

EDUCATION



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The education function includes three sub-functions: the Nevada Department of Education (NDE), the University and Community College System of Nevada, and the Department of Cultural Affairs.

Historically, education has been the largest function in the state budget supported by the General Fund, and the 2001 Legislature continued this tradition. Appropriations approved by the 2001 Legislature for educational programs are 52.4 percent of total General Fund expenditures for the 2001-03 biennium.

Total General Fund appropriations for educational programs approved by the 2001 Legislature are approximately \$956.7 million for FY 2001-02 and approximately \$1 billion for FY 2002-03, a combined 12.8 percent increase over total appropriations approved by the previous legislative session.

DEPARTMENT OF EDUCATION

DISTRIBUTIVE SCHOOL ACCOUNT

The elected 11-member State Board of Education, acting through staff of the Department of Education, is responsible for administering the Distributive School Account (DSA). This account is the mechanism by which the state provides financial aid to Nevada's 17 county school districts. Payments (apportionments) from the DSA are determined by a formula called the Nevada Plan, which develops a guaranteed amount of basic support per pupil for each school district in the state. Direct financial aid to public schools (grades K-12) continues to be the largest single General Fund responsibility of Nevada's state government.

Total school district expenditures are estimated to be approximately \$1.87 billion and \$2.01 billion in the first and second years of the 2001-03 biennium, respectively. With the Class Size Reduction program included, the state's share of school district expenditures, which will be paid from the DSA, is budgeted at \$734.9 million in FY 2001-02 and \$794.1 million in FY 2002-03. State support comes from a combination of sources: General Fund appropriations; federal mineral land lease receipts; local school support tax on out-of-state sales which cannot be attributed to a particular county; interest earned on the Permanent School Fund; annual slot tax revenues in excess of \$5 million (less the 20 percent dedicated to the Special Higher Education Capital Construction (SHECC) fund); and estate tax revenue. General Fund appropriations, however, continue to fund approximately 80 percent of the state's responsibility.

Total guaranteed support for school districts, which includes state General Fund appropriations, state "earmarked" revenues (authorizations), local school support tax and 25 cents of the 75-cent property tax levy for school operations, is approximately \$3.2 billion for the 2001-03 biennium, a 13.5 percent increase over the amount approved by the 1999 Legislature. In addition to this guaranteed funding, school districts receive other revenue *outside* the Nevada Plan, such as the 50-cent portion of local property tax, motor vehicle privilege tax, non-categorical federal funds, interest income, tuition and rent.

**DISTRIBUTIVE SCHOOL ACCOUNT
FINAL LEGISLATIVELY APPROVED BUDGET**

	5/30/2001			Governor	Legislatively		Governor	Legislatively
	Actual	Estimated	Agency Req.	Recommends	Approved	Agency Req.	Recommends	Approved
	1999-00	2000-01	2001-02	2001-02	2001-02	2002-03	2002-03	2002-03
Calculation of Basic Support:								
Paid Enrollment (weighted)	315,488.8	330,009.0	344,835.0	344,803.0	344,803.0	360,675.0	360,931.0	360,931.0
Change in Enrollment	4.96%	4.60%	4.49%	4.48%	4.48%	4.59%	4.68%	4.68%
Average Basic Support per Pupil	\$3,802	\$3,802	\$4,315	\$3,896	\$3,897	\$4,528	\$3,896	\$3,991
Total Basic Support	\$1,199,526,708	\$1,254,812,302	\$1,487,833,220	\$1,343,240,829	\$1,343,769,391	\$1,633,034,727	\$1,406,054,185	\$1,440,389,161
On-going Program Funding:								
Class-size Reduction Program	\$82,900,043	\$86,880,711	\$91,403,779	\$91,822,619	\$91,822,619	\$99,586,666	\$97,774,795	\$99,730,291
Special Education Units *	\$62,985,218	\$67,330,199		\$72,014,496	\$72,004,754		\$76,892,469	\$76,868,064
Special Units for Gifted/Talented	\$140,256	\$146,945	\$149,885	\$157,168	\$157,168	\$152,883	\$167,321	\$167,321
Adult High School Diploma	\$12,851,826	\$13,736,786	\$14,594,497	\$14,692,482	\$14,692,482	\$15,662,129	\$15,641,566	\$15,641,566
School Improvement Programs:								
Remediation Programs	\$4,278,000	\$4,300,000	\$4,300,000	\$8,075,629	\$6,750,000	\$4,300,000	\$8,371,199	\$6,750,000
Professional Development	\$3,500,000	\$3,500,000	\$3,500,000	\$5,217,255	\$4,695,530	\$3,500,000	\$6,111,972	\$5,500,775
Student Assessments	\$1,200,000	\$1,200,000	\$1,200,000			\$1,200,000		
NV Early Intervention Program				\$5,000,000	\$4,500,000		\$5,000,000	\$4,500,000
Special Funding:								
Advance of Tax on Net Proceeds	\$3,687,525							
SMART Student Record System	\$2,000,000	\$2,000,000	\$2,024,050			\$2,024,050		
Educational Technology	\$1,526,532	\$1,900,000	\$487,235			\$487,235		
Distance Learning/Satellite Downlink	\$400,000	\$400,000						
State-funded School to Careers	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$500,000	\$1,000,000		
Early Childhood Education Programs	\$500,000	\$500,000	\$4,500,000	\$4,500,000	\$3,500,000	\$4,500,000	\$4,500,000	\$3,500,000
Special Student Services/Counsel	\$850,000	\$850,000	\$850,000	\$850,000	\$850,000	\$850,000	\$850,000	\$850,000
Special Transportation (Lyon Co)	\$44,675	\$44,675	\$44,675	\$44,675	\$44,675	\$44,675	\$44,675	\$44,675
Class-Size Reduction Evaluation			\$330,000			\$330,000		
English Plus--Eng. Language Lrng.			\$625,000			\$625,000		
Bonus Growth Payment	\$43,296							
Eureka County Adjustment	(\$792,419)	(\$1,020,976)						
Non-Traditional Students Adjustment	\$8,261							
Total Requirements	\$1,376,649,921	\$1,437,580,642	\$1,612,842,341	\$1,546,615,153	\$1,543,286,619	\$1,767,297,365	\$1,621,408,182	\$1,653,941,853
Less Local Revenues:								
Local Sch Support Tax	(\$604,132,388)	(\$637,098,000)	(\$653,497,367)	(\$678,194,347)	(\$675,960,978)	(\$679,637,262)	(\$715,495,036)	(\$715,166,715)
25-Cent Property Tax	(\$114,935,803)	(\$124,373,120)	(\$136,315,919)	(\$134,179,849)	(\$132,381,684)	(\$148,584,352)	(\$146,625,318)	(\$144,666,704)
Eureka County Adjustment	\$1,460,611	\$1,527,031						
State Share	\$659,042,341	\$677,636,553	\$823,029,055	\$734,240,957	\$734,943,957	\$939,075,751	\$759,287,828	\$794,108,434
State DSA Revenue:								
General Fund Appropriation	\$545,989,329	\$564,375,448	\$702,317,727	\$588,556,850	\$588,121,907	\$818,364,423	\$609,507,161	\$642,986,176
Annual Slot Tax	\$38,260,686	\$39,492,680	\$38,260,686	\$39,978,440	\$39,978,440	\$38,260,686	\$40,222,309	\$40,222,309
Investment Income	\$3,744,428	\$3,744,428	\$3,744,428	\$3,744,428	\$4,994,428	\$3,744,428	\$3,744,428	\$4,994,428
Mineral Land Lease	\$2,412,306	\$2,412,306	\$2,412,306	\$2,412,306	\$2,412,306	\$2,412,306	\$2,412,306	\$2,412,306
Out-of-State Sales Tax	\$62,402,171	\$65,916,000	\$62,402,171	\$70,048,933	\$69,936,876	\$62,402,171	\$73,901,624	\$73,993,215
Estate Tax Revenue	\$13,891,737	\$16,767,624	\$13,891,737	\$29,500,000	\$29,500,000	\$13,891,737	\$29,500,000	\$29,500,000
Balance From Previous Year		\$7,643,116						
Prior Year Refunds	\$25,991							
Total State Revenue	\$666,726,649	\$700,351,602	\$823,029,055	\$734,240,957	\$734,943,957	\$939,075,751	\$759,287,828	\$794,108,434
Reverted to State General Fund	\$41,192	\$22,715,049						
Balanced Forward to Next Year	\$7,643,116							
Balance	(\$0)	\$0	\$0	\$0	\$0	\$0	(\$0)	\$0
Total Spent per Pupil	\$5,331	\$5,553	N/A	\$5,424	\$5,426	N/A	\$5,464	\$5,559

*Special Education Units: FY 2001-02: 2,402 units @ \$29,977 each; and FY 2002-03: 2,514 units @ \$30,576 each, adjusted for Legislatively Approved FY 2001-02 and FY 2002-03 to reflect actual special education allocation to local school districts as provided by the Department of Education

As noted previously, payments (apportionments) from the DSA are determined by a formula called the Nevada Plan, which develops a guaranteed amount of basic support per pupil for each of the school districts. The amount of basic support guaranteed per pupil for each of the school districts is listed in S.B. 585, the major school funding bill of the 2001 Legislative Session. For FY 2001-02, the amount of guaranteed basic support, which is calculated by a formula that considers geographic characteristics, transportation costs and relative wealth of the districts, averages \$3,897 per pupil but ranges from \$3,052 per pupil in mineral-rich Eureka County to \$7,861 per pupil in remote, rural Esmeralda County. The state, through the DSA, and local school districts, through local school support tax and property tax, share the responsibility for providing the dollars needed to fund the guaranteed basic support.

In addition to guaranteed basic support per pupil, categorical support for special education was added to the Nevada Plan in 1973 and has been expanded by each subsequent Legislature. The DSA also provides state aid for adult high school diploma programs, including those operated within the state's prisons. The 1999 Legislature included the Class Size Reduction program, the largest state-funded categorical program, within the DSA. It previously had been accounted for in a separate trust fund since the program's inception in 1989.

Average basic support per pupil, which is the weighted average of all of the individual school districts' basic support guarantees, remains stable over the 2001-03 biennium, increasing from the legislatively approved amount of \$3,804 in FY 2000-01 to \$3,897 in FY 2001-02 and \$3,991 in FY 2002-03. In addition, total spending per pupil increases from \$5,331 in FY 1999-2000 to \$5,426 in FY 2001-02 and \$5,559 in FY 2002-03. Revenue outside the Nevada Plan increases from \$1,009 per pupil in FY 1999-2000 to \$1,160 per pupil in FY 2001-02.

Senate Bill 585 also includes provisions for a limited adjustment to be made in each school district's guaranteed basic support figure in the second year of the biennium. For FY 2002-03, the estimated aggregate basic support guarantee is based upon an anticipated increase in assessed valuation of 9.3 percent over the prior year. Since actual increases in assessed value will vary among the counties, the bill allows the Department of Education to adjust the property tax portion of the wealth factor within the school funding formula for the second year of the biennium in order to more equally distribute educational dollars throughout the state by using the certified estimate of assessed valuation for each school district for FY 2002-03 prepared by the Department of Taxation on or before April 1, 2002. The adjustment may also take into account each district's actual enrollment in FY 2002-03 and up-to-date estimates of net proceeds of minerals received from mine operators.

One of the most important assumptions upon which the budget for the DSA is based is the anticipated rate of growth in enrollment. To develop enrollment estimates, the Budget Division of the Department of Administration and the Fiscal Analysis Division of the Legislative Counsel Bureau work closely with demographers employed by the state and school districts, school district officials, and representatives from business and local governments. For several years, Nevada has led the nation in the rate of growth in school enrollment, but that trend appears to be slowing. Weighted enrollment increased 9.8 percent over the 1999-2001 biennium, to approximately 330,000 pupils. Although Clark County School District's enrollment was 6.6 percent higher in FY 2000-01, 13 of the 17 school districts experienced a decline in enrollment and, with the exception of Eureka County, used the prior year's enrollment count for

apportionment purposes, pursuant to the “hold harmless” provision of NRS 387.1233(2) which buffers school districts from the effects of declining enrollment. S.B. 165, as approved by the 2001 Legislature, expands the “hold harmless” provision to allow for a two-year period (i.e., the largest enrollment number for either of the immediately preceding two school years is utilized for apportioning money from the DSA to the school districts and charter schools in which enrollment has declined). The 2001 Legislature concurred with the enrollment projections contained in The Executive Budget, which anticipated enrollment would increase to 344,803 students in FY 2001-02 (4.48 percent increase) and 360,931 students in FY 2002-03 (4.68 percent increase). The Executive Budget estimated growth will cost approximately \$73.5 million the first year of the biennium and \$138.8 million the second year, but growth in revenues, most notably the local school support tax and property tax, will more than cover the cost of enrollment growth. Operating and equipment costs, as recommended by the Governor and approved by the Legislature, were budgeted to cover additional students and staff and additional square footage of buildings.

To determine the number of classroom teachers needed to handle the increased enrollment, the Budget Division calculated the actual student-teacher ratio in the FY 1999-2000 base year at 19.08:1, and maintained the same student-teacher ratio for each year of the 2001-03 biennium. The 2001 Legislature approved the staffing ratios as recommended by the Governor.

Funding provided through the DSA for the 2001-03 biennium allows for “roll-up costs” of two percent per year (three percent for class size reduction classroom teachers) to cover the cost of school district employees' salary increments for additional years of service or training. Although not recommended in The Executive Budget, additional funding of approximately \$34.7 million was added by the Legislature for an across-the-board two percent salary increase for teachers and other educational personnel of a school district in FY 2002-03. Compensation received by an employee also is impacted by the school district’s financial situation and the outcome of its contract negotiations with employee groups.

The Executive Budget included additional funding for textbooks, library books, instructional supplies and instructional software to handle the growth in enrollment, but no increase was budgeted for inflation above per-pupil amounts spent in the base year. For the 2001-03 biennium, recommended per-pupil amounts for these instructional items are as follows:

INSTRUCTIONAL EXPENSES	ACTUAL YEAR FY 1999-2000	FY 2001-02	FY 2002-03
Textbooks	\$43.43	\$43.43	\$43.43
Library Books	6.45	6.46	6.46
Instructional Supplies	61.61	61.61	61.61
Instructional Software	3.78	3.94	3.94

Additional inflation for utilities amounting to \$2.1 million over the Governor’s recommendation was also approved. Overall, \$5.6 million in the first year and \$12.5 million in the second year of the biennium were added to address school districts’ concerns about increased costs of heat and electricity.

After the Department of Taxation issued its projections of assessed valuation in March 2001 and the Economic Forum projected General Fund revenues in May 2001, revenues earmarked for schools were recalculated. As a result, the 25-cent portion of the property tax was revised to reflect a 6.44 percent projected increase in the assessed valuation in FY 2001-02 (reduced from a 7.3 percent increase in The Executive Budget). Since the 25-cent portion of the property tax is within the DSA and is part of the guaranteed per-pupil basic support, lowering the 25-cent portion required increasing the General Fund requirement by \$1,798,165 in FY 2001-02 and \$1,958,614 in FY 2002-03. The 50-cent portion of the property tax was unchanged. Sales tax projections were revised to reflect the growth rates projected by the Economic Forum. The result was a shortfall in the Local School Support Tax (LSST) for fiscal years 2000-01, 2001-02, and 2002-03 compared to amounts recommended in The Executive Budget, which were based on growth rates estimated by the Economic Forum in December 2000. The out-of-state LSST was also recalculated and estimated to have shortfalls in fiscal years 2000-01 and 2001-02, and a surplus of \$91,591 in FY 2002-03. The net effect on sales tax revenues was a shortfall of \$2,875,887 in FY 2000-01, \$2,345,426 in FY 2001-02, and \$236,730 in FY 2002-03. The FY 2000-01 shortfall was offset with surplus estate tax collections from FY 1999-2000. The fiscal year 2001-02 and 2002-03 shortfalls were replaced with General Fund. In addition, projections in the amount of interest to be earned on the principal in the Permanent School Fund were increased by \$1.25 million per year to \$4,994,428 per year, which reduced the General Fund requirement by the same amount.

Appropriations to the DSA were contained in two bills in the 2001 Session. S.B. 585 appropriates \$1.04 billion over the 2001-03 biennium for general support of schools, and A.B. 671 appropriates \$191.6 million over the biennium for the Class Size Reduction program. For the 2001-03 biennium, the state's responsibility for school funding increases 11.13 percent, and General Fund support increases 10.87 percent over legislatively approved levels for the previous biennium.

Major legislative actions concerning the financial support of Nevada's schools are contained in S.B. 585, the primary school funding bill of the 2001 Session. In addition to General Fund appropriations of \$496.3 million in the first year and \$543.3 million in the second year of the 2001-03 biennium, S.B. 585 authorizes the DSA to receive, and the Department of Education to expend, \$146.8 million in FY 2001-02 and \$151.1 million in FY 2002-03 of other (non-General Fund) revenues for the general support of public education. These other revenues include an annual tax on slot machines, sales tax collected on out-of-state sales, interest earned on the Permanent School fund, revenue from mineral leases on federal land, and estate tax revenue.

The Governor recommended, and the 2001 Legislature approved, continued funding through the DSA of the Class Size Reduction program, Special Education units, the Adult High School Diploma program, and elementary school counselors. Distributing these funds through the per-pupil basic support provides more flexibility to the school districts, but allocations of money for class size reduction and special education units will be calculated as in the past to ensure that school districts with the greatest need receive sufficient money to meet legal requirements. The Legislature's actions concerning each of these four programs and other key provisions of S.B. 585 follow.

CLASS SIZE REDUCTION PROGRAM

Assembly Bill 671, of the 2001 Legislative Session, authorizes the expenditure of \$91,822,619 and \$99,730,291 for support of the Class Size Reduction program in FY 2001-02 and FY 2002-03, respectively. This money will pay for the salaries and benefits of at least 1,866 class size reduction teachers hired to reduce pupil-teacher ratios in the first year of the biennium and 1,949 teachers in the second year. The Class Size Reduction program continues to be incorporated within the DSA, but program expenditures are tracked as a separate expenditure category to highlight the program. Funds are allocated based upon the number of teachers needed in each district to reach the ratios of 16 to 1 in first and second grades and 19 to 1 in third grade.

The Legislature also agreed to extend the flexibility allowed in the use of the third-grade funding to the money budgeted for first and second grades. For the last five years, school districts have been allowed to carry out alternative programs for reducing the ratio of pupils per teacher or to implement remedial programs that have been found to be effective in improving pupil achievement. To use the funds in this manner, school districts are required to receive approval from the Superintendent of Public Instruction of their written plan, evaluate the effectiveness of their program and ensure that the combined ratio of pupils per teacher in the aggregate of kindergarten through grade 3 does not exceed the combined ratio in those grades in school year 1998-99.

The Elko County School District again requested flexibility in using funding for class size reduction to continue a demonstration project, approved by the 1999 Legislature, to maintain pupil-teacher ratios of 22 to 1 in kindergarten through grade 6, in order to eliminate team teaching. The 2001 Legislature approved the district's request to continue the project, and again required an evaluation and report to the 2003 Legislature on the effectiveness of the project in improving pupil achievement.

SPECIAL EDUCATION

Nevada provides state funding for special education on the basis of special education program units, which are defined by NRS 387.1211 as organized instructional units in which a licensed, full-time teacher is providing an instructional program that meets minimum standards prescribed by the State Board of Education. To qualify for a full allocation, a program unit must have operated the full school day (330 minutes) of at least nine of the school months within a school year. Unless a program contains a properly licensed teacher or speech therapist providing instruction to an assigned caseload or class of pupils identified as eligible for special education, it does not qualify as a special education unit.

Senate Bill 585 provides 2,402 units at \$29,977 each in FY 2001-02 and 2,514 units at \$30,576 each in 2002-03. Increases in the number of units reflect the same rates of growth anticipated over the 2001-03 biennium for total school enrollment, and the money provided per unit increases two percent each year for "roll-up costs." Total funding for special education units amounts to \$72,004,754 and \$76,868,064 in the first and second years of the biennium, respectively. As in the past, 40 of the units will be reserved for the State Board of Education to allocate to local school districts facing overcrowded special education classes, high numbers of

children with disabilities or unique situations. For the first time, the Legislature also authorized charter schools to apply directly to the Department of Education for the reserved special education units, with final approval given by the State Board of Education. In addition to the 40 “discretionary” units, the bill adds five units for gifted and talented pupils to participate in programs incorporating educational technology, such as the “StarGATE” astronomy program. Any school district may apply for one or more of these units, which will be awarded by the Superintendent of Public Instruction.

ELEMENTARY SCHOOL COUNSELORS

Assembly Bill 268 of the 1991 Session authorized 23 elementary school counselors to develop programs to prevent drug abuse and reduce the number of dropouts, and in 1995, the Legislature increased the number of counselors from 23 to 50. Each school district received at least one counselor, and the rest were allocated on the basis of elementary student enrollment. The Governor’s budget for the 1999-2001 biennium recommended rolling all funds for elementary school counselors (approximately \$2.3 million per year) into the DSA, the effect of which would have been to increase the per-pupil support by approximately \$7 per pupil. Instead, the 1999 Legislature set a base level of \$50,000 per district for “special student counseling services” as separate, dedicated funding to ensure that small school districts would receive enough money to maintain their programs. Small school districts were concerned that they would not receive enough additional basic support to retain their counselors.

Senate Bill 585 authorizes \$850,000, in each year of the biennium, to be distributed as \$50,000 allocations for each of the 17 school districts. The allocation is to be utilized to support special counseling services for elementary pupils at risk of failure. The remainder of the funds budgeted for counselors is consolidated into the per-pupil support.

ADULT HIGH SCHOOL DIPLOMA PROGRAMS

To fund adult high school diploma programs, including those in prison facilities, the 2001 Legislature budgeted within the DSA \$14,692,482 and \$15,641,566 in the first and second years of the biennium, respectively. The Legislature intends that all funding for adult high school diploma programs (regular and prison programs) be administered by the Workforce Education branch of the Department of Education in order to ensure a more equitable distribution formula for those funds and to better account for expenditures.

The Department of Education requested, and the Legislature approved, funding formula changes that shift General Fund dollars away from prison education programming to the school districts, but attached a sunset clause of June 30, 2003. The Department of Education is required to provide a report to the 2003 Legislature of changes that were implemented and the effects, if any, on prison and school district adult education programming

SCHOOL IMPROVEMENT PROGRAMS

Four school improvement programs that focus on improving the academic achievement of pupils were approved for funding through the DSA. First, \$5.75 million per year was authorized for remedial education programs that have been found to be effective in increasing academic achievement in low-performing schools. This money will be available to schools that are designated as demonstrating need for improvement (i.e., schools that have more than 40 percent of pupils scoring in the bottom quarter in all four subjects included on the state-required norm-referenced test, also known as the TerraNova). In addition, the Legislature expanded this funding to include schools that have been designated as demonstrating adequate achievement, but have more than 40 percent of pupils score in the bottom quarter in at least one of four subjects tested. The 2001 Legislature continues General Fund support of \$1 million per year for approved programs of remediation and/or tutoring for pupils at risk of failure. Programs funded must be conducted before or after school, during the summer, or between sessions in schools with year-round calendars. These funds are available for pupils at any grade level, including those in danger of failing the high school proficiency test or of not being promoted to the next grade.

To help teachers teach to higher academic standards, approximately \$4.7 million in FY 2001-02 and \$5.5 million in FY 2002-03 were approved to continue the operating of four regional professional development programs (RPDPs) in Clark, Elko, Douglas and Washoe County School Districts. Funding for these programs was approved for the first time by the 1999 Legislature in Senate Bill 555. As in the past, an evaluation of the programs will be conducted and results will be reported to the 2003 Legislature.

Funding in the amount of \$4.5 million per year was approved for the new Nevada Early Literacy Intervention Program (NELIP) to train kindergarten through grade 3 teachers on methods to teach fundamental reading skills, including phonetic awareness, phonics, vocabulary, fluency, comprehension, and motivation. As outlined by the Governor and approved by the Legislature, the goal of the program is to ensure that all students are reading at grade level by the end of third grade. Funding for the NELIP is to be directed through the RPDPs described above.

SCHOOL-TO-CAREERS

For the past six years, the Legislature has made appropriations for the state-funded Schools-to-Careers program, which aims to prepare students to work in a highly skilled workforce by providing a rigorous academic background, career guidance and work-based learning opportunities. During the 1995-97 and 1997-99 bienniums, appropriations were made in the amount of \$2 million per year. The 1999 Legislature lowered the amount to \$1 million per year. The 2001 Legislature approved \$500,000 in FY 2001-02 to coincide with the federally funded component of the School-to-Careers program. The state money supplements the federal grant, which expires December 31, 2001. The state money will be distributed among the school districts, charter schools, and institutions of higher education within the state through base-level grants of \$25,000, with the remaining funds allocated on the basis of enrollment.

EARLY CHILDHOOD EDUCATION AND FAMILY LITERACY

To continue the state's efforts to establish early childhood education programs, \$3.5 million is budgeted each year of the 2001-03 biennium, an increase of \$3 million per year, for competitive state grants to school districts and community-based organizations for pre-school/pre-kindergarten programs. The Department of Education is required to submit written annual reports to the Legislature regarding the effectiveness of the early childhood programs.

OTHER SIGNIFICANT PROGRAM FUNDING INCLUDED IN THE BUDGETS OF THE DEPARTMENT OF EDUCATION

PROFICIENCY TESTING

During the 2001 Session, the department estimated a \$1.89 million shortfall for the High School Proficiency Examination (HSPE), which the Governor and Legislature remedied by shifting General Fund dollars from other programs to meet the revised costs for the administration of the state-mandated HSPE. The total proficiency testing budget, which includes funding for the HSPE, the state-required norm-referenced examination for grades 4, 8, and 10, criterion-referenced examinations for grades 3 and 5, and a writing examination for grades 4, 8, and 11, amounts to \$8.1 million for the 2001-03 biennium. This amount does not include the \$1.1 million appropriation for the development of a new criterion-referenced test for pupils in grade 8 discussed below in Senate Bill 13 of the 17th Special Session.

Senate Bill 251, approved by the 2001 Legislature, appropriated \$38,890 for a shortfall in the amount budgeted for contractual obligations for the TerraNova proficiency tests, a nationally-normed, standardized test that measures student performance in reading, language, mathematics and science at grades 4, 8, and 10.

TEACHER CERTIFICATION PROGRAM

The Executive Budget recommended, and the 2001 Legislature approved, funding in the amount of \$150,000 each year for up to 75 teachers to receive reimbursement of up to \$2,000 each for successful completion of the National Teacher Certification Program. This is a significant increase from the appropriation of \$20,000 approved by the 1999 Legislature.

STATEWIDE MANAGEMENT OF AUTOMATED RECORDS TRANSFER (SMART)

The Governor recommended, and the 2001 Legislature approved, a total of \$2.8 million in General Fund dollars to support the SMART program in the 2001-03 biennium. The following was approved by the Legislature:

- SMART replacement equipment in all school districts in the amount of \$697,300 for the 2001-03 biennium;
- The Lyon County conversion from Macschool to PowerSchool (as Macschool will no longer be supported) in the amount of \$165,023 in FY 2001-02;

- Funding for 16 school district SMART administrators and two consultants for direct technical assistance and training in the amount of \$1.4 million for the 2001-03 biennium; and
- Vendor costs of approximately \$470,000.

With regard to funding for SMART replacement equipment and personnel, the Legislature issued a letter of intent as a reminder that the funding approved is one-time in nature to support the SMART program in the 2001-03 biennium and should not be considered an ongoing, continuing responsibility of the state.

CLASSROOM-ON-WHEELS (COW)

The Classroom-on-Wheels (COW) program is a roving preschool for low-income children. The Governor's budget recommended, and the 2001 Legislature approved, funding in the amount of \$301,000 each year for the Classroom-on-Wheels program in the 2001-03 biennium, thereby doubling the funding that was available in the 1999-2001 biennium.

OTHER BILLS PROVIDING FUNDING TO LOCAL SCHOOL DISTRICTS

Senate Bill 427 appropriates \$9.95 million for the 2001-03 biennium to the Department of Education for the Commission on Educational Technology to distribute grants to local school districts for the purchase of computers, software, maintenance contracts, technical support, pilot programs, the KLVX Distance Learning Satellite Service, and for grants to the Division of State Library and Archives of the Department of Cultural Affairs for on-line resources. Another \$50,000 was appropriated to the Legislative Bureau of Educational Accountability and Program Evaluation to hire a consultant to conduct an evaluation of educational technology.

In addition, \$10 million was appropriated to the Department of Education to provide signing bonuses to teachers who are newly hired by school districts for the FY 2001-02 and FY 2002-03 school years. A newly hired teacher may not receive a signing bonus until he or she has taught for a school district in Nevada for at least 30 days. The amount of a bonus paid to each teacher in FY 2001-02 must not exceed \$2,000; in FY 2002-03 the amount paid to each teacher must not exceed \$2,500.

Senate Bill 458 appropriates \$34 million for FY 2001-02 to the Department of Education for a cost-of-living retention bonus of approximately three percent for all local school district employees.

Senate Bill 587 appropriates \$13 million to the Interim Finance Committee to provide allocations to school districts that incur unexpected expenses related to providing health insurance for their employees during the 2001-03 biennium. If a school district finds that it has unexpected expenses related to providing health insurance to its employees during the biennium, the school district may submit a request to the Department of Education for an allocation. The request will be jointly reviewed by the Department of Education, the Budget Division, and the Fiscal Analysis Division, and a recommendation will be submitted to the Board of Examiners. The

Board of Examiners will review the request and recommend an allocation amount to the Interim Finance Committee.

Senate Bill 518 (S.B. 8 of the 17th Special Session) appropriates \$6.5 million to the Interim Finance Committee to establish a one-time energy (utilities) pool to be available to school districts in meeting utility costs which are greater than the amounts budgeted for the 2001-03 biennium. If a school district finds that its utility costs are greater than the amounts budgeted for the biennium, the school district may submit a request to the Department of Education for an allocation from the energy pool. The request will be jointly reviewed by the Department of Education, the Budget Division, and the Fiscal Analysis Division, and a recommendation will be submitted to the Board of Examiners. The Board of Examiners will review the request and recommend an allocation amount to the Interim Finance Committee.

Senate Bill 588 (S.B. 9 of the 17th Special Session) appropriates \$5 million to the Interim Finance Committee for allocations to existing educational programs that are at risk of termination because of a lack of funding. If the administrator of an existing educational program believes that all appropriated monies for the program have been exhausted and the program is at risk of termination because of a lack of funding during the 2001-03 biennium, the administrator may submit a request to the Department of Education for an allocation from the \$5 million pool. The request will be jointly reviewed by the Department of Education, the Budget Division, and the Fiscal Analysis Division, and a recommendation will be submitted to the Board of Examiners. The Board of Examiners will review the request and recommend an allocation amount to the Interim Finance Committee.

Senate Bill 13 of the 17th Special Session appropriates \$1,106,265 to the Department of Education for the development of a new criterion-referenced test for pupils in grade 8. Pursuant to Senate Bill 148 (S.B. 3 of the 17th Special Session), the Department of Education is to conduct a pilot program of the new 8th grade examination or the questions included on the examination in the spring semester of 2002. The examination must be administered to all pupils commencing in the spring semester of 2003; results of this first administration will be used solely to gather information and data concerning the examinations.

DEPARTMENT OF EDUCATION - OPERATING BUDGETS

When the budgets were closed by the 2001 Legislature, 122.02 FTE positions and 122.77 FTE positions were authorized for the first and second years of the biennium, respectively. This represents an increase of 8.01 FTE positions and 9.5 FTE positions over the legislatively approved positions for the first and second years of the 1999-2001 biennium.

During the 1999 Legislative Session, the School-to-Careers budget was developed to eliminate staff over the 1999-2001 biennium, as a phase-down of the federal program. Unexpectedly, federal funding was continued for another year and the Interim Finance Committee approved increased staffing levels to allow for continued operation of the program. Because federal funding for this program expires December 31, 2001, the 2001 Legislature reduced the Assistant Director and the Management Assistant positions from full-time to a .75 FTE and a .50 FTE position, respectively, in FY 2001-02. The Grants and Programs Analyst position was eliminated on June 30, 2001. Both of the remaining positions will be eliminated at the end of

FY 2001-02 to align with the expiration of the federal funding for this program, after which the department will have 90 days for “cleaning-up” and “closing out.”

Due to the termination of the Job Training Partnership Act (JTPA) on June 30, 2000, a Grants and Projects Analyst position was eliminated.

New positions recommended in the Governor’s budget and approved by the 2001 Legislature includes an Administrative Services Officer to assume primary responsibility for oversight of the Distributive School Account (DSA). This position will analyze the DSA processes from building the biennial budget to running the basic support per student determination formula, as well as make decisions that will impact the per-student amounts that each school district and charter school will receive for operation of their schools. The DSA Administrator was specifically identified as the person who will implement several of the recommendations in the department’s revised response to the Legislative Counsel Bureau Audit Division’s *Analysis of Instructional Costs and Materials Available to Students Audit Report*, including updating the *Nevada Financial Accounting Handbook for Local Educational Agencies, August 1979*.

In response to the increase in the number of charter schools and the level of assistance required, both in the initial application process and for ongoing support, the charter school consultant position was increased from a half-time to a full-time position.

The Governor’s budget recommended adding a Management Analyst and a Computer Systems Programmer position for the transition from SMART contract services to Department of Education staff. The Legislature approved the Computer Systems Programmer position for FY 2002-03, but did not approve the Management Analyst position because the SMART system in Clark County School District will not be fully implemented until March 2003. It appears unlikely that a statewide report through SMART will be produced in the 2001-03 biennium. The Computer Systems Programmer will maintain and make modifications to NDE SMART software, and be responsible for accommodating state and/or federal data reporting changes and system improvements.

The 2001 Legislature also approved an elementary and secondary consultant position to coordinate all aspects of the K-8 criterion-referenced testing (CRT) program and work with department staff, school districts, and the Regional Professional Development Programs regarding the use of 3rd, 5th and 8th grade CRT results to improve teaching and learning.

The Governor’s budget recommended, and the Legislature approved, two additional auditor positions in order to meet the statutory mandates to audit all school districts, including charter schools. One of the new auditor positions will be assigned to charter schools, and the other will focus on class-size reduction and adult and prison education program audits, as well as provide support for the annual audit count of students for apportionment. This position will also audit funding for statewide remedial education programs, including funding for schools in need of improvement; in addition, this position will audit the Regional Professional Development Programs. A .50 FTE Management Assistant position was approved to provide technical support to the audit staff.

An Information Systems Specialist position was approved to provide technical support for the department's network operating systems, personal computers and workstations, as well as technical support to users, including school district personnel electronically transmitting data for the SMART program, the Food and Nutrition program and the Teacher Licensure program. In addition, an Accounting Clerk position was approved to meet accounting needs for a travel desk and bill paying.

Two half-time Grants and Projects Analyst positions and a .25 FTE Management Assistant position that were approved by the Budget Division as temporary during the interim were approved as permanent positions by the 2001 Legislature. In addition, one of the Grants and Projects Analyst positions will be increased to full-time, provided the department can identify an appropriate federal funding source to pay the salary costs. The additional .50 FTE component is to be utilized as a grants writer position.

Decreased federal funding affected several positions that either had to be transferred or eliminated. Rather than eliminate two half-time positions in FY 2002-03, a Federal and Related Programs Consultant and a Management Assistant funded by federal GOALS 2000, the Legislature approved the transfer of the two positions to another budget account to be funded by federal Title I in FY 2002-03. Similarly, a decrease in federal Title IV funding resulted in a transfer of a Management Assistant position, to be funded by the Nutrition Education budget.

The Governor's budget recommended, and the 2001 Legislature approved, the transfer of the .50 FTE Deputy Superintendent of Finance and Accounting and the 1.0 FTE Planning, Research, and Evaluation Consultant from the Support Services budget to the Education State Programs budget. The Support Services budget is supported by indirect costs assessed against other budget accounts for administrative services. Since neither of these positions is eligible for federal indirect cost recovery, it was determined that these positions should not be paid from a pool where all receipts, state and federal, are derived from an indirect cost recovery process and pooled to pay administrative costs.

The 2001 Legislature approved several changes, as recommended by the Governor, to the Department of Education's budgets to simplify accounting. The Executive Budget recommended consolidation of the budget for out-of-district placements of handicapped children with the federal special education budget. The Executive Budget also recommended directly allocating the General Fund portion of indirect costs to the Support Services budget to eliminate the need for journal vouchering General Fund indirect costs and alleviate cash flow problems early in the fiscal year. In addition, the Governor's budget recommended the transfer and consolidation of salaries and costs of less than full-time equivalent positions into a new Staffing Services budget account.

COMMISSION ON POSTSECONDARY EDUCATION

The Commission on Postsecondary Education (CPE) provides consumer protection for Nevadans through its oversight of the private postsecondary educational institutions operating in Nevada. The commission is responsible for licensing and inspecting private postsecondary institutions, approving public and private postsecondary institutions for training programs supported by the U.S. Veterans Administration, and for resolving student complaints. The commission manages a

Student Indemnification Account that was created by the 1995 Legislature to reimburse students for damages received from the closure of licensed, postsecondary institutions. The seven-member commission is appointed by the Governor and is assisted by a four-member staff.

The 2001 Legislature approved the Governor's recommended 2001-03 budget for the Commission on Postsecondary Education. In addition, the Legislature passed Senate Bill 237, which removes the commission from the Department of Education and makes the commission an independent agency. No additional costs were projected by the agency in becoming an independent agency.

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA (UCCSN)

The University and Community College System of Nevada (UCCSN) comprises the Chancellor's Office; the University of Nevada, Reno (UNR); the University of Nevada, Las Vegas (UNLV); the Nevada State College at Henderson (NSCH); Western Nevada Community College (WNCC); Great Basin College (GBC); Truckee Meadows Community College (TMCC); the Community College of Southern Nevada (CCSN); and the UNR School of Medicine, UNLV Law School, UNLV Dental School and Desert Research Institute (DRI). The UCCSN budgets are primarily formula-driven and are presented by functional areas, including instruction, research, public service, academic support, student services, institutional support, operation and maintenance of plant, and scholarships. The UCCSN is governed by the Board of Regents. Senate Bill 14 of the 17th Special Session expanded the Board from 11 to 13 members effective January 2003.

The 2001 Legislature approved a total of \$1.027 billion in funding for the 2001-03 biennium - an increase of \$131.8 million, or 14.7 percent, over the \$894.8 million approved by the 1999 Legislature. The total includes \$717.4 million in General Fund appropriations, \$75.0 million in estate tax revenues, and \$234.2 million in student fees, tuition and other UCCSN revenues. At the request of the Board of Regents, the 2001 Legislature added language in the Authorizations Act (S.B. 586) that establishes a \$1.0 million estate tax emergency fund to assist the UCCSN campuses that encounter difficulty in responding to enrollment growth. The UCCSN must obtain prior approval from the Interim Finance Committee prior to obligating any of the money in this fund. The emergency fund was not included in The Executive Budget.

The Executive Budget allocated roughly 19.5 percent of available General Fund appropriations to the UCCSN in FY 2001-02 and 19.8 percent in FY 2002-03. For the biennium, the UCCSN General Fund allocation was 19.7 percent. The legislatively approved budget allocates approximately 19.0 percent of available General Fund appropriations to the UCCSN in FY 2001-02 and 18.8 percent in FY 2002-03. For the biennium, the approved allocation is 18.9 percent.

COMMITTEE TO STUDY THE FUNDING OF HIGHER EDUCATION, S.B. 443 (1999)

During the 1999-2001 interim, the Committee to Study the Funding of Higher Education (CSFHE), commissioned by S.B. 443 of the 1999 Session, compared the existing method of funding higher education in Nevada with methods used in other states and determined whether those methods would be appropriate and useful in Nevada. The committee built upon

independent consultant reports, staff working group efforts, and the equity study completed by the UCCSN to develop new formulas that are both flexible and equitable for all UCCSN institutions. The committee agreed that uniform application of the new formulas to each institution, regardless of the percentage funded, would result in equitable distribution of available funding. Both the Governor and the Legislature used the new funding formulas as the foundation for formulating and approving the UCCSN budgets for the 2001-03 biennium.

ADJUSTED BASE BUDGET

The 2001 Legislature approved the continuation of the \$5.88 million per year of estate tax funding for equity adjustments provided by the 1999 Legislature, which are now part of the UCCSN adjusted base budgets. The Legislature relocated the base funding for the former equity funding from the Special Projects account to the appropriate campus budgets (UNLV, CCSN, TMCC, and WNCC).

UTILITY COSTS

During budget hearings, UCCSN projected there would be system-wide utility funding shortfalls of approximately \$5.57 million in FY 2001-02 and \$6.68 million in FY 2002-03. The 2001 Legislature approved a \$17 million appropriation to the Interim Finance Contingency Fund to assist state agencies and the UCCSN in paying for increased energy (utility) bills during the 2001-03 biennium. This funding was initially approved in S.B. 518 and subsequently re-approved in Senate Bill 8 of the 17th Special Session. The \$17 million appropriation was not in the Governor's recommended budget.

STUDENT ENROLLMENTS

As recommended by the CSFHE, student FTE projections are based on a weighted three-year rolling average rather than system-generated projections. With the exception of UNR and Great Basin College, re-projected enrollments for FY 2001-02 and FY 2002-03 were substantially lower than the enrollments used in calculating the Governor's recommended budget. The table below provides a summary of actual and projected enrollments and compares the Governor's recommended enrollments to the revised projections approved by the Legislature:

	FY 00	FY 01	FY 02	FY 02	FY 02	FY 03	FY 03	FY 03
CAMPUS	ACTUAL	ACTUAL	GOV REC	LEG. APPR	DIFF.	GOV REC	LEG. APPR	DIFF.
UNR	9,581	10,172	10,049	10,607	558	10,292	11,060	768
UNLV	15,301	15,473	16,676	15,926	(750)	17,406	16,392	(1,014)
CCSN	14,222	14,309	17,209	15,247	(1,962)	18,929	16,247	(2,682)
TMCC	4,654	4,766	5,138	4,918	(220)	5,398	5,075	(323)
WNCC	2,061	2,060	2,195	2,081	(114)	2,265	2,102	(163)
GBC	1,236	1,321	1,388	1,395	7	1,444	1,474	30
NSC	0	0	0	0	0	1,000	1,000	0
Totals	47,055	48,101	52,655	50,174	(2,481)	56,734	53,350	(3,384)

FORMULA FUNDING CALCULATIONS

Using the formulas developed by the CSFHE, The Executive Budget recommended formula funding at 85.75 percent of the calculated amounts in FY 2001-02 and 84.59 percent in FY 2002-03. The revised FTE and headcount projections developed subsequent to the submittal of The Executive Budget yielded General Fund reductions of \$17.5 million and UCCSN revenue reductions of \$7.3 million for the 2001-03 biennium (at the 85.75 and 84.59 percent formula levels).

FORMULA REDUCTION SCENARIO/HOLD HARMLESS

During budget deliberations, the UCCSN and Governor's staff developed a reduction scenario that cut formula funding percentages below the amounts recommended in The Executive Budget, but added the General Fund appropriations needed to bring cost-of-living adjustments (COLAs) for UCCSN professional positions to a full four percent per year. The 2001 Legislature adopted the plan that reduced formula funding from 85.75 percent to 81.55 percent in FY 2001-02 and from 84.59 percent to 80.29 percent in FY 2002-03 (4.2 and 4.3 percent reductions, respectively, compared to the Governor's recommended amounts). The revisions reduced formula funding by \$19.6 million in FY 2001-02 and \$21.8 million in FY 2002-03, for a total reduction of \$41.4 million for the biennium. Conversely, the revised plan added General Fund appropriations for COLAs of \$5.1 million in FY 2001-02 and \$10.5 million in FY 2002-03 at an additional cost of \$15.6 million for the biennium. The net General Fund reductions associated with the revisions are \$14.5 million in FY 2001-02 and \$11.3 million in FY 2002-03, for a total General Fund reduction of \$25.8 million for the biennium.

The CSFHE recommended inclusion of a hold harmless provision, for a period not to exceed two biennia, when institutions are funded at less than 100 percent of the formula. The hold harmless provision allows individual institutions to retain their base funding levels when the formula recommendations fall below the base amount. The Executive Budget did not include hold harmless funding because the formulas did not fall below the base amount. However, using a broad interpretation of the base funding clause to include the base plus other adjustments such as inflation, new space, and COLAs, the revised enrollment figures and formula percentage reductions generated substantial hold harmless amounts. As requested by the Board of Regents on May 10, 2001, the Legislature approved the addition of estate tax revenues totaling \$6.92 million in FY 2001-02 and \$6.76 million in FY 2002-03 to fund hold harmless provisions for UNLV, CCSN, TMCC and WNCC.

STUDENT CREDIT HOUR CALCULATIONS

The UCCSN agency request and The Executive Budget converted student credit hours (SCH) into full-time equivalent (FTE) students for UNR and UNLV at a uniform rate rather than at the conversion factors established by the CSFHE. The result was an over-count of undergraduate students and an under-count of graduate students at the universities and a substantial under-funding of formula costs. To resolve the SCH/FTE conversion problem, the 2001 Legislature increased General Fund appropriations by \$1.85 million in FY 2001-02 and \$1.59 million in FY 2002-03.

COMMUNITY COLLEGE INSTRUCTIONAL EQUIPMENT

The CSFHE recommended that equipment funding should be included in the instructional budget and funded on a continuing basis. For the community colleges, the committee suggested that ongoing equipment be funded at a rate of \$3,500 per existing faculty FTE position. The equipment funds are used for faculty workstation replacement, instructional start-up packages and instructional equipment replacement. The UCCSN agency request and The Executive Budget excluded funding for existing part-time positions. The 2001 Legislature added General Fund appropriations of \$2.12 million in FY 2001-02 and \$2.09 million in FY 2002-03 for community college instructional equipment.

NEW SPACE (OPERATIONS AND MAINTENANCE)

The Executive Budget included General Fund appropriations of \$5.5 million in FY 2001-02 and \$8.1 million in FY 2002-03 to support operating and maintenance (O&M) costs for new space added during the 2001-03 biennium. Subsequent to the submittal of The Executive Budget, there were numerous changes to the schedules upon which new space funding recommendations were made. Anticipated occupancy dates were delayed and square footage estimates reduced, resulting in new space cost savings. Conversely, the UCCSN agency requested budgets included new space omissions that resulted in cost increases. For the 2001-03 biennium, the Legislature reduced General Fund appropriations for new space O&M by a net of \$1.44 million when compared to the amounts recommended by the Governor.

RECHARGE REVENUES

The Executive Budget displayed O&M recharge revenues at UNR for new building space. However, General Fund appropriations were not recommended in the other UNR area budgets that support the recharge distribution. The Legislature added \$1.71 million in General Fund appropriations during the 2001-03 biennium to fund O&M recharges at UNR.

NEW SPACE RENTAL/SPACE ACQUISITION

The 2001 Legislature approved \$653,494 in FY 2001-02 and \$659,896 in FY 2002-03 for new space rental for System Administration, GBC and TMCC. A majority of the new rental funding is provided to TMCC for new office, classroom and program space funding. Senate Bill 497 (2001) authorizes the issuance of general obligation bonds of not more than \$8.5 million for the purpose of acquiring the Reno Town Mall facilities for use by TMCC. The bill specifies that UCCSN will pay, to the State Treasurer, the amount appropriated for Reno Town Mall rent payments and, from other money of the UCCSN, an amount equal to the principal and interest to repay the bond.

SYSTEM COMPUTING SERVICES (SCS)

The 2001 Legislature approved a \$2.5 million one-shot General Fund appropriation for UCCSN's System Computing Services (Senate Bill 461 - 2001). Funding will provide hardware and software upgrades in support of the Student Information System (SIS) and the Human

Resource/Financial System, replacement equipment to support telephone registration, and upgrades to network capacity.

The Legislature also approved ongoing funding totaling \$1.13 million in FY 2001-02 and \$1.52 million in FY 2002-03 to accommodate growth in administrative processing and software applications; to increase network capacity; to improve the reliability and security of the network; and to investigate new telecommunication technologies to ensure efficient system-wide implementation. The funding provides for one new Database Administrator, four new Digital Network Technicians and one new Program Assistant.

Beyond technology capacity, the Legislature approved an additional \$213,950 in FY 2001-02 and \$439,129 in FY 2002-03 to fund anticipated cost increases for software licensing agreements and hardware maintenance. The Legislature also approved General Fund appropriations of \$614,347 per year to fund maintenance and connectivity costs that were previously funded through National Science Foundation and Computer Information Science and Engineering grants.

LAW SCHOOL GROWTH

The Legislature approved \$841,262 in FY 2001-02 and \$1.06 million in FY 2002-03 in the UNLV Law School budget to add a total of nine professional faculty and classified support positions for anticipated enrollment growth. Annual average resident and non-resident FTE enrollment is projected to grow from FY 1999-2000's actual of 424 FTE to 655 FTE in FY 2002-03.

DENTAL SCHOOL

The Governor recommended \$722,167 in FY 2001-02 and \$2.84 million in FY 2002-03 to fund dental school initiatives. In the first year of the biennium, the Governor funded the entire increase with dental practice revenue, while second-year increases were funded with dental practice and tuition revenues. UNLV reported the minimum level of state support needed to operate the dental school is \$1.41 million in FY 2001-02 and \$2.12 million in FY 2002-03 (\$3.52 million for the biennium). On May 10, 2001, the Board of Regents approved a proposal to provide \$3.52 million in estate tax funds to support the dental school operations. The 2001 Legislature approved the estate tax increase as recommended by the Board of Regents.

GENDER EQUITY

The Governor recommended General Fund appropriations of \$1.075 million in FY 2001-02 and \$1.083 million in FY 2002-03 to improve Title IX compliance in support of female athletes. The Executive Budget reflected a distribution of \$725,000 in FY 2001-02 and \$732,876 in FY 2002-03 to UNLV's intercollegiate athletics program and \$350,000 per year to UNR's intercollegiate athletics program.

The 2001 Legislature approved UCCSN's amended request to redistribute the gender equity funding to reflect equal funding allocations for UNR and UNLV. Each campus will receive \$537,500 in FY 2001-02 and \$541,438 in FY 2002-03. At UNR, the funds will be used to add a

new softball program, increase scholarships for current women's sports, and provide additional support positions for women's athletics. At UNLV, the funding will be used to add women's golf in FY 2001-02 and will also provide for additional support staff in the areas of athletic training, sports information, medical relations, and clerical assistance.

PERFORMANCE FUNDING/EPSCOR

Consistent with the recommendation of the CSFHE, the Governor recommended an estate tax allocation of \$3.0 million in FY 2002-03 for performance funding. The 2001 Legislature denied performance funding because a comprehensive plan was not provided that specified how the proposed funding would be allocated. However, the Legislature approved the Board of Regents' revised request that redirected the \$3.0 million of recommended estate tax revenues to EPSCoR match (\$1.5 million per year).

STUDENT FEES

The 2001 Legislature approved resident fee and non-resident tuition increases of more than three percent per year at each institution as proposed by the UCCSN Regents and recommended by the Governor. The Legislature also approved the UCCSN amended proposal to increase non-resident tuition beyond the amounts recommended by the Governor for FY 2002-03. It is anticipated that the additional increase will generate \$1.5 million systemwide; therefore, General Fund appropriations were reduced correspondingly. A summary of the approved student fees is as follows:

Type of Institution/Fee	Approved FY 2000-01	Leg Appr FY 2001-02	Percent Change	Leg Appr FY 2002-03	Percent Change
Community Colleges					
Resident	\$42.50/credit	\$44.00/credit	3.5%	\$45.50/credit	3.4%
Upper Div (GBC)	\$58.00/credit	\$60.00/credit	3.5%	\$62.00/credit	3.3%
Non-Resident	\$4,150/year	\$4,290/year	3.4%	\$4,430/year	3.3%
Nevada State College					
Resident	N/A	\$60.00/credit	N/A	\$62.00/credit	3.3%
Graduate	N/A	\$77.00/credit	N/A	\$80.00/credit	3.9%
Non-Resident	N/A	\$5,750/year	N/A	\$5,940/year	3.3%
Universities					
Resident	\$74.00/credit	\$ 76.50/credit	3.4%	\$ 79.00/credit	3.3%
Graduate	\$100.00/credit	\$103.50/credit	3.5%	\$107.00/credit	3.4%
Non-Resident	\$6,980/year	\$7,215/year	3.4%	\$7,785/year	7.9%

The 2001 Legislature approved the allocation of \$1.00 of each university increase (\$2.00 for the biennium) to the capital improvement budget and \$0.50 of each community college increase (\$1.00 for the biennium) to the general improvement budget. Projects that will be funded with these additional revenues include: faculty labs at UNLV; student equipment and software at GBC; instructional equipment and enhanced student services at CCSN; enhanced child development center and student services at WNCC; enhanced student services at TMCC; and library revenue bond payments at UNR.

LAW SCHOOL TUITION

The Executive Budget included no law school tuition increases for the 2001-03 biennium. Law school full-time resident and non-resident tuitions were established at \$7,000 and \$14,000, respectively, in FY 1998-99 with no changes during the 1999-2001 biennium. The 2001 Legislature increased UNLV Law School tuition by 3.5 percent in FY 2002-03 commensurate with other UCCSN fee increases which resulted in additional fee revenues of \$87,088 and a corresponding reduction in General Fund appropriations.

INTERIM REVENUE AUGMENTATIONS

The 2001 Legislature maintained the policy authorizing campuses that exceed legislatively-approved student enrollment revenues to seek Interim Finance Committee authority to use excess revenues to address the impact of higher-than-budgeted student enrollment. To assist the UCCSN in addressing the impact of anticipated utility cost increases, and as an alternative to seeking supplemental appropriations, the Legislature approved a proposal by the Board of Regents to expand the policy to other sources of revenue, such as indirect cost recovery and investment income, effective for FY 2000-01 only.

NEVADA STATE COLLEGE AT HENDERSON (NSCH)

The Governor's budget included several funding components to support the creation and operation of a new state college in Henderson, including \$1.0 million in one-shot start-up funds in FY 2001-02; \$7.3 million in formula funding in FY 2002-03 (\$5.9 million in General Fund appropriations and \$1.4 million in UCCSN revenues); and a total of \$26.0 million in the capital improvement program to construct a classroom/student services building (\$16.0 million state funding and \$10.0 million in donations).

The 2001 Legislature supported the NSCH campus but reduced funding for instructional and related costs to a total of \$4.44 million in FY 2002-03 (\$3.75 million General Fund, \$0.69 million UCCSN revenue). The state's portion of the CIP program was reduced from \$16.0 million to \$13.4 million. The Legislature did not approve the Governor's recommendation for \$1.0 million in start-up funds. NSCH's first classes will begin Fall 2002 with an estimated enrollment of 500 FTE students rather than the 1,000 FTE students included in The Executive Budget.

CLASSIFIED AND PROFESSIONAL COLAS

The 2001 Legislature approved \$4.8 million in FY 2001-02 and \$8.2 million in FY 2002-03 for classified employee COLA increases of four percent per year and the addition of one step to the classified pay plan effective FY 2001-02. The approved amounts represent 90 percent of the total appropriations recommended by the Governor.

The Governor recommended General Fund appropriations of \$5.09 million in FY 2001-02 and \$10.49 million in FY 2002-03 to provide funding for two percent of a four percent COLA for professional, part-time, graduate assistant and teacher assistant positions in each year of the biennium. As a component of the General Fund reduction plan proposed by the Governor and

UCCSN and approved by the Legislature, General Fund appropriations of \$5.1 million in FY 2001-02 and \$10.5 million in FY 2002-03 were added to bring the professional COLAs to a full four percent per year.

BOARD OF REGENTS' REQUESTS

In addition to the Emergency Fund, hold harmless and dental school funding previously noted, the 2001 Legislature approved additional estate tax-funded items requested by the Board of Regents but not included in The Executive Budget:

- Law School Clinic: The American Bar Association's (ABA) accreditation requirements provide that a law school must offer substantial skills-training opportunities. In connection with granting provisional accreditation to the Boyd Law School, the ABA reviewed the clinic plan that the Regents proposed to fund and implement with estate tax. The Legislature approved \$656,600 in FY 2001-02 and \$743,400 in FY 2002-03 for the law school clinic.
- GBC Baccalaureate (Ongoing): The 2001 Legislature approved an additional \$130,000 per year beyond the amounts in The Executive Budget to continue and sustain the three ongoing baccalaureate programs at Great Basin College. The additional funding will be used for classified support for the professional studies program, library support and books for the three programs, and support in the financial aid and controller's office.

LEGISLATURE-INITIATED BUDGET CHANGES

The Legislature added General Fund appropriations for the following additional items that were not included in the Governor's recommended budget.

- End of Life Issues: The Center for Health Policy and Ethics, End of Life Issues Outreach program is currently funded through a grant from the Robert Wood Johnson Foundation. The grant will terminate effective December 31, 2001. The Legislature appropriated \$253,500 in FY 2001-02 and \$493,200 in FY 2002-03 to fund a total of 4.0 professional FTE and 2.0 classified FTE to support the end of life program.
- School of Medicine Residency: The 2001 Legislature appropriated \$334,417 in each year of the biennium to provide the funding necessary to fully cover the costs of the University of Nevada School of Medicine General Practice Residency.
- UNLV Radio Station: The UNLV radio station currently receives no state-funded operating support. The 2001 Legislature added General Fund appropriations of \$97,821 per year to support the UNLV radio station.
- Basque Studies: The Legislature appropriated \$152,158 in FY 2002-03 to provide continued support and growth for the Center for Basque Studies and to fund 2.0 FTE professional researcher positions and a full-time student support position.

TAXONOMY

The legislative money committees noted the inconsistency among the UCCSN institutions in the method employed to classify courses within the instructional formula matrix. Student-to-faculty ratios are driven in part by the cost classifications. An analysis completed by the UCCSN revealed duplication and inconsistencies between universities and colleges by subject area, instructional level, and course cost. However, UCCSN did not wish to implement changes to the funding mechanism without substantive research and a thorough understanding of the financial implications. The money committees issued a letter of intent directing the UCCSN to develop a consistent course cost classification system (taxonomy) during the interim, with quarterly reports on the progress of the analysis commencing in January 2002.

CAPITAL IMPROVEMENT PROJECTS

The Legislature approved \$184.6 million for UCCSN capital improvements for the 2001-03 biennium that includes \$169.6 million for planning, construction and furnishings and \$15.0 million for statewide campus maintenance projects. The improvements are funded with \$119.9 million in general obligation bonds, \$55.9 million in other funds such as donations and revenue bonds, \$5.0 million from the Special Higher Education Capital Construction Fund (SHECC), \$3.6 million in General Fund appropriations and \$134,067 in reallocated funds.

Major projects recommended by the Governor and approved by the 2001 Legislature include the following:

- \$8.8 million for planning, design and utility infrastructure for a new 230,000 square-foot science and engineering complex on the UNLV campus;
- \$1.5 million for the design of a new health sciences and biotech building on CCSN's West Charleston campus;
- \$11.0 million for phase II of the student center and physical plant at TMCC;
- \$19.8 million for a 56,000 square-foot addition and renovations to Wright Hall on the UNLV campus;
- \$64.5 million for the design and construction of a new 310,000 square-foot library at UNR; and
- \$23.4 million for the design and construction of the first building for the Nevada State College at Henderson campus.

The 2001 Legislature approved funding for several projects that were not included in the Governor's capital improvement program, including:

- \$20.0 million to construct a new telecommunications building on CCSN's Cheyenne campus;
- \$1.0 million for advance planning and site preparation for the UNLV dental school;
- \$1.0 million to fund additional office and clinic space for the UNR Medical School's dental residency program in Las Vegas; and

- \$5.0 million to design and construct a building to connect the current engineering building at UNLV with White Hall. The building will serve temporarily as the university's dental school and will be used for other classroom space upon completion of the permanent dental school.

The capital improvement bill (S.B. 584) increases the maximum amount of revenue bonds that can be issued by UNLV and UNR. At UNLV, the limit is increased from \$67.5 million to \$106.5 million and at UNR, the limit is increased from \$25.0 million to \$110.5 million. In a separate bill (S.B. 496) authority is established for Great Basin College to issue revenue bonds in an amount not to exceed \$3.0 million. This authority will enable Great Basin to acquire and improve student housing and dining facilities and to purchase related equipment and furnishings.

WESTERN INTERSTATE COMMISSION FOR HIGHER EDUCATION (WICHE)

In 1959, the Nevada Legislature approved Nevada's participation as a member of the Western Interstate Commission for Higher Education (WICHE) to provide assistance to students seeking education in various professional and graduate fields of study not offered by higher education institutions within the state. The 1997 Nevada Legislature expanded the mission of WICHE to include the Health Care Access Program (HCAP). This program provides funds and educational opportunities to students in exchange for a two-year practice obligation to serve the medically under-served population of the state. The 1999 Nevada Legislature expanded the mission of the HCAP program by approving, for the first time, funding for in-state physical therapy slots. Historically, funding has not been continued for professions when an educational program for that profession is offered within Nevada.

The 2001 Legislature approved continued funding for in-state physical therapy slots and, for the first time, approved funding for nursing and mental health slots. Funding for nursing and mental health slots begins in the second year of the biennium; the slots can either be filled at an in-state or out-of-state institution.

Due to the discovery of a significantly higher reserve than anticipated in FY 2000-01, the 2001 Legislature was able to reduce the total General Fund appropriation recommended by the Governor by \$362,773 in FY 2001-02 and by \$22,300 in FY 2002-03. In addition, beginning in FY 2002-03, the Legislature approved the Governor's recommendation to eliminate a reserve in the WICHE Loan and Stipend account.

With regard to the administrative budget for WICHE, the 2001 Legislature augmented the Governor's recommended amounts for in-state travel to allow for increased advertisement of WICHE throughout Nevada.

DEPARTMENT OF CULTURAL AFFAIRS

The 2001 Legislature, with passage of S.B. 541, changed the name of the Department of Museums, Library and Arts to the Department of Cultural Affairs. The 1993 Legislature approved the creation of the department, which includes the Director's Office, the Division of Museums and History, the Division of Historic Preservation, and the Nevada Arts Council.

At the request of the Governor, the General Fund appropriations for the Department of Cultural Affairs were reduced by \$1,245,200 in FY 2001-02 and \$1,305,597 in FY 2002-03 by increasing the funding to be transferred from the Commission on Tourism. As a result, Tourism funds finance 20 percent of the Director's Office, 65 percent of the State Museum in Carson City, and 80 percent of the Railroad Museums' budgets.

CULTURAL AFFAIRS ADMINISTRATION

The 2001 Legislature approved funding for a new Personnel Analyst II position for the department, plus \$17,000 each year for department-wide training. With passage of S.B. 428, the 2001 Legislature appropriated \$200,000 for the support of the Nevada Humanities Committee, which allowed for the reduction of \$9,000 each year from the Cultural Affairs Administration budget.

MUSEUMS AND HISTORY

As approved, the Museums and History Division's budget reflects the reorganization of fiscal staff plus the consolidation of all railroad operations into the State Railroad Museum budget. The State Railroad Museum budget now reflects the costs of operating the Carson City Railroad Museum, the Ely Railroad Depot, and the Boulder City Railroad.

STATE HISTORIC PRESERVATION

The 2001 Legislature added a half-time position and created a statewide Monument Coordinator to oversee the state and local historical recognition programs.

NEVADA STATE LIBRARY

In closing the budget for the Nevada State Library, the 2001 Legislature added funding inflation increases for the purchase of books and publications.

NEVADA ARTS COUNCIL

Continued funding of \$75,000 each year was approved to continue funding art programs expanded by the 1999 Legislature, with approval of a \$150,000 one-shot appropriation approved in A.B. 703.

Nevada Legislative Counsel Bureau
Summary of Appropriations and Authorizations (Detail)

2001 Legislature

	2000 - 01 Work Program	2001 - 02 Governor Recommended	2001 - 02 Legislature Approved	2002 - 03 Governor Recommended	2002 - 03 Legislature Approved
EDUCATION					
DEPARTMENT OF EDUCATION					
EDUCATION STATE PROGRAMS	2,232,851	2,568,340	2,376,611	2,610,572	2,346,639
GENERAL FUND	2,171,196	2,454,067	2,262,338	2,517,870	2,253,937
BALANCE FORWARD	59,155				
INTER AGENCY TRANSFER		83,637	83,637	87,702	87,702
OTHER FUND	2,500	30,636	30,636	5,000	5,000
STUDENT INCENTIVE GRANTS	402,591	407,573	524,288	406,212	526,116
BALANCE FORWARD	306				
FEDERAL FUND	111,970	111,970	149,921	111,970	149,921
INTER AGENCY TRANSFER	290,315	295,603	374,367	294,242	376,195
OTHER STATE EDUC PROGRAMS	2,007,870	3,901,314	3,426,447	2,911,398	2,911,498
GENERAL FUND	709,251	3,901,307	3,426,440	2,911,391	2,911,491
BALANCE FORWARD	1,267,543				
OTHER FUND	31,076	7	7	7	7
EDUCATION SUPPORT SERVICES	1,548,874	1,954,679	1,907,379	1,964,965	1,950,283
GENERAL FUND		959,856	959,856	985,348	985,348
BALANCE FORWARD	54,305	54,305	54,305	31,714	31,714
INTER AGENCY TRANSFER	1,494,569	940,518	893,218	947,903	933,221
EDUCATION OF HANDICAPPED PERSONS -	901,945				
GENERAL FUND	398,946				
BALANCE FORWARD	166,469				
FEDERAL FUND	336,530				
TEACHER EDUCATION AND LICENSING	900,588	986,133	980,098	894,064	887,437
GENERAL FUND	771	100	100	100	100
BALANCE FORWARD	104,013	19,728	19,728	19,728	19,728
INTER AGENCY TRANSFER		43,488	43,488	45,588	45,588
OTHER FUND	795,804	922,817	916,782	828,648	822,021
OCCUPATIONAL EDUCATION	7,157,583	6,848,025	6,830,523	6,861,913	6,836,151
GENERAL FUND	369,945	343,823	326,321	357,711	331,949
BALANCE FORWARD	3,230				
FEDERAL FUND	6,784,408	6,504,202	6,504,202	6,504,202	6,504,202
NDE CONTINUING EDUCATION	2,977,343	2,629,138	2,634,292	2,632,876	2,635,381
GENERAL FUND	469,263	461,405	458,513	465,143	459,602
BALANCE FORWARD	1,011				
FEDERAL FUND	2,492,978	2,167,733	2,175,779	2,167,733	2,175,779
INTER AGENCY TRANSFER	14,091				

Nevada Legislative Counsel Bureau
Summary of Appropriations and Authorizations (Detail)

2001 Legislature

	2000 - 01 Work Program	2001 - 02 Governor Recommended	2001 - 02 Legislature Approved	2002 - 03 Governor Recommended	2002 - 03 Legislature Approved
DEPARTMENT OF EDUCATION					
NUTRITION EDUCATION PROGRAMS	50,260,529	44,292,259	44,304,533	47,630,504	47,621,548
GENERAL FUND	254,565	245,572	230,355	257,344	234,909
BALANCE FORWARD	60,500				
FEDERAL FUND	49,921,412	44,020,243	44,060,956	47,345,522	47,372,820
INTER AGENCY TRANSFER	24,052	26,444	13,222	27,638	13,819
NDE SCHOOL TO CAREERS	2,616,376	2,850,000	2,850,000		
BALANCE FORWARD	20,000				
FEDERAL FUND	2,596,376	2,850,000	2,850,000		
DISCRETIONARY GRANTS - RESTRICTED	2,332,127	2,234,427	2,285,927	2,234,427	2,285,927
BALANCE FORWARD	1,267				
FEDERAL FUND	2,330,860	2,234,427	2,285,927	2,234,427	2,285,927
SCHOOL HEALTH EDUCATION - AIDS	231,594	227,591	227,591	227,591	227,591
FEDERAL FUND	227,592	227,591	227,591	227,591	227,591
INTER AGENCY TRANSFER	4,002				
IMPROVING AMERICA'S SCHOOLS - TITLE I	26,563,549	25,338,023	25,740,844	25,338,023	25,740,844
BALANCE FORWARD	1,639				
FEDERAL FUND	26,561,910	25,338,023	25,740,844	25,338,023	25,740,844
IMPROVING AMERICA'S SCHOOLS - TITLES	4,091,560	3,758,513	4,662,008	3,758,505	4,662,000
BALANCE FORWARD	9,706				
FEDERAL FUND	4,081,854	3,758,513	4,662,008	3,758,505	4,662,000
INDIVIDUALS WITH DISABILITIES (IDEA)	37,628,906	37,417,234	37,417,701	37,418,690	37,419,179
GENERAL FUND		342,472	342,939	342,472	342,961
BALANCE FORWARD	61,411				
FEDERAL FUND	37,567,495	37,041,466	37,041,466	37,041,466	37,041,466
INTER AGENCY TRANSFER		33,296	33,296	34,752	34,752
PROFICIENCY TESTING	3,419,310	3,331,191	4,562,560	3,575,525	3,538,944
GENERAL FUND	1,928,093	3,331,023	4,562,392	3,575,357	3,538,776
BALANCE FORWARD	227,687				
INTER AGENCY TRANSFER	1,200,000				
INTERIM FINANCE	53,530				
OTHER FUND	10,000	168	168	168	168
DRUG ABUSE EDUCATION	1,782,274	1,721,192	1,721,192	1,721,192	1,721,192
BALANCE FORWARD	35,082				
FEDERAL FUND	1,726,170	1,721,192	1,721,192	1,721,192	1,721,192
INTER AGENCY TRANSFER	21,022				
COMMISSION ON POSTSECONDARY EDUCATION	338,134	327,215	305,886	341,029	309,138
GENERAL FUND	273,134	249,396	228,067	263,210	231,319
FEDERAL FUND	65,000	77,819	77,819	77,819	77,819

Nevada Legislative Counsel Bureau
Summary of Appropriations and Authorizations (Detail)

2001 Legislature

	2000 - 01 Work Program	2001 - 02 Governor Recommended	2001 - 02 Legislature Approved	2002 - 03 Governor Recommended	2002 - 03 Legislature Approved
DEPARTMENT OF EDUCATION					
DISTRIBUTIVE SCHOOL ACCOUNT	707,406,220	734,240,957	734,943,957	759,287,828	794,108,434
GENERAL FUND	564,375,447	588,556,850	588,121,907	609,507,161	642,986,176
BALANCE FORWARD	7,643,116				
FEDERAL FUND	2,910,624	2,412,306	2,412,306	2,412,306	2,412,306
OTHER FUND	132,477,033	143,271,801	144,409,744	147,368,361	148,709,952
DISCRETIONARY GRANTS - UNRESTRICTED	10,366,400	12,062,723	12,085,730	12,062,723	10,071,403
BALANCE FORWARD	63,759				
FEDERAL FUND	10,302,641	12,062,723	12,085,730	12,062,723	10,071,403
NDE, STAFFING SERVICES		491,165	491,165	512,399	512,399
INTER AGENCY TRANSFER		491,165	491,165	512,399	512,399
SUB-FUNCTION RECAP					
DEPARTMENT OF EDUCATION	865,166,624	887,587,692	890,278,732	912,390,436	946,312,104
GENERAL FUND	570,950,611	600,845,871	600,919,228	621,183,107	654,276,568
BALANCE FORWARD	9,780,199	74,033	74,033	51,442	51,442
FEDERAL FUND	148,017,820	140,528,208	141,995,741	141,003,479	140,443,270
INTER AGENCY TRANSFER	3,048,051	1,914,151	1,932,393	1,950,224	2,003,676
INTERIM FINANCE	53,530				
OTHER FUND	133,316,413	144,225,429	145,357,337	148,202,184	149,537,148

Nevada Legislative Counsel Bureau
Summary of Appropriations and Authorizations (Detail)

2001 Legislature

	2000 - 01 Work Program	2001 - 02 Governor Recommended	2001 - 02 Legislature Approved	2002 - 03 Governor Recommended	2002 - 03 Legislature Approved
EDUCATION					
UNIVERSITY & COMMUNITY COLLEGE SYSTEM					
UCCSN SYSTEM ADMINISTRATION	2,948,564	3,187,130	3,131,502	3,314,510	3,202,181
GENERAL FUND	2,665,094	2,903,660	2,848,032	3,031,040	2,918,711
OTHER FUND	283,470	283,470	283,470	283,470	283,470
UCCSN - SPECIAL PROJECTS	25,245,306	23,695,676	19,627,443	26,686,816	19,833,884
GENERAL FUND	541,654	1,197,281	1,172,430	1,188,420	1,170,393
OTHER FUND	24,703,652	22,498,395	18,455,013	25,498,396	18,663,491
UNIVERSITY PRESS	639,647	656,324	652,850	677,443	662,519
GENERAL FUND	638,931	656,324	652,850	677,443	662,519
INTER AGENCY TRANSFER	716				
BUSINESS CENTER NORTH	1,745,005	1,871,026	1,793,429	1,965,486	1,829,949
GENERAL FUND	1,724,099	1,871,026	1,793,429	1,965,486	1,829,949
INTER AGENCY TRANSFER	20,906				
BUSINESS CENTER SOUTH	1,472,870	1,552,666	1,501,056	1,627,357	1,533,717
GENERAL FUND	1,461,408	1,552,666	1,501,056	1,627,357	1,533,717
INTER AGENCY TRANSFER	11,462				
UNIVERSITY OF NEVADA - RENO	105,951,240	117,877,210	113,377,271	122,733,224	115,985,430
GENERAL FUND	76,894,015	88,949,587	82,187,718	92,805,361	82,878,049
INTER AGENCY TRANSFER	4,030,677	3,835,538	3,835,538	3,713,611	3,713,611
OTHER FUND	25,026,548	25,092,085	27,354,015	26,214,252	29,393,770
SCHOOL OF MEDICAL SCIENCES	18,475,841	19,117,590	19,624,586	19,815,051	19,980,863
GENERAL FUND	15,786,919	16,424,364	16,931,360	17,082,868	17,248,680
INTER AGENCY TRANSFER	30,923				
OTHER FUND	2,657,999	2,693,226	2,693,226	2,732,183	2,732,183
INTERCOLLEGIATE ATHLETICS - UNR	1,744,159	2,163,003	2,311,210	2,237,680	2,353,047
GENERAL FUND	1,490,117	1,913,003	2,061,210	1,987,680	2,103,047
INTER AGENCY TRANSFER	4,042				
OTHER FUND	250,000	250,000	250,000	250,000	250,000
STATEWIDE PROGRAMS - UNR	4,893,790	5,128,213	5,538,688	5,336,784	6,031,208
GENERAL FUND	4,876,708	5,128,213	5,538,688	5,336,784	6,031,208
INTER AGENCY TRANSFER	17,082				
UCCSN HEALTH LABORATORY AND RESEA	1,945,408	1,932,227	1,895,019	2,032,546	1,941,267
GENERAL FUND	1,194,457	1,370,727	1,333,519	1,454,201	1,362,922
FEDERAL FUND	98,695				
INTER AGENCY TRANSFER	20,820				
OTHER FUND	631,436	561,500	561,500	578,345	578,345

Nevada Legislative Counsel Bureau
Summary of Appropriations and Authorizations (Detail)

2001 Legislature

	2000 - 01 Work Program	2001 - 02 Governor Recommended	2001 - 02 Legislature Approved	2002 - 03 Governor Recommended	2002 - 03 Legislature Approved
UNIVERSITY & COMMUNITY COLLEGE SYSTEM					
UNIVERSITY OF NEVADA - LAS VEGAS	130,166,379	145,830,497	135,766,856	154,243,784	140,300,576
GENERAL FUND	84,907,664	98,154,968	87,690,495	103,020,013	88,028,986
INTER AGENCY TRANSFER	413,970				
OTHER FUND	44,844,745	47,675,529	48,076,361	51,223,771	52,271,590
DENTAL SCHOOL-UNLV	4,730,000	1,429,188	1,439,843	3,565,471	3,587,222
OTHER FUND	4,730,000	1,429,188	1,439,843	3,565,471	3,587,222
INTERCOLLEGIATE ATHLETICS - UNLV	1,771,763	2,557,969	2,330,833	2,644,571	2,375,466
GENERAL FUND	1,519,239	2,307,969	2,080,833	2,394,571	2,125,466
INTER AGENCY TRANSFER	2,524				
OTHER FUND	250,000	250,000	250,000	250,000	250,000
UNLV LAW SCHOOL	6,343,615	7,373,775	7,917,808	7,805,477	8,329,902
GENERAL FUND	4,055,121	4,862,302	4,749,735	5,292,852	4,986,789
INTER AGENCY TRANSFER	6,475				
OTHER FUND	2,282,019	2,511,473	3,168,073	2,512,625	3,343,113
STATEWIDE PROGRAMS - UNLV	690,767	723,420	804,823	754,394	820,584
GENERAL FUND	689,074	723,420	804,823	754,394	820,584
INTER AGENCY TRANSFER	1,693				
AGRICULTURE EXPERIMENT STATION	7,175,548	7,472,947	7,290,668	7,775,602	7,436,701
GENERAL FUND	5,954,664	6,190,103	6,007,824	6,492,758	6,153,857
FEDERAL FUND	1,198,300	1,282,844	1,282,844	1,282,844	1,282,844
INTER AGENCY TRANSFER	22,584				
COOPERATIVE EXTENSION SERVICE	7,264,711	7,524,231	7,347,542	7,875,543	7,533,628
GENERAL FUND	5,567,564	5,838,521	5,661,832	6,170,882	5,828,967
FEDERAL FUND	1,141,918	1,134,763	1,134,763	1,137,185	1,137,185
INTER AGENCY TRANSFER	20,331				
OTHER FUND	534,898	550,947	550,947	567,476	567,476
SYSTEM COMPUTING CENTER	11,753,976	14,645,576	14,324,070	15,516,988	15,153,589
GENERAL FUND	11,712,362	14,645,576	14,324,070	15,516,988	15,153,589
INTER AGENCY TRANSFER	41,614				
DESERT RESEARCH INSTITUTE	3,154,077	4,809,071	4,595,145	4,902,846	4,605,461
GENERAL FUND	2,498,390	4,160,585	3,946,659	4,254,360	3,956,975
INTER AGENCY TRANSFER	7,201				
OTHER FUND	648,486	648,486	648,486	648,486	648,486
GREAT BASIN COLLEGE	10,513,398	12,269,312	11,706,561	12,855,337	12,091,048
GENERAL FUND	7,904,517	9,722,426	9,058,140	10,196,099	9,306,132
INTER AGENCY TRANSFER	38,453				
OTHER FUND	2,570,428	2,546,886	2,648,421	2,659,238	2,784,916

Nevada Legislative Counsel Bureau
Summary of Appropriations and Authorizations (Detail)

2001 Legislature

	2000 - 01 Work Program	2001 - 02 Governor Recommended	2001 - 02 Legislature Approved	2002 - 03 Governor Recommended	2002 - 03 Legislature Approved
UNIVERSITY & COMMUNITY COLLEGE SYSTEM					
WESTERN NEVADA COMMUNITY COLLEGE	15,581,434	16,421,575	15,646,557	17,148,376	16,193,451
GENERAL FUND	12,913,823	13,977,358	12,560,574	14,564,348	12,678,786
INTER AGENCY TRANSFER	53,028				
OTHER FUND	2,614,583	2,444,217	3,085,983	2,584,028	3,514,665
COMMUNITY COLLEGE OF SOUTHERN NEV	66,345,057	77,582,187	71,525,233	85,387,922	73,780,342
GENERAL FUND	48,137,045	57,432,825	46,870,825	63,034,821	48,547,191
INTER AGENCY TRANSFER	219,433				
OTHER FUND	17,988,579	20,149,362	24,654,408	22,353,101	25,233,151
TRUCKEE MEADOWS COMMUNITY COLLEGE	28,412,130	31,497,901	30,703,436	33,206,035	31,614,514
GENERAL FUND	21,965,580	24,971,936	22,090,102	26,171,440	22,333,004
INTER AGENCY TRANSFER	102,201				
OTHER FUND	6,344,349	6,525,965	8,613,334	7,034,595	9,281,510
NATIONAL DIRECT STUDENT LOAN PROGR	77,842	49,504	49,504	49,504	49,504
GENERAL FUND	77,842	49,504	49,504	49,504	49,504
NEVADA STATE COLLEGE AT HENDERSON				7,283,787	4,441,031
GENERAL FUND				5,921,787	3,747,531
OTHER FUND				1,362,000	693,500
UCCSN Salary Adjustment Account	1,434,488		14,929,314		29,137,052
GENERAL FUND	1,434,488		14,929,314		29,137,052
SUB-FUNCTION RECAP					
UNIVERSITY & COMMUNITY COLLEGE SY:	460,477,015	507,368,218	495,831,247	547,442,534	530,804,136
GENERAL FUND	316,610,775	365,004,344	346,845,022	390,991,457	370,593,608
FEDERAL FUND	2,438,913	2,417,607	2,417,607	2,420,029	2,420,029
INTER AGENCY TRANSFER	5,066,135	3,835,538	3,835,538	3,713,611	3,713,611
OTHER FUND	136,361,192	136,110,729	142,733,080	150,317,437	154,076,888

Nevada Legislative Counsel Bureau
Summary of Appropriations and Authorizations (Detail)

2001 Legislature

	2000 - 01 Work Program	2001 - 02 Governor Recommended	2001 - 02 Legislature Approved	2002 - 03 Governor Recommended	2002 - 03 Legislature Approved
EDUCATION					
WICHE PROGRAM					
W.I.C.H.E. ADMINISTRATION	265,224	298,494	290,341	302,914	290,120
GENERAL FUND	265,224	298,494	290,341	302,914	290,120
W.I.C.H.E. LOAN & STIPEND	1,549,093	1,527,517	1,498,367	1,516,800	1,494,500
GENERAL FUND	763,153	721,527	358,754	753,404	731,104
BALANCE FORWARD	270,587	224,661	558,284	182,067	182,067
OTHER FUND	515,353	581,329	581,329	581,329	581,329
SUB-FUNCTION RECAP					
WICHE PROGRAM	1,814,317	1,826,011	1,788,708	1,819,714	1,784,620
GENERAL FUND	1,028,377	1,020,021	649,095	1,056,318	1,021,224
BALANCE FORWARD	270,587	224,661	558,284	182,067	182,067
OTHER FUND	515,353	581,329	581,329	581,329	581,329

Nevada Legislative Counsel Bureau
Summary of Appropriations and Authorizations (Detail)

2001 Legislature

	2000 - 01 Work Program	2001 - 02 Governor Recommended	2001 - 02 Legislature Approved	2002 - 03 Governor Recommended	2002 - 03 Legislature Approved
EDUCATION					
DEPARTMENT OF CULTURAL AFFAIRS					
CULTURAL AFFAIRS ADMINISTRATION	406,153	559,676	527,470	591,736	545,944
GENERAL FUND	306,822	445,644	395,915	477,095	412,917
BALANCE FORWARD	20,340				
INTER AGENCY TRANSFER	78,991	114,032	131,555	114,641	133,027
STATE HISTORIC PRESERVATION OFFICE	650,817	691,749	725,436	720,175	745,942
GENERAL FUND	269,443	283,008	317,414	292,836	319,305
BALANCE FORWARD	120				
FEDERAL FUND	305,964	328,726	328,007	343,577	342,875
INTER AGENCY TRANSFER	75,290	80,015	80,015	83,762	83,762
COMSTOCK HISTORIC DISTRICT	90,872	93,473	90,752	99,345	94,472
GENERAL FUND	90,872	93,473	90,752	99,345	94,472
MUSEUMS AND HISTORY	705,197	895,712	263,605	998,428	266,588
GENERAL FUND	231,783	308,113	263,605	320,930	266,588
BALANCE FORWARD	457,681				
INTER AGENCY TRANSFER	15,733	587,599		677,498	
NEVADA HISTORICAL SOCIETY	651,281	673,715	653,359	712,731	680,317
GENERAL FUND	576,608	583,804	563,448	616,556	584,142
INTER AGENCY TRANSFER		82,411	82,411	88,675	88,675
OTHER FUND	74,673	7,500	7,500	7,500	7,500
STATE MUSEUM, CARSON CITY	1,547,509	1,569,275	1,507,165	1,648,913	1,554,180
GENERAL FUND	1,197,596	1,241,818	160,043	1,309,406	143,183
BALANCE FORWARD	22,600				
FEDERAL FUND	31,836	12,000	12,000	12,000	12,000
INTER AGENCY TRANSFER	10,000	189,606	1,209,271	201,656	1,273,146
OTHER FUND	285,477	125,851	125,851	125,851	125,851
NEVADA STATE RAILROAD MUSEUM	863,042	939,943	1,525,627	984,317	1,649,324
GENERAL FUND	410,245	452,262	164,518	478,426	177,839
INTER AGENCY TRANSFER	332,705	421,384	1,294,812	439,594	1,405,188
OTHER FUND	120,092	66,297	66,297	66,297	66,297
MUSEUM & HISTORICAL SOCIETY - LV	882,009	937,615	891,956	983,031	913,627
GENERAL FUND	872,927	926,127	857,199	971,543	877,122
INTER AGENCY TRANSFER			21,057		22,805
OTHER FUND	9,082	11,488	13,700	11,488	13,700
LOST CITY MUSEUM	324,510	368,018	352,288	388,454	363,807
GENERAL FUND	248,858	283,605	279,153	301,381	288,012
INTER AGENCY TRANSFER	11,278	43,146	31,868	45,806	34,528
OTHER FUND	64,374	41,267	41,267	41,267	41,267

Nevada Legislative Counsel Bureau
Summary of Appropriations and Authorizations (Detail)

2001 Legislature

	2000 - 01 Work Program	2001 - 02 Governor Recommended	2001 - 02 Legislature Approved	2002 - 03 Governor Recommended	2002 - 03 Legislature Approved
DEPARTMENT OF CULTURAL AFFAIRS					
NEVADA STATE LIBRARY	3,914,656	3,996,863	3,900,568	4,067,557	3,931,906
GENERAL FUND	2,762,203	3,193,292	3,096,997	3,257,321	3,121,670
BALANCE FORWARD	358,276				
FEDERAL FUND	789,182	800,394	800,394	807,059	807,059
OTHER FUND	4,995	3,177	3,177	3,177	3,177
NEVADA STATE LIBRARY - LITERACY	213,407	195,407	191,308	204,258	193,651
GENERAL FUND	110,207	125,471	121,372	134,322	123,715
FEDERAL FUND	41,000	20,000	20,000	20,000	20,000
INTER AGENCY TRANSFER	62,200	49,936	49,936	49,936	49,936
NEVADA STATE LIBRARY-CLAN	690,274	469,590	467,311	477,035	475,197
BALANCE FORWARD	181,220				
FEDERAL FUND	100,000	100,000	100,000	100,000	100,000
INTER AGENCY TRANSFER	67,125	101,025	101,025	101,025	101,025
OTHER FUND	341,929	268,565	266,286	276,010	274,172
ARCHIVES AND RECORDS	595,938	580,689	550,536	609,251	563,375
GENERAL FUND	551,069	577,389	547,236	605,951	560,075
BALANCE FORWARD	32,141				
FEDERAL FUND	8,689	1,420	1,420	1,420	1,420
OTHER FUND	4,039	1,880	1,880	1,880	1,880
MICROGRAPHICS AND IMAGING	795,619	817,169	817,169	867,423	870,878
BALANCE FORWARD	93,373	92,944	92,944	131,903	135,358
OTHER FUND	702,246	724,225	724,225	735,520	735,520
NEVADA ARTS COUNCIL	1,964,676	1,955,171	1,924,490	1,989,290	1,937,848
GENERAL FUND	1,267,071	1,395,240	1,426,559	1,429,359	1,439,917
BALANCE FORWARD	117,716				
FEDERAL FUND	485,900	485,900	485,900	485,900	485,900
INTER AGENCY TRANSFER	62,000	62,000		62,000	
OTHER FUND	31,989	12,031	12,031	12,031	12,031
SUB-FUNCTION RECAP					
DEPARTMENT OF CULTURAL AFFAIRS	14,295,960	14,744,065	14,389,040	15,341,944	14,787,056
GENERAL FUND	8,895,704	9,909,246	8,284,211	10,294,471	8,408,957
BALANCE FORWARD	1,283,467	92,944	92,944	131,903	135,358
FEDERAL FUND	1,762,571	1,748,440	1,747,721	1,769,956	1,769,254
INTER AGENCY TRANSFER	715,322	1,731,154	3,001,950	1,864,593	3,192,092
OTHER FUND	1,638,896	1,262,281	1,262,214	1,281,021	1,281,395

Nevada Legislative Counsel Bureau
Summary of Appropriations and Authorizations
2001 Legislature

	2000 - 01 Work Program	2001 - 02 Governor Recommended	2001 - 02 Legislature Approved	2002 - 03 Governor Recommended	2002 - 03 Legislature Approved
EDUCATION					
EDUCATION					
GENERAL FUND	897,485,467	976,779,482	956,697,556	1,023,525,353	1,034,300,357
BALANCE FORWARD	11,334,253	391,638	725,261	365,412	368,867
FEDERAL FUND	152,219,304	144,694,255	146,161,069	145,193,464	144,632,553
INTER AGENCY TRANSFER	8,829,508	7,480,843	8,769,881	7,528,428	8,909,379
INTERIM FINANCE	53,530				
OTHER FUND	271,831,854	282,179,768	289,933,960	300,381,971	305,476,760
TOTAL EDUCATION	1,341,753,916	1,411,525,986	1,402,287,727	1,476,994,628	1,493,687,916
LESS: INTER AGENCY TRANSFER	8,829,508	7,480,843	8,769,881	7,528,428	8,909,379
NET-EDUCATION	1,332,924,408	1,404,045,143	1,393,517,846	1,469,466,200	1,484,778,537