

EDUCATION



EDUCATION

The education function includes three sub-functions: The Department of Education (K-12); the University and Community College System of Nevada (UCCSN); and other educational programs, which include the Department of Cultural Affairs, the WICHE program, and the Commission on Postsecondary Education.

Historically, education has been the largest function in the state budget supported by the General Fund, and the 2003 Legislature continued this tradition. Appropriations approved by the 2003 Legislature for educational programs account for 55.7 percent of General Fund expenditures during the 2003-05 biennium.

Total General Fund appropriations for educational programs approved by the 2003 Legislature totals approximately \$1.27 billion in FY 2003-04 and approximately \$1.43 billion in FY 2004-05, a combined 30.3 percent increase over appropriations approved during the 2001-03 biennium.

EDUCATION (K-12)

DISTRIBUTIVE SCHOOL ACCOUNT

The Department of Education is responsible for the administration of the Distributive School Account (DSA), which is the mechanism for distributing direct state financial aid to Nevada's 17 county school districts that serve over 350,000 students. Direct state aid to public elementary and secondary schools is the largest single expenditure from the state's General Fund. In addition to General Fund support, the DSA revenue is derived from an annual tax on slot machines, investment income from the state's Permanent School Fund, receipts from mineral leases on federal lands, estate tax transferred from the Fund for School Improvement, and local school support tax on out-of-state sales that cannot be attributed to a particular county. In addition, for FY 2003-04, the Legislature approved the inclusion of \$68 million in Federal Flexible Funding that was approved by the federal government in May 2003 to assist states due to the downturns in the economy.

Local school districts receive quarterly apportionments from the DSA based on a count of students enrolled in the district's schools on the last day of the first school month of the school year. A specific amount per student is guaranteed to the school district through a formula, known as the Nevada Plan, which considers the district's economic and demographic characteristics. The Nevada Plan provides a guaranteed amount of basic support per student, plus additional funding for special education program units and programs for adults earning high school diplomas. Funding generated locally from the 2.25-cent local school support (sales) tax and 25 cents of the 75-cent property tax levy for school operations is subtracted from the guaranteed basic support to determine the amount of state aid a school district will receive.

DISTRIBUTIVE SCHOOL ACCOUNT - SUMMARY FOR 2003-05 BIENNIUM

	2001-02	2002-03	2003-04	2003-04	2004-05	2004-05
	Actual	Estimated	Governor Recommended	Legislature Approved	Governor Recommended	Legislature Approved
Total Enrollment *	344,765	358,722	371,663	371,663	384,908	384,908
Basic Support	3,902	3,987	4,259	4,295	4,291	4,424
Total Regular Basic Support **	1,351,677,697	1,433,147,311	1,583,041,870	1,596,307,778	1,651,660,982	1,702,874,391
Class-size Reduction	91,822,619	99,730,291	108,136,562	108,937,389	114,022,267	117,142,553
Special Education ***	72,004,752	76,868,064	83,185,765	83,185,765	87,866,476	87,866,476
Special Units/Gifted & Talented	116,971	167,321	181,067	181,067	190,877	190,877
Adult Diploma Education	14,671,612	15,641,566	16,926,569	16,926,569	17,843,596	17,843,596
NRS Adjustments	157,102	0	0	0	0	0
School Improvement Programs:						
Remediation	5,710,014	6,239,566	6,179,109	6,179,109	6,513,874	6,513,874
RPDP, NELIP & LEAD	4,695,530	5,500,775	5,952,681	8,997,941	6,275,178	9,116,835
NV Early Literacy Program	4,431,127	4,500,000	4,500,000	0	4,500,000	0
Special Funding:						
School-to-Careers	500,000	0	0	0	0	0
Early Childhood Education	2,595,583	3,500,000	2,595,583	2,896,583	2,595,583	2,896,583
High Impact/Spec Stipends	0	0	16,273,991	2,689,206	16,853,345	12,777,699
Kindergarten Transition	0	0	4,059,200	0	20,151,615	0
Special Student Svcs/Counseling	850,000	850,000	850,000	850,000	850,000	850,000
Special Transportation (Lyon Cty)	47,715	47,715	47,715	47,715	47,715	47,715
Total Required State Support **	1,549,280,722	1,646,192,609	1,831,930,112	1,827,199,123	1,929,371,507	1,958,120,599
LESS						
Local School Support Tax (LSST)	(644,428,774)	(677,939,070)	(712,513,963)	(717,955,893)	(752,414,745)	(758,161,426)
25c Property Tax	(131,796,116)	(144,666,704)	(159,067,666)	(159,067,666)	(173,705,519)	(173,705,519)
Total State Share	773,055,832	823,586,835	960,348,483	950,175,564	1,003,251,244	1,026,253,654
STATE SHARE ELEMENTS						
General Fund	588,121,907	642,986,176	825,391,050	746,727,016	861,796,144	884,229,250
General Fund - FY 02 from FY 03	43,852,000	(43,852,000)				
Federal Flexible Funding (PL 108-27)				67,952,000		
DSA Share of Slot Tax Income	38,429,229	38,228,878	38,303,623	38,303,623	39,898,127	39,898,127
Permanent School Fund Income	4,765,750	4,600,550	4,704,000	4,704,000	5,497,188	5,497,188
Federal Mineral Land Lease Income	3,655,780	5,085,209	5,237,765	5,237,765	5,394,898	5,394,898
Out of State LSST Income	63,841,496	67,161,254	70,586,478	71,125,593	74,539,320	75,108,625
Fund for Sch Improvement Income	29,500,000	34,203,605	16,125,566	16,125,566	16,125,566	16,125,566
Prior Year Refunds	947,250	212,684				
Balance Forward		57,580				
Total State Share Elements	773,113,412	748,683,935	960,348,483	950,175,564	1,003,251,244	1,026,253,654
Balance (To/From General Fund)	57,580	(74,902,899) ****				
			No. of Units	\$ per Unit	No. of Units	\$ per Unit
*** Special Education Units	2001-02	2,402	29,977.00	2003-04	2,615	31,811.00
Recommended and Approved	2002-03	2,514	30,576.00	2004-05	2,708	32,447.00

* FY 02 & 03 Apportioned and FY 04 & 05 Weighted

** Totals May Not Balance Due to Rounding

*** Special Education Unit funded separately from Basic Support

**** Supplemental Appropriation Approved by 2003 Legislature

The 2003 Legislature approved state General Fund appropriations to the DSA of \$746.7 million in FY 2003-04 and \$884.2 million in FY 2004-05, totaling \$1.63 billion for the 2003-05 biennium. This is \$324.9 million greater than the \$1.31 billion appropriated for the 2001-2003 biennium (including a \$71.7 million supplemental appropriation as recommended by the Governor and approved by the 2003 Legislature and a \$3.2 million supplemental appropriation approved by the 20th Special Session). This represents an increase of 24.9 percent. In approving the DSA, the Legislature approved an inflation adjustment of 10 percent for utilities to assist with increased costs to school districts. In addition, the Legislature approved an increase of \$50 per student to provide additional funding for textbooks, instructional supplies and instructional hardware. In approving total funding of \$64.4 million in FY 2003-04 and \$66.7 million in FY 2004-05 for textbooks, instructional supplies and instructional hardware, the 2003 Legislature, for the first time, “fenced off” this funding and required that school districts spend at least as much on these items on a per pupil basis as has been spent on a historical basis. This policy decision came from the Legislature after receiving several complaints from the community regarding an inadequate supply of textbooks and supplies for pupils.

The accompanying table displays the DSA budget as approved by the 2003 Legislature, actual revenues and expenditures for FY 2001-02, estimates for FY 2002-03, and the approved budget for the 2003-05 biennium. The statewide average basic support per pupil was approved by the 2003 Legislature to increase from the estimated FY 2002-03 amount of \$3,987 to \$4,295 in FY 2003-04 and \$4,424 in FY 2004-05.

LOCALLY-GENERATED REVENUE

Local School Support Tax

Actual collections of the local school support tax (LSST) in FY 2001-02 were 1.3 percent higher than actual collections in the prior year and increased an additional 6.6 percent in FY 2002-03. The Legislature projects LSST collections will increase 5.9 percent in FY 2003-04 and 5.6 percent in FY 2004-05.

PROPERTY TAX

Based on the estimates of assessed valuation developed by the Department of Taxation, the 2003 Legislature projected a 9.95 percent increase in property tax in FY 2003-04 over the projected FY 2002-03 collections, and a 9.2 percent increase in FY 2004-05.

Local government services taxes, formerly called the motor vehicle privilege tax, are estimated to reach \$67.3 million in FY 2003-04 and \$71.2 million in FY 2004-05 compared to the FY 2001-02 actual collections of \$60.2 million and the projected collections for FY 2002-03 of \$62.3 million.

ENROLLMENT

Each school district's guaranteed level of funding is determined by multiplying the basic support per pupil by the weighted enrollment. Weighted enrollment equals a full count of pupils enrolled in grades 1 through 12, including children with disabilities enrolled in special education programs within a district, plus six-tenths of the count of pupils enrolled in kindergarten or programs for three and four-year-olds with disabilities. Handicapped preschoolers and kindergarten pupils are only counted as six-tenths of a pupil because they typically attend school for half a day or less. The following chart compares audited weighted enrollment numbers by fiscal year and the percent of increase each year over the preceding year:

1996-97 Actual	1997-98 Actual	1998-99 Actual	1999-00 Actual	2000-01 Actual	2001-02 Actual	2002-03 Estimated	2003-04 Leg.App	2004-05 Leg App
271,725	285,990	300,116	314,149	330,009	344,765	358,722	371,663	384,908
6.5%	5.2%	4.9%	4.7%	5.0%	4.5%	4.0%	3.6%	3.6%

Weighted enrollment increased by approximately 8.7 percent during the current biennium, to 358,722 students in FY 2002-03, compared to the 360,931 projected by the 2001 Legislature. The 2003 Legislature approved a projected enrollment increase of 3.61 percent in FY 2003-04 over the FY 2002-03 estimated weighted enrollment and an increase of 3.56 percent in FY 2004-05.

Although Clark County and several other school district enrollments increased during both years of the 2003-05 biennium, eleven school districts experienced a decline in enrollment and used the "hold harmless" provision of NRS 387.1233(2) for apportionment purposes. Under the "hold harmless" provision, the apportioned enrollment is based upon the larger of the current year's enrollment or that of either of the previous two years. During the 2001-03 biennium, the "hold harmless" provision increased the state responsibility by \$15.8 million; however, due to the uncertainty of projected enrollments, the cost of the hold harmless provision is not budgeted in the Distributive School Account.

POSITIONS AND SALARIES

The budget approved by the 2003 Legislature included an increase of 2 percent for the movement on the salary scale; typically call the "roll-up," and a cost-of-living salary increase of 2.75 percent in FY 2003-04 and a 2.0 percent increase in FY 2004-05.

In addition, the Legislature authorized \$2.7 million in FY 2003-04 and \$12.8 million in FY 2004-05 for the purchase of retirement credits for certain licensed educational personnel. In FY 2003-04, teachers with satisfactory evaluations who have been employed for at least two school years in a school that was designated as demonstrating need for improvement or had at least 65 percent of pupils eligible for free or reduced price lunches will be eligible to receive one-fifth retirement credit funded through the DSA. In FY 2004-05, the purchase of retirement credits is expanded to

include licensed school psychologists and teachers who hold an endorsement in the field of mathematics, science, special education or English as a second language (ESL), who have been employed in that position for at least one school year.

Finally, through the Department of Education – Other State Education Programs budget, the 2003 Legislature approved state General Fund in the amount of \$5.0 million in each fiscal year of the 2003-05 biennium to continue signing bonuses in the amount of \$2,000 for teachers who are newly hired by school districts.

SPECIAL EDUCATION

For FY 2002-03, the state funded 2,514 special education units at \$30,576 each, totaling \$76.9 million. For the 2003-05 biennium, the 2003 Legislature approved 2,615 special education units, at a cost of \$31,811 each or \$83.2 million for FY 2003-04, and 2,708 special education units, at a cost of \$32,447 each or \$87.9 million for FY 2004-05, an increase of 8.2 percent and 5.6 percent, respectively, to accommodate growth in enrollment and roll-up costs for special education programs.

Additional special education funding is also continued during the 2003-05 biennium for five special education program units to be authorized by the State Board of Education for instructional programs incorporating education technology for gifted and talented pupils. Funding for these units is \$181,067 in FY 2003-04 and \$190,877 in FY 2004-05.

CLASS-SIZE REDUCTION (CSR)

In order to maintain pupil-teacher ratios of 16 to 1 in first and second grades and 19 to 1 in third grade, the 2003 Legislature approved funding \$108.9 million in FY 2003-04 and \$117.1 in FY 2004-05 for the CSR program. This represents an increase of 9.2 percent in FY 2003-04 when compared to the FY 2002-03 work program amount of \$99.7 million, with an additional 7.5 percent increase in FY 2004-05. The Legislature also continued 23.5 teachers hired to reduce the pupil-teacher ratio in certain kindergartens with large numbers of students considered at-risk of failure.

The 2003 Legislature again granted authority for all school districts, subject to the approval of the State Superintendent of Public Instruction, to carry out alternative programs for reducing the ratio of pupils per teacher or to implement programs of remedial education that have been found to be effective in improving pupil achievement in grades 1, 2, and 3. In addition, the 2003 Legislature expanded flexibility in the use of CSR funding to address class-sizes in grades 4, 5, and 6 in rural school districts (i.e., school districts that are located in a county whose population is under 100,000), subject to the approval of the State Superintendent of Public Instruction. Based upon the success of the Elko County School District demonstration project that was first authorized by the 1999 Legislature, the 2003 Legislature authorized rural school districts to use CSR funding to carry-out a program in which alternative pupil-teacher ratios are carried out in grades 1 through 6. The alternative pupil-teacher ratios may not exceed 22 to 1 in grades 1, 2, and 3 and may not exceed 25 to 1 in grades 4 and 5 or

grades 4, 5, and 6 in school districts that include grade 6 in elementary school. For urban school districts (i.e., school districts that are located in a county whose population is 100,000 or more), flexibility in the use of CSR funding to address class-sizes in grades 4, 5, and 6 was not authorized. Instead, a study of the current class-sizes is required to determine if alternative pupil-teacher ratios may improve the academic achievement of pupils, decrease pupil discipline, or decrease or eliminate team-teaching in grades 1 and 2. In conducting the study, the urban school districts will be required to determine the fiscal effect of carrying out alternative pupil-teacher ratios, including the number of additional classrooms and teachers that would be needed. If any school district receives approval to carry out a program of remedial education or alternative pupil-teacher ratios, the school district must evaluate the effectiveness of the alternative CSR program on team-teaching, pupil discipline, and the academic achievement of pupils.

SCHOOL IMPROVEMENT PROGRAMS

In addition to the per-pupil guarantee, the 2003 Legislature continued funding for school improvement programs. For the 2003-05 biennium, funding for remediation programs for low-performing schools was approved at \$5.2 million in FY 2003-04 and \$5.0 million in FY 2004-05. For before/after/summer/intersession tutoring for at-risk pupils, the Legislature approved funding of \$1.0 million in FY 2003-04 and \$1.5 million in FY 2004-05. In approving the funds, the Legislature required the funds to be utilized to provide supplemental services, as defined by the No Child Left Behind Act (NCLBA) to pupils in non-Title I schools designated as demonstrating need for improvement. Previously, these funds could be utilized to assist all at-risk pupils, regardless of the funding source or designation of the school.

The 2003 Legislature also continued funding for the Regional Professional Development Programs (RPDPs) and the Nevada Early Literacy Intervention Program (NELIP). In approving the funding of \$8.9 million in FY 2003-04 and \$9.0 million in FY 2004-05, the Legislature consolidated the services provided by the NELIP under the umbrella of the RPDPs. This consolidation resulted in a state General Fund savings of \$3.1 million over the 2003-05 biennium. In addition to consolidating the services of the RPDPs and the NELIP, the Legislature also approved the inclusion of state funding for the Project LEAD (Leadership in Educational Administration Development) program in the RPDP budget; previously, funding for Project LEAD was included as a separate line item in the Other State Education Programs budget account (BA 101-2699). Funding of \$80,000 in each fiscal year of the 2003-05 biennium is approved for the RPDPs to provide professional development training to administrators in support of the goals of the Nevada Project LEAD, as established through the Department of Educational Leadership in the College of Education, located at the University of Nevada, Reno.

SPECIAL FUNDING

The 2001 Legislature increased funding for early childhood education from \$1.0 million for the 1999-2001 biennium to \$7.0 million for the 2001-03 biennium. The additional

funds were for competitive grants to school districts and community-based organizations for early childhood programs. For the 2003-05 biennium, the Legislature approved funding of \$2.6 million in each fiscal year of the biennium to continue the early childhood programs at the amount expended in FY 2001-02. In addition, the 2003 Legislature approved the transfer of funding in the amount of \$301,000 in each fiscal year of the biennium for the Classroom on Wheels (COW) program from the Other State Education Programs budget account (BA 101-2699) to be added to the funding for early childhood education in the DSA. Finally, in approving funding for early childhood education programs, the 2003 Legislature required that the funds be restricted to items directly related to the instruction of pupils and that longitudinal evaluation be conducted for all early childhood programs as part of receipt of grant funds.

Although the Governor recommended funding of \$33.1 million over the 2003-05 biennium for stipend programs for certain educational personnel, the 2003 Legislature authorized \$15.5 million to be utilized for the purchase of retirement credits for certain licensed education personnel, in lieu of the stipend programs (see the Positions and Salaries section of this report for additional information concerning the retirement credits approved by the 2003 Legislature).

Finally, although the Governor recommended a total of \$24.2 million over the 2003-05 biennium to implement full-day kindergarten in “at-risk” schools, the 2003 Legislature did not approve funding for this new program.

DEPARTMENT OF EDUCATION- OPERATING BUDGETS

The 2003 Legislature approved total funding for the Department of Education (excluding the Distributive School Account) in the amount of \$238.2 million in FY 2003-04 and \$241.4 million in FY 2004-05, an increase of 19.2 percent for the 2003-05 biennium compared to the 2001-03 biennium. Of this amount, state General Fund support is increased to a total of \$45.6 million for the biennium. The amount of General Fund recommended represents an increase of \$21.8 million, with most of this increase being attributable to on-going funding for programs such as teacher signing bonuses and educational technology programs that were previously funded with one-time appropriations.

In an effort to assist the Department in providing school improvement support to schools designated as demonstrating need for improvement, the 2003 Legislature approved federal No Child Left Behind Act (NCLBA) funds for a new full-time Education Consultant to begin July 1, 2004. This position was recommended by the Governor to be funded in both years of the 2003-05 biennium; however, because the number of schools designated as demonstrating need for improvement is not anticipated to increase significantly until FY 2004-05, the position was approved by the Legislature to begin in the second year of the biennium. In addition to federal NCLBA funds for an Education Consultant, the 2003 Legislature also approved federal NCLBA funding for a new full-time Computer Systems Programmer II for the upgraded SAIN system (System for Accountability Information in Nevada; previously the SMART program). Finally, the

Legislature approved federal Reading Excellence Act (REA) and Reading First funding for a new Education Consultant position to assist in the transition between the ending of the REA program and the beginning of the Reading First program.

As discussed in the Positions and Salary section of this report, the Governor recommended and the 2003 Legislature approved \$5.0 million in each fiscal year of the 2003-05 biennium to continue the \$2,000 signing bonuses for teachers who are newly hired by school districts during the 2003-05 biennium.

Also approved by the 2003 Legislature was continued funding in the amount of \$51,429 in each fiscal year of the 2003-05 biennium for National Board Certification of teachers. In addition, the Governor recommended and the Legislature approved funding in the amount of \$285,460 in FY 2004-05 to support, for the first time, nationally certified school counselors and school psychologists.

SAIN – SYSTEM FOR ACCOUNTABILITY INFORMATION IN NEVADA: PREVIOUSLY SMART

The 2003 Legislature approved a new name for the SMART program: System for Accountability Information in Nevada (SAIN) and made several decisions concerning funding for the system in order to upgrade the program to meet the requirements of the federal No Child Left Behind Act (NCLBA). The previous SMART system (Statewide Management of Automated Record Transfer) was established during the 1995 Legislative Session and was implemented to allow the ready and convenient access of student information for legislators and school, district, and state administrators, as well as state and local school boards. Under the federal NCLBA, the requirements for a statewide system are expanded to include not only student level data, but also individual educator data, school level data, and program and financial data. In order to upgrade the system to meet the new NCLBA requirements, the 2003 Legislature approved state support in the amount of \$1.2 million in FY 2003-04 and \$1.1 million in FY 2004-05, with an additional \$581,390 in FY 2003-04 and \$583,997 in FY 2004-05 in federal NCLBA funds.

TEACHER EDUCATION AND LICENSING

The Teacher Education and Licensing budget includes the Commission on Professional Standards in Education, which is charged with the adoption of regulations pertaining to the licensing of teachers and other educational personnel. Teacher licensing staff is responsible for implementation and enforcement of the standards adopted by the Commission on Professional Standards in Education. Licensing staff is also responsible for determining eligibility, approving and issuing licenses for teachers and other educational personnel.

In approving this budget, the 2003 Legislature approved the Governor's recommendation to provide \$100 in state General Fund in each year of the 2003-05 biennium to provide continued access to the Interim Finance Committee in the event the budget account encountered a shortfall that could not be remedied with reserve funds.

Licensing reserve funds for this budget account were approved at \$103,189 in FY 2003-04 and \$172,446 in FY 2004-05.

NO CHILD LEFT BEHIND ACT (NCLBA)

On January 8, 2002, the revised Elementary and Secondary Education Act (ESEA) was signed into law; this law is commonly referred to as the “No Child Left Behind Act” (NCLBA). This new law sets deadlines for states to expand the scope and frequency of student testing, revamp accountability systems, and guarantee that every classroom is staffed by a teacher qualified to teach in his or her subject area. In addition, it requires states to make demonstrable progress from year to year in raising the percentage of students proficient in reading and math, and in narrowing the test-score gap between advantaged and disadvantaged students. In order to comply with the new requirements, the law presents states with a range of new resources, tools and opportunities. This new law will greatly affect the school districts, as well as the state as a whole over the next biennium.

In order to comply with the federal NCLBA, the Legislature passed Senate Bill 1 of the 19th Special Session, which revises the public school accountability provisions of the Nevada Education Reform Act (NERA) and related sections of the law to conform to requirements of the NCLBA.

IMPROVING AMERICA’S SCHOOLS – TITLE I

Title I programs provide federal assistance to improve instructional programs for educationally disadvantaged students. The programs are directed toward schools with a high concentration of low-income families, large numbers of children of migratory agricultural workers, or schools with educationally disadvantaged students such as Limited English Proficient (LEP) students. This budget account contains the majority of the federal NCLBA funds that are pass-through funds to the school districts.

The 2003 Legislature approved federal funds of approximately \$54.1 million in each fiscal year of the 2003-05 biennium for Title I programs; this is a 78 percent increase in funds when compared to the actual amount received in FY 2001-02. Of this amount, \$45.3 million in each year of the biennium will go directly to Title I identified schools; \$1.1 million in each year of the biennium will continue the federal Even Start program, and \$4.4 million in each year of the biennium will be used for the new Reading First program (Under the NCLBA, Reading First replaces the Reading Excellence Act (REA) grant).

IMPROVING AMERICA’S SCHOOLS – TITLES II, V, AND VI

Four of the programs included in the NCLBA federal legislation are included in this budget account. The 2003 Legislature approved federal funds of approximately \$24.3 million in each year of the biennium for the following programs:

- Title II – Teacher Quality Grant - \$14.0 million in each fiscal year of the biennium;
- Title II – Education Technology Grant - \$3.2 million in each fiscal year of the biennium;
- Title V – Innovative Education Grant - \$2.3 million in each fiscal year of the biennium; and
- Title VI – State Assessment Grant - \$4.2 million in each fiscal year of the biennium.

PROFICIENCY TESTING

Since 1977, the Legislature has required statewide testing to measure how Nevada's pupils compare to those in other states and the nation as a whole. Beginning in 1995, the Legislature has fully funded the costs of state-required tests. With implementation of the federal No Child Left Behind Act (NCLBA), the current proficiency testing and accountability system in the state of Nevada will be significantly affected. Under the NCLBA, reading and math tests must be given annually in grades 3 through 8 and one high school grade starting in FY 2005-06 and the state accountability system must take into account the achievement of ALL public elementary and secondary school students. The 2003 Legislature approved state General Funds of \$4.1 million in FY 2003-04 and \$4.3 million in FY 2004-05 to continue the state's testing program. These funds will meet the state's maintenance of effort requirement under the NCLBA. Federal funds for state assessments in the amount of \$4.2 million in each fiscal year of the biennium will be utilized to complete the assessment program as required by the NCLBA.

GEAR UP

The state of Nevada was awarded the GEAR UP federal grant in Fall 2001. The goal of Nevada GEAR UP (Gaining Early Awareness and Readiness for Undergraduate Programs) is to help more low-income students become prepared academically and financially to enter into and succeed in college. Nevada GEAR UP is operated by the Nevada Department of Education, in conjunction with the Nevada Governor's Office, the Nevada Treasurer's Office, and the University and Community College System of Nevada (UCCSN). The 2003 Legislature approved \$1.2 million in federal funds for each fiscal year of the 2003-05 biennium to continue this program.

OTHER BILLS PROVIDING FUNDING TO LOCAL SCHOOL DISTRICTS

Senate Bill 1 of the 19th Special Session makes substantive changes regarding education to facilitate implementation of the federal No Child Left Behind Act (NCLBA). In addition to revising the public school accountability provisions of the Nevada Education Reform Act (NERA) and related sections of the law to conform to requirements of the NCLBA, the measure makes two appropriations. First is an appropriation in the amount of \$1.4 million in each fiscal year of the 2003-05 biennium to obtain the contractual services of a consultant to provide brochures for reporting pupil test scores for statewide accountability tests and for related services. The second

appropriation is in the amount of \$9.95 million over the 2003-05 biennium for school district educational technology.

Assembly Bill 257 of the 2003 Legislative Session appropriates \$5.8 million to the Interim Finance Committee to assist school districts during the 2003-05 biennium in paying for unexpected expenses related to providing health insurance for their employees.

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA

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); 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 13-member Board of Regents governs the UCCSN.

The 2003 Legislature approved a total of \$1.28 billion in funding for the 2003-05 biennium - an increase of \$257.1 million, or 25.1 percent, over the \$1.03 billion approved by the 2001 Legislature. The total includes \$989.4 million in General Fund appropriations and \$294.4 million in student fees, tuition and other UCCSN revenues. The Executive Budget allocated roughly 18.55 percent of available General Fund appropriations to the UCCSN in FY 2003-04 and 18.50 percent in FY 2004-05 (18.52 percent for the biennium). The legislatively approved budget allocates approximately 21.0 percent of available General Fund appropriations to the UCCSN in FY 2003-04 and 20.0 percent in FY 2004-05 (20.5 percent for the biennium). The significant difference between the Governors's recommended and legislatively approved percentages resulted primarily from the shift of estate tax revenues and expenditures to the General Fund (explained further below).

ESTATE TAX SHIFT

The estate tax is being phased out as a revenue source for Nevada with the *Economic Growth and Tax Relief Reconciliation Act of 2001* (H.R. 1836) annually reducing, then repealing the tax. Nevada imposes an estate tax only to the extent of any federal credit. The state estate tax credit is reduced by 25 percent in 2002, by 50 percent in 2003, and by 75 percent in 2004. In 2005, the state estate tax credit is repealed entirely. The act also changes estate tax exemptions from \$675,000 in 2001 to \$1.0 million in 2002 and \$1.5 million in 2004.

To support the UCCSN budgets, The Executive Budget recommended estate tax allotments of \$47.0 million and \$45.6 million in FY 2003-04 and FY 2004-05,

respectively (\$92.6 million total for the 2003-2005 biennium). Legislative corrections and revisions adjusted the total to \$89.2 million. The UCCSN projected revenues in the estate tax account would be insufficient to support the recommended spending plan with a potential shortfall of \$9.6 million by the end of the 2003-05 biennium. The UCCSN proposed a change to the Governor's budget whereby estate tax funds would be transferred on a monthly basis to the state General Fund up to the level of expenditures approved in the final budget, and all such expenditures would be appropriated from state funds. UCCSN indicated that if estate taxes fell short, vital programs at UCCSN would be saved from elimination. The Legislature concurred with UCCSN's proposal and replaced \$89.2 million in estate tax allocations with State General Fund appropriations.

Senate Bill 415 of the 2003 Legislative Session eliminated the provision in NRS 375A.705 requiring UCCSN to retain a principal balance in the estate tax account sufficient to yield income of \$2.5 million per year. Senate Bill 415 allows all estate tax funds to be expended and provides for monthly estate tax transfers to the General Fund of \$3.82 million in FY 2003-04 and \$3.62 million in FY 2004-05.

ADJUSTED BASE BUDGET

For all UCCSN budgets, the legislatively approved adjusted base budget totals \$542.3 million in FY 2003-04 and \$550.8 million in FY 2004-05. The base budget provides funding at the FY 2002-03 budgeted amounts, with adjustments for professional and classified merit pay, contractual obligations, utility costs, and continuation of medical malpractice and Community College of Southern Nevada formula adjustments approved by the Interim Finance Committee.

The Legislature made corrections and adjustments to the UCCSN base budget that resulted in net additional General Fund appropriations of \$564,220 in FY 2003-04 and \$549,547 in FY 2004-05. The more significant additions included utility adjustments at UNR and instructional and vacancy adjustments at TMCC. Reductions resulted from the elimination of high-tech center funding duplications and the recalculation of vacancy savings to reflect a 2 percent professional factor for non-formula accounts, rather than the one percent factor employed in the Governor's budget. Net biennial estate tax reductions of \$249,836 were also realized as a result of Legislative actions, indirectly resulting in additional General Fund savings.

STUDENT ENROLLMENTS

Student Full-Time-Equivalent (FTE) enrollment projections are based on a weighted three-year rolling average. The Legislature based its final projections upon FY 2002-03 actual annual FTE counts that became available April 2003. System-wide, the new projections resulted in enrollments that were 1,661 FTE higher in FY 2003-04 and 2,294 FTE higher in FY 2004-05 than the amounts recommended in The Executive Budget.

Updated FTE Enrollment Projections using 3-Yr Weighted Average

Area	FY 02 Actual	FY 03 Actual	FY 04 Gov Rec	FY 04 Rev. Proj.	FY 04 Diff.	FY 05 Gov Rec	FY 05 Rev. Proj.	FY 05 Diff.
UNR	10,449	11,295	11,989	12,200	211	12,842	13,177	335
UNLV	16,042	17,267	18,081	18,514	433	19,196	19,852	656
CCSN	15,208	16,647	17,054	17,768	714	18,059	18,964	905
TMCC	4,898	5,259	5,168	5,522	354	5,308	5,798	490
WNCC	2,149	2,160	2,264	2,193	<71>	2,323	2,227	<96>
GBC	1,203	1,263	1,258	1,278	20	1,289	1,293	4
NSCH	0	146	300	300	0	500	500	0
Totals	49,949	54,037	56,114	57,775	1,661	59,517	61,811	2,294

FORMULA FUNDING CALCULATIONS

The Governor recommended \$54.2 million in FY 2003-04 and \$68.0 million in FY 2004-05 to fund UCCSN formulas. General Fund appropriations comprised \$46.1 million and \$52.6 million of the recommended totals in FY 2003-04 and 2004-05, respectively. The 2001 Legislature approved formula funding at 80.29 percent of the calculated amount in FY 2002-03. Based on the enrollment projections used to prepare The Executive Budget, the amounts recommended by the Governor would have increased formula allocations to 86 percent of the calculated amounts in each year of the 2003-05 biennium. However, updated enrollment projections significantly impacted the formula funding component.

Applying the Governor's 86 percent formula recommendation to the revised enrollments would have increased funding by \$9.1 million in FY 2003-04 and \$11.8 million in FY 2004-05 (\$20.9 million for the biennium) beyond the amounts reflected in The Executive Budget. Additional fees generated by the projected increased enrollments and resident fee revenue corrections would have covered \$6.7 million of the biennial funding increase. Approximately \$14.2 million in additional General Fund appropriations would have been needed over the biennium to fund the balance.

The Legislature chose instead to retain the total funding levels recommended by the Governor. At those levels, higher enrollment projections caused the percentages of the formula funded to drop to 84.45 percent in FY 2003-04 and 84.09 percent in FY 2004-05. As evidenced by the table below, there were significant funding redistributions among the campuses. However, there was no net change in the total formula amount allocated to the campuses. Note that TMCC was removed from a hold harmless-eligible position as a result of the adjustments.

**Formula Funding (Amounts Beyond Base and Adjustment Levels)
Gov Rec vs Re-Projected (New Enrollments @ 84.45% in FY 04 & 84.09% in FY 05)**

Area	Gov. Rec. FY 04	Re-project FY 04	Difference FY 04	Gov. Rec. FY 05	Re-project FY 05	Difference FY 05	Biennium Total
UNR	\$17,967,807	\$16,498,628	<\$1,469,179>	\$21,823,757	\$20,239,817	<\$1,583,940>	<\$3,053,119>
UNLV	24,950,776	24,716,437	<234,339>	30,364,136	30,386,555	22,419	<211,920>
CCSN	9,440,976	10,728,145	1,287,169	12,358,012	13,650,268	1,292,256	2,579,425
TMCC	<138,105>	813,795	951,900	<23,216>	1,156,300	1,179,516	2,131,416
WNCC	1,459,741	1,049,253	<410,488>	1,494,328	892,433	<601,895>	<1,012,383>
GBC	192,522	125,224	<67,298>	298,727	61,085	<237,642>	<304,940>
NSCH	<581,367>	<581,367>	0	762,363	762,363	0	0
DRI	129,156	86,021	<43,135>	82,081	29,447	<52,634>	<95,769>
NFB							
Equip	812,857	798,227	<14,630>	812,857	794,777	<18,080>	<32,710>
Totals	\$54,234,363	\$54,234,363	0	\$67,973,045	\$67,973,045	0	0
	86.00%	84.45%		86.00%	84.09%		

The three-year weighted average enrollment methodology was not employed at Nevada State College at Henderson (NSCH), as the campus had no enrollment history beyond the 146 FTE students that attended in FY 2002-03. Also, because the Governor did not employ the funding formula to determine the recommendation for NSCH, the campus was not impacted by enrollment changes and formula funding percentage modifications.

ENROLLMENT-DRIVEN RESIDENT STUDENT FEE REVENUE RE-PROJECTIONS AND CORRECTIONS

Resident student fee revenues were revised for each campus using the updated enrollments and making technical corrections to The Executive Budget. Revenue adjustments of approximately \$6.7 million resulted in corresponding General Fund savings as reflected in the table below.

Resident Student Fee Modifications Due to Enrollments and Technical Corrections

Campus	FY 2003-04	FY 2004-05	Biennium Total
UNR	\$567,034	\$1,150,547	\$1,717,581
UNLV	\$390,960	\$1,746,335	\$2,137,295
CCSN	\$1,160,992	\$1,135,272	\$2,296,264
TMCC	\$198,933	\$345,982	\$544,915
WNCC	<\$49,321>	<\$76,669>	<\$125,990>
GBC	\$68,457	\$85,411	\$153,868
Totals	\$2,337,055	\$4,386,878	\$6,723,933

NEW SPACE (OPERATIONS AND MAINTENANCE – O&M)

The Governor recommended General Fund appropriations totaled \$4.5 million in FY 2003-04 and \$5.9 million in FY 2004-05 to support operating and position costs for

new space added or anticipated to be added at various campuses during the 2003-05 biennium. In response to updated new space information, the 2003 Legislature approved several modifications to the new space modules resulting in net decreases in General Fund appropriations of \$360,714 in FY 2003-04 and \$427,392 in FY 2004-05 as compared to the Governor's recommended budget.

The Legislature endorsed the Governor's recommendation to introduce state support to assist in operating the UNR Fire Science Academy (FSA) in Carlin. The new space module included \$615,618 in ongoing General Fund appropriations annually to fund 8.94 FTE positions and general operating costs at the FSA. UNR requested a revision to the Fire Science Academy funding recommendation to recognize additional acreage omitted from the initial calculation. The Legislature approved the update adding \$170,682 annually which brought total state O&M at the Fire Science Academy to \$786,300 per year, or \$1.57 million for the biennium.

UNLV's new space funding recommendation included \$1.2 million in FY 2003-04 and \$1.4 million in FY 2004-05 for positions, equipment and operating funding to support O&M at the Shadow Lane Complex (Dental School – former EICON building). During the 2001-03 biennium, UNLV informed the Interim Finance Committee that the University could lease up to 10 percent of the space, which would reduce the O&M cost to the state. During the 2003 Legislative Session, UNLV explored lease possibilities, but did not arrive at any arrangements that were cost-effective or programmatically appropriate. Recognizing lease agreements could not be reached prior to the end of the session, the money committees approved a letter of intent advising UNLV to establish a reserve for reversion in the amount of state-supported O&M funding associated with space that may be leased at the complex.

RECHARGE PRO-RATION

The Governor's budget pro-rated operations and maintenance costs to UNR area budgets through a recharge distribution. UNR reported that the recharge methodology did not accurately address utility-related expenditures. To correct the problem, the 2003 Legislature restored funding of \$467,971 in FY 2003-04 and \$524,430 in FY 2004-05. Conversely, the Legislature eliminated duplicate expenditure reporting within UNR's institutional support calculation resulting in annual reductions of \$176,801 (\$353,602 for the biennium). The two adjustments resulted in a net increase in General Fund support of \$638,799 for the biennium.

During budget hearings, it was noted that UNLV does not employ a recharge mechanism. As a result, the full costs of operations at the law school and dental school are not reported in their respective budget accounts (rather, portions are included in the UNLV main account). The money committees approved a letter of intent advising UNLV to study the possibility of employing a recharge mechanism similar to the method used at UNR and to present semi-annual progress reports to the Interim Finance Committee. If a recharge proves to be practical and cost effective for UNLV, the money committees

encouraged UNLV to employ the methodology for the budgets prepared for the 2005-07 biennium.

SYSTEM COMPUTING SERVICES (SCS), CAPACITY EXPANSION

The Governor recommended a total of \$5.57 million in estate tax funding during the biennium to expand hardware and software and to fund ongoing system maintenance costs. The UCCSN requested to reconfigure the Governor's recommended plan, substantially modifying hardware and software recommendations, but nominally reducing the cost of the proposal. The Legislature concurred with the proposed changes and funded the expansion with General Fund appropriations rather than Estate Tax allocations. The following briefly summarizes the modified plan:

- Student Information System (SIS): The Legislature approved \$2.47 million for additional disks, tape drives and printers to replace SIS components that are at the end of their useful life. Additional CPU processing capacity, and disk and tape storage was approved to respond to enrollment growth.
- Financial and Human Resources Systems (HRS): A total of \$2.81 million was approved to upgrade disk and tape drive hardware and operating system and utility software to accommodate new financial and HRS software. The recommended upgrades will provide the ability to run SIS on the southern machine in the event of a northern data center disaster, and the ability to run the financial and HRS on the northern machine in the event of a southern data center disaster.
- Data Warehousing: The Legislature approved \$119,000 to replace aging servers with increased-capacity servers for data analysis, reporting, e-mail and file storage.
- NevadaNet: The Legislature approved \$161,000 for hardware and line charges needed to connect the Redfield and Shadow Lane campuses to UCCSN's network.

EPSCOR GRANT MATCH

The Legislature approved the Governor's recommendation to add \$400,000 per year to support new grant awards and programs associated with the Experimental Program to Stimulate Competitive Research (EPSCoR). EPSCoR is a federal program designed to enhance economic development and diversity by improving the science and technology capacity of states. States are required to match the grant funds to demonstrate commitment to the program. The Governor recommended estate tax allocations as the funding source, but as noted previously, the Legislature instead provided General Fund appropriations.

UNLV DENTAL SCHOOL ENROLLMENT GROWTH

The Governor recommended \$5.27 million in additional estate tax funding for the 2003-05 biennium to fund enrollment growth at the UNLV Dental School. Enrollments are projected to increase from 75 students in FY 2002-03, to 150 students in FY 2003-04 and to 225 students in FY 2004-05. UNLV's optimal enrollment goal is 300 students. The Legislature approved the recommendation for 24 new positions in FY 2003-04 and 29 additional positions in FY 2004-05, for a total of 53 new positions for the biennium. Except for one administrative position allocated to the dean's office, all new positions are recommended in the instruction function to support clinical and basic sciences, and patient care services.

UCCSN reported that student fees and tuition revenues projected to support enrollment growth were omitted in the Governor's budget. To correct this error, the Legislature reduced estate tax revenues by \$2.3 million for the biennium, and increased student fee revenues correspondingly. The UCCSN also re-projected fee revenues, which resulted in the need for further adjustments. Fee revenues were increased and estate tax revenues decreased by \$1.02 million. With the noted corrections and adjustments, estate tax revenues needed to support dental school enrollment growth were reduced from the Governor's recommended amount of \$5.27 million to \$1.94 million for the biennium. The remaining estate tax allocations were replaced with General Fund appropriations.

FRINGE BENEFIT ADJUSTMENTS

The Executive Budget included \$9.5 million in FY 2003-04 and \$15.0 million in FY 2004-05 to fund fringe benefit cost increases in retirement, group health insurance, retired employees group insurance, and personnel assessments. The Executive Budget contained significant errors in the calculation of the various assessments. For example, the Governor's budget recommended an increase in the state's retirement contribution. However, the budget addressed only the classified and professional employees under the PERS retirement option, while omitting UCCSN professionals who have chosen a retirement plan alternative. To fund the proposed contribution rate for the omitted professional employees, the Legislature approved General Fund increases of \$1.12 million in FY 2003-04 and \$1.15 million in FY 2004-05 (\$2.27 million total for the 2003-05 biennium) beyond the amounts in The Executive Budget.

UCCSN Retired Employee Group Insurance (REGI) assessments were also significantly under-funded in The Executive Budget. To remedy the shortfall, the Legislature approved General Fund appropriations of approximately \$1.66 million per year beyond the amounts recommended by the Governor. Subsequent to these corrections, the Legislature approved additional statewide REGI adjustments of 15.4 percent and 13.3 percent. The UCCSN's General Fund share of these additional adjustments totaled \$805,895 in FY 2003-04 and \$787,741 in FY 2004-05.

Personnel and group medical insurance assessments were likewise under-funded. The

Legislature appropriated \$467,129 for the biennium beyond the amounts recommended by the Governor to correct the shortfalls.

ADJUSTMENTS TO MERIT PAY CALCULATIONS

The 2003 Legislature approved the Governor's recommendation to reduce merit pay funding by \$62,066 in FY 2003-04 and \$121,927 in FY 2004-05 for professional positions that are at or beyond the maximum pay levels established in UCCSN salary scales. The Legislature also chose to defer budgeted merit pay for the first six months of FY 2003-04, resulting in a General Fund savings of \$3.23 million as compared to the Governor's recommended amount.

FEDERAL ANIMAL WELFARE ACT

The 2003 Legislature approved the Governor's recommended General Fund appropriation of \$110,000 to the School of Medicine in FY 2004-05 to restore the Director of Laboratory Animal Medicine position to full time and to fund the Associate Director's position.

SAFE DRINKING WATER ACT

As recommended by the Governor, the Legislature approved \$117,026 in FY 2003-04 and \$5,490 in FY 2004-05, primarily to purchase equipment needed to comply with new EPA regulations. Effective December 8, 2003, the EPA will require public water systems to be regulated for Radium 228 and Uranium. The UCCSN also anticipates that final rules will mandate Radon analysis sometime after October of 2003.

COOPERATIVE EXTENSION EDUCATOR, MINERAL COUNTY

Mineral County became part of the Cooperative Extension in FY 2002-03, marking the first time in the Extension's history that every county is part of the Extension. UCCSN sought \$78,729 in FY 2003-04 and \$80,790 in FY 2004-05 to fund a new Extension Educator for Mineral County. However, The Executive Budget did not recommend funding for the additional educator. The Legislature chose to fund the position as requested by the UCCSN with savings made available through other budget actions.

ATHLETICS, FEE WAIVERS AND GENDER EQUITY

The UCCSN requested funding for athletic fee waivers totaling \$1.73 million in each year of the 2003-05 biennium, which would result in savings to the Intercollegiate Athletics budgets, with corresponding reductions in tuition and fee revenues collected by the University. UCCSN indicated that adopting fee waivers for student athletes would permit athletic departments to further address compliance with student athlete participation rates, and to improve gender equity compliance in critical areas. The Governor did not recommend funding for this item.

The money committees took no action on this issue. However, during the Subcommittee closing hearing, the UCCSN indicated a willingness to cover fee waivers at the universities and CCSN during the 2003-05 biennium under the 84.45 and 84.09 percent formula scenarios with no additional funding, with the understanding that in future biennia, the Legislature would support the fee waiver for gender equity. The Joint Subcommittee on Higher Education and Capital Improvements indicated it could not guarantee the action of future legislatures.

NURSING ENROLLMENT EXPANSION

The UCCSN's initial plan to double the nursing program capacity was submitted pursuant to the provisions of Assembly Bill 378 of the 2001 Session. The initial plan would have cost approximately \$12.1 million during the 2003-05 biennium. When discussed during the January 23, 2003 budget hearing, the Legislative Commission's Budget Subcommittee encouraged the UCCSN to explore cost-savings options.

A reduced-cost plan was developed to address Nevada's nursing shortage and to increase nursing school enrollment. Under the revised plan, nursing program enrollment would increase from 686 students in FY 2002-03 to 1,326 students in FY 2004-05. The 84.45 percent and 84.09 percent formula levels funded by the Legislature will allow the larger campuses to absorb higher nursing enrollments. Additionally, the hospital association agreed to fund \$559,473 in equipment costs for the 2003-05 biennium. UCCSN Worker's compensation rates were reduced to provide one-time General Fund savings of \$1.37 million for the biennium that were directed to the nursing plan. General Fund appropriations of \$454,612 were also added through savings realized from other Legislative budget adjustments.

Additional enrollment generated by the nursing expansion plan will be built into the funding formulas during the 2005-07 biennium. Summer session nursing enrollments will also be included in the FTE student enrollment counts used in calculating formula funding commencing with the 2005-07 biennium.

OTHER ITEMS ADDED BY THE LEGISLATURE

The Legislature approved additional initiatives that were not included in The Executive Budget. The items are funded through General Fund savings realized in other areas of the UCCSN budgets:

1. Pediatrics Diabetes and Endocrinology Center: General Fund appropriations of \$566,508 were added in each year of the biennium to support the Pediatric Diabetes and Endocrinology Center that provides multi-disciplinary clinical services to children with diabetes and other endocrine disorders.
2. Climatologist: The Legislature added General Fund appropriations of \$36,166 per year to restore funding for the State Climatologist position, which was

recommended for elimination by the Governor in the Conservation and Natural Resources budget account.

3. Small Business Development Center: General Fund appropriations of \$125,000 per year were added to support the Small Business Development Center in Las Vegas.

STUDENT FEES

The 2003 Legislature approved budgets that included resident fee and non-resident tuition increases ranging from 1.7 percent to 9.4 percent per year as proposed by the UCCSN Regents and recommended by the Governor. Approved fee schedules are as follows:

<u>Type of Institution/Fee</u>	<u>Current</u> <u>FY 2003</u>	<u>Regent Apprvd</u> <u>FY 2004</u>	<u>%</u> <u>Change</u>	<u>Regent Apprvd</u> <u>FY 2005</u>	<u>%</u>
<u>Change</u>					
Community Colleges					
Resident	\$45.50/credit	\$47.25/credit	3.8%	\$49.00/credit	3.7%
Upper Div (GBC)	\$62.00/credit	\$66.00/credit	6.5%	\$70.00/credit	6.1%
Non-Resident	\$4,430/year	\$4,507/year	1.7%	\$4,692/year	4.1%
Nevada State College					
Resident	\$62.00/credit	\$66.00/credit	6.5%	\$70.00/credit	6.1%
Non-Resident	\$5,940/year	\$6,497/year	9.4%	\$6,676/year	2.8%
Universities					
Resident	\$79.00/credit	\$85.00/credit	7.6%	\$91.00/credit	7.1%
Graduate	\$107.00/credit	\$115.00/credit	7.5%	\$123.50/credit	7.4%
Non-Resident	\$7,785/year	\$8,487/year	9.0%	\$8,674/year	2.2%

The Legislature concurred with the recommended fee plan, which directs significant portions of the annual increases to the UCCSN capital and general improvement fee funds and student access fund. Fee revenues dedicated to the capital and general improvement fee funds and to student access are not reflected in the state-supported budget. According to information provided by the UCCSN, the non-state portion of the fee increases will generate approximately \$4.48 million in FY 2003-04 and \$9.62 million in FY 2004-05 system-wide. Of these totals, \$2.16 million in FY 2003-04 and \$4.61 million in FY 2004-05 will be dedicated to student access to support scholarships to low-income students. Capital improvement fee funds will receive allocations of \$2.19 million in FY 2003-04 and \$4.81 million in FY 2004-05. The remaining balances of \$122,057 in the first year of the biennium and \$201,695 in the second year will be dedicated to general improvement fee funds.

STUDENT FEE AUTHORIZATION ACT LANGUAGE

The Governor's budget proposed to maintain the policy authorizing campuses that exceed legislatively-approved student enrollment revenues to approach the Interim Finance Committee for authority to use the excess revenues to address higher-than-budgeted student enrollments. This authority historically has been granted to allow

campuses to cover the costs of instructing more students than were budgeted in a fiscal year.

During the 2003 Legislative Session, UCCSN indicated the current procedure creates a clumsy process, since the decision to add new instructional sections to meet increased enrollment demand must be made at the beginning of each semester with or without the assurance that additional fee revenues will ultimately be approved for expenditure by the IFC. The instructional sections must be added to meet demand, and the only identifiable funds related to this excess growth are the fees earned beyond the levels budgeted. UCCSN also pointed out that traditionally these monies have been used first to meet the cost of adding instructional resources to address the higher enrollment.

Pursuant to direction from the Joint Subcommittee on Higher Education and Capital Improvements, LCB staff opened a dialogue with the UCCSN about revising the language at the back of the Authorizations Act to allow the expenditure of excess student fees under controlled circumstances, such as for additional instructional needs, without IFC intervention. As a result, the Legislature included provisions in the General Authorizations Act to allow UCCSN to expend any additional registration fees collected from students for the purposes of meeting the salaries and related benefits for incremental instructional faculty necessary as a result of registering additional students beyond the budgeted enrollments. The UCCSN may also expend, with the approval of the Interim Finance Committee, any additional non-resident tuition fees and any additional registration fees not utilized for incremental instructional faculty costs in addition to the authorized amounts for the respective years.

The language authorizes augmentations of registration fee revenues without IFC intervention if the additional revenues are used solely for instructional costs related to providing additional class sections. However, prior IFC approval is still required to augment non-resident tuition revenues for any purpose. Additionally, IFC approval is required to augment resident fee revenues not utilized for additional class sections.

TAXONOMY

As directed by a letter of intent from the 2001 legislature, the UCCSN developed a revised course cost classification system (taxonomy). During the 2001-2003 biennium, the Interim Finance Committee advised the UCCSN that the taxonomy should be cost-neutral. The money committees repeated this advice during the 2003 Legislative Session. However, the proposal submitted by the UCCSN would have cost an additional \$4.47 million over the 2003-05 biennium. Recognizing the fiscal difficulties faced by the state, UCCSN withdrew its funding request. Left unchanged, the classification of course costs will continue to include inconsistencies. The money committees approved a new letter of intent advising the UCCSN to develop a cost-neutral, consistent, course taxonomy to be used in the preparation of the budgets for the 2005-07 biennium.

COMMITTEE TO EVALUATE HIGHER EDUCATION PROGRAMS (A.B. 203)

Assembly Bill 203 of the 2003 Legislative Session created the Committee to Evaluate Higher Education Programs. The Committee will examine and evaluate the need for existing and potential higher education programs to ensure economic progress and development within the State and to make certain the educational needs of Nevada residents are being met. The Committee will identify areas of high priority where needs are not currently being met, including programs for students wishing to become nurses or teachers. The Committee will determine whether appropriations from the state General Fund and student fee revenues are being efficiently distributed at each campus and consider the feasibility of reallocating existing resources within institutions to meet critical needs.

The Committee will submit a report of its findings and recommendations to the Board of Regents, the Legislative Committee on Education, and the Legislative Commission prior to the commencement of the 73rd session of the Legislature. The Legislature appropriated \$250,000 to assist in conducting the evaluation of higher education as provided in A.B. 203.

PERFORMANCE AUDIT (A .B. 148)

Assembly Bill 148 of the 2003 Legislative Session provides that the Legislative Auditor shall conduct an audit of the University and Community College System of Nevada (UCCSN). The subject areas of the audit will include capital construction projects; athletic programs; administrative costs; host accounts; the validity and reliability of enrollment data; investment income; statewide programs; and contract and bidding procedures, including retrofit and repair projects and the use of shared savings programs to pay for utility costs and energy conservation programs. The estimated \$90,000 cost of the audit will be borne by the UCCSN through a transfer to the Audit Division of the Legislative Counsel Bureau. The audit requirement was not included in The Executive Budget.

CAPITAL IMPROVEMENT PROJECTS (CIPS)

The Legislature approved \$114.3 million for UCCSN capital improvements for the 2003-05 biennium that includes \$99.3 million for planning, construction and furnishings and \$15.0 million for statewide campus maintenance projects. The CIPs are funded with \$83.6 million in general obligation bonds, \$25.7 million in other funds such as donations and revenue bonds, and \$5.0 million from the Special Higher Education Capital Construction Fund (SHECC). UCCSN projects approved by the Legislature exceeded the Governor's funding recommendations by approximately \$11.8 million.

The two major projects recommended by the Governor and approved by the 2003 Legislature include \$60.3 million to construct the UNLV science, engineering and technology complex and \$20.2 million to construct the health sciences building on

CCSN's West Charleston campus. There were a number of CIP projects approved by the Legislature that were not recommended in the Governor's capital improvement program including, but not limited to the following:

- \$2.1 million to construct and renovate space at the DRI Maxey Science Center;
- \$5.0 million to acquire the Manogue property east of UNR (land and improvements) for women's athletics venues to assist in meeting Title IX requirements;
- \$1.7 million to the University of Nevada School of Medicine for a feasibility study and design of a Heart Transplant facility in Las Vegas (\$1.5 million) and construction of facility improvements for embalming and plasticization (\$200,000);
- \$500,000 for the UNLV student services addition design through construction documents;
- \$250,000 to establish a five-chair rural dental clinic for dental education training and treatment of Medicaid and children's health insurance programs at Great Basin College;
- \$500,000 to renovate CCSN security systems;
- \$750,000 to renovate the former Mesquite High School for use as part of CCSN; and
- \$400,000 for programming and design to convert the Getchell Library to classroom and office use.

Senate Bill 413 of the 2003 session increases the maximum amount of revenue bonds that can be issued by UNLV and UNR. At UNLV, the limit is increased from \$106.5 million to \$199 million. UNLV plans to use the additional funding for the acquisition of a student housing unit, a new student union and recreation facility, and the science and engineering building. At UNR, the limit is increased from \$110.5 million to \$176 million, which will provide funding for a cooperative extension building, new parking garage, student union, and library. Senate Bill 413 also expands the definition of pledged revenues to include income or moneys derived from the operation of any buildings, structures or other facilities of the University or the Board.

WESTERN INTERSTATE COMMISSION FOR HIGHER EDUCATION

In 1959, the Nevada Legislature approved Nevada's participation as a member of the Western Interstate Commission for Higher Education (WICHE) in order that educational assistance could be provided to students seeking education in various professional 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 underserved population of the state; in-state programs, as well as out-of-state programs are authorized under the HCAP. Students enrolled in the HCAP are not required to monetarily pay back any portion of the support fee; however, there is a penalty for not fulfilling the practice obligation.

The 2003 Legislature approved the budget for professional support fees at \$1.46 million in FY 2003-04, a 2 percent decrease compared to \$1.49 million approved in

FY 2002-03, and \$1.39 million in FY 2004-05, an additional 5 percent decrease. In approving the budget, the Legislature supported the Governor's recommendation to eliminate one student slot each in the fields of Optometry and Physical Therapy. However, the Legislature did not approve the Governor's recommendation to eliminate one student slot in Veterinary Medicine; instead, the Legislature eliminated one student slot in the field of Dentistry. Finally, the Governor recommended and the 2003 Legislature approved a pilot program for the purpose of obtaining new matching federal funds for dental slots under the HCAP program. This program utilizes state funding in the amount of \$27,000 in each fiscal year of the 2003-05 biennium for two dental slots, with the funds matched through a federal grant administered by the School of Medical Sciences. These funds, both state and federal, will be utilized to reimburse the education costs of selected dental school licensed graduates in exchange for a two-year practice obligation to serve the medically under-served population of the state. Because this program targets graduates who are already licensed, the risks of student dropouts and failure to obtain licensure will be minimized and the provision of dental services in the under-served communities can begin immediately by the recipients in the program.

DEPARTMENT OF CULTURAL AFFAIRS

The Department of Museums, Library and Arts was created by the 1993 Legislature and was renamed The Department of Cultural Affairs by the 2001 Legislature. The department consists of the Division of Museums and History, the Nevada State Library and Archives, the Historic Preservation Office and the Nevada Arts Council.

The 2003 Legislature approved a total budget for the department of \$32.2 million during the 2003-05 biennium, which is a 6.0 percent increase from amounts approved for the 2001-03 biennium. General Fund support for the department totals \$22.8 million, which represents an increase of 36.7 percent over amounts approved for the 2001-03 biennium. The primary reason for the General Fund increase is due to a reduction in the amount of room tax funding available from the Commission on Tourism. The 2001 Legislature was able to utilize one-time surplus reserve funds from tourism to reduce the General Fund support for the department. The department was authorized to receive \$4,797,374 during the 2001-03 biennium; however, due to limited tourism funding the Governor reduced the recommended transfer from tourism to \$840,223 for the 2003-05 biennium. In closing the budgets for the department, the Legislature was able to utilize additional tourism funding to provide \$250,000 for the planning and design of a Las Vegas Performing Arts Center in FY 2004-05. In addition, the Legislature reduced the General Fund support by \$158,712 in FY 2004-05 at the Boulder City Railroad Museum by utilizing tourism funding.

With approval of Assembly Bill 15 of the 20th Special Session, the Legislature approved a General Fund appropriation of \$200,000 for expenses related to the continued operation of the Southern Nevada Office of the Nevada Humanities Committee. In addition, Assembly Bill 15 provided funding of \$100,000 to the Department of Cultural Affairs for expenses related to the creation of a Nevada Online Encyclopedia. The

\$100,000 appropriation is contingent upon the department securing matching funds from the federal government or other funding sources.

DIVISION OF MUSEUMS AND HISTORY

The Division of Museums and History consists of an administrative office and the Nevada State Museum in Carson City, the Nevada State Railroad Museum located in Carson City, the Nevada State Museum and Historical Society in Las Vegas, the Nevada Historical Society in Reno, the Lost City Museum in Overton, the Railroad Museum in Boulder City and the Ely Railroad Depot. The 2003 Legislature agreed with a recommendation from the Governor to remove two part-time positions at the Historical Society in Reno and the deletion of two positions at the Boulder City Railroad. In FY 2004-05, the Legislature was able to utilize additional funding from the Commission on Tourism to reduce the General Fund appropriation by \$158,712.

With the voter approval for Question 1 in November 2002 (Assembly Bill 9 from the 17th Special Session) the state of Nevada was authorized to issue \$200 million in general obligation bonds to preserve water quality; protect open spaces, lakes, rivers, wetlands, and wildlife habitat; and restore and improve parks, recreational areas, and historic and cultural resources. Included in the \$200 million was \$35 million for the Department of Cultural Resources to establish a new museum at the Las Vegas Springs Preserve. Once construction of the new museum is complete, the department plans to relocate the operation of the Nevada State Museum and the Historical Society to the new site and convert the current museum at Lorenzi Park to other uses including a possible Southern Nevada Records Center.

STATE HISTORIC PRESERVATION OFFICE

The State Historic Preservation Office assists state and federal agencies, local governments, non-profit organizations and private citizens to preserve historic building and archaeological sites. The agency also manages the historic marker program and oversees the operation of the Comstock Historic District. The agency also oversees the distribution of \$2 million in Cultural Resource Bonds. The 2003 Legislature approved funding of \$701,273 for Capital Improvement Project (CIP C52) to construct a new 4,000 square feet building in Virginia City to provide office space for the Comstock Historic District and to provide exhibit space for railroad engine #27.

NEVADA STATE LIBRARY

The 2003 Legislature approved continued funding of \$77,953 each year of the 2003-05 biennium for the operation of the bookmobile program. The Legislature agreed with the Governor to provide a funding increase of approximately 7 percent in each of the coming two years for publications and periodicals and to provide funding for building rent in Las Vegas for the Blind and Physically Handicapped program.

ARCHIVES AND RECORDS

The Archives and Records Management program also oversees the operation of the state's Micrographic and Imaging program. The Governor recommended and the Legislature approved the deletion of four positions in the Micrographic and Imaging program, which were approved by the 1999 Legislature but never filled. In addition, three vacant positions were deleted due to the agencies desire to use temporary positions for one-time projects.

NEVADA ARTS COUNCIL

In closing the budget for the Nevada Arts Council, the 2003 Legislature increased the anticipated receipt of arts license plate revenue by \$19,022 in each year of the 2003 -05 biennium to bring the annual receipt of license plate revenue to \$51,000. The Legislature also provided funding of \$250,000 in FY 2004-05 from additional tourism room tax receipts to provide funding for the planning and design of a Las Vegas Performing Arts Center.

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

2003 Legislature

	2002 - 03 Work Program	2003 - 04 Governor Recommended	2003 - 04 Legislature Approved	2004 - 05 Governor Recommended	2004 - 05 Legislature Approved
EDUCATION					
DEPARTMENT OF EDUCATION					
EDUCATION STATE PROGRAMS	2,380,238	2,700,471	2,612,668	2,680,534	2,583,087
GENERAL FUND	2,253,937	2,533,958	2,445,821	2,542,191	2,444,434
INTER AGENCY TRANSFER	121,301	133,782	134,116	135,400	135,710
OTHER FUND	5,000	32,731	32,731	2,943	2,943
STUDENT INCENTIVE GRANTS	535,539	631,670	533,532	634,933	536,799
GENERAL FUND			6,872		10,135
BALANCE FORWARD	9,423				
FEDERAL FUND	149,921	183,183	150,473	183,183	150,473
INTER AGENCY TRANSFER	376,195	448,487	376,187	451,750	376,191
OTHER STATE EDUC PROGRAMS	23,461,937	8,255,916	14,449,316	8,191,573	13,384,973
GENERAL FUND	2,911,491	8,248,466	14,441,866	8,184,123	13,377,523
BALANCE FORWARD	5,724,023				
INTERIM FINANCE	14,826,416				
OTHER FUND	7	7,450	7,450	7,450	7,450
EDUCATION SUPPORT SERVICES	2,212,712	2,425,557	2,460,899	2,599,810	2,699,540
GENERAL FUND	985,348	1,000,536	955,139	1,004,809	977,490
BALANCE FORWARD	244,235	154,309	154,309	307,321	363,723
INTER AGENCY TRANSFER	983,129	1,270,712	1,351,451	1,287,680	1,358,327
TEACHER EDUCATION AND LICENSING	985,544	1,178,237	1,121,894	1,190,633	1,206,835
GENERAL FUND	100	100	100	100	100
BALANCE FORWARD	117,835	117,835	117,835	152,559	155,748
INTER AGENCY TRANSFER	45,588	48,314	47,833	48,627	47,570
OTHER FUND	822,021	1,011,988	956,126	989,347	1,003,417
OCCUPATIONAL EDUCATION	6,836,151	7,234,446	8,283,309	7,236,892	8,289,825
GENERAL FUND	331,949	356,104	356,104	362,620	362,620
FEDERAL FUND	6,504,202	6,878,342	7,927,205	6,874,272	7,927,205
NDE CONTINUING EDUCATION	3,460,281	3,357,625	4,620,825	3,357,834	4,621,034
GENERAL FUND	459,602	465,072	465,072	465,281	465,281
BALANCE FORWARD	48				
FEDERAL FUND	3,000,631	2,892,553	4,155,753	2,892,553	4,155,753
NUTRITION EDUCATION PROGRAMS	49,217,673	52,293,458	52,292,886	56,173,136	56,172,500
GENERAL FUND	234,909	248,511	248,511	254,008	254,008
FEDERAL FUND	48,327,319	52,030,541	52,029,996	55,904,707	55,904,087
INTER AGENCY TRANSFER	13,819	14,406	14,379	14,421	14,405
OTHER FUND	641,626				
NDE GEAR UP	4,009,408	1,164,208	1,164,208	1,225,180	1,225,180
BALANCE FORWARD	5,155				
FEDERAL FUND	4,004,253	1,164,208	1,164,208	1,225,180	1,225,180
DISCRETIONARY GRANTS - RESTRICTED	33,409,962	7,403,483	9,333,638	7,376,321	9,306,476
BALANCE FORWARD	264				
FEDERAL FUND	33,409,698	7,403,483	9,333,638	7,376,321	9,306,476

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

2003 Legislature

	2002 - 03 Work Program	2003 - 04 Governor Recommended	2003 - 04 Legislature Approved	2004 - 05 Governor Recommended	2004 - 05 Legislature Approved
DEPARTMENT OF EDUCATION					
SCHOOL HEALTH EDUCATION - AIDS	227,591	227,814	227,814	218,355	219,648
BALANCE FORWARD				39,482	40,775
FEDERAL FUND	227,591	227,814	227,814	178,873	178,873
IMPROVING AMERICA'S SCHOOLS - TITLE I	47,814,716	47,691,870	54,057,667	47,691,870	53,988,780
BALANCE FORWARD	7,252				
FEDERAL FUND	47,807,464	47,691,870	53,974,499	47,691,870	53,974,499
INTER AGENCY TRANSFER			83,168		14,281
IMPROVING AMERICA'S SCHOOLS - TITLES	24,134,288	23,587,137	24,340,022	23,587,137	24,340,022
BALANCE FORWARD	563				
FEDERAL FUND	24,133,725	23,587,137	24,340,022	23,587,137	24,340,022
INDIVIDUALS WITH DISABILITIES (IDEA)	37,966,121	45,073,695	53,016,522	45,073,687	53,016,611
GENERAL FUND	342,961	325,000	192,410	325,000	192,410
FEDERAL FUND	37,588,408	44,713,108	52,788,032	44,713,108	52,788,032
INTER AGENCY TRANSFER	34,752	35,587	36,080	35,579	36,169
PROFICIENCY TESTING	4,634,478	3,987,200	4,135,680	4,043,322	4,295,105
GENERAL FUND	3,538,776	3,987,200	4,135,680	4,043,322	4,295,105
BALANCE FORWARD	1,095,534				
OTHER FUND	168				
DRUG ABUSE EDUCATION	1,990,444	2,299,543	2,219,967	2,299,543	2,219,967
BALANCE FORWARD	1,225				
FEDERAL FUND	1,989,219	2,239,287	2,219,967	2,239,287	2,219,967
INTER AGENCY TRANSFER		60,256		60,256	
DISTRIBUTIVE SCHOOL ACCOUNT	825,216,913	960,348,485	950,175,564	1,003,251,243	1,026,253,654
GENERAL FUND	674,037,075	825,391,053	746,727,016	861,796,144	884,229,250
BALANCE FORWARD	57,580				
FEDERAL FUND	2,412,306	5,237,765	73,189,766	5,394,898	5,394,898
OTHER FUND	148,709,952	129,719,667	130,258,782	136,060,201	136,629,506
DISCRETIONARY GRANTS - UNRESTRICTED	3,316,393	2,859,517	2,859,517	2,859,517	2,859,517
BALANCE FORWARD	4,523				
FEDERAL FUND	3,311,870	2,859,517	2,859,517	2,859,517	2,859,517
NDE, STAFFING SERVICES	512,399	422,496	422,358	431,395	431,334
INTER AGENCY TRANSFER	512,399	422,496	422,358	431,395	431,334
SUB-FUNCTION RECAP					
DEPARTMENT OF EDUCATION	1,072,322,788	1,173,142,828	1,188,328,286	1,220,122,915	1,267,650,887
GENERAL FUND	685,096,148	842,556,000	769,974,591	878,977,598	906,608,356
BALANCE FORWARD	7,267,660	272,144	272,144	499,362	560,246
FEDERAL FUND	212,866,607	197,108,808	284,360,890	201,120,906	220,424,982
INTER AGENCY TRANSFER	2,087,183	2,434,040	2,465,572	2,465,108	2,413,987
INTERIM FINANCE	14,826,416				
OTHER FUND	150,178,774	130,771,836	131,255,089	137,059,941	137,643,316

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

2003 Legislature

	2002 - 03 Work Program	2003 - 04 Governor Recommended	2003 - 04 Legislature Approved	2004 - 05 Governor Recommended	2004 - 05 Legislature Approved
EDUCATION					
COMMISSION ON POSTSECONDARY EDUCATION					
COMMISSION ON POSTSECONDARY EDUCA	311,678	350,311	350,787	350,631	350,952
GENERAL FUND	231,319	253,885	254,178	254,205	254,526
FEDERAL FUND	80,359	96,426	96,609	96,426	96,426
SUB-FUNCTION RECAP					
COMMISSION ON POSTSECONDARY EDU	311,678	350,311	350,787	350,631	350,952
GENERAL FUND	231,319	253,885	254,178	254,205	254,526
FEDERAL FUND	80,359	96,426	96,609	96,426	96,426

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

2003 Legislature

	2002 - 03 Work Program	2003 - 04 Governor Recommended	2003 - 04 Legislature Approved	2004 - 05 Governor Recommended	2004 - 05 Legislature Approved
EDUCATION					
UNIVERSITY & COMMUNITY COLLEGE SYSTEM					
UCCSN SYSTEM ADMINISTRATION	3,394,373	3,652,400	3,622,315	3,778,206	3,712,761
GENERAL FUND	3,110,903	3,368,930	3,510,855	3,494,736	3,601,301
OTHER FUND	283,470	283,470	111,460	283,470	111,460
UCCSN - SPECIAL PROJECTS	19,858,250	19,467,370	19,380,274	19,694,689	19,666,234
GENERAL FUND	1,194,759	1,532,225	19,380,274	1,617,782	19,666,234
OTHER FUND	18,663,491	17,935,145		18,076,907	
UNIVERSITY PRESS	700,083	730,659	727,196	750,812	751,791
GENERAL FUND	700,083	730,659	727,196	750,812	751,791
SYSTEM COMPUTING CENTER	15,753,248	21,783,783	21,757,925	18,639,986	18,550,876
GENERAL FUND	15,753,248	17,123,877	21,757,925	17,734,329	18,550,876
OTHER FUND		4,659,906		905,657	
NATIONAL DIRECT STUDENT LOAN PROGR.	49,504	49,504	49,504	49,504	49,504
GENERAL FUND	49,504	49,504	49,504	49,504	49,504
UNIVERSITY OF NEVADA - RENO	122,903,448	146,346,191	145,593,863	154,193,760	153,596,095
GENERAL FUND	89,796,067	108,176,938	107,553,499	112,973,438	112,293,718
INTER AGENCY TRANSFER	3,748,611	4,517,638	4,517,638	4,681,114	4,681,114
OTHER FUND	29,358,770	33,651,615	33,522,726	36,539,208	36,621,263
INTERCOLLEGIATE ATHLETICS - UNR	2,479,178	2,575,998	2,552,299	2,642,214	2,636,149
GENERAL FUND	2,229,178	2,325,998	2,552,299	2,392,214	2,636,149
OTHER FUND	250,000	250,000		250,000	
STATEWIDE PROGRAMS - UNR	6,384,492	6,552,320	6,534,330	6,737,157	6,761,328
GENERAL FUND	6,384,492	6,552,320	6,534,330	6,737,157	6,761,328
SCHOOL OF MEDICAL SCIENCES	21,646,533	22,335,044	23,091,971	23,062,576	23,983,669
GENERAL FUND	18,512,330	19,076,224	20,918,693	19,783,490	21,790,125
OTHER FUND	3,134,203	3,258,820	2,173,278	3,279,086	2,193,544
UCCSN HEALTH LABORATORY AND RESEA	2,071,701	2,318,719	2,312,487	2,266,008	2,263,986
GENERAL FUND	1,493,356	1,668,063	1,661,831	1,595,832	1,593,810
OTHER FUND	578,345	650,656	650,656	670,176	670,176
AGRICULTURE EXPERIMENT STATION	7,951,220	8,348,551	8,277,118	8,576,352	8,563,144
GENERAL FUND	6,668,376	7,106,180	7,034,747	7,333,981	7,320,773
FEDERAL FUND	1,282,844	1,242,371	1,242,371	1,242,371	1,242,371
COOPERATIVE EXTENSION SERVICE	8,089,151	8,491,376	8,473,086	8,767,975	8,825,263
GENERAL FUND	6,384,490	6,749,979	6,731,689	7,008,743	7,066,031
FEDERAL FUND	1,704,661	1,159,449	1,159,449	1,162,447	1,162,447
OTHER FUND		581,948	581,948	596,785	596,785
BUSINESS CENTER NORTH	1,971,621	2,052,866	2,047,166	2,109,107	2,109,477
GENERAL FUND	1,971,621	2,052,866	2,047,166	2,109,107	2,109,477
UNIVERSITY OF NEVADA - LAS VEGAS	149,278,550	183,137,697	182,540,013	193,179,919	193,930,458
GENERAL FUND	97,006,960	122,499,876	125,213,960	128,334,317	131,315,575
OTHER FUND	52,271,590	60,637,821	57,326,053	64,845,602	62,614,883

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

2003 Legislature

	2002 - 03 Work Program	2003 - 04 Governor Recommended	2003 - 04 Legislature Approved	2004 - 05 Governor Recommended	2004 - 05 Legislature Approved
UNIVERSITY & COMMUNITY COLLEGE SYSTEM					
INTERCOLLEGIATE ATHLETICS - UNLV	2,510,300	2,609,682	2,586,476	2,685,858	2,684,227
GENERAL FUND	2,260,300	2,359,682	2,586,476	2,435,858	2,684,227
OTHER FUND	250,000	250,000		250,000	
STATEWIDE PROGRAMS - UNLV	872,215	894,550	1,010,730	921,738	1,045,686
GENERAL FUND	872,215	894,550	1,010,730	921,738	1,045,686
UNLV LAW SCHOOL	8,687,489	8,921,645	8,916,895	9,141,224	9,197,800
GENERAL FUND	5,344,376	5,717,855	6,456,711	5,932,634	6,732,816
OTHER FUND	3,343,113	3,203,790	2,460,184	3,208,590	2,464,984
DENTAL SCHOOL-UNLV	3,587,222	5,225,926	8,478,015	7,522,758	7,576,059
GENERAL FUND			6,265,434		4,385,724
OTHER FUND	3,587,222	5,225,926	2,212,581	7,522,758	3,190,335
BUSINESS CENTER SOUTH	1,654,069	1,728,609	1,716,715	1,780,088	1,777,460
GENERAL FUND	1,654,069	1,728,609	1,716,715	1,780,088	1,777,460
DESERT RESEARCH INSTITUTE	5,314,161	5,469,692	5,409,054	5,508,507	5,448,359
GENERAL FUND	4,194,519	4,821,206	5,260,568	4,860,021	5,299,873
INTERIM FINANCE	471,156				
OTHER FUND	648,486	648,486	148,486	648,486	148,486
GREAT BASIN COLLEGE	12,825,281	13,735,156	13,778,157	14,248,831	14,293,475
GENERAL FUND	10,040,365	11,194,833	12,260,513	11,678,812	12,728,072
OTHER FUND	2,784,916	2,540,323	1,517,644	2,570,019	1,565,403
WESTERN NEVADA COMMUNITY COLLEGE	17,263,497	19,025,009	18,871,542	19,562,526	19,418,817
GENERAL FUND	13,748,832	15,380,023	16,393,298	15,800,947	16,856,203
OTHER FUND	3,514,665	3,644,986	2,478,244	3,761,579	2,562,614
COMMUNITY COLLEGE OF SOUTHERN NEVADA	81,009,757	94,930,639	95,486,926	100,339,743	101,945,834
GENERAL FUND	53,198,900	66,316,369	72,257,063	69,908,236	76,577,965
OTHER FUND	27,810,857	28,614,270	23,229,863	30,431,507	25,367,869
TRUCKEE MEADOWS COMMUNITY COLLEGE	33,603,416	34,631,445	36,097,711	35,730,402	37,591,192
GENERAL FUND	24,321,906	25,226,103	28,933,189	26,054,586	29,960,638
OTHER FUND	9,281,510	9,405,342	7,164,522	9,675,816	7,630,554
NEVADA STATE COLLEGE AT HENDERSON	4,441,031	3,221,635	3,426,780	4,629,893	5,097,494
GENERAL FUND	3,747,531	2,829,600	3,034,745	3,965,000	4,432,601
OTHER FUND	693,500	392,035	392,035	664,893	664,893
UCCSN SALARY ADJUSTMENT ACCOUNT					7,970,892
GENERAL FUND					7,970,892
UCCSN REGI ADJUSTMENT ACCOUNT			805,895		787,741
GENERAL FUND			805,895		787,741
SUB-FUNCTION RECAP					
UNIVERSITY & COMMUNITY COLLEGE SYSTEM	534,299,790	618,236,466	623,544,443	646,519,833	660,235,771
GENERAL FUND	370,638,380	435,482,469	482,655,305	455,253,362	506,746,590
FEDERAL FUND	2,987,505	2,401,820	2,401,820	2,404,818	2,404,818
INTER AGENCY TRANSFER	3,748,611	4,517,638	4,517,638	4,681,114	4,681,114
INTERIM FINANCE	471,156				

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

2003 Legislature

	2002 - 03 Work Program	2003 - 04 Governor Recommended	2003 - 04 Legislature Approved	2004 - 05 Governor Recommended	2004 - 05 Legislature Approved
SUB-FUNCTION RECAP					
UNIVERSITY & COMMUNITY COLLEGE SY:	534,299,790	618,236,466	623,544,443	646,519,833	660,235,771
OTHER FUND	156,454,138	175,834,539	133,969,680	184,180,539	146,403,249
WICHE PROGRAM					
W.I.C.H.E. ADMINISTRATION	292,720	325,169	324,557	330,858	330,296
GENERAL FUND	292,720	325,169	324,557	330,858	330,296
W.I.C.H.E. LOAN & STIPEND	1,494,500	1,467,701	1,461,100	1,420,401	1,390,350
GENERAL FUND	731,104	875,708	869,107	827,608	797,557
BALANCE FORWARD	182,067				
OTHER FUND	581,329	591,993	591,993	592,793	592,793
SUB-FUNCTION RECAP					
WICHE PROGRAM	1,787,220	1,792,870	1,785,657	1,751,259	1,720,646
GENERAL FUND	1,023,824	1,200,877	1,193,664	1,158,466	1,127,853
BALANCE FORWARD	182,067				
OTHER FUND	581,329	591,993	591,993	592,793	592,793

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

2003 Legislature

	2002 - 03 Work Program	2003 - 04 Governor Recommended	2003 - 04 Legislature Approved	2004 - 05 Governor Recommended	2004 - 05 Legislature Approved
EDUCATION					
DEPARTMENT OF CULTURAL AFFAIRS					
CULTURAL AFFAIRS ADMINISTRATION	545,944	765,994	766,713	725,243	718,269
GENERAL FUND	412,917	747,554	748,273	706,503	699,529
INTER AGENCY TRANSFER	133,027	18,440	18,440	18,740	18,740
STATE HISTORIC PRESERVATION OFFICE	769,192	917,715	917,730	901,304	901,691
GENERAL FUND	319,305	314,929	314,942	306,352	306,508
FEDERAL FUND	366,125	524,783	524,802	514,333	514,572
INTER AGENCY TRANSFER	83,762	78,003	77,986	80,619	80,611
COMSTOCK HISTORIC DISTRICT	94,472	104,884	103,898	109,007	108,036
GENERAL FUND	94,472	104,884	103,898	109,007	108,036
MUSEUMS AND HISTORY	266,588	311,138	311,068	312,108	312,078
GENERAL FUND	266,588	311,138	311,068	312,108	312,078
NEVADA HISTORICAL SOCIETY	703,502	714,479	717,625	716,342	719,661
GENERAL FUND	584,142	663,704	660,179	664,900	659,661
INTER AGENCY TRANSFER	23,185				
OTHER FUND	96,175	50,775	57,446	51,442	60,000
STATE MUSEUM, CARSON CITY	1,555,530	1,673,905	1,674,779	1,710,023	1,711,164
GENERAL FUND	143,183	1,364,797	1,349,763	1,399,367	1,380,962
BALANCE FORWARD	13,350				
FEDERAL FUND	5,000	12,000	12,000	12,000	12,000
INTER AGENCY TRANSFER	1,081,490	10,000	10,000	10,000	10,000
OTHER FUND	312,507	287,108	303,016	288,656	308,202
STATE RAILROAD MUSEUMS	1,654,006	1,469,076	1,469,082	1,490,571	1,490,442
GENERAL FUND	177,839	1,229,459	1,227,109	657,798	496,000
BALANCE FORWARD	4,682				
INTER AGENCY TRANSFER	1,348,382	123,456	123,456	716,767	875,479
OTHER FUND	123,103	116,161	118,517	116,006	118,963
MUSEUM & HISTORICAL SOCIETY - LV	913,627	1,018,855	1,018,726	1,040,651	1,040,798
GENERAL FUND	877,122	983,110	982,981	1,003,466	1,003,613
OTHER FUND	36,505	35,745	35,745	37,185	37,185
LOST CITY MUSEUM	370,017	403,747	403,836	415,074	415,218
GENERAL FUND	288,012	330,851	330,700	340,377	340,281
FEDERAL FUND	6,210				
OTHER FUND	75,795	72,896	73,136	74,697	74,937
NEVADA STATE LIBRARY	4,465,146	4,469,126	4,489,749	4,516,554	4,537,710
GENERAL FUND	3,121,670	3,443,180	3,463,350	3,487,306	3,507,991
FEDERAL FUND	807,059	1,023,117	1,023,570	1,026,419	1,026,890
INTER AGENCY TRANSFER	500,000				
OTHER FUND	36,417	2,829	2,829	2,829	2,829
NEVADA STATE LIBRARY - LITERACY	269,377	219,464	219,430	224,940	224,925
GENERAL FUND	123,715	135,314	135,280	140,790	140,775
FEDERAL FUND	78,512	32,150	32,150	32,150	32,150
INTER AGENCY TRANSFER	67,150	52,000	52,000	52,000	52,000

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

2003 Legislature

	2002 - 03 Work Program	2003 - 04 Governor Recommended	2003 - 04 Legislature Approved	2004 - 05 Governor Recommended	2004 - 05 Legislature Approved
DEPARTMENT OF CULTURAL AFFAIRS					
NEVADA STATE LIBRARY-CLAN	749,701	429,957	429,957	436,460	436,460
BALANCE FORWARD	274,504				
FEDERAL FUND	100,000	26,000	26,000	26,000	26,000
INTER AGENCY TRANSFER	101,025	62,837	62,837	62,837	62,837
OTHER FUND	274,172	341,120	341,120	347,623	347,623
ARCHIVES AND RECORDS	607,654	648,038	647,229	658,735	658,017
GENERAL FUND	560,075	641,592	640,783	652,289	651,571
BALANCE FORWARD	32,141				
FEDERAL FUND	13,558	4,219	4,219	4,219	4,219
OTHER FUND	1,880	2,227	2,227	2,227	2,227
MICROGRAPHICS AND IMAGING	808,753	710,871	710,871	720,424	721,000
BALANCE FORWARD	73,233	90,239	90,239	99,491	100,067
OTHER FUND	735,520	620,632	620,632	620,933	620,933
NEVADA ARTS COUNCIL	2,195,191	2,005,932	2,024,785	2,008,224	2,277,167
GENERAL FUND	1,439,917	1,473,363	1,473,194	1,475,655	1,475,576
BALANCE FORWARD	131,325				
FEDERAL FUND	611,918	487,100	487,100	487,100	487,100
INTER AGENCY TRANSFER					250,000
OTHER FUND	12,031	45,469	64,491	45,469	64,491
SUB-FUNCTION RECAP					
DEPARTMENT OF CULTURAL AFFAIRS	15,968,700	15,863,181	15,905,478	15,985,660	16,272,636
GENERAL FUND	8,408,957	11,743,875	11,741,520	11,255,918	11,082,581
BALANCE FORWARD	529,235	90,239	90,239	99,491	100,067
FEDERAL FUND	1,988,382	2,109,369	2,109,841	2,102,221	2,102,931
INTER AGENCY TRANSFER	3,338,021	344,736	344,719	940,963	1,349,667
OTHER FUND	1,704,105	1,574,962	1,619,159	1,587,067	1,637,390
FUNCTION RECAP					
TOTAL EDUCATION	1,624,690,176	1,809,385,656	1,829,914,651	1,884,730,298	1,946,230,892
GENERAL FUND	1,065,398,628	1,291,237,106	1,265,819,258	1,346,899,549	1,425,819,906
BALANCE FORWARD	7,978,962	362,383	362,383	598,853	660,313
FEDERAL FUND	217,922,853	201,716,423	288,969,160	205,724,371	225,029,157
INTER AGENCY TRANSFER	9,173,815	7,296,414	7,327,929	8,087,185	8,444,768
INTERIM FINANCE	15,297,572				
OTHER FUND	308,918,346	308,773,330	267,435,921	323,420,340	286,276,748
TOTAL EDUCATION	1,624,690,176	1,809,385,656	1,829,914,651	1,884,730,298	1,946,230,892
LESS: INTER AGENCY TRANSFER	9,173,815	7,296,414	7,327,929	8,087,185	8,444,768
NET: EDUCATION	1,615,516,361	1,802,089,242	1,822,586,722	1,876,643,113	1,937,786,124