Work Program	2019-2020 GOVERNOR RECOMMENDS	% Change	2020-2021 GOVERNOR RECOMMENDS	% Change
INFRASTRUCTURE						
COLORADO RIVER COMMISSION						
CRC - COLORADO RIVER COMMISSION	5,176,271	8,698,652	9,126,819	4.92	9,072,115	-.60
BALANCE FORWARD	200,053	2,105,498	1,692,571	-19.61	1,721,566	1.71
INTERAGENCY TRANSFER	2,511,155	3,040,876	2,725,577	-10.37	2,716,443	-.34
OTHER FUND	2,465,063	3,552,278	4,708,671	32.55	4,634,106	-1.58
CRC - RESEARCH AND DEVELOPMENT ACCOUNT	399,966	11,530,587	11,491,821	-.34	11,480,268	-.10
BALANCE FORWARD	-430,749	10,657,657	10,557,285	-.94	10,512,873	-.42
OTHER FUND	830,715	872,930	934,536	7.06	967,395	3.52
CRC - POWER DELIVERY PROJECT	12,237,777	26,652,009	13,916,492	-47.78	13,920,535	.03
BALANCE FORWARD	-474,524	1,284,086	1,398,554	8.91	1,411,426	.92
OTHER FUND	12,712,301	25,367,923	12,517,938	-50.65	12,509,109	-.07
CRC - POWER MARKETING	28,478,205	32,522,689	38,729,087	19.08	40,003,723	3.29
BALANCE FORWARD	-530,691	1,537,953	1,724,024	12.10	3,224,711	87.05
OTHER FUND	29,008,896	30,984,736	37,005,063	19.43	36,779,012	-.61
TOTAL COLORADO RIVER COMMISSION	46,292,219	79,403,937	73,264,219	-7.73	74,476,641	1.65
BALANCE FORWARD	-1,235,911	15,585,194	15,372,434	-1.37	16,870,576	9.75
INTERAGENCY TRANSFER	2,511,155	3,040,876	2,725,577	-10.37	2,716,443	-.34
OTHER FUND	45,016,975	60,777,867	55,166,208	-9.23	54,889,622	-.50
CONSERVATION & NATURAL RESOURCES						
ENVIRONMENTAL QUALITY IMPROVEMENT		89,313	89,313	.00	89,313	.00
BALANCE FORWARD		89,313	89,313		89,313	
DCNR - ADMINISTRATION	1,707,444	1,771,228	1,779,405	.46	1,723,668	-3.13
GENERAL FUND	959,176	990,862	788,939	-20.38	737,007	-6.58
INTERAGENCY TRANSFER	685,651	711,075	916,174	28.84	912,076	-.45
OTHER FUND	67,946	69,291	74,292	7.22	74,585	.39
REVERSIONS	-5,329					
DCNR - DEP STATE ENVIRONMENTAL COMMISSION	67,510	100,521	149,684	48.91	149,725	.03
INTERAGENCY TRANSFER	14,190	10,727	20,843	94.30	20,863	.10
OTHER FUND	53,320	89,794	128,841	43.49	128,862	.02
DCNR - FORESTRY	10,488,056	15,412,256	11,226,126	-27.16	11,849,158	5.55
GENERAL FUND	6,601,546	6,821,796	7,534,084	10.44	8,151,753	8.20
BALANCE FORWARD	659,246	1,292,441	434,007	-66.42	509,241	17.33
FEDERAL FUND	2,885,220	5,863,397	1,893,922	-67.70	1,837,518	-2.98
INTERAGENCY TRANSFER	430,763	976,894	1,237,736	26.70	1,227,980	-.79
OTHER FUND	454,312	457,728	126,377	-72.39	122,666	-2.94
REVERSIONS	-543,031					

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	2017-2018 Actual	2018-2019 Work Program	2019-2020 GOVERNOR RECOMMENDS	% Change	2020-2021 GOVERNOR RECOMMENDS	% Change
DCNR - FORESTRY - FIRE SUPPRESSION	16,444,645	17,882,452	10,259,146	-42.63	9,105,377	-11.25
GENERAL FUND	5,000,000		4,000,000		4,000,000	
BALANCE FORWARD	-4,622,523	1,943,120	1,769,707	-8.92	517,161	-70.78
FEDERAL FUND	5,373,806	747,689	553,062	-26.03	684,899	23.84
INTERAGENCY TRANSFER	1,109,992	33,193	7,098	-78.62	7,098	
INTERIM FINANCE	2,627,751	10,930,180				
OTHER FUND	7,953,758	4,228,270	3,929,279	-7.07	3,896,219	-.84
REVERSIONS	-998,139					
DCNR - FORESTRY - CONSERVATION CAMPS	7,938,478	9,954,431	10,013,870	.60	10,157,667	1.44
GENERAL FUND	6,061,041	6,249,949	6,875,476	10.01	7,086,699	3.07
BALANCE FORWARD	28,242	319,762				
INTERAGENCY TRANSFER		175,000	175,000		175,000	
OTHER FUND	2,630,230	3,209,720	2,963,394	-7.67	2,895,968	-2.28
REVERSIONS	-781,035					
DCNR - FORESTRY - WILDLAND FIRE PROTECTION PRGM	2,824,016	3,776,674	3,276,201	-13.25	3,236,593	-1.21
GENERAL FUND	50,000	50,000	50,000		50,000	
BALANCE FORWARD	1,011,516	1,964,174	959,512	-51.15	839,879	-12.47
OTHER FUND	1,762,500	1,762,500	2,266,689	28.61	2,346,714	3.53
DCNR - FORESTRY - NURSERIES	777,136	1,783,577	1,764,916	-1.05	1,162,102	-34.16
BALANCE FORWARD	-287,164	1,005,706	1,025,299	1.95	419,937	-59.04
INTERAGENCY TRANSFER	82,720	101,636	102,436	.79	104,984	2.49
OTHER FUND	981,580	676,235	637,181	-5.78	637,181	
DCNR - STATE PARKS	16,660,459	23,456,990	18,989,966	-19.04	19,274,299	1.50
GENERAL FUND	8,654,813	11,837,847	8,140,670	-31.23	8,385,651	3.01
BALANCE FORWARD	243,979	5,016,981				
FEDERAL FUND	103,568	227,794	85,312	-62.55	85,312	
INTERAGENCY TRANSFER	877,242	960,200	975,240	1.57	984,772	.98
OTHER FUND	7,105,824	5,414,168	9,788,744	80.80	9,818,564	.30
REVERSIONS	-324,967					
DCNR - WATER RESOURCES	7,973,982	8,118,162	9,253,480	13.98	9,040,302	-2.30
GENERAL FUND	7,493,074	7,084,694	7,894,032	11.42	7,685,026	-2.65
BALANCE FORWARD	-42,117	147,558				
FEDERAL FUND	224,293	360,181	291,172	-19.16	300,302	3.14
INTERAGENCY TRANSFER	608,856	481,729	1,024,276	112.62	1,010,974	-1.30
OTHER FUND	24,316	44,000	44,000		44,000	
REVERSIONS	-334,440					
DCNR - STATE LANDS	1,727,662	1,906,410	2,073,263	8.75	2,142,915	3.36
GENERAL FUND	1,435,122	1,505,949	1,656,473	10.00	1,707,080	3.06
INTERAGENCY TRANSFER	223,215	284,253	265,476	-6.61	275,980	3.96
OTHER FUND	158,986	116,208	151,314	30.21	159,855	5.64
REVERSIONS	-89,661					
DCNR - NEVADA TAHOE REGIONAL PLANNING AGENCY	611	1,319	1,831	38.82	1,831	.00
GENERAL FUND	1,319	1,319	1,831	38.82	1,831	
REVERSIONS	-708					

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	2017-2018 Actual	2018-2019 Work Program	2019-2020 GOVERNOR RECOMMENDS	% Change	2020-2021 GOVERNOR RECOMMENDS	% Change
DCNR - CONSERVATION DISTRICTS PROGRAM	540,891	615,898	637,388	3.49	653,799	2.57
GENERAL FUND	591,087	598,491	635,710	6.22	652,121	2.58
FEDERAL FUND	32,593	17,407	1,678	-90.36	1,678	
REVERSIONS	-82,789					
DCNR - NEVADA NATURAL HERITAGE	950,310	1,250,313	939,425	-24.86	969,939	3.25
BALANCE FORWARD	-51,062	51,062				
FEDERAL FUND	119,910	346,193	5,000	-98.56	5,000	
INTERAGENCY TRANSFER	871,510	829,497	912,121	9.96	942,635	3.35
OTHER FUND	23,511	23,561	22,304	-5.34	22,304	
REVERSIONS	-13,559					
ACCOUNT FOR OFF-HIGHWAY VEHICLES (OHV)	562,853	4,272,163	3,970,580	-7.06	4,265,617	7.43
BALANCE FORWARD	-368,875	3,331,437	3,038,852	-8.78	3,333,889	9.71
INTERAGENCY TRANSFER	931,728	940,726	931,728	-.96	931,728	
DCNR - DEP ADMINISTRATION	6,678,185	8,669,982	9,177,082	5.85	9,406,654	2.50
BALANCE FORWARD	-574,839	1,154,542	1,595,917	38.23	1,386,782	-13.10
FEDERAL FUND	2,321,914	2,600,000	2,900,001	11.54	3,200,001	10.34
INTERAGENCY TRANSFER	4,900,946	4,915,440	4,681,164	-4.77	4,819,871	2.96
OTHER FUND	192,664					
REVERSIONS	-162,500					
DCNR - DEP AIR QUALITY	7,028,816	9,150,536	9,206,204	.61	9,632,823	4.63
BALANCE FORWARD	88,130	1,024,283	1,016,137	-.80	669,417	-34.12
FEDERAL FUND	1,050,589	1,460,668	1,293,035	-11.48	1,293,035	
INTERAGENCY TRANSFER	2,609,188	2,610,180	2,742,885	5.08	2,814,434	2.61
OTHER FUND	3,280,909	4,055,405	4,154,147	2.43	4,855,937	16.89
DCNR - DEP WATER POLLUTION CONTROL	3,415,575	7,877,997	7,403,693	-6.02	6,984,817	-5.66
BALANCE FORWARD	-130,276	4,195,494	3,771,215	-10.11	3,345,272	-11.29
FEDERAL FUND	160,896	265,173	255,006	-3.83	255,007	.00
INTERAGENCY TRANSFER	336,863	302,389	309,066	2.21	316,132	2.29
OTHER FUND	3,048,092	3,114,941	3,068,406	-1.49	3,068,406	
DCNR - DEP MATERIALS MNGMT & CORRCTV ACTN	10,183,675	14,755,451	16,141,982	9.40	17,746,480	9.94
BALANCE FORWARD	-805,706	1,777,327	1,769,885	-.42	1,000,000	-43.50
FEDERAL FUND	3,840,298	4,037,703	3,795,679	-5.99	3,786,756	-.24
INTERAGENCY TRANSFER	500,000					
OTHER FUND	6,649,083	8,940,421	10,576,418	18.30	12,959,724	22.53
DCNR - DEP MINING REGULATION/RECLAMATION	3,384,763	6,177,573	6,176,866	-.01	5,880,929	-4.79
BALANCE FORWARD	514,650	3,308,516	3,306,753	-.05	3,010,816	-8.95
OTHER FUND	2,870,113	2,869,057	2,870,113	.04	2,870,113	

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	2017-2018 Actual	2018-2019 Work Program	2019-2020 GOVERNOR RECOMMENDS	% Change	2020-2021 GOVERNOR RECOMMENDS	% Change
DCNR - DEP STATE REVOLVING FUND - ADMIN	3,028,531	4,211,537	3,970,591	-5.72	3,778,567	-4.84
BALANCE FORWARD	-93,002	1,016,305	922,678	-9.21	694,469	-24.73
FEDERAL FUND	2,803,377	3,059,025	2,977,279	-2.67	3,013,462	1.22
INTERAGENCY TRANSFER	374	3,076	2,851	-7.31	2,853	.07
OTHER FUND	317,782	133,131	67,783	-49.09	67,783	
DCNR - DEP WATER QUALITY PLANNING	3,090,550	4,992,769	4,508,543	-9.70	4,584,529	1.69
BALANCE FORWARD	-21,103	54,676	35,572	-34.94	35,572	
FEDERAL FUND	2,452,230	4,212,508	3,805,019	-9.67	3,858,303	1.40
INTERAGENCY TRANSFER	659,423	725,585	667,952	-7.94	690,654	3.40
DCNR - DEP SAFE DRINKING WATER PROGRAM	4,057,152	5,043,111	4,948,117	-1.88	4,922,709	-.51
BALANCE FORWARD	-95,178	474,916	416,981	-12.20	355,054	-14.85
FEDERAL FUND	775,989	893,197	817,000	-8.53	817,000	
INTERAGENCY TRANSFER	2,378,899	2,681,717	2,682,823	.04	2,709,223	.98
OTHER FUND	997,442	993,281	1,031,313	3.83	1,041,432	.98
DCNR - DEP WATER PLANNING CAP IMPROVEMENT	7,885	29,727	21,314	-28.30	19,150	-10.15
BALANCE FORWARD	6,766	27,227	20,195	-25.83	18,031	-10.72
OTHER FUND	1,119	2,500	1,119	-55.24	1,119	
DCNR - DEP INDUSTRIAL SITE CLEANUP	3,126,767	5,903,107	3,874,100	-34.37	3,671,435	-5.23
BALANCE FORWARD	-172,593	1,231,929	1,233,235	.11	1,235,091	.15
OTHER FUND	3,299,360	4,671,178	2,640,865	-43.46	2,436,344	-7.74
DCNR - ACCOUNT TO RESTORE THE SAGEBRUSH ECOSYSTEM	373,750	1,981,203	560,000	-71.73	135,057	-75.88
BALANCE FORWARD	349,344	1,446,203	535,000	-63.01	110,057	-79.43
OTHER FUND	24,406	535,000	25,000	-95.33	25,000	
DCNR - OFFICE OF STATE HISTORIC PRESERVATION	1,318,894	1,526,041	1,553,214	1.78	1,578,619	1.64
GENERAL FUND	458,984	495,699	508,797	2.64	532,637	4.69
BALANCE FORWARD	26,316					
FEDERAL FUND	755,351	901,215	897,079	-.46	897,667	.07
INTERAGENCY TRANSFER	18,406	63,627	60,000	-5.70	60,000	
OTHER FUND	63,750	65,500	87,338	33.34	88,315	1.12
REVERSIONS	-3,913					
DCNR - HISTORIC PRES - COMSTOCK HISTORIC DISTRICT	189,137	195,990	211,934	8.14	215,540	1.70
GENERAL FUND	193,969	195,990	211,934	8.14	215,540	1.70
REVERSIONS	-4,832					
TOTAL CONSERVATION & NATURAL RESOURCES	114,547,733	160,906,731	142,178,234	-11.64	142,379,614	.14
GENERAL FUND	37,500,131	35,832,596	38,297,946	6.88	39,205,345	2.37
BALANCE FORWARD	-4,336,249	30,872,972	21,940,258	-28.93	17,569,981	-19.92
FEDERAL FUND	22,900,034	24,992,150	19,570,244	-21.69	20,035,940	2.38
INTERAGENCY TRANSFER	17,239,966	16,806,944	17,714,869	5.40	18,007,257	1.65
INTERIM FINANCE	2,627,751	10,930,180				
OTHER FUND	41,961,003	41,471,889	44,654,917	7.68	47,561,091	6.51
REVERSIONS	-3,344,903					

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	2017-2018 Actual	2018-2019 Work Program	2019-2020 GOVERNOR RECOMMENDS	% Change	2020-2021 GOVERNOR RECOMMENDS	% Change
DEPARTMENT OF WILDLIFE						
WILDLIFE - DIRECTOR'S OFFICE	3,844,316	3,893,539	6,946,649	78.41	7,439,723	7.10
GENERAL FUND			199,022		373,534	87.68
FEDERAL FUND	72,438	74,765	786,905	952.50	821,793	4.43
INTERAGENCY TRANSFER	3,771,878	3,818,774	5,959,832	56.07	6,243,506	4.76
OTHER FUND			890		890	
WILDLIFE - OPERATIONS	8,357,911	9,895,312	5,163,868	-47.82	5,203,744	.77
FEDERAL FUND	1,013,301	2,650,925	653,823	-75.34	667,606	2.11
INTERAGENCY TRANSFER	7,312,990	7,190,034	4,478,425	-37.71	4,504,548	.58
OTHER FUND	31,620	54,353	31,620	-41.82	31,590	-.09
WILDLIFE - CONSERVATION EDUCATION	2,550,502	2,551,814	2,875,407	12.68	2,948,842	2.55
GENERAL FUND	96,036	96,113	234,275	143.75	254,700	8.72
FEDERAL FUND	1,270,480	1,245,479	1,373,648	10.29	1,394,488	1.52
INTERAGENCY TRANSFER	1,183,986	1,210,222	1,267,484	4.73	1,299,654	2.54
WILDLIFE - LAW ENFORCEMENT	7,360,983	7,410,802	8,240,936	11.20	8,397,151	1.90
GENERAL FUND	58,721	58,722	57,402	-2.25	57,388	-.02
FEDERAL FUND	784,678	719,167	1,123,194	56.18	1,138,631	1.37
INTERAGENCY TRANSFER	6,291,917	6,436,289	6,804,281	5.72	6,941,267	2.01
OTHER FUND	225,667	196,624	256,059	30.23	259,865	1.49
WILDLIFE - GAME MANAGEMENT	8,039,469	10,675,578	8,327,047	-22.00	8,337,131	.12
GENERAL FUND	71,404	71,404	84,201	17.92	83,931	-.32
FEDERAL FUND	5,728,826	6,842,776	4,831,179	-29.40	4,819,245	-.25
INTERAGENCY TRANSFER	2,198,396	3,761,398	3,411,667	-9.30	3,433,955	.65
OTHER FUND	40,843					
WILDLIFE - FISHERIES MANAGEMENT	7,870,806	9,500,079	8,790,384	-7.47	8,878,595	1.00
GENERAL FUND	150,918	150,918	150,918		150,918	
FEDERAL FUND	5,681,002	6,071,576	6,172,952	1.67	6,218,124	.73
INTERAGENCY TRANSFER	2,029,543	3,229,428	2,412,244	-25.30	2,454,329	1.74
OTHER FUND	9,343	48,157	54,270	12.69	55,224	1.76
WILDLIFE - DIVERSITY DIVISION	1,861,509	2,096,782	1,854,462	-11.56	1,871,616	.93
GENERAL FUND	461,245	461,244	611,082	32.49	611,082	
FEDERAL FUND	1,358,325	1,307,432	1,046,245	-19.98	1,036,905	-.89
INTERAGENCY TRANSFER	10,532	302,284	178,373	-40.99	204,867	14.85
OTHER FUND	31,407	25,822	18,762	-27.34	18,762	
WILDLIFE - HABITAT	9,514,861	9,894,342	10,188,786	2.98	10,161,247	-.27
GENERAL FUND			156,332		156,332	
FEDERAL FUND	6,368,381	5,717,754	6,999,325	22.41	6,946,216	-.76
INTERAGENCY TRANSFER	2,671,480	3,926,588	2,783,128	-29.12	2,808,698	.92
OTHER FUND	475,000	250,000	250,001	.00	250,001	
TOTAL DEPARTMENT OF WILDLIFE	49,400,357	55,918,248	52,387,539	-6.31	53,238,049	1.62
GENERAL FUND	838,324	838,401	1,493,232	78.10	1,687,885	13.04
FEDERAL FUND	22,277,431	24,629,874	22,987,271	-6.67	23,043,008	.24
INTERAGENCY TRANSFER	25,470,722	29,875,017	27,295,434	-8.63	27,890,824	2.18
OTHER FUND	813,880	574,956	611,602	6.37	616,332	.77

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	2017-2018 Actual	2018-2019 Work Program	2019-2020 GOVERNOR RECOMMENDS	% Change	2020-2021 GOVERNOR RECOMMENDS	% Change
DEPARTMENT OF TRANSPORTATION						
NDOT - BOND CONSTRUCTION	220,995,638	112,126,094	161,600,000	44.12	161,600,000	.00
BALANCE FORWARD	84,156,602	111,015,914				
OTHER FUND	136,839,036	1,110,180	161,600,000	14,456.20	161,600,000	
NDOT - TRANSPORTATION ADMINISTRATION	716,453,044	834,773,759	861,231,434	3.17	858,290,032	-.34
BALANCE FORWARD	5,423	565,216				
FEDERAL FUND	380,546,364	368,436,484	368,000,000	-.12	368,000,000	
HIGHWAY FUND	451,299,316	459,911,089	487,313,739	5.96	484,172,002	-.64
INTERAGENCY TRANSFER	4,144,828	4,665,634	4,044,288	-13.32	4,094,623	1.24
OTHER FUND	1,614,310	1,195,336	1,873,407	56.73	2,023,407	8.01
REVERSIONS	-121,157,197					
TOTAL DEPARTMENT OF TRANSPORTATION	937,448,682	946,899,853	1,022,831,434	8.02	1,019,890,032	-.29
BALANCE FORWARD	84,162,025	111,581,130				
FEDERAL FUND	380,546,364	368,436,484	368,000,000	-.12	368,000,000	
HIGHWAY FUND	451,299,316	459,911,089	487,313,739	5.96	484,172,002	-.64
INTERAGENCY TRANSFER	4,144,828	4,665,634	4,044,288	-13.32	4,094,623	1.24
OTHER FUND	138,453,346	2,305,516	163,473,407	6,990.53	163,623,407	.09
REVERSIONS	-121,157,197					
TAHOE REGIONAL PLANNING AGENCY						
TAHOE REGIONAL PLANNING AGENCY	14,513,171	14,734,402	14,331,146	-2.74	14,181,146	-1.05
GENERAL FUND	1,783,420	1,783,420	1,920,215	7.67	1,820,215	-5.21
INTERAGENCY TRANSFER	437,237	455,816	419,021	-8.07	419,021	
OTHER FUND	12,292,514	12,495,166	11,991,910	-4.03	11,941,910	-.42
TOTAL TAHOE REGIONAL PLANNING AGENCY	14,513,171	14,734,402	14,331,146	-2.74	14,181,146	-1.05
GENERAL FUND	1,783,420	1,783,420	1,920,215	7.67	1,820,215	-5.21
INTERAGENCY TRANSFER	437,237	455,816	419,021	-8.07	419,021	
OTHER FUND	12,292,514	12,495,166	11,991,910	-4.03	11,941,910	-.42
INFRASTRUCTURE						
GENERAL FUND	40,121,875	38,454,417	41,711,393	8.47	42,713,445	2.40
BALANCE FORWARD	78,589,865	158,039,296	37,312,692	-76.39	34,440,557	-7.70
FEDERAL FUND	425,723,829	418,058,508	410,557,515	-1.79	411,078,948	.13
HIGHWAY FUND	451,299,316	459,911,089	487,313,739	5.96	484,172,002	-.64
INTERAGENCY TRANSFER	49,803,908	54,844,287	52,199,189	-4.82	53,128,168	1.78
INTERIM FINANCE	2,627,751	10,930,180				
OTHER FUND	238,537,718	117,625,394	275,898,044	134.56	278,632,362	.99
REVERSIONS	-124,502,100					
TOTAL FOR INFRASTRUCTURE	1,162,202,162	1,257,863,171	1,304,992,572	3.75	1,304,165,482	-.06
Less: INTER-AGENCY TRANSFER	49,803,908	54,844,287	52,199,189	-4.82	53,128,168	1.78
NET INFRASTRUCTURE	1,112,398,254	1,203,018,884	1,252,793,383	4.14	1,251,037,314	-.14

SPECIAL PURPOSE AGENCIES

Special purpose agencies have a specialized function or have a different statutory relationship to the Executive Branch of government than most state agencies. This group includes the Public Employees' Retirement System, which serves both state and local governments, the Public Employees' Benefits Program (PEBP), the Commission on Ethics, the Office of the Military, the Department of Veterans Services and the Silver State Health Insurance Exchange.

The Governor recommends General Fund support for special purpose agencies totaling \$8.5 million in FY 2020 and \$8.4 million in FY 2021 or \$16.9 million over the biennium, a decrease of \$4.9 million from the \$21.7 million approved by the 2017 Legislature. For the 2019-21 biennium, the Governor recommends General Fund appropriations of \$1.3 million for rate mitigation. Net of interagency transfers, amounts recommended for all funding sources total \$258.0 million in FY 2020 and \$247.3 million in FY 2021.

PUBLIC EMPLOYEES' RETIREMENT SYSTEM

The Public Employees' Retirement System (System) provides retirement, disability and death benefits to long-term public employees. The System includes employees of Nevada counties, cities, school districts, state government and miscellaneous public employers. In addition to administering the retirement funds for regular and police/fire members, the System also administers the Legislators' Retirement System and the Judicial Retirement System.

Nevada Revised Statutes (NRS) 353.246 provides that the System is not subject to the State Budget Act. While the System is required to submit its proposed budget for inclusion in The Executive Budget, the Governor's Finance Office does not review or make adjustments to the budget submitted by PERS.

Per NRS 286.230, the System budget is primarily funded through a monthly per capita fee for each member and benefit recipient. The monthly per capita fees as of June 30, 2018 were \$4.05 for each regular member and benefit recipient and \$4.38 for each police/fire member and benefit recipient.

Based on the actuarial valuation of assets for fiscal year ending June 30, 2018, the actuarial value of assets to accrued liabilities (funded ratio) was 74.7 percent for the regular members and 76.5 percent for police/fire members. The funded ratios increased from 73.9 percent for regular members and 76.4 percent for police/fire members as determined by the actuarial valuation of assets for fiscal year ending June 30, 2017. The actuarial-funded ratio for the total fund increased from 74.5 percent for the fiscal year ending June 30, 2017, to 75.1 percent for the fiscal year ending June 30, 2018.

The Retirement Board approved an actuarial valuation of the System each year to monitor the assets and liabilities associated with the pension plan. Pursuant to NRS 286, contribution rates are set based on the results of even-numbered fiscal year valuations. The actuarial valuation for fiscal year ending June 30, 2018, has been completed and the following increases in the contribution rates for regular and police/fire members are recommended by the actuary and included in The Executive Budget effective July 1, 2019.

<u>Employer-Paid Plan</u>	<u>Regular Members</u>	<u>Police/Fire Members</u>
Current Contribution Rate	28.00%	40.50%
Contribution Rate – 7/1/2019	29.25%	42.50%
Increase in Rate	1.25%	2.00%

<u>Employee/Employer Plan</u>	<u>Regular Members</u>	<u>Police/Fire Members</u>
Current Contribution Rate	14.50%	20.75%
Contribution Rate – 7/1/2019	15.25%	22.00%
Increase in Rate	0.75%	1.25%

The System requests total funding of \$16.7 million over the 2019-21 biennium to replace its existing pension system and associated hardware.

To improve response times to System participants, the System requests a new Retirement Technician position to calculate benefit estimates and a Retirement Examiner position to set up accounts, calculate the cost to purchase service credits and perform final benefit calculations.

OFFICE OF THE MILITARY

The Office of the Military (Office) is responsible for the supervision of the military affairs of the state, which includes both state and federal roles. The primary state mission of the office is to enlist, organize, arm, equip and train the state's militia and National Guard units and to protect the lives and property of the public in times of emergency, disorder and disaster. The primary federal mission is to provide combat-ready reserve forces for the United States Armed Forces to respond to a federal mobilization as directed by the President or Congress. The Adjutant General provides command and control of the Army National Guard and the Air National Guard. Funding for the Office is provided primarily through federal sources and General Fund appropriations.

The Executive Budget recommends General Fund appropriations for the Office in the amount of \$10.2 million over the 2019-21 biennium, an increase of \$2.4 million, or 30.9 percent, when compared to the General Fund appropriations legislatively approved for the 2017-19 biennium. The Executive Budget also recommends General Fund appropriations of \$1.0 million over the 2019-21 biennium to establish a Nevada National Guard Youth Challenge (NNGYC) program. Similar to the Project Challenge program, which was discontinued in FY 2011, the NNGYC program would be a community-based program that leads, trains and mentors 16 to 18 year-old high school dropouts into productive citizens. The Governor also recommends federal funds totaling \$810,533 over the 2019-21 biennium for five new positions and associated operating and travel expenditures.

The Governor recommends eight projects as part of the Capital Improvement Program (CIP) for the Office of the Military totaling \$9.6 million over the 2019-21 biennium funded with a combination of state funds (\$5.2 million) and federal funds (\$4.4 million). The recommended projects include a new emergency generator, heating, ventilation and air conditioning (HVAC) system renovation, and parking lot construction for the Washoe County Armory; HVAC systems renovation for the Office of the Adjutant General in Carson City; paving improvements and replacement of overhead coiling doors at locations throughout the state; packaged rooftop unit replacement and lighting upgrade for the Plumb Lane Armory; and heat pump water piping distribution replacement for the Carlin Readiness Center.

The Governor recommends various statewide maintenance projects with emphasis on life and safety issues that are not included as part of the CIP at a total cost of \$3.9 million (\$1.3 million General Fund appropriations, \$2.6 million federal funds, and Building Rent revenue of \$100,000) over the 2019-21 biennium. The recommended facilities maintenance projects include: operating and maintaining the Speedway Readiness Center in North Las Vegas; structural repairs for the Clark County Armory in North Las Vegas; maintenance at the Emergency Operations Center in Carson City; and statewide physical security upgrades and safety-related maintenance.

DEPARTMENT OF VETERANS SERVICES

The Department of Veterans Services consists of the Office of Veterans Services, the Southern Nevada Veterans Home and the Northern Nevada Veterans Home. The Office of Veterans Services is responsible for assisting veterans and their families in obtaining services, compensation and government benefits, as well as supervising the operation and maintenance of the Nevada Veterans Memorial Cemeteries located in Boulder City and Fernley. The office also oversees the operation of the 180-bed Southern Nevada Veterans Home in Boulder City and the 96-bed Northern Nevada Veterans Home in Sparks.

The Executive Budget recommends General Fund appropriations of \$5.0 million over the 2019-21 biennium for the department, a 46.5 percent decrease from the \$9.3 million approved for the 2017-19 biennium. For the 2019-21 biennium, total funding recommended for the department, net of interagency transfers, is \$65.4 million, which represents a 16.2 percent increase over the \$56.2 million approved for the 2017-19 biennium.

OFFICE OF VETERANS SERVICES

For the 2019-21 biennium, the Governor recommends General Fund appropriations of \$4.3 million for the Office of Veterans Services budget, which represents an increase of \$549,892, or 14.7 percent, from the amount approved for the 2017-19 biennium. Overall funding, including federal funds and interagency transfers, is recommended to increase by 15.8 percent, driven mainly by federal funds and General Fund appropriations.

The Governor recommends two new Veterans Services Representatives and one Management Analyst, including associated operating costs, totaling \$444,135 (\$222,465 General Funds) over the 2019-21 biennium. The Veterans Services

Representatives are recommended to assist veterans in filing claims for health care, compensation/pension, special adaptive housing, employment benefits, educational benefits, vocational rehabilitation, memorial affairs, loan guaranty and life insurance. The Management Analyst is recommended to provide improved administration and financial and staff oversight functions within the department.

SOUTHERN NEVADA VETERANS HOME

The Southern Nevada State Veterans Home is a 180-bed, 24-hour skilled nursing facility located in Boulder City. The Veterans Home admitted its first residents in August 2002 and provides a wide range of residential and support services for veterans, their spouses and Gold Star residents (parents who had a child who died while in military service). The Governor recommends a total of \$49.7 million for the Southern Nevada Veterans Home for the 2019-21 biennium, a decrease of 2.0 percent, or \$1.0 million, over the amount legislatively approved for the 2017-19 biennium.

The Executive Budget recommends two new Administrative Assistant positions and associated operating costs for the Southern Nevada Veterans Home to provide additional administrative support, at a total cost of \$205,734 over the biennium.

For building maintenance projects at the Southern Nevada Veterans Home, including electrical preventative maintenance, biennial vent cleaning, painting, installation of panels, and replacement lighting for the flag and chapel, the Governor recommends expenditures totaling \$51,518 in FY 2020. New and replacement equipment, such as computer hardware and software, culinary and housekeeping items, televisions sets in residence rooms, vehicles and golf carts, is recommend over the 2019-21 biennium, totaling \$602,088.

NORTHERN NEVADA VETERANS HOME

The ribbon cutting for the new Northern Nevada Veterans Home in Sparks occurred on December 17, 2018, and the processes for obtaining certification from the Centers for Medicare and Medicaid Services as well as the U.S. Department of Veterans Affairs began in January 2019. A full opening of the home is scheduled for March 2019. The Executive Budget projects a resident census of 30 in July 2019, with the number of residents increasing monthly until the monthly average resident census reaches 92 in February 2020, where it is projected to remain for the rest of the 2019-21 biennium. Based on the projected resident census, The Executive Budget includes additional federal reimbursement revenues, insurance recoveries, patient collections, and other program fees totaling \$7.2 million in FY 2020 and \$6.7 million in FY 2021. Additionally, General Fund appropriations of \$335,320 and \$344,979 in FY 2020 and FY 2021, respectively, are recommended for the support of the home.

CAPITAL IMPROVEMENT PROJECTS

The Executive Budget recommends capital improvement projects for the 2019-21 biennium totaling \$10.2 million (\$1.7 million state funds) to expand the Southern Nevada Veterans Memorial Cemetery in Boulder City, including eight columbarium walls (4,992 cremation

niches) and three acres of lawn; to complete the expansion of the columbarium wall at the Northern Nevada Veterans Memorial Cemetery in Fernley; to replace domestic hot water storage tanks, refrigeration components and magnetic door control switches at the Southern Nevada Veterans Home; and design and renovate the pavilion at the Northern Nevada Memorial Cemetery. Additionally, paving/slurry seal projects are recommended for both of the veteran memorial cemeteries as part of the Statewide Paving program.

SILVER STATE HEALTH INSURANCE EXCHANGE

The Silver State Health Insurance Exchange (SSHIX) was established pursuant to *Nevada Revised Statutes* (NRS) 695I.200 to create and administer a health insurance exchange, facilitate the purchase and sale of qualified health plans pursuant to the federal Patient Protection and Affordable Care Act and the federal Health Care and Education Reconciliation Act of 2010. The health insurance exchange has been operational to consumers since October 1, 2013. The SSHIX is supported by a Carrier Premium Fee (CPF) charged to insurance providers of 3.15 percent of health insurance premiums for each plan sold on the exchange. The Board typically adopts a fee in February of every year for the subsequent year.

Due to uncertainties surrounding the future of the Affordable Care Act at the federal level, the 2017 Legislature did not approve the Governor's recommendation to transition from SSHIX's State-Based Exchange on the Federal Platform (SBE-FP) model to a private health insurance exchange platform, referred to as a State-Based Exchange (SBE) model. Instead, the 2017 Legislature issued a letter of intent instructing SSHIX to return to the 2019 Legislature or the Interim Finance Committee (IFC) with a plan to transition to the SBE model if it is determined to be in the best interest of the state. On February 8, 2018, due to increasing fees charged by the Centers for Medicare and Medicaid Services (CMS) associated with the SBE-FP model, the IFC approved SSHIX's plan to transition to a SBE.

In the 2019-21 biennium, The Executive Budget recommends SSHIX continue the transition initiated during the 2017-19 biennium from a SBE-FP to a SBE model. To effect the transition, the Governor recommends a number of operational changes for SSHIX, funded with a net reduction in reserves totaling \$6.3 million over the 2019-21 biennium.

To implement technology-related changes, the Governor recommends SSHIX continue contracting with its selected SBE vendor, funded with reserve reductions of \$11.0 million over the 2019-21 biennium. To allow for the continuation of project management services approved at the June 20, 2018, IFC meeting for the oversight of the transition to an SBE, the Governor recommends reserve reductions of \$558,400 in FY 2020. Because SSHIX plans to utilize a private platform, the Governor recommends eliminating the CMS user fee effective January 1, 2020, leading to a \$7.5 million increase in reserves over the 2019-21 biennium.

To perform functions provided by the CMS under the SBE-FP model, the Governor recommends nine new classified positions for SSHIX, funded with reserve reductions of \$1.8 million over the 2019-21 biennium, including one Insurance Regulation Liaison and two Management Analysts for a new Policy and Compliance Unit, three Program Officers for a new Consumer Assistance Unit, two Business Process Analysts for a new Security and Reconciliation Unit, and one Management Analyst for the existing Fiscal Unit.

To support additional consumer correspondence necessary under the SBE model, The Executive Budget recommends reserve reductions of \$434,832 over the 2019-21 biennium to provide for the mailing of annual tax forms, various correspondence with applicants, and education material to inform consumers about the transition.

In addition to recommendations related to the platform transition, to support costs previously funded with a \$2.2 million federal exchange-establishment grant that expired in FY 2018, the Governor recommends \$2.2 million in each year of the biennium to support similar funding levels for marketing and outreach activities and the navigator and broker program.

COMMISSION ON ETHICS

The Commission on Ethics (Commission), which consists of eight members pursuant to NRS 281A.200 (four appointed by the Legislative Commission and four appointed by the Governor), is responsible for investigating and adjudicating public complaints involving the ethical conduct of public officers and employees; providing ethical guidance through published opinions; and providing outreach and education to public officers and employees regarding ethics requirements and prohibitions under Nevada law. The Executive Budget recommends total funding of \$1.8 million (\$485,914 in General Fund appropriations and \$1.3 million in County Reimbursements) over the 2019-21 biennium. Total General Fund appropriations are requested to increase by \$27,089 compared to the \$458,825 approved by the 2017 Legislature.

Pursuant to NRS 281A.270, each county whose population is 10,000 or more and each city whose population is 15,000 or more and that is located within such a county shall pay an assessment for the costs incurred by the Commission each biennium in carrying out its functions. The Executive Budget recommends continuing the funding split approved by the 2017 Legislature for the 2017-19 biennium of 28 percent state support and 72 percent local government support based on the number of state and local government public officers and employees.

PUBLIC EMPLOYEES' BENEFITS PROGRAM

The Public Employees' Benefits Program (PEBP) provides insurance coverages for state employees, state retirees who are ineligible for Medicare, and their dependents, if the participant chooses to cover dependents. Retirees who are eligible for Medicare receive a contribution they may use toward a health insurance plan of their choosing via the PEBP-sponsored Individual Medicare Market Exchange (Via Benefits, formerly OneExchange). In addition, any non-state public agency can join the program to provide

coverage for their employees, retirees and dependents. Insurance coverages provided include health (medical, dental, prescription), life, accidental death and dismemberment, and long-term disability. Accidental death and dismemberment, long-term disability, and life insurance benefits are fully insured by outside carriers. Other voluntary insurance products are available for purchase. The PEBP benefits plan year (PY) follows the state fiscal year (i.e., July 1 – June 30).

Actual PY 2019 participant enrollment as of November 1, 2018, was 44,292, or 1.7 percent higher than final PY 2018 enrollments of 43,561. When dependents are included, PEBP's total enrolled "membership" was 71,701 as of November 1, 2018.

The largest portion of the program is health insurance, which provides medical, dental and prescription drug coverage. The majority of participants (73 percent) enroll in the self-insured High Deductible Health Plan (HDHP) with healthcare services obtained through a preferred provider organization network (PPO). PEBP refers to this plan as the "Consumer Driven Health Plan" (CDHP). Participants who reside in Clark and Nye Counties have the option of electing a Health Maintenance Organization (HMO) plan, which is fully insured by Health Plan of Nevada (HPN) rather than the self-funded PPO plan. Beginning in PY 2019 (July 1, 2018), participants who reside in the 15 other counties have the option of enrolling in PEBP's Exclusive Provider Organization (EPO), a self-insured "HMO look-a-like" plan that replaced the HMO option previously provided through a contract with Hometown Health.

Funding for the program is provided by the state's contributions for active and retired employee participants, premiums paid by plan participants, pharmacy rebates, federal Medicare Part D subsidies and Treasurer's interest. While there is no direct General Fund support in PEBP's budgets, a significant portion of the state's contributions for state active employees and state retirees is funded through accounts supported by General Fund appropriations.

The plan maintains actuarially determined reserves for Incurred But Not Reported (IBNR) and Catastrophic claims. The IBNR reserve provides cash flow should the plan receive claims in excess of available operating cash. The Catastrophic reserve pays for extraordinarily large claims to decrease volatility and avoid disruptions to the rates in the following plan year. The plan also maintains a Health Reimbursement Arrangement (HRA) reserve that serves as a holding account for retiree's unexpended prior year contributions and provides cash flow in the current year. Positive claims experience may result in excess cash, which is placed into the Excess Reserve category.

PLAN REVENUES

For the 2019-21 biennium, the Governor recommends total plan revenues, net of balance forwards, increase by \$31.5 million, or 4.1 percent, to \$797.0 million, when compared to the \$765.6 million in total revenues approved by the 2017 Legislature. State subsidies (contributions) are budgeted to increase by \$31.7 million, or 5.7 percent, while premium revenues are budgeted to decrease by \$15.1 million, or 7.5 percent.

PLAN OPERATING EXPENDITURES

The Executive Budget recommends operating expenditures, excluding HRA, IBNR, Catastrophic and Excess reserves, totaling \$397.4 million for FY 2020 and \$407.8 million for FY 2021, or a biennial total of \$805.1 million. Of the total operating expenditures, approximately 98.5 percent (\$793.4 million) is recommended to cover the medical, prescription and dental claims costs, and the associated third-party administrative costs for the PPO, HMO and EPO plans. For each year of the 2019-21 biennium, projected expenditures for active state employees account for 75.5 percent of total claims and third-party administrative costs.

Recommended Claims Expenditure Levels: 2019-21 Biennium				
Participant Group	FY 2020 (Gov. Rec.)	FY 2021 (Gov. Rec.)	2019-21 Total (Gov. Rec.)	%
State Employee Insurance	\$ 295,615,578	\$ 303,597,433	\$ 599,213,011	75.5%
State Retiree Insurance	\$ 41,533,101	\$ 42,280,165	\$ 83,813,266	10.6%
Non-State Employee Insurance	\$ 127,717	\$ 130,577	\$ 258,294	0.0%
Non-State Retiree Insurance	\$ 14,382,210	\$ 12,591,421	\$ 26,973,631	3.4%
State Medicare Retiree Insurance	\$ 23,038,227	\$ 25,255,871	\$ 48,294,098	6.1%
Non-State Medicare Retiree Insurance	\$ 16,846,738	\$ 18,037,447	\$ 34,884,185	4.4%
TOTAL	\$ 391,543,571	\$ 401,892,914	\$ 793,436,485	100.0%

The projected self-insured claims costs are based upon actuarial projections, with adjustments made by the Governor's Finance Office, and PEBP's enrollment projections.

PLAN OPERATING RESERVES

The Executive Budget continues actuarially recommended increases to the IBNR and Catastrophic reserves linked to PEBP's assumption of the medical and prescription claims liability risk associated with implementing the self-funded EPO plan after eliminating the fully-insured northern/rural HMO plan (Hometown Health) effective PY 2019 (July 1, 2018).

PEBP Program Reserve (in millions, rounded)							
	FY 2016 (Actual)	FY 2017 (Actual)	FY 2018 (Actual)	FY 2019 (Leg. Approved)	FY 2019 Actual (Y-T-D)¹	FY 2020 (Gov.Rec.)¹	FY 2021 (Gov.Rec.)¹
HRA Reserve	\$ 31.3	\$ 35.2	\$ 31.7	\$ 31.7	\$ 31.7	\$ 33.8	\$ 33.9
IBNR Reserve	\$ 31.1	\$ 33.4	\$ 51.8	\$ 37.2	\$ 51.8	\$ 54.4	\$ 57.5
Catastrophic Reserve	\$ 23.7	\$ 25.8	\$ 39.9	\$ 20.6	\$ 39.9	\$ 42.8	\$ 45.8
Excess Reserve	\$ 53.5	\$ 39.6	\$ 19.8	\$ 4.4	\$ 23.0	\$ 9.0	\$ 1.0
TOTAL RESERVES	\$ 139.6	\$ 134.0	\$ 143.2	\$ 93.9	\$ 146.4	\$ 140.0	\$ 138.2
Note 1: FY 2019, FY 2020 and FY 2021 HRA, IBNR and Catastrophic reserve levels based upon recommendations by PEBP Actuary, AON Consulting. Increase to IBNR and Catastrophic reserves to account for shift in medical claims liability and risk associated with elimination of northern HMO plan and start of Exclusive Provider Organization (EPO) plan in FY 2019.							

To decrease Excess reserves, The Executive Budget recommends expending \$9.5 million in FY 2020 and \$2.4 million in FY 2021 (\$11.9 million total) to fund additional Health Savings Account/Health Reimbursement Arrangement (HSA/HRA) contributions of \$400 in FY 2020 and \$100 in FY 2021. These amounts are in addition to the \$700 each HDHP PPO participant received in FY 2019, and which is included in the base budget. No additional HSA/HRA contribution is recommended for dependents beyond the \$200 included in the Base budget.

The Executive Budget also recommends using an additional \$21.4 million (\$7.6 million in FY 2020 and \$13.8 million in FY 2021) in Excess reserves to fund the actuarially recommended increases to the HRA, IBNR and Catastrophic reserves.

PLAN DESIGN

The Executive Budget generally recommends funding to maintain the existing plan benefits adopted by the PEBP Board for PY 2019 with the aforementioned enhancement to participant's HSA/HRA account. The following table provides the PY 2019 benefit level adopted by the PEBP Board and the benefit levels recommended (funded) in The Executive Budget.

Summary of Proposed PEBP Benefits Design Elements Recommended (Funded) for the 2019-21 Biennium

Benefit	PY 2019 Current Benefit Level	Governor Recommended Benefit Level: 2019-21 Biennium
HDHP Deductible	\$1,500 per Individual/ \$3,000 per Family (max \$2,700 for any one family member) Certain preventive and "ACA" wellness care and diagnostic tests covered 100 percent.	No Change
HDHP Maximum Out-of-Pocket	\$3,900 individual/ \$7,800 Family	No Change
HDHP Coinsurance	80 percent after deductible is met 100 percent once Out-of-Pocket is met	No Change
HDHP Prescription Coverage	Preventive Drugs: Deductible waived, Plan pays 80 percent Preferred Generics, Preferred Brand Names, Specialty Pharmaceuticals: Plan pays 80 percent after deductible Non-Preferred Brands: Not covered	No Change
HMO/EPO Deductible	\$0.00 per Individual/ \$0.00 per Family	No Change
HMO/EPO Out-of-Pocket	\$7,150 per Individual/ \$14,300 per Family	No Change
HMO/EPO Copay	Varies between \$0.00 for preventive and "ACA" wellness care and diagnostic test services to \$500 per inpatient hospital/ facility admission.	No Change
Dental Plan Deductible: Basic and Major Services	\$100 per Individual/ \$300 per Family Deductible waived for annual Preventive Services: 4 cleanings, 2 oral exams with bitewing x-rays, sealants, space maintainers, fluoride treatments.	No Change
Dental Plan: Maximum Benefit	Plan pays 80 percent up to \$1,500 for either basic or Major Services per individual once deductible met.	No Change
Vision Plan Benefit	1 annual exam covered. Copay varies by plan	No Change
HSA/HRA Contribution	\$700 per Individual + \$200 per covered dependent (up to 3 dependents) Additional \$200 per individual for completing 4 preventive health activities.	1-time additional \$400 recommended per individual in FY 2020 1-time additional \$100 per individual in FY 2021
Medicare Exchange Retiree HRA Contribution	\$12.00 per month (Base) per Year-Of-Service (YOS). Enhanced by PEBP by \$2.00 per month	Additional \$1.00, to \$13.00 per month per YOS. (Note: \$14.00 in PY 2019 due to PEBP Board action)
Medicare Exchange Retiree Part B Premium Subsidy	\$134 per month for retirees not eligible for premium free Part A, remain on HDHP or HMO/EPO but enroll in Part B	Increase to \$135.50 per month
Medicare Exchange Retiree Fee Subsidy	PEBP Pays \$5.58 monthly to cover Medicare Exchange enrollees monthly HRA administrative fee and monthly life insurance administrative fee	Increases to \$9.24 per month. (Note: PEBP Board moved to eliminate this benefit at November 2018 meeting)
Life Insurance	\$25,000 per active participants/ \$12,500 for retired participants	No Change

STATE CONTRIBUTIONS

Since implementation of the HDHP in PY 2012, the state has generally contributed 93.0 percent of the monthly premium cost for active employees and 64.0 percent for non-Medicare eligible retirees who enroll in the HDHP PPO. For participants who elect to join the HMO instead of the PPO, the state contribution has traditionally been 15.0 percent less than the state contribution for the PPO to reflect the differences in deductibles, out-of-pocket expenses and coinsurance percentages between the PPO and HMO plans. For both plans, the state's contribution percentage for dependents has been 20.0 percent less.

For the 2019-21 biennium, The Executive Budget recommends the contribution difference between participants and dependents remain at 20.0 percent. However the difference between the PPO and the HMO/EPO plan contribution percentages is recommended to decrease from 15.0 percent to 12.0 percent. Additionally, for FY 2021, the state's contribution percentage is budgeted to increase by 2.0 percent for all state actives and dependents and 1.0 percent for all state non-Medicare retirees and dependents.

As shown in the table, for PY 2019, the PEBP Board approved higher contribution percentages than those approved by the 2017 Legislature. The Board's approval of higher contribution percentages had the effect of decreasing the monthly premium participants currently pay. Based upon The Executive Budget's recommendation to return to the "traditional" percentages, participant premiums will increase in FY 2020.

Legislature Approved State Contribution Percentages for the 2017-19 Biennium and the Governor Recommended Contribution Percentages for the 2019-21 Biennium								
	FY 2019 Legislature Approved Contribution %		PY 2019 PEBP Board Approved¹ Contribution %		FY 2020 Governor Recommended Contribution %		FY 2021 Governor Recommended Contribution %	
PARTICIPANT TYPE	HDHP PPO	HMO	HDHP PPO	HMO	HDHP PPO	HMO/EPO	HDHP PPO	HMO/EPO
State Active (Primary)	91.7%	76.7%	95.0%	83.0%	93.0%	81.0%	95.0%	83.0%
State Active (Dependent)	71.7%	56.7%	75.0%	63.0%	73.0%	61.0%	75.0%	63.0%
State Non-Medicare Retiree (15 Years of Service)	63.1%	48.1%	65.0%	53.0%	64.0%	52.0%	65.0%	53.0%
State Non-Medicare Retiree (Dependent)	43.1%	28.1%	45.0%	33.0%	44.0%	32.0%	45.0%	33.0%

Note 1: PEBP Board approved PY subsidy percentages shown at its March 22, 2018, regular meeting.

The state contribution percentages determine the total state contributions and are the basis for the per-participant, per-month (PPPM) state contribution for active employees and the base state contribution amount for retirees.

STATE ACTIVE EMPLOYEES' GROUP INSURANCE

The Active Employees' Group Insurance (AEGIS) budget was established by the 2007 Legislature as a mechanism to collect contributions made by each state entity for the benefit of their active employees. The contributions defray a portion of the individual insurance premiums for active employees in state government who participate in PEBP.

Assessments on filled positions are charged to all state agencies, boards and commissions, the Legislative and Judicial Branches, the Public Employees' Retirement System, and the Nevada System of Higher Education.

The PPPM monthly contribution is a composite amount based upon the total number of active employees and dependents enrolled by "tier" (participant only, participant+spouse, participant+family) and plan (PPO or HMO). The AEGIS is assessed on a monthly basis on each agency's filled positions.

In addition to accounting for medical/prescription/dental inflation and utilization changes in both fiscal years, the FY 2020 AEGIS and REGI contribution amounts are recommended to increase due to PEBP experiencing FY 2018 AEGIS and REGI shortfalls, relative to medical, prescription and dental claims, of \$3.2 million and \$3.7 million, respectively. To address the shortfall, The Executive Budget increases the recommended AEGIS and REGI rates in FY 2020 by \$9.74 and \$72.48, respectively.

Legislature Approved Active Employee Group Insurance (AEGIS) State Contribution and Governor Recommended AEGIS Contribution for the 2019-21 Biennium					
FY 2016 AEGIS PPPM Contribution	FY 2017 AEGIS PPPM Contribution	FY 2018 AEGIS PPPM Contribution	FY 2019 AEGIS PPPM Contribution	Governor Recommended FY 2020 AEGIS PPPM Contribution	Governor Recommended FY 2021 AEGIS PPPM Contribution
\$ 701.73	\$ 699.25	\$ 743.00	\$ 740.92	\$ 757.83	\$ 785.63
% Change	-0.4%	6.3%	-0.3%	2.3%	3.7%

STATE RETIRED EMPLOYEE GROUP INSURANCE

The Retired Employee Group Insurance (REGI) program was designed to defray a portion of health insurance premiums for employees who retire from state service and continue to participate in the state's group insurance plan. Funding for the program is through payroll assessments to state agencies to cover the costs of the state subsidy of both non-Medicare retiree subsidies as well as Medicare retiree contributions.

The REGI assessment is calculated as a percentage of gross salaries in each budget account. The recommended assessments for the upcoming biennium are 2.81 and 2.93 percent for FY 2020 and FY 2021, respectively. Both assessments are an increase from the 2.34 percent assessed in FY 2019. The table below shows the base state contribution for state non-Medicare retirees, which, pursuant to *Nevada Revised Statutes* 287.046, equates to the benefit an individual would receive for 15 Years of Service. This is the state contribution that would be provided to a state, non-Medicare retiree to offset the cost of the monthly premium and is also a "composite" amount.

Legislature Approved Retired Employee Group Insurance (REGI) State Contribution for Non-Medicare Retirees (with 15 Years of Service) and Governor Recommended REGI Contribution for the 2019-21 Biennium					
FY 2016 REGI PPPM Contribution	FY 2017 REGI PPPM Contribution	FY 2018 REGI PPPM Contribution	FY 2019 REGI PPPM Contribution	Governor Recommended FY 2020 REGI PPPM Contribution	Governor Recommended FY 2021 REGI PPPM Contribution
\$ 425.57	\$ 451.15	\$ 445.03	\$ 451.23	\$ 522.68	\$ 470.20
% Change	6.0%	-1.4%	1.4%	15.8%	-10.0%

Nevada Revised Statutes 287.046 provides that retirees who retired prior to January 1, 1994, are entitled to 100 percent of the base subsidy amount to be applied against the total premium for insurance coverage. For FY 2019, the approved base subsidy was \$451.23. Retirees who retired on or after January 1, 1994, but who were hired before January 1, 2010, are entitled to 25 percent of the base subsidy amount for 5 Years of Service (YOS) and 7.5 percent for each additional year of service up to 20 YOS. However, also pursuant to NRS 287.046, retirees who were hired between January 1, 2010, and December 31, 2011, must have 15 or more YOS to obtain the retiree base subsidy for health insurance. Finally, employees initially hired on or after January 1, 2012, do not receive any retiree subsidy, but can utilize the funds accrued in their Health Savings Accounts to pay retiree health premiums.

PLAN INFLATION ADJUSTMENTS

The Governor recommends adjustments for medical, prescription drug and dental inflation (trend) increases over the 2019-21 biennium. "Trend" encompasses both inflation and utilization changes and is based upon actuarial projections with adjustments determined by the Governor's Finance Office. The Executive Budget anticipates medical and prescription drug inflation of 3.7 percent in FY 2020 and an additional 3.8 percent in FY 2021. Dental inflation is budgeted at 3.0 percent in each year of the 2019-21 biennium. To fund these increases, the Governor recommends \$87.0 million in FY 2020 and \$100.6 million in FY 2021. State subsidies (contributions) are recommended at \$71.1 million and \$82.3 million in FY 2020 and FY 2021, respectively, with active state employee premiums accounting for an additional \$17.8 million in FY 2020 and \$20.2 million in FY 2021.

PARTICIPANT CASELOAD CHANGES

To fund projected state employee and retiree enrollment growth, the Governor recommends \$1.9 million in FY 2020 and \$4.0 million in FY 2021 funded with state contributions of \$1.6 million and \$3.2 million in FY 2020 and FY 2021, respectively. Premium revenues from state active employees and state retirees (non-Medicare) fund the balance. State active employee enrollment is projected to increase by 1,062 individuals, or 4.0 percent over the biennium when compared to FY 2019 enrollments. Non-Medicare eligible state retirees, who are enrolled in either the HDHP or HMO/EPO, are projected to increase by 90, or 2.2 percent.

NON-STATE RETIREE RATE MITIGATION

To lower monthly premiums for non-state, non-Medicare retirees and require local governments to contribute additional funding in support of their retirees enrolled in PEBP, the 2017 Legislature passed, and the Governor approved, Senate Bill 552, which amended NRS 287.023(4)(b) to align the monthly premium paid by a non-state, non-Medicare retiree with the premium paid by a similarly enrolled (same plan and tier) state, non-Medicare retiree effective July 1, 2017. To allow local governments time to allocate additional funding for higher subsidy costs, Senate Bill 552 specified a four-year phase in period, with the state providing General Fund appropriations to cover the increased local government share as follows: 100.0 percent in FY 2018, 75.0 percent in FY 2019, 50.0 percent in FY 2020 and 25.0 percent in FY 2021. Local governments are to fund 100.0 percent of the increased cost effective FY 2022.

Consistent with Senate Bill 552, the Governor recommends General Fund appropriations of \$875,981 in FY 2020 and \$380,483 in FY 2021 to fund the third and fourth (final) years of rate mitigation based upon 1,050 and 903 non-state, non-Medicare retirees in FY 2020 and FY 2021, respectively.

Nevada Legislative Counsel Bureau
Source of Funds Summary
2019-21 Fiscal Report

	2017-2018 Actual	2018-2019 Work Program	2019-2020 GOVERNOR RECOMMENDS	% Change	2020-2021 GOVERNOR RECOMMENDS	% Change
SPECIAL PURPOSE AGENCIES						
PUBLIC EMPLOYEES' RETIREMENT SYSTEM						
PERS - PUBLIC EMPLOYEES' RETIREMENT SYSTEM	13,182,141	13,467,169	20,871,972	54.98	21,075,330	.97
BALANCE FORWARD	200,000	200,000	200,000		200,000	
OTHER FUND	12,982,141	13,267,169	20,671,972	55.81	20,875,330	.98
TOTAL PUBLIC EMPLOYEES' RETIREMENT SYSTEM	13,182,141	13,467,169	20,871,972	54.98	21,075,330	.97
BALANCE FORWARD	200,000	200,000	200,000		200,000	
OTHER FUND	12,982,141	13,267,169	20,671,972	55.81	20,875,330	.98
OFFICE OF MILITARY						
MILITARY	17,678,241	23,742,529	24,098,681	1.50	24,886,070	3.27
GENERAL FUND	3,733,044	3,688,032	4,767,231	29.26	5,100,677	6.99
FEDERAL FUND	13,988,015	20,054,497	19,331,450	-3.61	19,785,393	2.35
INTERAGENCY TRANSFER	2,006					
OTHER FUND	1,510					
REVERSIONS	-46,334					
MILITARY EMERGENCY OPERATIONS CENTER	380,709	525,061	553,411	5.40	464,673	-16.03
BALANCE FORWARD	76,724	221,075	205,325	-7.12	115,587	-43.71
INTERAGENCY TRANSFER	303,985	303,986	348,086	14.51	349,086	.29
MILITARY - STATE ACTIVE DUTY	555,290	600,000	688,413	14.74	688,413	.00
INTERAGENCY TRANSFER	555,290	600,000	688,413	14.74	688,413	
MILITARY - ADJUTANT GENERAL'S SPECIAL ARMORY ACCT		49,196	55,541	12.90	61,886	11.42
BALANCE FORWARD	-6,344	48,696	49,196	1.03	55,541	12.90
OTHER FUND	6,344	500	6,345	1,169.00	6,345	
MILITARY NATIONAL GUARD BENEFITS	57,818	57,824	57,818	-.01	57,818	.00
GENERAL FUND	57,824	57,824	57,818	-.01	57,818	
REVERSIONS	-6					
MILITARY PATRIOT RELIEF FUND	102,500	157,293	113,636	-27.76	113,636	.00
GENERAL FUND	116,925	116,925	73,408	-37.22	113,376	54.45
BALANCE FORWARD	-14,685	39,968	39,968			
OTHER FUND	260	400	260	-35.00	260	
TOTAL OFFICE OF MILITARY	18,774,558	25,131,903	25,567,500	1.73	26,272,496	2.76
GENERAL FUND	3,907,793	3,862,781	4,898,457	26.81	5,271,871	7.62
BALANCE FORWARD	55,695	309,739	294,489	-4.92	171,128	-41.89
FEDERAL FUND	13,988,015	20,054,497	19,331,450	-3.61	19,785,393	2.35
INTERAGENCY TRANSFER	861,281	903,986	1,036,499	14.66	1,037,499	.10
OTHER FUND	8,114	900	6,605	633.89	6,605	
REVERSIONS	-46,340					

Nevada Legislative Counsel Bureau
Source of Funds Summary
2019-21 Fiscal Report

	2017-2018 Actual	2018-2019 Work Program	2019-2020 GOVERNOR RECOMMENDS	% Change	2020-2021 GOVERNOR RECOMMENDS	% Change
VETERANS SERVICES						
NDVS - OFFICE OF VETERANS SERVICES	3,804,312	4,400,520	4,545,691	3.30	4,691,257	3.20
GENERAL FUND	1,996,229	2,196,378	2,101,658	-4.31	2,190,879	4.25
BALANCE FORWARD	15,718					
FEDERAL FUND	1,836,462	1,791,137	2,002,456	11.80	2,052,365	2.49
INTERAGENCY TRANSFER	398,990	413,003	441,575	6.92	448,011	1.46
OTHER FUND	2	2	2		2	
REVERSIONS	-443,089					
NDVS - SOUTHERN NEVADA VETERANS HOME ACCOUNT	19,977,338	25,458,323	24,422,390	-4.07	25,280,103	3.51
BALANCE FORWARD	1,404,171	5,642,599	3,053,088	-45.89	3,623,726	18.69
FEDERAL FUND	9,817,221	10,359,322	11,937,524	15.23	12,188,757	2.10
INTERAGENCY TRANSFER	3,797,235	3,569,197	4,394,346	23.12	4,411,045	.38
OTHER FUND	4,958,711	5,887,205	5,037,432	-14.43	5,056,575	.38
NDVS - NORTHERN NEVADA VETERANS HOME ACCOUNT	154,364	5,324,895	7,537,613	41.55	8,581,147	13.84
GENERAL FUND	226,588	5,324,895	335,320	-93.70	344,979	2.88
BALANCE FORWARD					1,507,060	
FEDERAL FUND			5,679,900		5,776,800	1.71
OTHER FUND			1,522,393		952,308	-37.45
REVERSIONS	-72,224					
TOTAL VETERANS SERVICES	23,936,014	35,183,738	36,505,694	3.76	38,552,507	5.61
GENERAL FUND	2,222,817	7,521,273	2,436,978	-67.60	2,535,858	4.06
BALANCE FORWARD	1,419,889	5,642,599	3,053,088	-45.89	5,130,786	68.05
FEDERAL FUND	11,653,683	12,150,459	19,619,880	61.47	20,017,922	2.03
INTERAGENCY TRANSFER	4,196,225	3,982,200	4,835,921	21.44	4,859,056	.48
OTHER FUND	4,958,713	5,887,207	6,559,827	11.43	6,008,885	-8.40
REVERSIONS	-515,313					
SILVER STATE HEALTH INSURANCE EXCHANGE						
SILVER STATE HEALTH INSURANCE EXCHANGE ADMIN	13,039,728	26,846,333	22,984,193	-14.39	16,193,946	-29.54
BALANCE FORWARD	-1,438,444	15,140,014	9,231,314	-39.03	2,441,067	-73.56
FEDERAL FUND	2,184,757					
OTHER FUND	12,293,415	11,706,319	13,752,879	17.48	13,752,879	
TOTAL SILVER STATE HEALTH INSURANCE EXCHANGE	13,039,728	26,846,333	22,984,193	-14.39	16,193,946	-29.54
BALANCE FORWARD	-1,438,444	15,140,014	9,231,314	-39.03	2,441,067	-73.56
FEDERAL FUND	2,184,757					
OTHER FUND	12,293,415	11,706,319	13,752,879	17.48	13,752,879	
COMMISSION ON ETHICS						
ETHICS - COMMISSION ON ETHICS	824,049	871,465	916,460	5.16	911,793	-.51
GENERAL FUND	227,815	231,010	243,610	5.45	242,304	-.54
BALANCE FORWARD	-7,795	46,429	46,429		46,429	
INTERAGENCY TRANSFER	2,576					
OTHER FUND	601,924	594,026	626,421	5.45	623,060	-.54
REVERSIONS	-471					

Nevada Legislative Counsel Bureau
Source of Funds Summary
2019-21 Fiscal Report

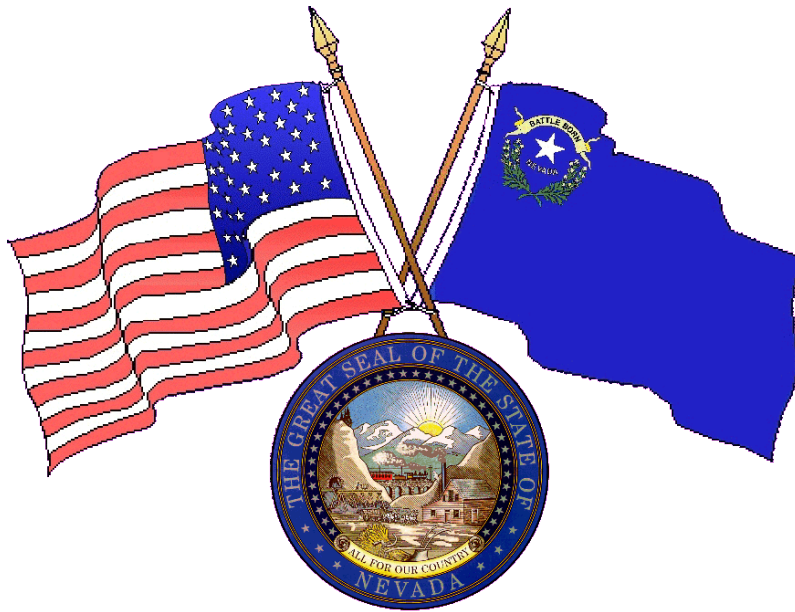
	2017-2018 Actual	2018-2019 Work Program	2019-2020 GOVERNOR RECOMMENDS	% Change	2020-2021 GOVERNOR RECOMMENDS	% Change
TOTAL COMMISSION ON ETHICS	824,049	871,465	916,460	5.16	911,793	-.51
GENERAL FUND	227,815	231,010	243,610	5.45	242,304	-.54
BALANCE FORWARD	-7,795	46,429	46,429		46,429	
INTERAGENCY TRANSFER	2,576					
OTHER FUND	601,924	594,026	626,421	5.45	623,060	-.54
REVERSIONS	-471					
PUBLIC EMPLOYEES' BENEFITS PROGRAM						
PEBP - NON-STATE RETIREE RATE MITIGATION	2,582,707	1,629,822	875,981	-46.25	380,483	-56.56
GENERAL FUND	2,582,707	1,629,822	875,981	-46.25	380,483	-56.56
PEBP - RETIRED EMPLOYEE GROUP INSURANCE	39,710,152	43,045,079	49,308,358	14.55	52,791,043	7.06
INTERAGENCY TRANSFER	39,670,239	43,029,703	49,268,445	14.50	52,751,130	7.07
OTHER FUND	39,913	15,376	39,913	159.58	39,913	
PEBP - ACTIVE EMPLOYEES GROUP INSURANCE	231,022,690	239,027,092	237,101,692	-.81	252,451,788	6.47
INTERAGENCY TRANSFER	231,022,690	238,947,249	236,809,420	-.89	252,159,516	6.48
OTHER FUND		79,843	292,272	266.06	292,272	
PEBP - PUBLIC EMPLOYEES BENEFITS PROGRAM	366,145,015	529,584,941	537,406,424	1.48	545,987,706	1.60
BALANCE FORWARD	-9,083,531	143,129,728	146,336,170	2.24	140,039,349	-4.30
FEDERAL FUND	615,143	440,246	638,309	44.99	637,411	-.14
INTERAGENCY TRANSFER	365,682,003	384,376,703	381,628,918	-.71	396,497,807	3.90
OTHER FUND	8,931,400	1,638,264	8,803,027	437.34	8,813,139	.11
TOTAL PUBLIC EMPLOYEES' BENEFITS PROGRAM	639,460,564	813,286,934	824,692,455	1.40	851,611,020	3.26
GENERAL FUND	2,582,707	1,629,822	875,981	-46.25	380,483	-56.56
BALANCE FORWARD	-9,083,531	143,129,728	146,336,170	2.24	140,039,349	-4.30
FEDERAL FUND	615,143	440,246	638,309	44.99	637,411	-.14
INTERAGENCY TRANSFER	636,374,932	666,353,655	667,706,783	.20	701,408,453	5.05
OTHER FUND	8,971,313	1,733,483	9,135,212	426.99	9,145,324	.11
SPECIAL PURPOSE AGENCIES						
GENERAL FUND	8,941,132	13,244,886	8,455,026	-36.16	8,430,516	-.29
BALANCE FORWARD	-8,854,186	164,468,509	159,161,490	-3.23	148,028,759	-6.99
FEDERAL FUND	28,441,598	32,645,202	39,589,639	21.27	40,440,726	2.15
INTERAGENCY TRANSFER	641,435,014	671,239,841	673,579,203	.35	707,305,008	5.01
OTHER FUND	39,815,620	33,189,104	50,752,916	52.92	50,412,083	-.67
REVERSIONS	-562,124					
TOTAL FOR SPECIAL PURPOSE AGENCIES	709,217,054	914,787,542	931,538,274	1.83	954,617,092	2.48
Less: INTER-AGENCY TRANSFER	641,435,014	671,239,841	673,579,203	.35	707,305,008	5.01
NET SPECIAL PURPOSE AGENCIES	67,782,040	243,547,701	257,959,071	5.92	247,312,084	-4.13

APPENDIX

Report of the State of Nevada Economic Forum

*Forecast of Future State Revenues
December 3, 2018*

STATE OF NEVADA ECONOMIC FORUM



FORECAST OF FUTURE STATE REVENUES

December 3, 2018

THE STATE OF NEVADA ECONOMIC FORUM

Linda Rosenthal, Chair
Craig Billings, Vice Chair
Marvin Leavitt
Jennifer Lewis
Frank Streshley



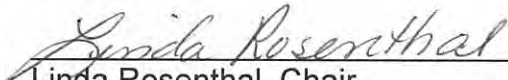
December 3, 2018

Members of the 80th Legislature
Legislative Building
Capitol Complex
Carson City, Nevada 89701-4747

Dear Nevada Legislator:

Enclosed is the Economic Forum's report on future state revenues prepared pursuant to *Nevada Revised Statutes* 353.228. This report includes a description of the purpose of the Economic Forum, the methodology employed in arriving at the estimated General Fund revenues, economic assumptions and the final revenue projections. As required by statute, the Economic Forum plans to revisit these projections on or before May 1, 2019, to determine if any adjustment is necessary.

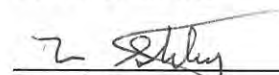
Respectfully submitted,


Linda Rosenthal, Chair
State of Nevada Economic Forum

Craig Billings, Vice Chair


Marvin Leavitt


Jennifer Lewis


Frank Streshley

Enclosure

THE STATE OF NEVADA ECONOMIC FORUM

Linda Rosenthal, Chair
Craig Billings, Vice Chair
Marvin Leavitt
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Frank Streshley



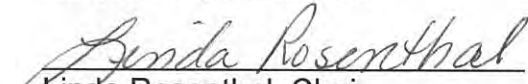
December 3, 2018

The Honorable Brian Sandoval
Governor of Nevada
Capitol Building
Carson City, Nevada 89701-4747

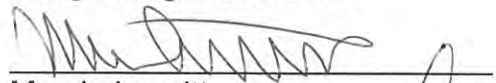
Dear Governor Sandoval:

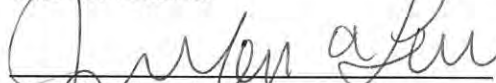
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Respectfully submitted,


Linda Rosenthal, Chair
State of Nevada Economic Forum

Craig Billings, Vice Chair


Marvin Leavitt


Jennifer Lewis


Frank Streshley

Enclosure

REPORT TO THE GOVERNOR AND THE LEGISLATURE ON FUTURE STATE REVENUES

December 3, 2018

Senate Bill (S.B.) 23 (1993) provided for the creation of an Economic Forum to forecast State General Fund revenues. The Forum, a panel of five representatives from the private sector with backgrounds in economics, business, and taxation, is required to adopt an official forecast of unrestricted General Fund revenues for the biennial budget cycle. A seven-member Technical Advisory Committee made up of Executive and Legislative Branch staff members as well as a representative of local government was also created in S.B. 23 to provide assistance and resources to the Forum.

The Forum must submit its forecast to the Governor and the Legislature by December 3 of each even-numbered year, and any revisions by May 1 of each odd-numbered year; however, if either of these dates falls on a weekend or a holiday, the Forum must submit its forecast no later than the second business day following these dates. The Governor must use the December forecast in developing The Executive Budget submitted to the Legislature, and the Legislature uses the May forecast in developing the legislatively approved General Fund budget during session.

This report includes the December 3, 2018, forecast of unrestricted General Fund revenues for Fiscal Years 2019, 2020, and 2021.

Methodology and Procedures

Based on the provisions of Assembly Bill 332 (2011), the Forum is required to hold two additional informational meetings during each biennium to consider current economic indicators and update the status of actual General Fund revenues compared to the most

recent revenue estimates made by the Forum. These two informational meetings of the Forum were held on December 8, 2017, and June 8, 2018. These interim meetings allowed the Forum to receive regular updates on current economic conditions and the outlook for the state's economy while also tracking the actual FY 2017 and FY 2018 revenues against the Forum's May 2017 forecast. During these meetings, the Forum reviewed various economic indicators and received a series of presentations from Legislative Counsel Bureau staff and several Executive Branch agencies, including the Department of Taxation; Department of Employment, Training and Rehabilitation; Department of Business and Industry; Governor's Office of Economic Development; and the Silver State Health Insurance Exchange.

Governor Sandoval appointed the five members of the Economic Forum in 2018 for a two-year term. These appointments include two members nominated by the leadership of the Senate and Assembly. The Forum has since held public meetings three times on October 11, 2018, November 8, 2018, and December 3, 2018, to complete its assigned responsibilities and duties regarding the approval of forecasts of unrestricted General Fund revenues for Fiscal Years 2019, 2020, and 2021.

The first meeting of the Forum on October 11, 2018, was devoted to organizing and reviewing the assigned tasks; reviewing the accuracy of forecasts prepared in December 2016 and May 2017; and determining a course of action for future meetings. The Forum also reviewed historical taxable sales and gaming market statistics and received presentations on a variety of subjects related to the Nevada economy, such as residential real estate trends; economic development programs available through the Governor's Office of Economic Development; and the state of Nevada's insurance markets.

During the November 8, 2018, meeting, the Forum received presentations on the outlook for the national, state, and local economies. Daniel White, Economist, Moody's Analytics (an economic consulting firm under contract with the state), provided a national, regional and Nevada economic outlook; David Schmidt, Chief Economist, Nevada Department of

Employment, Training and Rehabilitation, provided an update to Nevada's employment and unemployment outlook; and Jeff Hardcastle, State Demographer, provided an outlook for Nevada's population.

At the meeting of the Forum on November 8, 2018, the Budget Division of the Governor's Office of Finance (Budget Division) and the Fiscal Analysis Division of the Legislative Counsel Bureau (Fiscal Analysis Division) provided preliminary projections and economic analysis for seven major General Fund revenues. The Department of Taxation and the Gaming Control Board also provided projections and analysis concerning the major revenues for which they are responsible to collect. In addition to the state agency information, the Forum received forecasts of gaming percentage fees and sales taxes from Moody's Analytics. The Forum also received forecasts of all non-major General Fund revenues developed by the Technical Advisory Committee for the Forum's review and consideration.

The Economic Forum reviewed the forecast information and requested that any updated forecasts and information be provided at the meeting on December 3, 2018. The Forum then directed the Technical Advisory Committee to prepare forecasts for non-major revenues based on projections by individual state agencies, the Budget Division, and the Fiscal Analysis Division.

At the December 3, 2018, meeting, the Forum received revised forecasts and economic analysis from the Budget Division, Fiscal Analysis Division, Department of Taxation, Gaming Control Board, Moody's Analytics, and the Technical Advisory Committee, which were used to produce the binding forecast of all unrestricted General Fund revenue. A copy of the Economic Forum's official December 3, 2018, forecast is provided in the attached table. A final meeting of the Forum will be scheduled during the 80th Legislative Session, on or before May 1, 2019, to make any necessary revisions to the December 3, 2018, forecast.

Economic Review

The U.S. economy is now in its tenth year of expansion following the end of the Great Recession in June 2009, currently reflecting the second longest expansion in modern history. Although this recovery has been characterized as being one of the weakest in terms of growth in gross domestic product (GDP), the resiliency of the recovery is characterized by the fact that the U.S. has experienced job growth on a year-over-year basis during each month since September 2010. As of May 2014, the U.S. economy had recovered all of the 8.7 million jobs that were lost during the recession, and over 19.0 million jobs have now been added since the previous low in February of 2010. The unemployment rate for October 2018 of 3.7% is the lowest rate since December 1969.

The pace of growth experienced during the past year and the expectations for continued growth in the near term has been aided by fiscal stimulus from the Tax Cuts and Jobs Act of 2017. The economy is currently operating at or near the top of the business cycle, and if the current trends continue through June 2019, this expansion would become the longest by surpassing the expansion that followed the 1990 recession.

Despite the fact that the current economic recovery has been one of the longest since World War II, it has also been characterized as being one of the slowest recoveries during that period. Between 2010 and 2017, real GDP has grown on average by only 2.2% per year. Similarly, in spite of low unemployment rates, wage growth and personal income have grown slowly, with annual real growth in wages and personal income averaging 2.2% and 2.7% during that same period, respectively. Additionally, labor force participation – which was at a high of 83.4 million in October 2008 – continued to fall after the end of the recession to a low of 80.8 million in December 2014.

TABLE 1. ANNUAL GROWTH IN ECONOMIC INDICATORS
CALENDAR YEARS 2012-2017

	2012	2013	2014	2015	2016	2017
<u>U.S.</u>						
Gross Domestic Product	4.2%	3.6%	4.4%	4.0%	2.7%	4.2%
Real GDP	2.2%	1.8%	2.5%	2.9%	1.6%	2.2%
Employment (Total Nonfarm)	1.7%	1.6%	1.9%	2.1%	1.8%	1.6%
Personal Income	5.1%	1.2%	5.7%	4.9%	2.6%	4.4%
Wage Growth	4.6%	2.7%	5.1%	5.1%	2.9%	4.6%
Consumer Price Inflation	2.1%	1.5%	1.6%	0.1%	1.3%	2.1%
Fuels & Utilities	-0.6%	2.8%	4.2%	-1.9%	-0.6%	3.7%
Housing Starts	28.1%	18.4%	7.7%	10.7%	6.4%	2.6%
Oil (\$ per barrel)	\$94	\$98	\$93	\$49	\$43	\$51
<u>Nevada</u>						
Gross Domestic Product	0.8%	2.2%	3.8%	6.8%	4.3%	5.5%
Real GDP	-1.4%	0.5%	1.6%	4.1%	2.1%	3.5%
Employment (Total Nonfarm)	1.7%	2.6%	3.5%	3.5%	3.2%	3.3%
Personal Income	4.1%	0.4%	6.8%	8.1%	3.0%	5.8%
Wage Growth	3.0%	3.5%	5.1%	5.5%	5.5%	5.3%
Housing Starts	43.5%	19.0%	19.7%	7.2%	22.6%	8.2%
Las Vegas Visitors	2.1%	-0.2%	3.7%	2.9%	1.5%	-1.7%

Sources: Bureau of Economic Analysis, Bureau of Labor Statistics, Census Bureau, Nevada Department of Employment, Training and Rehabilitation, Las Vegas Convention and Visitors Authority

To stimulate the economy during and after the Great Recession, the Federal Reserve engaged in several rounds of quantitative easing, purchasing more than \$4 trillion in bonds and other securities between 2008 and 2014. Although concerns regarding higher inflation as a result of these injections of money into the economy were raised, these concerns were eventually unfounded, with the inflation rate (which had grown by 3.1% in 2011) increasing by only 2.1% in 2012, 1.5% in 2013, and 1.6% in 2014. In fact, significant decreases in the price of oil in 2015 (which dropped from \$90 per barrel to less than \$50 per barrel that year) led to lower prices for goods and services throughout the economy, pushing the inflation rate down to just 0.1% that year. With the price of oil staying low through 2016 and 2017, and the actions by the Federal Reserve to raise the Federal Funds rate beginning in late 2015, the inflation rate raised slightly by 1.3% in 2016 and 2.1% in 2017.

Total nationwide employment, which lost nearly 8.0 million jobs as a result of the Great Recession, reached a low of 129.7 million in February 2010. Over the next several

years, job growth slowly increased from an average of 174,000 jobs per month in 2011 to 179,000 jobs per month in 2012 and 192,000 jobs per month in 2013. By May 2014, the number of total employees in the U.S. had reached 138.6 million, higher than the pre-recession peak of 138.4 million in January 2008. Job growth would continue to accelerate in 2014 (with 250,000 jobs added per month), but would decelerate in 2015 (with 226,000 jobs added per month), 2016 (195,000 jobs added per month), and again in 2017 (182,000 jobs added per month).

Wages, which fell by 4.4% in 2009, have also steadily increased since the end of the recession, with slower increases for several years (2.0% in 2010, 4.0% in 2011, 4.6% in 2012, and 2.7% in 2013), followed by two years of more moderate increases (5.1% per year in both 2014 and 2015). However, although the unemployment rate has continued to drop, expected upward pressures on wages resulting from the low numbers of unemployed have not materialized, with wage growth of only 2.9% in 2016 and 4.6% in 2017. Similarly, personal income, which fell by 3.1% in 2009, has increased by at least 4.0% in every year since 2010 except for 2013 (where it grew by only 1.2%) and 2016 (where it grew by only 2.6%). In particular, transfer payments, which grew by an average of 2.8% between 2011 and 2013, grew by more than 8.0% per year in both 2014 and 2015, as Medicaid expansion and health insurance subsidies resulting from the Affordable Care Act began to affect personal incomes nationwide.

Growth Accelerates in 2018

After job growth in the U.S. peaked at 2.2% in the first quarter of 2015, job growth slowed to 1.5% by the fourth quarter of 2017 as some industries began to face challenges combined with the diminishing availability of qualified workers as the economy approached full employment. However, through the third quarter of 2018, average job growth nationwide has accelerated, increasing to 1.7%, and the number of jobs being created each month has increased from an average of 182,000 jobs per month during 2017 to an average of over 213,000 jobs per month so far in 2018 through October.

The unemployment rate has continued its steady decline in 2018, falling from a rate of 4.1% in January to just 3.7% in October, the lowest rate in the U.S. since December 1969.

Real GDP increased by 2.2% in the first quarter of 2018, equal to the growth seen during 2017 and throughout much of the current expansion. However, during the second and third quarters of 2018, the pace of real GDP growth has increased to 4.2% in the second quarter and 3.5% in the third quarter of 2018. The increased pace of growth experienced during the past year and the expectations for continued growth in the near term has been aided by the tax cuts and increased level of spending by the federal government.

In Nevada, job growth has exceeded the national rate since the second quarter of 2012, peaking at just over 4.0% in the fourth quarter of 2014. The rate of growth has fluctuated at rates above 3.0% through 2015 and 2016 before falling to a low of 2.9% in the third quarter of 2017. Similar to the national trend of stronger growth in 2018, job growth in Nevada has since increased to 3.3% in the third quarter of 2018, and the state has returned to being one of the fastest growing states in the nation in terms of job growth.

Average statewide employment increased by approximately 40,300 jobs in 2016 and 42,600 jobs in 2017, driven by increases in several sectors, including professional services; trade, transportation, and utilities; leisure and hospitality; education and health services; and construction. However, during 2018, Nevada's job growth has been led by growth in the construction and manufacturing industries.

The sustained pace of job growth seen in Nevada throughout the current expansion has translated into increases in wages for Nevada employees. Total Nevada wages, after having increased by 3.0% in 2012 and 3.5% in 2013, has increased by more than 5.0% during each of the past four years. During each of the first two quarters of 2018, average wage growth in Nevada has exceeded 7.0%. Similar to the national trend, given the lower rates of inflation during 2015 and 2016, these increases in total Nevada wages also increased in inflation-adjusted terms during that period.

A significant factor contributing to the economic recovery in Nevada has been the growth in visitors since the end of the Great Recession. After hitting a pre-recession peak of 39.2 million visitors to Las Vegas in 2007, annual visitation fell to a low of 36.4 million in 2009 before climbing steadily upward. By 2012, annual visitation had surpassed the pre-recession peak, and in 2016, more than 42.9 million visitors to Las Vegas were reported by the Las Vegas Convention and Visitors Authority. During 2017, however, the impact of the October 1 tragedy contributed to a 1.7% decline to 42.2 million visitors in 2017. Visitation for the first nine months of 2018 has continued this downward trend, with 3.1% fewer visitors reported compared to the same period in 2017.

While the current economic conditions, which should be sustained in the near term based on the various projects currently underway in both Northern and Southern Nevada, are encouraging signs, housing affordability and supply remain concerns for residents of the state, particularly in the urban areas in Clark and Washoe counties.

Housing

The housing market – having suffered both the boom of the early-to-mid 2000s and the depths of the Great Recession – has returned to more normal levels seen before the boom. Nationwide, single-family home sales, which sat below 4.0 million units for several years during the late 2000s and early 2010s, climbed to 4.1 million in 2012 and nearly 4.5 million units in 2013, due in large part to relatively low prices and heavy investment activity – nearly 50.0% of single-family home sales in 2013, for example, were cash transactions. Following a 3.1% decrease in sales in 2014, single-family home sales have rebounded, increasing to a level of 4.9 million units in 2017, slightly below the level of home sales recorded in 2002. As home sales have increased, the supply of existing homes has decreased – nationwide, the supply of available single-family homes dropped from 5.2 months in 2013 to 3.8 months in 2017. This has led in part to a slowdown in sales – existing single-family home sales grew by only 1.8% in 2017, and through the first three quarters of calendar year 2018, existing single-family sales have decreased by 2.0%, with the supply of available housing sitting at approximately 3.9 months over that same period.

Due in part to low interest rates and the sustained economic recovery, home prices nationwide have also recovered from the effects of the Great Recession. As measured by the Case-Shiller home price index, single-family home prices, which hit their pre-recession peak in July 2006, reached the level of that prior peak in January 2017 after falling by more than 27.0% between July 2006 and February 2012. After reaching the pre-recession peak in early 2017, prices have continued to climb, with prices in mid-2018 more than 11.0% higher than the pre-recession peak.

As a result of the Great Recession, new single-family home completions in 2011 were at their lowest level in nearly fifty years with a total of only 446,000 units completed. Though the total has steadily increased since then, reaching a total of 795,000 in 2017, the number of new single-family home completions is still lower than any year since 1982 when total completions were slightly more than 630,000. Through the first three quarters of calendar year 2018, new home completions nationwide are 8.6% higher than the same period in 2017, with Moody's forecasting completions for 2018 that will exceed 850,000 for the first time since the Great Recession.

TABLE 2: SELECTED U.S. HOUSING MARKET STATISTICS
CALENDAR YEARS 2012 - 2017

	2012	2013	2014	2015	2016	2017
New Housing Completions (% change)	7.2%	19.1%	8.7%	4.4%	13.9%	7.9%
Sales of New Single-Family Homes (% change)	20.1%	16.8%	2.3%	14.2%	11.6%	9.8%
Case-Shiller Home Price Index (% change)	1.3%	9.6%	6.6%	4.6%	5.1%	5.8%
Sales of Existing Single-Family Homes (% change)	8.8%	8.5%	-3.1%	6.6%	4.4%	1.8%
Total Mortgage Originations (% change)	44.2%	-10.9%	-31.1%	32.3%	21.8%	-13.7%
Total Mortgage Loans Delinquent (% change)	-3.0%	-3.4%	1.1%	-3.3%	-4.0%	0.9%
Total Foreclosures Started (% change)	-14.6%	-29.3%	-30.1%	-8.0%	-21.3%	-15.9%
Supply of Existing Single-Family Homes (Months)	4.87	5.23	4.89	4.50	4.00	3.84

Sources: National Association of Realtors, Standard and Poor's, U.S. Census Bureau, Federal Reserve Board, Mortgage Bankers' Association

Unlike the national housing market, which has seen steady increases in single-family home sales since the end of the Great Recession, Nevada's market has been more inconsistent. After falling to a low of less than 36,000 units in 2007, single-family home

sales in Nevada, fueled in large measure by investors buying distressed and foreclosed homes at low prices, surged to a high of 91,000 in 2011. As the market stabilized, the number of homes sold steadily decreased to 67,000 in 2015, but increased in 2016 to 71,000 and again in 2017 to nearly 80,000. The increased sales over the past two years has led to serious concerns in both Northern and Southern Nevada regarding the available supply of homes – by the middle of 2018, the available supply of homes in both Clark and Washoe counties fell below 1.5 months, far below the six months that is considered to be a balanced market. The constrained supply, in combination with increasing mortgage interest rates, has also had some effect on home sales thus far in 2018, which are down 3.9% through the first two quarters of this year compared to the first half of 2017.

Home prices in Nevada, after falling to mid-1990s levels at the end of the Great Recession, have steadily increased, with levels by the end of 2017 reaching the levels seen in Nevada in mid-2004. Thus far in 2018, prices show no signs of slowing down - as measured by the Case-Shiller index, home prices in the second quarter of 2018 were 5.7% higher than were seen only six months prior. Moody's Analytics forecasts that, by the end of 2018, prices in Nevada will increase by another 5.5%, bringing the average home price in Nevada by the end of this year to the levels seen in early 2005.

Single-family home completions, which had decreased in Nevada from a high of 38,000 units in 2004 to a low of 5,100 units in 2011, have steadily increased since reaching bottom, with completions being more than double that amount (11,700 units) in 2017. Moody's Analytics forecasts that these completions will only continue to increase throughout 2018, with a projected total of 14,000 units completed by the end of the year.

Inflation

Between 2008 and 2014, the Federal Reserve, through several different rounds of quantitative easing, created nearly \$4.5 trillion of additional currency for the purchase of bonds and other securities held by the federal government. Though concerns were raised for several years regarding the effect that these repeated rounds of quantitative easing would have on the inflation rate, these concerns were ultimately unfounded, as inflation would not grow by more than 3.1% at any point between 2010 and 2017. In fact, the inflation rate would dip as low as 0.1% in 2015 due in large part to the price of oil, which dropped from a high of \$106 per barrel in the third quarter of 2013 to a low of \$48 per barrel by the end of 2015.

In December of 2015, the Federal Reserve's Open Markets Committee increased the federal funds rate – the rate at which banks may borrow money from the Federal Reserve Bank – by 0.25%, which was the first increase in the rate since 2006, and the first actions taken by the Federal Reserve to tighten monetary policy since before the first round of quantitative easing began in 2008. This was ultimately the first of five different increases in the federal funds rate over the next two years – the Open Markets Committee raised the rate by 0.25% on four more occasions (in December 2016 and three different times in 2017). With the actions to increase the federal funds rate, the inflation rate increased by only 1.3% in 2016 and 2.1% in 2017.

The Open Markets Committee, thus far in 2018, has increased the federal funds rate another three times – once in March, once in June, and again in September – resulting in a rate that is 2.0% higher than it was before the original rate increase in December 2015. The Consumer Price Index (CPI), through the first three quarters of 2018, has increased by 2.5%. With a projected increase of 2.4% in the fourth quarter, Moody's forecasts that the CPI will increase by 2.5% for calendar year 2018. Moody's is forecasting the CPI to increase by 2.3% in 2019, 2.0% in 2020, and 2.2% in 2021.

Employment

After eight years of steady declines, the U.S. unemployment rate, which hit a high of 10.0% in October 2009, fell below 4.0% in April 2018 to a rate of 3.9% in April and 3.8% in May, which at the time represented the lowest unemployment rate since April 2000 when the rate was also 3.8% in that month. Although the rate increased again to 4.0% in June 2018, it has since fallen to a rate of 3.7% for September and October 2018.

According to the Bureau of Labor Statistics, over 2.5 million jobs have been created between October 2017 and October 2018. The gains during that period were primarily in the professional and business services sector (515,000 jobs gained); the education and health services sector (500,000 jobs gained); the construction sector (330,000 jobs gained); the trade, transportation, and utilities sector (310,000 jobs gained); the manufacturing sector (300,000 jobs gained); the leisure and hospitality sector (250,000 jobs gained); and the financial sector (115,000 jobs gained). A smaller increase has been seen in the mining sector (65,000 jobs gained). The Information sector was the only major industry sector to experience negative job growth during the past year (15,000 jobs lost).

Between October 2017 and October 2018, the government sector has added a total of 66,000 jobs. The bulk of the increase in public sector jobs during this time period is attributable to local governments (70,000 jobs gained) and state governments (4,000 jobs gained); however, federal employment declined during this period (8,000 jobs lost).

Like the national trend, Nevada's unemployment rate has declined steadily after reaching a peak of 13.7% in November 2010, but the rate has not yet reached a level that is below the national average. In October 2014, Nevada's unemployment rate, at 7.1%, was higher than all but five other states, and 1.3% higher than the national rate at the time. Four years later, Nevada's unemployment rate for October 2018 is at 4.4%, only 0.7% above the national rate. Though Nevada's rate is still above the national rate, it fares more comparably against other states – currently, eight states and the District of

Columbia have a higher unemployment rate, and the current rate of 4.4% is generally comparable to six other states that had rates between 4.2% and 4.6% in October 2018 (Connecticut, Illinois, Kentucky, New Mexico, Ohio, and Washington).

For comparison to the U.S., from October 2017 to October 2018, Nevada's total nonfarm employment has increased by 45,800, with the most significant gains in construction (9,500 jobs gained); professional services (9,200 jobs gained); manufacturing (6,900 jobs gained); education and health services (6,100 jobs gained); leisure and hospitality services (5,600 jobs gained); trade, transportation, and utilities (3,900 jobs gained); and government (3,600 jobs gained). For the government sector, local governments had a net gain of 1,700 jobs, with the state adding 900 jobs over that period. However, federal government employment declined by 100 jobs over that period. The only major industry sector that lost jobs during this period was financial activities (400 jobs lost).

The continued expansion of the Tesla Gigafactory in Storey County has contributed to the strength in both the construction industry and the manufacturing industry in the past year, and should bring the net increase in manufacturing jobs higher in 2019 and future years.

A number of projects are currently underway that will keep construction industry employment strong over the next two years. The Las Vegas Convention Center expansion, Raiders stadium, Genting Resorts World Hotel Casino, and several other projects expected to be completed in 2020 and 2021 are also anticipated to provide a benefit to the state's leisure and hospitality industry.

Consumer Spending

Although growth in the U.S. gross domestic product has been weaker in this recovery than in any recovery since World War II, growth in jobs, along with increases in wages and personal income, has led to modest growth in consumer spending since the end of the recession. After decreasing by 1.3% in 2009, consumer spending has grown by at

least 2.8% in every year since 2010, and actually averaging 4.2% growth from 2014 to 2017. With the relatively low inflation and the strength in employment and personal income gains, inflation-adjusted consumer spending averaged growth of 3.0% over this four-year period.

The trend of increasing rates of consumer spending has also continued into 2018 – for the first three quarters of the year, total consumer expenditures have increased on average by 4.8% compared to the first three quarters of 2017. This increase is primarily driven by expenditures on nondurable goods, which increased by 5.1% during this period, but expenditures on services and durable goods also have been strong, increasing during this period by 4.7% and 4.6%, respectively. Personal consumption expenditures on recreation services, however, have been comparatively weak, only growing by 2.4% during the first three quarters of this year.

In addition, the amount of personal income that is being saved by Americans has increased for much of the last several years. Although this amount dropped by 9.1% in 2016, total personal savings increased by 4.1% in 2017 and, through the first three quarters of 2018, are up 5.0% compared to the same period in 2017.

Should the current expansion, which began in June 2009, continue past June 2019, it will become the longest expansion since World War II, passing the 120-month expansion experienced from March 1991 to March 2001. As the calendar marches closer to that date, the question of a potential slowdown in the economy has possibly changed from a question of “if” to a question of “when.” Though it is believed that the economy will continue to perform well through the rest of 2018 and into 2019, many analysts are starting to believe that there will be some degree of slowdown in 2020.

Moody’s Analytics, in its November 2018 forecast, predicts that real GDP growth will begin slowing in calendar year 2020 to below 1.0%, with the second quarter projected to decline by 0.1%. Due to this slowdown in national output, Moody’s forecasts that employment will also slow down, with the number of jobs projected to decline for

four consecutive quarters from the second quarter of 2020 to the first quarter of 2021. The Congressional Budget Office (CBO) outlook from their August 2018 forecast also predicts a slowdown in 2020, beginning slightly later and lasting longer than Moody's, but does not actually expect declines in real GDP or employment during this period.

As shown in Table 3, Moody's predicts that real GDP will increase by 2.9% in calendar year 2019, 0.9% in calendar year 2020, and 2.3% in calendar year 2021, compared to 2.8%, 1.9%, and 1.6%, respectively, in the CBO forecast. With respect to employment, Moody's forecasts job growth to increase by 1.5% and 0.3% in calendar years 2019 and 2020, but to decline by 0.1% in calendar year 2021, compared to CBO's projected employment growth of 1.6%, 0.9%, and 0.2%, respectively.

The length and breadth of any slowdown in the economy, if and when it does occur, will depend on a number of factors, including the winding down of the effect of the tax cuts and any actions that may be taken relating to changes to or repeal of the Affordable Care Act. Other economic and political issues, including looming trade tensions between the U.S. and China and the scheduled departure of the United Kingdom from the European Union in March 2019, may have wider effects upon the global economy that end up rippling through the U.S. economy as well.

TABLE 3: Congressional Budget Office (CBO) and Moody's Analytics (Moody's) Forecasts for GDP, Real GDP, and Total Nonfarm Employment Quarters: 2016Q1 - 2021Q4, Calendar Years: 2017 - 2021, and Fiscal Years: 2018 - 2021

Quarter	Gross Domestic Product			Real Gross Domestic Product			Total Nonfarm Employment					
	CBO Forecast	% Change from Prior Quarter	Moody's Forecast	% Change from Prior Quarter	CBO Forecast	% Change from Prior Quarter	Moody's Forecast	% Change from Prior Quarter	CBO Forecast	% Change from Prior Quarter	Moody's Forecast	% Change from Prior Quarter
2016Q1	18,325		18,409		16,572		16,648		143.4		143.4	
2016Q2	18,538	4.7%	18,641	5.1%	16,664	2.2%	16,742	2.3%	144.0	1.7%	144.0	1.5%
2016Q3	18,729	4.2%	18,800	3.5%	16,778	2.8%	16,822	1.9%	144.7	2.0%	144.7	2.0%
2016Q4	18,906	3.8%	18,979	3.9%	16,851	1.8%	16,895	1.8%	145.3	1.7%	145.3	1.5%
2017Q1	19,058	3.3%	19,163	3.9%	16,903	1.2%	16,970	1.8%	145.9	1.7%	145.9	1.6%
2017Q2	19,250	4.1%	19,359	4.2%	17,031	3.1%	17,096	3.0%	146.3	1.1%	146.3	1.3%
2017Q3	19,501	5.3%	19,588	4.8%	17,164	3.2%	17,215	2.8%	146.9	1.7%	146.9	1.5%
2017Q4	19,754	5.3%	19,832	5.1%	17,287	2.9%	17,313	2.3%	147.4	1.4%	147.4	1.5%
2018Q1	19,960	4.2%	20,041	4.3%	17,372	2.0%	17,408	2.2%	148.1	1.9%	148.1	1.7%
2018Q2	20,256	6.1%	20,412	7.6%	17,552	4.2%	17,586	4.2%	148.6	1.4%	148.7	1.7%
2018Q3	20,519	5.3%	20,659	4.9%	17,686	3.1%	17,738	3.5%	149.3	1.9%	149.3	1.7%
2018Q4	20,771	5.0%	20,936	5.5%	17,817	3.0%	17,851	2.6%	150.0	1.9%	149.9	1.7%
2019Q1	21,022	4.9%	21,242	6.0%	17,936	2.7%	17,985	3.0%	150.6	1.6%	150.5	1.5%
2019Q2	21,266	4.7%	21,552	6.0%	18,052	2.6%	18,127	3.2%	151.2	1.6%	151.0	1.4%
2019Q3	21,504	4.6%	21,799	4.7%	18,156	2.3%	18,217	2.0%	151.7	1.3%	151.5	1.2%
2019Q4	21,738	4.4%	21,993	3.6%	18,252	2.1%	18,270	1.2%	152.1	1.1%	151.9	1.0%
2020Q1	21,959	4.1%	22,108	2.1%	18,331	1.8%	18,290	0.4%	152.4	0.8%	152.1	0.5%
2020Q2	22,167	3.8%	22,174	1.2%	18,408	1.7%	18,284	-0.1%	152.8	1.1%	151.9	-0.4%
2020Q3	22,374	3.8%	22,293	2.2%	18,483	1.6%	18,306	0.5%	152.8	0.0%	151.6	-0.9%
2020Q4	22,579	3.7%	22,504	3.8%	18,555	1.6%	18,389	1.8%	152.8	0.0%	151.4	-0.4%
2021Q1	22,798	3.9%	22,763	4.7%	18,628	1.6%	18,507	2.6%	152.9	0.3%	151.4	-0.1%
2021Q2	23,006	3.7%	23,055	5.2%	18,700	1.6%	18,651	3.2%	153.0	0.3%	151.5	0.2%
2021Q3	23,214	3.7%	23,369	5.6%	18,772	1.6%	18,813	3.5%	153.1	0.3%	151.7	0.5%
2021Q4	23,424	3.7%	23,676	5.4%	18,845	1.6%	18,967	3.3%	153.1	0.0%	151.9	0.8%
Calendar Year												
CY 2017	19,391	4.1%	19,485	4.2%	17,096	2.3%	17,149	2.2%	146.6	1.6%	146.6	1.6%
CY 2018	20,377	5.1%	20,512	5.3%	17,607	3.0%	17,646	2.9%	149.0	1.6%	149.0	1.6%
CY 2019	21,383	4.9%	21,646	5.5%	18,099	2.8%	18,150	2.9%	151.4	1.6%	151.2	1.5%
CY 2020	22,270	4.1%	22,270	2.9%	18,444	1.9%	18,317	0.9%	152.7	0.9%	151.7	0.3%
CY 2021	23,110	3.8%	23,216	4.2%	18,736	1.6%	18,734	2.3%	153.0	0.2%	151.6	-0.1%
Fiscal Year												
FY 2018	19,868	4.6%	19,968	4.7%	17,344	2.7%	17,381	2.6%	147.8	1.5%	147.8	1.5%
FY 2019	20,895	5.2%	21,097	5.7%	17,873	3.1%	17,926	3.1%	150.3	1.7%	150.2	1.6%
FY 2020	21,842	4.5%	22,019	4.4%	18,287	2.3%	18,265	1.9%	152.3	1.3%	151.8	1.1%
FY 2021	22,689	3.9%	22,654	2.9%	18,592	1.7%	18,463	1.1%	152.9	0.4%	151.5	-0.2%

Notes:

(1.) The CBO Forecast is from the supplemental data tables to the Congressional Budget Office (CBO) August 2018 report "An Update to the Economic Outlook: 2018 to 2028". This forecast is based on the actual data reported by the Bureau of Economic Analysis of the U.S. Department of Commerce and the Bureau of Labor Statistics of the U.S. Department of Labor through the first quarter of calendar year 2018 available at the time of the preparation of the forecast.

(2.) The Moody's Forecast is Moody's Analytics November 2018 forecast. This forecast is based on the actual data reported by the Bureau of Economic Analysis of the U.S. Department of Commerce and the Bureau of Labor Statistics of the U.S. Department of Labor through the third quarter of calendar year 2018 available at the time of the preparation of the forecast.

General Fund Revenue Forecast – Fiscal Years 2019, 2020, and 2021

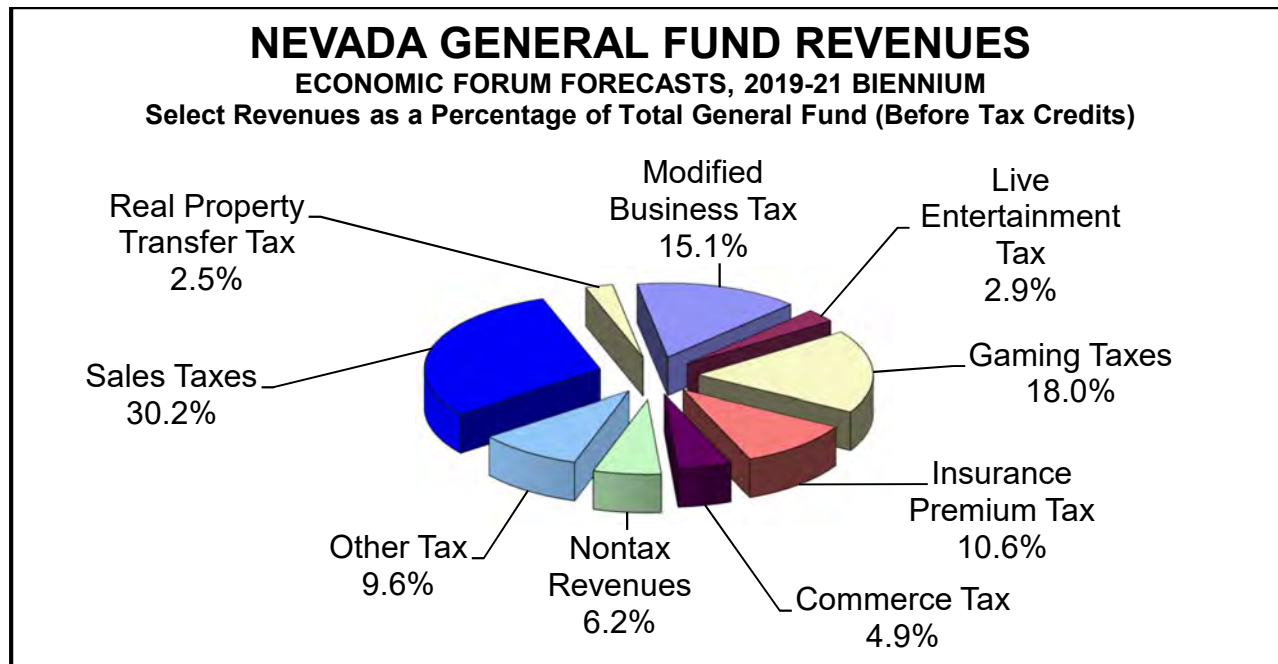
At the December 3, 2018, meeting, the Economic Forum took into consideration presentations made at the meeting on November 8, 2018. These presentations included the Nevada employment outlook made by David Schmidt from the Nevada Department of Employment, Training and Rehabilitation; the Nevada population outlook by Jeff Hardcastle, State Demographer; and the U.S. and Nevada general economic outlook by Daniel White from Moody's Analytics. The Forum also took into consideration the economic outlooks used to derive the General Fund revenue forecasts made by the Budget Division, the Department of Taxation, the Gaming Control Board, Moody's Analytics, and the Fiscal Analysis Division.

(Exhibits presented to the Economic Forum at its meetings are available from the Fiscal Analysis Division upon request, or on the Legislative Counsel Bureau's website: <https://www.leg.state.nv.us/App/InterimCommittee/REL/Interim2017/Committee/1366/Overview>.)

Based on consideration of the information that was provided to the Forum at these meetings, the following forecast was approved at the December 3, 2018, meeting.

Total Nevada General Fund revenues, before the application of any tax credits approved by the Legislature, are forecast at \$4.450 billion for FY 2020 and \$4.575 billion for FY 2021. The 2019-2021 biennial total of \$9.025 billion is 5.4% higher than the current revised estimate for FY 2019 and the actual collections for FY 2018 of \$8.563 billion for the 2017-2019 biennium.

As you will note in the chart below, gaming taxes are forecast to provide 18.0% of all General Fund revenues during the 2019-21 biennium, a decrease from the 18.4% now estimated for the current biennium. Sales tax collections are forecast to provide 30.2% of all General Fund revenues during the 2019-21 biennium, an increase from the 28.7% currently estimated for the 2017-19 biennium. Modified business tax collections are forecast to provide 15.1% of all General Fund revenues during the 2019-21 biennium, a decrease from the 15.7% currently estimated for the 2017-19 biennium.



More detailed information on specific revenues in addition to gaming, sales, and modified business taxes is available in the accompanying table.

Sales Tax

Sales tax collections are forecast to reach \$1.219 billion in FY 2019, a 6.7% increase from FY 2018 levels. Sales taxes are expected to increase by 5.2% in FY 2020 and increase by 4.0% in FY 2021. These forecasts result in projected total sales tax receipts of \$2.618 billion during the 2019-21 biennium.

Gaming Percentage Fee Tax

Total gaming percentage fee tax revenues are forecast to reach \$763.4 million in FY 2019, an increase of 0.7% from actual FY 2018 collections. From this base, the tax is estimated to increase by 1.8% in FY 2020 and increase by 1.9% in FY 2021 to yield revenues of \$1.569 billion for the General Fund during the 2019-21 biennium.

Modified Business Tax

In FY 2019, the modified business tax rate for financial institutions and mining companies is 2.0% on all taxable wages (gross wages less eligible health care expenses) per quarter. For all other businesses, the rate is zero on the first \$50,000 of taxable wages per quarter, and 1.475% on all taxable wages in excess of \$50,000 per quarter.

Pursuant to NRS 360.203, if the combined revenue from the commerce tax, modified business tax, and branch bank excise tax in an even-numbered fiscal year is more than 104.0% of the Economic Forum's May 1 forecast for that fiscal year, then the Department of Taxation must reduce the rates for the modified business tax in the proportion that the actual amount collected from each tax for that fiscal year bears to the total combined amount collected from both taxes for that fiscal year. The rate change becomes effective on July 1 of the first fiscal year of the biennium following the determination of the rate change.

Because the actual collections for the commerce tax, modified business tax, and branch bank excise tax in FY 2018 were more than 104.0% of the Economic Forum's May 1, 2017, forecasts for these revenues, the Department of Taxation determined that the rates for the modified business tax should be permanently reduced to 1.853% for financial institutions and mining companies, and 1.378% for all other businesses, effective at the beginning of FY 2020 (July 1, 2019).

Total modified business tax revenues, before the effect of the credit that may be taken against this tax by persons who pay the commerce tax, are forecast to reach \$689.9 million in FY 2019, an increase of 5.2% from actual FY 2018 collections. Due to the reduction in tax rates that will take effect on July 1, 2019, modified business taxes are estimated to decrease by 1.7% in FY 2020. Collections for this tax are estimated to increase by 1.4% in FY 2021, which results in total revenues of \$1.366 billion for the General Fund during the 2019-21 biennium.

Collections for the modified business tax are additionally estimated to be reduced by \$59.2 million in FY 2019, \$61.9 million in FY 2020, and \$65.1 million in FY 2021, as a result

of the commerce tax credit allowed against the modified business tax. The commerce tax credit is discussed in greater detail in the Commerce Tax subsection below.

Insurance Premium Tax

Total insurance premium tax revenues are forecast to reach \$441.5 million in FY 2019, an increase of 5.7% from actual FY 2018 collections. From this base, the tax is estimated to increase by 5.0% in FY 2020 and increase by 5.1% in FY 2021 to yield revenues of \$950.7 million for the General Fund during the 2019-21 biennium.

Live Entertainment Tax

Total live entertainment tax revenues from gaming and nongaming establishments are forecast to reach \$126.8 million in FY 2019, an increase of 1.1% from actual FY 2018 collections. From this base, the tax is estimated to increase by 1.1% in FY 2020 and increase by 1.0% in FY 2021 to yield revenues of \$257.6 million for the General Fund during the 2019-21 biennium.

Real Property Transfer Tax

Total real property transfer tax revenues are forecast to reach \$106.9 million in FY 2019, an increase of 3.4% from actual FY 2018 collections. From this base, the tax is estimated to increase by 5.0% in FY 2020 and increase by 2.5% in FY 2021 to yield revenues of \$227.4 million for the General Fund during the 2019-21 biennium.

Commerce Tax

Total commerce tax revenues are forecast to reach \$210.2 million in FY 2019, an increase of 4.1% from actual FY 2018 collections. From this base, the tax is estimated to increase by 3.8% in FY 2020 and increase by 4.0% in FY 2021 to yield revenues of \$444.9 million for the General Fund during the 2019-21 biennium.

As approved by the Legislature during the 2015 Session, taxpayers who have a commerce tax liability in a preceding fiscal year are entitled to take a credit of up to 50.0% of that liability against the modified business tax in the current fiscal year. Based on the actual FY 2018 commerce tax collections of \$201.9 million, actual and projected

revenue based on FY 2018 taxable activity but not collected until FY 2019, and historical usage of these credits against the modified business tax in FY 2017 and FY 2018, the commerce tax credit is estimated at \$59.2 million in FY 2019.

The commerce tax credit is estimated to be \$61.9 million in FY 2020 and \$65.1 million in FY 2021.

Tax Credit Programs

Total credits from all other tax credit programs authorized by the Legislature are forecast to reduce General Fund revenues by \$88.4 million in FY 2019, \$44.5 million in FY 2020, and \$19.1 million in FY 2021. The total forecast of \$63.6 million in tax credits for the 2019-2021 biennium results in additional General Fund revenue of \$138.2 million compared to the \$201.8 million in tax credits estimated for the 2017-19 biennium, based on the actual credits taken in FY 2018 and the revised estimates for FY 2019. This increase is primarily attributable to the completion of the tax credits for the New Markets Jobs Act program and the completion of the economic development incentives for the Tesla Gigafactory project in Storey County in FY 2020.

Total General Fund Revenues

Total Nevada General Fund revenues, after the application of all tax credits, are forecast at \$4.344 billion for FY 2020 and \$4.491 billion for FY 2021. The 2019-2021 biennial total of \$8.835 billion is 7.2% higher than the current revised estimate for FY 2019 and the actual collections for FY 2018 of \$8.244 billion for the 2017-2019 biennium.

GENERAL FUND REVENUES - ECONOMIC FORUM DECEMBER 3, 2018, FORECAST
ACTUAL: FY 2016 THROUGH FY 2018 AND FORECAST: FY 2019 THROUGH FY 2021
ECONOMIC FORUM'S FORECAST FOR FY 2019, FY 2020, AND FY 2021 APPROVED AT THE DECEMBER 3, 2018, MEETING

ECONOMIC FORUM DECEMBER 3, 2018, FORECAST												
DESCRIPTION	FY 2016 ACTUAL	% Change	FY 2017 ACTUAL	% Change	FY 2018 ACTUAL	% Change	FY 2019 FORECAST	% Change	FY 2020 FORECAST	% Change	FY 2021 FORECAST	% Change
TAXES												
MINING TAX												
3064 Net Proceeds of Minerals [2-16][3-16]	\$34,674,918	-33.0%	\$25,260,140	-27.2%	\$63,522,196	151.5%	\$63,861,000	0.5%	\$61,843,000	-3.2%	\$61,524,000	-0.5%
3245 Centrally Assessed Penalties	\$68,648		\$3,636		\$1		\$0		\$0		\$0	
TOTAL MINING TAXES AND FEES	\$34,743,566	-32.8%	\$25,263,776	-27.3%	\$63,522,196	151.4%	\$63,861,000	0.5%	\$61,843,000	-3.2%	\$61,524,000	-0.5%
SALES AND USE												
3001 Sales & Use Tax [1-19]	\$1,036,549,227	4.2%	\$1,090,695,356	5.2%	\$1,142,799,766	4.8%	\$1,219,396,000	6.7%	\$1,283,340,000	5.2%	\$1,334,223,000	4.0%
3002 State Share - LST [4-16][1-19]	\$10,155,240	4.4%	\$10,605,173	4.4%	\$11,091,996	4.6%	\$11,889,000	7.2%	\$12,513,000	5.2%	\$13,009,000	4.0%
3003 State Share - BCRT [1-19]	\$4,506,053	4.0%	\$4,730,822	5.0%	\$4,996,610	5.6%	\$5,335,000	6.8%	\$5,615,000	5.2%	\$5,837,000	4.0%
3004 State Share - SCRT [1-19]	\$15,764,607	3.9%	\$16,550,744	5.0%	\$17,481,048	5.6%	\$18,672,000	6.8%	\$19,651,000	5.2%	\$20,430,000	4.0%
3005 State Share - PTT [1-19]	\$10,028,644	6.0%	\$11,133,048	11.0%	\$12,857,082	15.5%	\$13,733,000	6.8%	\$14,453,000	5.2%	\$15,026,000	4.0%
TOTAL SALES AND USE	\$1,077,003,772	4.2%	\$1,133,715,143	5.3%	\$1,189,226,502	4.9%	\$1,269,025,000	6.7%	\$1,335,572,000	5.2%	\$1,388,525,000	4.0%
GAMING - STATE												
3041 Percent Fees - Gross Revenue: Before Tax Credits	\$700,773,974	1.1%	\$730,496,482	4.2%	\$757,790,502	3.7%	\$763,360,000	0.7%	\$777,248,000	1.8%	\$792,106,000	1.9%
Tax Credit Programs:												
Film Transferable Tax Credits [TC-1]	-\$4,288,194		-\$5,222,720		\$0		\$0		\$0		\$0	
Economic Development Transferable Tax Credits [TC-2]	-\$20,461,554		-\$36,850,519		-\$73,831,822		\$0		\$0		\$0	
Catalyst Account Transferable Tax Credits [TC-4]	\$0		\$0		-\$355,000		\$0		\$0		\$0	
Total - Tax Credit Programs	-\$24,749,748		-\$42,073,239		-\$74,186,822		\$0		\$0		\$0	
Percent Fees - Gross Revenue: After Tax Credits	\$676,024,226	-2.5%	\$688,423,243	1.8%	\$683,603,680		\$763,360,000	11.7%	\$777,248,000	1.8%	\$792,106,000	1.9%
3032 Pari-mutuel Tax	\$3,261	10.0%	\$3,405	4.4%	\$3,200	-6.0%	\$3,200	0.0%	\$3,300	3.1%	\$3,400	3.0%
3181 Racing Fees	\$9,293	24.6%	\$9,935	6.9%	\$8,723	-12.2%	\$7,500	-14.0%	\$7,500	0.0%	\$7,600	1.3%
3247 Racing Fines/Forfeitures	\$700		\$0		\$0		\$500		\$0		\$0	
3042 Gaming Penalties	\$4,069,112	1105.5%	\$2,151,524	-47.1%	\$415,429	-80.7%	\$2,500,000	501.8%	\$750,000	-70.0%	\$750,000	0.0%
3043 Flat Fees-Restricted Slots	\$8,225,963	-0.8%	\$8,172,087	-0.7%	\$8,270,489	1.2%	\$8,398,000	1.5%	\$8,552,000	1.8%	\$8,626,000	0.9%
3044 Non-Restricted Slots	\$10,861,213	-2.7%	\$10,641,146	-2.0%	\$10,496,064	-1.4%	\$10,411,000	-0.8%	\$10,348,000	-0.6%	\$10,384,000	0.3%
3045 Quarterly Fees-Games	\$6,450,491	-1.1%	\$6,443,060	-0.1%	\$6,390,520	-0.8%	\$6,313,000	-1.2%	\$6,244,000	-1.1%	\$6,290,000	0.7%
3046 Advance License Fees	\$1,780,785	2.7%	\$1,042,709	-41.4%	\$1,000,375	-4.1%	\$1,732,000	73.1%	\$900,000	-48.0%	\$4,394,000	388.2%
3048 Slot Machine Route Operator	\$34,000	-2.9%	\$33,500	-1.5%	\$32,000	-4.5%	\$32,000	0.0%	\$33,000	3.1%	\$33,500	1.5%
3049 Gaming Info Systems Annual	\$42,000	0.0%	\$36,000	-14.3%	\$36,000	0.0%	\$30,000	-16.7%	\$30,000	0.0%	\$30,000	0.0%
3028 Interactive Gaming Fee - Operator	\$500,000	0.0%	\$500,000	0.0%	\$500,000	0.0%	\$500,000	0.0%	\$500,000	0.0%	\$500,000	0.0%
3029 Interactive Gaming Fee - Service Provider	\$63,000	3.3%	\$55,000	-12.7%	\$56,000	1.8%	\$55,000	-1.8%	\$56,000	1.8%	\$57,000	1.8%
3030 Interactive Gaming Fee - Manufacturer	\$175,000	-12.5%	\$100,000	-42.9%	\$100,000	0.0%	\$100,000	0.0%	\$100,000	0.0%	\$100,000	0.0%
3033 Equip Mfg. License	\$279,500	-0.5%	\$275,000	-1.6%	\$291,520	6.0%	\$280,500	-3.8%	\$281,500	0.4%	\$282,500	0.4%
3034 Race Wire License	\$36,391	28.1%	\$12,084	-66.8%	\$4,439	-63.3%	\$4,800	8.1%	\$4,800	0.0%	\$4,900	2.1%
3035 Annual Fees on Games	\$115,214	6.9%	\$121,244	5.2%	\$119,782	-1.2%	\$114,700	-4.2%	\$112,200	-2.2%	\$110,800	-1.2%
TOTAL GAMING - STATE: BEFORE TAX CREDITS	\$733,419,897	1.5%	\$760,093,175	3.6%	\$785,515,041	3.3%	\$793,842,200	1.1%	\$805,170,300	1.4%	\$823,679,700	2.3%
Tax Credit Programs	-\$24,749,748		-\$42,073,239		-\$74,186,822		\$0		\$0		\$0	
TOTAL GAMING - STATE: AFTER TAX CREDITS	\$708,670,149	-1.9%	\$718,019,936	1.3%	\$711,328,219	-0.9%	\$793,842,200	11.6%	\$805,170,300	1.4%	\$823,679,700	2.3%
LIVE ENTERTAINMENT TAX (LET)												
3031G Live Entertainment Tax-Gaming [5-16]	\$111,994,620	-14.4%	\$102,328,255	-8.6%	\$100,863,918	-1.4%	\$100,061,000	-0.8%	\$99,746,000	-0.3%	\$100,128,000	0.4%
3031NG Live Entertainment Tax-Nongaming [5-16]	\$16,536,346	10.5%	\$26,977,758	63.1%	\$24,544,887	-9.0%	\$26,725,000	8.9%	\$28,392,000	6.2%	\$29,339,000	3.3%
TOTAL LET	\$128,530,966	-11.9%	\$129,306,013	0.6%	\$125,408,805	-3.0%	\$126,786,000	1.1%	\$128,138,000	1.1%	\$129,467,000	1.0%
COMMERCE TAX												
Commerce Tax [6-16]	\$143,507,593		\$197,827,208	37.9%	\$201,926,513	2.1%	\$210,160,000	4.1%	\$218,054,000	3.8%	\$226,880,000	4.0%
TRANSPORTATION CONNECTION EXCISE TAX												
Transportation Connection Excise Tax [7-16]	\$11,898,532		\$23,101,058	94.2%	\$21,773,229	-5.7%	\$30,600,000	40.5%	\$29,028,000	-5.1%	\$36,713,000	26.5%
CIGARETTE TAX												
3052 Cigarette Tax [8-16]	\$153,033,176	65.0%	\$180,677,113	18.1%	\$160,664,759	-11.1%	\$160,622,000	0.0%	\$154,337,000	-3.9%	\$149,155,000	-3.4%

**GENERAL FUND REVENUES - ECONOMIC FORUM DECEMBER 3, 2018, FORECAST
ACTUAL: FY 2016 THROUGH FY 2018 AND FORECAST: FY 2019 THROUGH FY 2021
ECONOMIC FORUM'S FORECAST FOR FY 2019, FY 2020, AND FY 2021 APPROVED AT THE DECEMBER 3, 2018, MEETING**

ECONOMIC FORUM DECEMBER 3, 2018, FORECAST													
DESCRIPTION		FY 2016 ACTUAL	% Change	FY 2017 ACTUAL	% Change	FY 2018 ACTUAL	% Change	FY 2019 FORECAST	% Change	FY 2020 FORECAST	% Change	FY 2021 FORECAST	% Change
TAXES - CONTINUED													
MODIFIED BUSINESS TAX (MBT)													
MBT - NONFINANCIAL BUSINESSES (MBT-NFI) [9-16][10-16]													
[11-16][12-16]													
3069	MBT - Nonfinancial: Before Tax Credits	\$517,135,234	33.4%	\$573,574,680	10.9%	\$604,038,466	5.3%	\$636,968,000	5.5%	\$626,877,000	-1.6%	\$635,008,000	1.3%
	Commerce Tax Credits [13-16]	\$0		-\$43,216,582		-\$57,111,521							
	MBT - Nonfinancial: After Commerce Tax Credits	\$517,135,234	33.4%	\$530,358,099	2.6%	\$546,926,945	3.1%	\$636,968,000	16.5%	\$626,877,000	-1.6%	\$635,008,000	1.3%
	Tax Credit Programs:												
	Film Transferable Tax Credits [TC-1]	-\$82,621		\$0		\$0		\$0		\$0		\$0	
	Economic Development Transferable Tax Credits [TC-2]	\$0		\$0		\$0		\$0		\$0		\$0	
	Catalyst Account Transferable Tax Credits [TC-4]	\$0		\$0		\$0		\$0		\$0		\$0	
	Education Choice Scholarship Tax Credits [TC-5]	-\$4,401,540		-\$4,646,956		-\$15,925,154		\$0		\$0		\$0	
	College Savings Plan Tax Credits [TC-6]	\$0		\$0		\$0		\$0		\$0		\$0	
	Total - Tax Credit Programs	-\$4,484,161		-\$4,646,956		-\$15,925,154		\$0		\$0		\$0	
	MBT - Nonfinancial: After Tax Credit Programs	\$512,651,073	32.2%	\$525,711,142	2.5%	\$531,001,790	1.0%	\$636,968,000	20.0%	\$626,877,000	-1.6%	\$635,008,000	1.3%
MBT - FINANCIAL BUSINESSES (MBT-FI) [12-16]													
3069	MBT - Financial: Before Tax Credits	\$27,188,910	12.6%	\$27,921,155	2.7%	\$29,088,764	4.2%	\$30,049,000	3.3%	\$29,439,000	-2.0%	\$30,508,000	3.6%
	Commerce Tax Credits [13-16]	\$0		-\$453,095		-\$633,954							
	MBT - Financial: After Commerce Tax Credits	\$27,188,910	12.6%	\$27,468,060	1.0%	\$28,454,810	3.6%	\$30,049,000	5.6%	\$29,439,000	-2.0%	\$30,508,000	3.6%
	Tax Credit Programs:												
	Film Transferable Tax Credits [TC-1]	\$0		\$0		\$0		\$0		\$0		\$0	
	Economic Development Transferable Tax Credits [TC-2]	\$0		\$0		\$0		\$0		\$0		\$0	
	Catalyst Account Transferable Tax Credits [TC-4]	\$0		\$0		\$0		\$0		\$0		\$0	
	Education Choice Scholarship Tax Credits [TC-5]	\$0		-\$50,000		-\$50,000		\$0		\$0		\$0	
	College Savings Plan Tax Credits [TC-6]	\$0		\$0		\$0		\$0		\$0		\$0	
	Total - Tax Credit Programs	\$0		-\$50,000		-\$50,000		\$0		\$0		\$0	
	MBT - Financial: After Tax Credit Programs	\$27,188,910	12.6%	\$27,418,060	0.8%	\$28,404,810	3.6%	\$30,049,000	5.8%	\$29,439,000	-2.0%	\$30,508,000	3.6%
MBT - MINING BUSINESSES (MBT-MINING) [11-16]													
3069	MBT - Mining: Before Tax Credits	\$21,938,368		\$22,149,695	1.0%	\$22,508,221	1.6%	\$22,907,000	1.8%	\$21,813,000	-4.8%	\$22,067,000	1.2%
	Commerce Tax Credits [13-16]	\$0		-\$45,977		-\$71,092		\$0		\$0		\$0	
	MBT - Mining: After Commerce Tax Credits	\$21,938,368		\$22,103,717	0.8%	\$22,437,129	1.5%	\$22,907,000	2.1%	\$21,813,000	-4.8%	\$22,067,000	1.2%
	Tax Credit Programs:												
	Film Transferable Tax Credits [TC-1]	\$0		\$0		\$0		\$0		\$0		\$0	
	Economic Development Transferable Tax Credits [TC-2]	\$0		\$0		\$0		\$0		\$0		\$0	
	Catalyst Account Transferable Tax Credits [TC-4]	\$0		\$0		\$0		\$0		\$0		\$0	
	Education Choice Scholarship Tax Credits [TC-5]	\$0		\$0		\$0		\$0		\$0		\$0	
	College Savings Plan Tax Credits [TC-6]	\$0		\$0		\$0		\$0		\$0		\$0	
	Total - Tax Credit Programs	\$0		\$0		\$0		\$0		\$0		\$0	
	MBT - Mining - After Tax Credit Programs	\$21,938,368		\$22,103,717	0.8%	\$22,437,129	1.5%	\$22,907,000	2.1%	\$21,813,000	-4.8%	\$22,067,000	1.2%
TOTAL MBT - NFI, FI, & MINING													
	TOTAL MBT: BEFORE TAX CREDITS	\$566,262,513	37.5%	\$623,645,530	10.1%	\$655,635,451	5.1%	\$689,924,000	5.2%	\$678,129,000	-1.7%	\$687,583,000	1.4%
	TOTAL COMMERCE TAX CREDITS [13-16]	\$0		-\$43,715,654		-\$57,816,568		-\$59,213,000		-\$61,861,000		-\$65,052,000	
	TOTAL MBT: AFTER COMMERCE TAX CREDITS	\$566,262,513	37.5%	\$579,929,875	2.4%	\$597,818,883	3.1%	\$630,711,000	5.5%	\$616,268,000	-2.3%	\$622,531,000	1.0%
	Tax Credit Programs:												
	Film Transferable Tax Credits [TC-1]	-\$82,621		\$0		\$0		\$0		\$0		\$0	
	Economic Development Transferable Tax Credits [TC-2]	\$0		\$0		\$0		\$0		\$0		\$0	
	Catalyst Account Transferable Tax Credits [TC-4]	\$0		\$0		\$0		\$0		\$0		\$0	
	Education Choice Scholarship Tax Credits [TC-5]	-\$4,401,540		-\$4,696,956		-\$15,975,154		-\$18,131,350		-\$7,320,500		-\$8,052,550	
	College Savings Plan Tax Credits [TC-6]	\$0		\$0		\$0		-\$75,000		-\$75,000		-\$75,000	
	Total - Tax Credit Programs	-\$4,484,161		-\$4,696,956		-\$15,975,154		-\$18,206,350		-\$7,395,500		-\$8,127,550	
	TOTAL MBT: AFTER TAX CREDIT PROGRAMS	\$561,778,352	36.4%	\$575,232,919	2.4%	\$581,843,729	1.1%	\$612,504,650	5.3%	\$608,872,500	-0.6%	\$614,403,450	0.9%

**GENERAL FUND REVENUES - ECONOMIC FORUM DECEMBER 3, 2018, FORECAST
ACTUAL: FY 2016 THROUGH FY 2018 AND FORECAST: FY 2019 THROUGH FY 2021
ECONOMIC FORUM'S FORECAST FOR FY 2019, FY 2020, AND FY 2021 APPROVED AT THE DECEMBER 3, 2018, MEETING**

ECONOMIC FORUM DECEMBER 3, 2018, FORECAST													
DESCRIPTION		FY 2016 ACTUAL	% Change	FY 2017 ACTUAL	% Change	FY 2018 ACTUAL	% Change	FY 2019 FORECAST	% Change	FY 2020 FORECAST	% Change	FY 2021 FORECAST	% Change
TAXES - CONTINUED													
INSURANCE TAXES													
3061	Insurance Premium Tax: Before Tax Credits [1-16] Tax Credit Programs:	\$335,118,754	9.8%	\$383,635,486	14.5%	\$417,497,362	8.8%	\$441,481,000	5.7%	\$463,592,000	5.0%	\$487,126,000	5.1%
	Film Transferable Tax Credits [TC-1]	\$0		\$0		\$0		\$0		\$0		\$0	
	Economic Development Transferable Tax Credits [TC-2]	\$0		\$0		\$0		\$0		\$0		\$0	
	Catalyst Account Transferable Tax Credits [TC-4]	\$0		\$0		\$0		\$0		\$0		\$0	
	Nevada New Markets Job Act Tax Credits [TC-3]	\$26,005,450		\$25,153,081		\$23,234,613		\$22,000,000		\$7,195,974		\$0	
	Total - Tax Credit Programs	\$26,005,450		\$25,153,081		\$23,234,613		\$22,000,000		\$7,195,974		\$0	
3062	Insurance Premium Tax: After Tax Credit Programs	\$309,113,304	5.6%	\$358,482,405	16.0%	\$394,262,749	10.0%	\$419,481,000	6.4%	\$456,396,026	8.8%	\$487,126,000	6.7%
3062	Insurance Retaliatory Tax	\$185,855	-47.8%	\$180,831	-2.7%	\$170,507	-5.7%	\$173,200	1.6%	\$173,200	0.0%	\$173,200	0.0%
3067	Captive Insurer Premium Tax	\$923,869	2.5%	\$1,077,605	16.6%	\$1,267,234	17.6%	\$1,305,000	3.0%	\$1,338,000	2.5%	\$1,371,000	2.5%
	TOTAL INSURANCE TAXES: BEFORE TAX CREDITS	\$336,228,478	9.8%	\$384,893,922	14.5%	\$418,935,102	8.8%	\$442,959,200	5.7%	\$465,103,200	5.0%	\$488,670,200	5.1%
	TAX CREDIT PROGRAMS	\$26,005,450		\$25,153,081		\$23,234,613		\$22,000,000		\$7,195,974		\$0	
	TOTAL INSURANCE TAXES: AFTER TAX CREDITS	\$310,223,028	5.5%	\$359,740,841	16.0%	\$395,700,489	10.0%	\$420,959,200	6.4%	\$457,907,226	8.8%	\$488,670,200	6.7%
	REAL PROPERTY TRANSFER TAX (RPTT)												
3055	Real Property Transfer Tax	\$75,794,844	18.0%	\$83,957,113	10.8%	\$103,390,400	23.1%	\$106,932,000	3.4%	\$112,279,000	5.0%	\$115,086,000	2.5%
	GOVERNMENTAL SERVICES TAX (GST)												
3051	Governmental Services Tax [14-16][2-18]	\$66,731,895	6.2%	\$38,567,416	-42.2%	\$20,252,358	-47.5%	\$20,925,000	3.3%	\$0		\$0	
	OTHER TAXES												
3113	Business License Fee [15-16]	\$103,045,619	36.7%	\$104,858,331	1.8%	\$109,297,773	4.2%	\$111,693,000	2.2%	\$112,273,000	0.5%	\$112,401,000	0.1%
3050	Liquor Tax	\$43,944,413	2.9%	\$43,868,496	-0.2%	\$44,194,634	0.7%	\$44,252,000	0.1%	\$44,761,000	1.2%	\$45,115,000	0.8%
3053	Other Tobacco Tax	\$13,131,919	14.6%	\$14,693,540	11.9%	\$16,496,006	12.3%	\$17,473,000	5.9%	\$18,555,000	6.2%	\$19,659,000	5.9%
4862	HECC Transfer	\$5,000,000	0.0%	\$5,000,000	0.0%	\$5,000,000	0.0%	\$5,000,000	0.0%	\$5,000,000	0.0%	\$5,000,000	0.0%
3065	Business License Tax	\$243	-86.9%	\$281	15.5%	\$0		\$0		\$0		\$0	
3068	Branch Bank Excise Tax	\$2,786,429	-11.0%	\$2,785,199	0.0%	\$2,745,343	-1.4%	\$2,777,000	1.2%	\$2,740,000	-1.3%	\$2,725,000	-0.5%
	TOTAL TAXES: BEFORE TAX CREDITS	\$3,495,063,854	15.4%	\$3,752,253,314	7.4%	\$3,923,984,113	4.6%	\$4,096,831,400	4.4%	\$4,170,982,500	1.8%	\$4,292,182,900	2.9%
	TOTAL COMMERCE TAX CREDITS [13-16]	\$0		\$43,715,654		\$57,816,568		\$59,213,000		\$61,861,000		\$65,052,000	
	TOTAL TAXES: AFTER COMMERCE TAX CREDITS	\$3,495,063,854	15.4%	\$3,708,537,660	6.1%	\$3,866,167,545	4.3%	\$4,037,618,400	4.4%	\$4,109,121,500	1.8%	\$4,227,130,900	2.9%
	Tax Credit Programs:												
	Film Transferable Tax Credits [TC-1]	\$4,370,815		\$5,222,720		\$0		\$3,770,609		\$5,000,000		\$6,000,000	
	Economic Development Transferable Tax Credits [TC-2]	\$20,461,554		\$36,850,519		\$73,831,822		\$41,943,604		\$21,912,500		\$0	
	Catalyst Account Transferable Tax Credits [TC-4]	\$0		\$0		\$355,000		\$2,475,000		\$3,000,000		\$5,000,000	
	Nevada New Markets Job Act Tax Credits [TC-3]	\$26,005,450		\$25,153,081		\$23,234,613		\$22,000,000		\$7,195,974		\$0	
	Education Choice Scholarship Tax Credits [TC-5]	\$4,401,540		\$4,696,956		\$15,975,154		\$18,131,350		\$7,320,500		\$8,052,550	
	College Savings Plan Tax Credits [TC-6]	\$0		\$0		\$0		\$75,000		\$75,000		\$75,000	
	Total - Tax Credit Programs	\$55,239,859		\$71,923,277		\$113,396,589		\$88,395,563		\$44,503,974		\$19,127,550	
	TOTAL TAXES: AFTER TAX CREDITS	\$3,439,824,495	14.0%	\$3,636,614,383	5.7%	\$3,752,770,956	3.2%	\$3,949,222,837	5.2%	\$4,064,617,526	2.9%	\$4,208,003,350	3.5%

GENERAL FUND REVENUES - ECONOMIC FORUM DECEMBER 3, 2018, FORECAST
ACTUAL: FY 2016 THROUGH FY 2018 AND FORECAST: FY 2019 THROUGH FY 2021
ECONOMIC FORUM'S FORECAST FOR FY 2019, FY 2020, AND FY 2021 APPROVED AT THE DECEMBER 3, 2018, MEETING

DESCRIPTION	ECONOMIC FORUM DECEMBER 3, 2018, FORECAST											
	FY 2016 ACTUAL	% Change	FY 2017 ACTUAL	% Change	FY 2018 ACTUAL	% Change	FY 2019 FORECAST	% Change	FY 2020 FORECAST	% Change	FY 2021 FORECAST	% Change
							FY 2019 FORECAST	% Change	FY 2020 FORECAST	% Change	FY 2021 FORECAST	% Change
LICENSES												
3101 Insurance Licenses	\$19,913,616	8.5%	\$19,533,765	-1.9%	\$21,002,623	7.5%	\$21,854,000	4.1%	\$22,509,000	3.0%	\$23,148,000	2.8%
3120 Marriage License	\$367,116	-1.1%	\$364,681	-0.7%	\$342,192	-6.2%	\$345,800	1.1%	\$338,500	-2.1%	\$331,500	-2.1%
SECRETARY OF STATE												
3105 UCC	\$1,915,810	10.0%	\$1,838,672	-4.0%	\$1,942,182	5.6%	\$2,028,000	4.4%	\$2,062,000	1.7%	\$2,083,000	1.0%
3129 Notary Fees	\$514,489	-0.5%	\$548,574	6.6%	\$556,389	1.4%	\$562,600	1.1%	\$568,900	1.1%	\$575,100	1.1%
3130 Commercial Recordings [16-16]	\$73,701,665	7.1%	\$74,606,592	1.2%	\$77,057,113	3.3%	\$77,942,000	1.1%	\$78,901,000	1.2%	\$79,466,000	0.7%
3131 Video Service Franchise	\$525	-66.1%	\$3,400	547.6%	\$5,050	48.5%	\$30,000	494.1%	\$2,800	-90.7%	\$2,800	0.0%
3121 Domestic Partnership Registry Fee	\$28,790	-21.0%	\$25,927	-9.9%	\$0		\$21,800	0.0%	\$21,800	0.0%	\$21,800	0.0%
3152 Securities	\$27,978,707	3.5%	\$28,304,481	1.2%	\$29,322,672	3.6%	\$29,860,000	1.8%	\$30,355,000	1.7%	\$30,758,000	1.3%
TOTAL SECRETARY OF STATE	\$104,139,985	6.1%	\$105,327,646	1.1%	\$108,883,405	3.4%	\$110,444,400	1.4%	\$111,911,500	1.3%	\$112,906,700	0.9%
3172 Private School Licenses	\$236,690	-7.4%	\$212,848	-10.1%	\$214,155	0.6%	\$215,000	0.4%	\$215,000	0.0%	\$215,000	0.0%
3173 Private Employment Agency	\$14,800	34.5%	\$13,600	-8.1%	\$15,500	14.0%	\$14,800	-4.5%	\$15,100	2.0%	\$15,300	1.3%
REAL ESTATE												
3161 Real Estate License [17-16]	\$2,137,010	54.4%	\$2,345,884	9.8%	\$2,469,797	5.3%	\$2,563,000	3.8%	\$2,424,000	-5.4%	\$2,453,000	1.2%
3162 Real Estate Fees	\$4,710	29.3%	\$3,450	-26.8%	\$1,670	-51.6%	\$2,200	31.7%	\$2,300	4.5%	\$2,200	-4.3%
TOTAL REAL ESTATE	\$2,141,720	54.4%	\$2,349,334	9.7%	\$2,471,467	5.2%	\$2,565,200	3.8%	\$2,426,300	-5.4%	\$2,455,200	1.2%
3102 Athletic Commission Fees [18-16]	\$5,041,720	-43.5%	\$3,217,083	-36.2%	\$6,016,432	87.0%	\$4,500,000	-25.2%	\$4,492,000	-0.2%	\$4,492,000	0.0%
TOTAL LICENSES	\$131,855,647	3.5%	\$131,018,957	-0.6%	\$138,945,774	6.1%	\$139,939,200	0.7%	\$141,907,400	1.4%	\$143,563,700	1.2%
FEES AND FINES												
3203 Divorce Fees	\$170,348	-2.8%	\$172,297	1.1%	\$164,198	-4.7%	\$161,300	-1.8%	\$160,800	-0.3%	\$160,400	-0.2%
3204 Civil Action Fees	\$1,316,607	2.0%	\$1,287,358	-2.2%	\$1,249,463	-2.9%	\$1,254,000	0.4%	\$1,249,000	-0.4%	\$1,241,000	-0.6%
3242 Insurance Fines	\$349,206	-30.9%	\$1,139,995	226.5%	\$676,092	-40.7%	\$758,700	12.2%	\$758,700	0.0%	\$758,700	0.0%
3103MD Medical Plan Discount Reg. Fees	\$1,500		\$0		\$0		\$500		\$500		\$500	
REAL ESTATE FEES												
3107IOS IOS Application Fees	\$5,700	-5.5%	\$6,740	18.2%	\$7,780	15.4%	\$7,300	-6.2%	\$7,400	1.4%	\$7,400	0.0%
3165 Land Co Filing Fees [19-16]	\$28,530	-81.9%	\$24,692	-13.5%	\$24,575	-0.5%	\$25,600	4.2%	\$25,000	-2.3%	\$25,100	0.4%
3167 Real Estate Adver Fees	\$2,010	857.1%	\$6,712	233.9%	\$0	-100.0%	\$0		\$0		\$0	
3169 Real Estate Reg Fees	\$8,550	-45.5%	\$7,150	-16.4%	\$12,275	71.7%	\$10,900	-11.2%	\$10,000	-8.3%	\$10,300	3.0%
4741 Real Estate Exam Fees	\$387,294	122.4%	\$472,141	21.9%	\$601,757	27.5%	\$616,300	2.4%	\$567,900	-7.9%	\$534,500	-5.9%
3178 Real Estate Accred Fees	\$93,450	-2.3%	\$102,900	10.1%	\$109,295	6.2%	\$102,000	-6.7%	\$100,400	-1.6%	\$98,500	-1.9%
3254 Real Estate Penalties	\$65,595	157.7%	\$95,337	45.3%	\$102,131	7.1%	\$106,900	4.7%	\$104,300	-2.4%	\$105,100	0.8%
3190 A.B. 165, Real Estate Inspectors	\$53,860	14.7%	\$57,490	6.7%	\$60,150	4.6%	\$59,800	-0.6%	\$60,300	0.8%	\$60,700	0.7%
TOTAL REAL ESTATE FEES	\$644,989	23.6%	\$773,162	19.9%	\$917,963	18.7%	\$928,800	1.2%	\$875,300	-5.8%	\$841,600	-3.9%
3066 Short Term Car Lease	\$51,914,285	6.5%	\$52,467,963	1.1%	\$55,601,611	6.0%	\$56,149,000	1.0%	\$57,505,000	2.4%	\$58,662,000	2.0%
3103AC Athletic Commission Licenses/Fines	\$468,376	119.7%	\$116,600	-75.1%	\$117,035	0.4%	\$132,300	13.0%	\$134,000	1.3%	\$134,000	0.0%
3150 Navigable Water Permit Fees [3-18]					\$61,185		\$58,700	-4.1%	\$65,000	10.7%	\$65,000	0.0%
3205 State Engineer Sales [4-18]	\$201,305	7.9%	\$202,410	0.5%	\$229,445	13.4%	\$3,687,000	-4.5%	\$3,631,000	-1.5%	\$3,631,000	0.0%
3206 Supreme Court Fees	\$1,400,099	-20.2%	\$910,604	-35.0%	\$806,743	-11.4%	\$236,100	2.9%	\$254,900	8.0%	\$273,400	7.3%
3115 Notice of Default Fee	\$2,735,813	-71.4%	\$2,414,739	-11.7%	\$2,764,378	14.5%	\$2,250,000	-12.3%	\$2,250,000	-11.8%	\$2,250,000	-13.4%
3271 Misc Fines/Forfeitures [5-18]	\$59,202,527	-6.0%	\$59,485,127	0.5%	\$66,448,771	11.7%	\$66,324,200	-0.2%	\$67,508,500	1.8%	\$68,558,200	1.6%
TOTAL FEES AND FINES												

ECONOMIC FORUM'S FORECAST FOR FY 2019, FY 2020, AND FY 2021 APPROVED AT THE DECEMBER 3, 2018, MEETING

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GENERAL FUND REVENUES - ECONOMIC FORUM DECEMBER 3, 2018, FORECAST
ACTUAL: FY 2016 THROUGH FY 2018 AND FORECAST: FY 2019 THROUGH FY 2021
ECONOMIC FORUM'S FORECAST FOR FY 2019, FY 2020, AND FY 2021 APPROVED AT THE DECEMBER 3, 2018, MEETING

DESCRIPTION	ECONOMIC FORUM DECEMBER 3, 2018, FORECAST			
	FY 2016 ACTUAL	% Change	FY 2017 ACTUAL	% Change
			FY 2018 ACTUAL	% Change
			FY 2019 FORECAST	% Change
			FY 2020 FORECAST	% Change
			FY 2021 FORECAST	% Change

NOTES:

- [1-16] **FY 2016:** Note 1 represents legislative actions approved during the 28th Special Session in September 2014. Assembly Bill 3 (28th S.S.) limits the amount of the home office credit that may be taken against the Insurance Premium Tax to an annual limit of \$5 million, effective January 1, 2016. The home office credit is eliminated pursuant to this bill, effective January 1, 2021.
- [2-16] **FY 2016:** Notes 2 through 21 represent legislative actions approved during the 2015 Legislative Session.
- [2-16] S.B. 483 extends the June 30, 2015, sunset (approved in S.B. 475 (2013)) by one year to June 30, 2016, on the Net Proceeds of Minerals (NPM) tax, which continues the payment of taxes in the current fiscal year based on the estimated net proceeds for the current calendar year with a true-up against actual net proceeds for the calendar year in the next fiscal year. The one-year extension of the sunset is estimated to yield \$34,642,000 in FY 2016. There is no estimated tax payment in FY 2017 with the one-year extension of the prepayment of NPM taxes.
- [3-16] S.B. 483 extends the June 30, 2015, sunset (approved in S.B. 475 (2013)) by one-year to June 30, 2016, that eliminates health and industrial insurance deductions allowed against gross proceeds to determine net proceeds for the purpose of calculating the Net Proceeds of Minerals (NPM) tax liability. These deduction changes are effective for the NPM tax payments due in FY 2016. The health and industrial insurance deduction changes are estimated to generate \$4,221,000 in additional revenue in FY 2016.
- [4-16] S.B. 483 makes the 0.35% increase in the Local School Support Tax (LSST) permanent. The 0.35% increase generates additional revenue from the 0.75% General Fund Commission assessed against LSST proceeds before distribution to school districts in each county, which is estimated to generate \$1,387,300 in FY 2016 and \$1,463,400 in FY 2017.
- [5-16] S.B. 266 makes changes to the structure of the tax base and tax rate for the Live Entertainment Tax (LET) in NRS Chapter 368A that is administered by the Gaming Control Board for live entertainment at licensed gaming establishments and the Department of Taxation for live entertainment provided at non-gaming establishments. Under existing law, the tax rate is 10% of the admission charge and amounts paid for food, refreshments, and merchandise, if the live entertainment is provided at a facility with a maximum occupancy of less than 7,500 persons. S.B. 266 removes the occupancy threshold and establishes a single 9% tax rate on the admission charge to the facility only. The tax rate does not apply to amounts paid for food, refreshments, and merchandise unless that is the consideration required to enter the facility for the live entertainment. S.B. 266 adds the total amount of consideration paid for escorts and escort services to the LET tax base and makes these activities subject to the 9% tax rate. The bill provides that the exemption from the LET for certain nonprofit organizations applies depending on the number of tickets sold and the type of live entertainment being provided. S.B. 266 establishes an exemption for the following: 1) the value of certain admissions provided on a complimentary basis; 2) a charge for access to a table, seat, or lounge or for food, beverages, and merchandise that are in addition to the admission charge to the facility; and 3) certain license and rental fees of luxury suites, boxes, or similar products at a facility with a maximum occupancy of more than 7,500 persons. The provisions of S.B. 266 also make other changes to the types of activities that are included or excluded from the tax base as live entertainment events subject to the 9% tax rate. The provisions of S.B. 266 are effective October 1, 2015. The amounts shown reflect the estimated net change from the provisions of S.B. 266 on the amount of the LET collected from the portion administered by the Gaming Control Board and the Department of Taxation separately and the combined impact. The changes to the LET are estimated to reduce LET-Gaming collections by \$19,165,000 in FY 2016 and by \$26,551,000 in FY 2017, but increase LET-Nongaming collections by \$15,483,000 in FY 2016 and \$25,313,000 in FY 2017. The combined net effect on total LET collections is estimated to be reduction of \$3,682,000 in FY 2016 and \$1,238,000 in FY 2017.
- [6-16] S.B. 483 establishes the Commerce Tax as an annual tax on each business entity engaged in business in the state whose Nevada gross revenue in a fiscal year exceeds \$4,000,000 at a tax rate based on the industry in which the business is primarily engaged. The Commerce Tax is due on or before the 45th day immediately following the fiscal year taxable period (June 30th). Although the Commerce Tax collections are received after the June 30th end of the fiscal year tax period, the proceeds from the Commerce Tax will be accrued back and accounted for in that fiscal year, since that fiscal year is not officially closed until the third Friday in September. The Commerce Tax provisions are effective July 1, 2015, for the purpose of taxing the Nevada gross revenue of a business, but the first tax payment will not be made until August 14, 2016, for the FY 2016 annual taxable business activity period.
- [7-16] A.B. 175 requires the collection of an excise tax by the Nevada Transportation Authority or the Taxicab Authority, as applicable, on the connection of a passenger to a driver affiliated with a transportation network company, a common motor carrier of passengers, or a taxicab equal to 3% of the fare charged to the passenger. The excise tax becomes effective on passage and approval (May 29, 2015) for transportation network companies and August 28, 2015, for common motor carrier and taxicab companies. The first \$5,000,000 in tax proceeds from each biennium are required to be deposited in the State Highway Fund and the estimate for FY 2016 reflects this requirement.
- [8-16] S.B. 483 increases the cigarette tax per pack of 20 by \$1.00 from 80 cents per pack (10 cents to Local Government Distribution Fund, 70 cents to State General Fund) to \$1.80 per pack (10 cents to Local Government Distribution Fund, \$1.70 to State General Fund), effective July 1, 2015. The \$1.00 per pack increase is estimated to generate \$96,872,000 in FY 2016 and \$95,391,000 in FY 2017.
- [9-16] S.B. 483 permanently changes the structure and tax rate for the Modified Business Tax on General Business (nonfinancial institutions) by exempting quarterly taxable wages (gross wages less allowable health care expenses) paid by an employer to employees up to and including \$50,000 per quarter and taxable wages exceeding \$50,000 per quarter are taxed at 1.475%. The taxable wages exemption threshold was \$85,000 per quarter for FY 2014 and FY 2015 with a 1.17% tax rate on quarterly taxable wages exceeding \$85,000, based on S.B. 475 (2013). These provisions in S.B. 475 were scheduled to sunset effective June 30, 2015, at which time the tax rate would have been 0.63% on all taxable wages per quarter. The provisions in S.B. 483 are effective July 1, 2015. The estimated net increase in MBT-NFI tax collections from the 1.475% tax rate on quarterly taxable wages exceeding \$50,000 compared to the Economic Forum May 1, 2015, forecast, based on the 0.63% tax rate on all quarterly taxable wages before accounting for the estimated impact of any other legislatively approved changes to the MBT-NFI is \$268,041,000 for FY 2016 and \$281,443,000 for FY 2017.
- [10-16] A.B. 389 deems the client company of an employee leasing company to be the employer of the employees it leases for the purposes of NRS Chapter 612 (unemployment compensation). Under these provisions, the wages of employees leased from employee leasing companies by client companies will no longer be reported on an aggregated basis under the employee leasing company. The wages of the employees will now be reported on a disaggregated basis under each client company. Instead of the \$50,000 quarterly exemption applying to the employee leasing company, it will now apply to each client company. These provisions are effective October 1, 2015. The wages paid to employees being reported on a disaggregated basis for each client company versus an aggregated basis for the employee leasing company is estimated to reduce MBT-NFI collections by \$2,758,000 in FY 2016 and \$3,861,000 in FY 2017.
- [11-16] S.B. 483 requires businesses subject to the Net Proceeds of Minerals (NPM) tax in NRS Chapter 362 to pay a 2.0% tax on all quarterly taxable wages paid by the employer to the employees, which is identical to the Modified Business Tax (MBT) paid by financial institutions under NRS Chapter 363A. These provisions are effective July 1, 2015. This change is estimated to reduce MBT-NFI tax collections by \$10,884,000 in both FY 2016 and FY 2017. The mining companies paying the 2% tax rate on all taxable wages are estimated to generate \$17,353,000 in both FY 2016 and FY 2017 for the MBT-Mining. This change is estimated to yield a net increase in General Fund revenue of \$6,469,000 in both FY 2016 and FY 2017.
- [12-16] S.B. 103 exempts from the definition of "financial institution" in NRS Chapter 363A any person who is primarily engaged in the sale, solicitation, or negotiation of insurance, which makes such a person subject to the Modified Business Tax on General Business (nonfinancial institutions) in NRS Chapter 363B at 1.475% on quarterly taxable wages exceeding \$50,000 and not the 2.0% tax on all quarterly taxable wages. These provisions are effective July 1, 2015. MBT-FI is estimated to be reduced by \$891,000 in FY 2016 and \$936,000 and the MBT-NFI is estimated to be increased by \$278,000 in FY 2016 and \$291,000 in FY 2017. The net decrease in General Fund revenue is estimated to be \$613,000 in FY 2016 and \$645,000 in FY 2017.
- [13-16] S.B. 483 provides for a credit against a business's Modified Business Tax (MBT) due during the current fiscal year not to exceed 50% of the Commerce Tax paid by the business for the preceding fiscal year. The credit can be taken against any or all of the four quarterly MBT payments for the current fiscal year, but any amount of credit not used cannot be carried forward and used in succeeding fiscal years. The total estimated Commerce Tax credits against the MBT are estimated to be \$59,913,000 in FY 2017, but this estimated credit amount was not allocated separately to the MBT-NFI, MBT-FI, and MBT-Mining.

**GENERAL FUND REVENUES - ECONOMIC FORUM DECEMBER 3, 2018, FORECAST
ACTUAL: FY 2016 THROUGH FY 2018 AND FORECAST: FY 2019 THROUGH FY 2021
ECONOMIC FORUM'S FORECAST FOR FY 2019, FY 2020, AND FY 2021 APPROVED AT THE DECEMBER 3, 2018, MEETING**

	DESCRIPTION	ECONOMIC FORUM DECEMBER 3, 2018, FORECAST				ECONOMIC FORUM DECEMBER 3, 2018, FORECAST			
		FY 2016 ACTUAL	% Change	FY 2017 ACTUAL	% Change	FY 2018 ACTUAL	% Change	FY 2020 FORECAST	% Change
[14-16]	S.B. 483 requires 100% of the proceeds from the portion of the Governmental Services Tax (GST) generated from the 10% depreciation schedule change, approved in S.B. 429 (2009), to be allocated to the State General Fund in FY 2016. In FY 2017, 50% of the proceeds will be allocated to the State General Fund and 50% to the State Highway Fund. Under S.B. 483, 100% of the additional revenue generated from the GST 10% depreciation schedule change is required to be deposited in the State Highway Fund beginning in FY 2018 and going forward permanently.								
[15-16]	S.B. 483 makes the \$100 increase in the Business License Fee (BLF) from \$100 to \$200 permanent for the initial and annual renewal, that was scheduled to sunset on June 30, 2015, (as approved in A.B. 475 (2013)) for all types of businesses, except for corporations. The initial and annual renewal fee for corporations, as specified in S.B. 483, is increased from \$200 to \$500 permanently. These provisions are effective July 1, 2015. The changes to the BLF are estimated to generate additional General Fund revenue of \$63,093,000 in FY 2016 and \$64,338,000 in FY 2017 in relation of the Economic Forum May 1, 2015, forecast with all business types paying a \$100 annual fee.								
[16-16]	S.B. 483 permanently increases the fee for filing the initial and annual list of directors and officers by \$25 that is required to be paid by each business entity organizing under the various chapters in Title 7 of the NRS, effective July 1, 2015. The \$25 increase in the initial and annual list filing fee is estimated to increase Commercial Recordings Fee revenue by \$2,751,000 in FY 2016 and \$2,807,000 in FY 2017.								
[17-16]	A.B. 475 changes the initial period from 24 to 12 months and the renewal period from 48 to 24 months for a license as a real estate broker, broker-salesperson, or salesperson and also changes the period for other licenses from 48 to 24 months, effective July 1, 2015. Existing licenses issued before July 1, 2015, do not need to be renewed until the expiration date required under statute prior to July 1, 2015. This change in the licensing period is estimated to reduce Real Estate License Fee revenue by \$1,693,400 in FY 2016 and \$1,404,200 in FY 2017.								
[18-16]	A.B. 476 increases the current 6% license fee on the gross receipts from admission charges to unarmed combat events, that is dedicated to the State General Fund, by 2% to 8% with 75% of the proceeds from the 8% fee deposited in the State General Fund and 25% retained by the Athletic Commission to fund the agency's operations. A.B. 476 repeals the two-tiered fee based on the revenues from the sale or lease of broadcast, television and motion picture rights that is dedicated to the State General Fund. A.B. 476 allows the promoter of an unarmed combat event a credit against the 8% license fee equal to the amount paid to the Athletic Commission or organization sanctioned by the Commission to administer a drug testing program for unarmed combatants. These provisions are effective June 9, 2015, based on the passage and approval effective date provisions of A.B. 476. These changes are estimated to reduce Athletic Commission Fee revenue by \$600,000 in both FY 2016 and FY 2017.								
[19-16]	A.B. 478 increases certain fees relating to application or renewals paid by developers for exemptions to any provisions administered by the Real Estate Division of the Department of Business and Industry, and requires that all fees collected for this purpose be kept by the Division, effective July 1, 2015. This requirement for the Division to keep these fees is estimated to reduce Real Estate Land Company filing fees by approximately \$152,600 in FY 2016 and \$153,300 in FY 2017.								
[20-16]	A.B. 491 (2013) required the proceeds from the commission retained by the Department of Motor Vehicles from the amount of Governmental Services Tax (GST) collected and any penalties for delinquent payment of the GST to be transferred to the State General Fund in FY 2015 only. A.B. 491 specified that the amount transferred shall not exceed \$20,813,716 from commissions and \$4,097,964 from penalties in FY 2015. A.B. 490 amended the commissions amount to \$23,724,000 and the penalties amount to \$5,037,000. This results in an estimated net increase in General Fund revenue of \$3,849,320 in FY 2015 from GST Commissions and Penalties.								
[21-16]	Estimated portion of the revenue generated from Court Administrative Assessment Fees to be deposited in the State General Fund (pursuant to subsection 9 of NRS 176.059), based on the legislatively approved projections and the authorized allocation for the Court Administrative Assessment Fee revenues (pursuant to subsection 8 of NRS 176.059) for FY 2016 and FY 2017.								
FY 2018:	Note 1 represents legislative actions approved during the 2015 Legislative Session.								
[1-18]	Section 51 of S.B. 514 allows the Division of Enterprise Information Technology Services of the Department of Administration to use revenues from intergovernmental transfers to the State General Fund for the repayment of special appropriations that were made to the Division for the replacement of the state's microwave communications system. The legislatively approved repayment from the Division to the State General Fund is \$57,900 per year between FY 2018 and FY 2021, with increased repayments between FY 2022 and FY 2028.								
FY 2018:	Notes 2 through 8 represent legislative actions approved during the 2017 Legislative Session.								
[2-18]	A.B. 486 requires 25% of the proceeds from the portion of the Governmental Services Tax (GST) generated from the 10% depreciation schedule change, approved in S.B. 429 (2009), to be allocated to the State General Fund in FY 2018 and FY 2019, with the remaining 75% deposited in the State Highway Fund. Under A.B. 486, 100% of the additional revenue generated from the GST 10% depreciation schedule change is required to be deposited in the State Highway Fund beginning in FY 2020 and going forward permanently. Estimated to generate \$19,367,000 in FY 2018 and \$19,573,500 in FY 2019.								
[3-18]	S.B. 512 removes fees for the issuance of certain permits relating to the usage of piers, docks, buoys, or other facilities on navigable bodies of water in this state from NRS 322.120, and instead requires that the State Land Registrar of the Division of State Lands of the Department of Conservation and Natural Resources establish these fees by regulation, effective July 1, 2017. The bill requires that the first \$65,000 of the proceeds from these permit fees be deposited in the State General Fund in each fiscal year, with any proceeds in excess of \$65,000 to be used by the State Land Registrar to carry out programs to preserve, protect, restore, and enhance the natural environment of the Lake Tahoe Basin.								
[4-18]	S.B. 514 requires that certain fees collected by the State Engineer of the Division of Water Resources of the Department of Conservation and Natural Resources relating to services for the adjudication and appropriation of water be deposited in the State General Fund. Estimated to generate \$3,467,000 per year in FY 2018 and FY 2019.								
[5-18]	S.B. 515 requires that certain penalties received by the Securities Division of the Secretary of State's Office be deposited in the State General Fund, instead of the Secretary of State's Office's operating budget, effective July 1, 2017. Estimated to generate \$117,256 per fiscal year in FY 2018 and FY 2019.								
[6-18]	Section 40 of A.B. 518 provides a General Fund loan of \$1,998,895 in FY 2018 to the Division of Enterprise Information Technology Services of the Department of Administration to increase the bandwidth and connectivity of the State's wide area network. The legislatively approved repayment of this loan is 25 percent of the amount appropriated per year, beginning in FY 2019.								
[7-18]	Estimated portion of the revenue generated from Court Administrative Assessment Fees to be deposited in the State General Fund (pursuant to subsection 8 of NRS 176.059) for FY 2018 and FY 2019. Estimated to generate \$1,328,228 in FY 2018 and \$1,080,780 in FY 2019.								
[8-18]	Adjustment to the Statewide Cost Allocation amount included in the Legislature Approves budget after the May 1, 2017, approval of the General Fund revenue forecast by the Economic Forum.								
FY 2019:	Note 1 represents legislative actions approved during the 2017 Legislative Session.								
[1-19]	Senate Bill 415 (2017) required the submission of a question on the November 2018 General Election ballot seeking approval to amend the Sales and Use Tax Act of 1955 to provide an exemption from the State 2% sales and use tax for certain feminine hygiene products. This ballot question was approved by the voters and, therefore, the sales tax exemption for these products will be effective January 1, 2019, until December 31, 2028.								

S.B. 415 also provides that if the ballot question is approved by the voters, identical exemptions for these products from the Local School Support Tax and other state and local taxes would become effective January 1, 2019, and would also expire on December 31, 2028. These exemptions will reduce the amount of the commission that is kept by the Department of Taxation and deposited in the State General Fund for collection of these taxes.

**GENERAL FUND REVENUES - ECONOMIC FORUM DECEMBER 3, 2018, FORECAST
ACTUAL: FY 2016 THROUGH FY 2018 AND FORECAST: FY 2019 THROUGH FY 2021
ECONOMIC FORUM'S FORECAST FOR FY 2019, FY 2020, AND FY 2021 APPROVED AT THE DECEMBER 3, 2018, MEETING**

ECONOMIC FORUM DECEMBER 3, 2018, FORECAST													
DESCRIPTION	FY 2016 ACTUAL		FY 2017 ACTUAL		FY 2018 ACTUAL		FY 2019 FORECAST		FY 2020 FORECAST		FY 2021 FORECAST		
	% Change		% Change		% Change		% Change		% Change		% Change		
TAX CREDIT PROGRAMS APPROVED BY THE LEGISLATURE													

[TC-1] Pursuant to S.B. 165 (2013), the Governor's Office of Economic Development (GOED) could issue up to \$20 million per fiscal year for a total of \$80 million for the four-year pilot program in transferable tax credits that may be used against the Modified Business Tax, Insurance Premium Tax, and Gaming Percentage Fee Tax. The provisions of the film tax credit program were amended in S.B. 1 (28th Special Session (2014)) to reduce the total amount of the tax credits that may be approved by GOED to a total of \$10 million.

Pursuant to A.B. 492 (2017), a total of \$10 million per year in film tax credits may be awarded by GOED beginning in FY 2018, in addition to any remaining amounts from S.B. 1 of the 28th Special Session (2014). Any portion of the \$10 million per fiscal year that is not approved by GOED may be carried forward and made available during the next or any future fiscal year. The amounts shown for FY 2019, FY 2020, and FY 2021 are based on information provided by GOED.

[TC-2] Pursuant to S.B. 1 (28th Special Session (2014)), for certain qualifying projects, the Governor's Office of Economic Development (GOED) is required to issue transferable tax credits that may be used against the Modified Business Tax, Insurance Premium Tax, and the Gaming Percentage Fee Tax. The amount of transferable tax credits are equal to \$12,500 for each qualified employee employed by the participants in the project, to a maximum of 6,000 employees, plus 5 percent of the first \$1 billion of new capital investment in the State made collectively by the participants in the qualifying project, plus an additional 2.8 percent of the next \$2.5 billion in new capital investment in the State made collectively by the participants in the project. The amount of credits approved by GOED may not exceed \$45 million per fiscal year (though any unissued credits may be issued in subsequent fiscal years), and GOED may not issue total credits in excess of \$195 million. The amounts shown for FY 2019 and FY 2020 are based on information provided by GOED.

Pursuant to S.B. 1 (29th Special Session (2015)), for certain qualifying projects, the Governor's Office of Economic Development (GOED) is required to issue transferable tax credits that may be used against the Modified Business Tax, Insurance Premium Tax, and the Gaming Percentage Fee Tax. The amount of transferable tax credits are equal to \$9,500 for each qualified employee employed by the participants in the project, to a maximum of 4,000 employees. The amount of credits approved by GOED may not exceed \$7.6 million per fiscal year (though any unissued credits may be issued in subsequent fiscal years), and GOED may not issue total credits in excess of \$38 million. The forecasts for FY 2019, FY 2020, and FY 2021 do not include any credits issued under these provisions, as there are currently no qualifying projects receiving these credits.

[TC-3] Pursuant to S.B. 357 (2013), the Nevada New Markets Jobs Act allows insurance companies to receive a credit against the tax imposed on insurance premiums in exchange for making qualified equity investments in community development entities, particularly those that are local and minority-owned. A total of \$200 million in qualified equity investments may be certified by the Department of Business and Industry. In exchange for making the qualified equity investment, insurance companies are entitled to receive a credit against the Insurance Premium Tax in an amount equal to 58 percent of the total qualified equity investment that is certified by the Department. The credits may be taken in increments beginning on the second anniversary date of the original investment, as follows:

- 2 years after the investment is made: 12 percent of the qualified investment
- 3 years after the investment is made: 12 percent of the qualified investment
- 4 years after the investment is made: 12 percent of the qualified investment
- 5 years after the investment is made: 11 percent of the qualified investment
- 6 years after the investment is made: 11 percent of the qualified investment

Under the provisions of S.B. 357, the insurance companies were allowed to begin taking tax credits in the third quarter of FY 2015. The amounts shown for FY 2019 and FY 2020 reflect estimates of the amount of tax credits that will be taken in each fiscal year based on information provided by the Department of Business and Industry and the Department of Taxation.

[TC-4] S.B. 507 (2015) authorizes the Governor's Office of Economic Development (GOED) to approve transferable tax credits that may be used against the Modified Business Tax, Insurance Premium Tax, and Gaming Percentage Fee Tax to new or expanding businesses to promote the economic development of Nevada. As approved in S.B. 507, the total amount of transferable tax credits that may be issued is \$500,000 in FY 2016, \$2,000,000 in FY 2017, and \$5,000,000 for FY 2018 and each fiscal year thereafter.

A.B. 1 of the 29th Special Session (2015) reduced the total amount of transferable tax credits that may be issued by GOED to zero in FY 2016, \$1 million in FY 2017, \$2 million per year in FY 2018 and FY 2019, and \$3 million in FY 2020. For FY 2021 and future fiscal years, the amount of credits that may be issued by GOED remains at \$5 million per year. The amount shown for FY 2019 reflects estimates of actual and forecast credits that have been issued or will be issued in that fiscal year, based on information provided by GOED. The amounts shown for FY 2020 and FY 2021 are based on the maximum amount that can be issued in each fiscal year.

[TC-5] A.B. 165 (2015) allows taxpayers who make donations of money to certain scholarship organizations to receive a dollar-for-dollar credit against the taxpayer's liability for the Modified Business Tax (MBT). The total amount of credits that may be approved by the Department of Taxation (Department) is \$5 million in FY 2016, \$5.5 million in FY 2017, and 110 percent of the total amount of credits authorized in the previous year, for all subsequent fiscal years. The amounts shown reflect the estimate based on the assumption that the total amount authorized for each fiscal year will be donated to a qualified scholarship organization and taken as credits against the MBT.

S.B. 555 (2017) authorized an additional \$20 million in credits against the MBT under this program in Fiscal Year 2018 beyond those that were authorized in FY 2018 based on the provisions of A.B. 165 (2015). Any amount of the \$20 million in credits that is not approved by the Department may be issued in future fiscal years. The forecast for FY 2019 is based on the amount of this \$20 million that was awarded in FY 2018, but not used against the MBT in that fiscal year, plus the maximum amount of annual credits allowed based on the statutory formula adopted in A.B. 165 (2015). The forecasts for FY 2020 and FY 2021 are based on the maximum amount of annual credits allowed based on the statutory formula in A.B. 165 only.

[TC-6] S.B. 412 (2015) provides a tax credit against the Modified Business Tax (MBT) to certain employers who match the contribution of an employee to one of the college savings plans offered through the Nevada Higher Education Prepaid Tuition Program and the Nevada College Savings Program authorized under existing law. The amount of the tax credit is equal to 25 percent of the matching contribution, not to exceed \$500 per contributing employee per year, and any unused credits may be carried forward for 5 years. The provisions relating to the Nevada College Savings Program are effective January 1, 2016, and the Higher Education Prepaid Tuition Program are effective July 1, 2016. The amounts shown are estimates based on information provided by the Treasurer's Office on enrollment and contributions for the college savings plans.