

EDUCATION

The Education function includes three sub-functions: The Department of Education (K-12); the Nevada System of Higher Education; 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 2005 Legislature continued this tradition. General Fund appropriations for educational programs approved by the 2005 Legislature total approximately \$1.50 billion in FY 2005-06 and approximately \$1.64 billion in FY 2006-07, a combined 16.3 percent increase over appropriations approved during the 2003-05 biennium (includes supplemental appropriations approved by the 2005 Legislature). These appropriations for educational programs account for 54.2 percent of General Fund expenditures during the 2005-07 biennium.

Funding approved by the 2005 Legislature from all sources for education total \$2.06 billion in FY 2005-06, a 6.5 percent increase when compared to legislatively-approved amounts in FY 2004-05; and \$2.23 billion in FY 2006-07, an 8.1 percent increase after inter-agency transfers are deducted.

EDUCATION (K-12)

DISTRIBUTIVE SCHOOL ACCOUNT

The funding which supports Nevada's public elementary and secondary schools is a shared responsibility with state, local and federal sources contributing to the school districts' operating funds. The Distributive School Account (DSA) budget does not include the entire funding for K-12 education, but rather includes only the portion of the school district operating funds that provide the Total Regular Basic Support (Basic Support) guarantee and other state-supported programs.

The following table summarizes the funding elements (in millions) that are the basis for the DSA as recommended by the Governor and as approved by the 2005 Legislature for the upcoming biennium. Only the portion of the table below designated as "Total Regular Basic Support" is included in the DSA budget account and guaranteed by the state.

	<u>Recommended in The Executive Budget</u>			<u>Legislatively-Approved</u>			Percent Change
	<u>FY 2006</u>	<u>FY 2007</u>	<u>2005-07 Biennium</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>2005-07 Biennium</u>	
Total Operating Expenditures	\$ 2,524	\$ 2,688	\$ 5,212	\$ 2,532	\$ 2,742	\$ 5,274	1.2%
Less: Local "Outside DSA" Revenues	\$ (618)	\$ (662)	\$ (1,280)	\$ (587)	\$ (625)	\$ (1,212)	
Less: Non-Basic Support Programs	\$ (127)	\$ (135)	\$ (262)	\$ (125)	\$ (133)	\$ (258)	
Total Regular Basic Support	\$ 1,779	\$ 1,891	\$ 3,670	\$ 1,820	\$ 1,984	\$ 3,804	3.7%
Plus Programs other than Basic Support	\$ 287	\$ 306	\$ 593	\$ 297	\$ 323	\$ 620	
Total Required State Support	\$ 2,066	\$ 2,197	\$ 4,263	\$ 2,117	\$ 2,307	\$ 4,424	3.8%
Less: Local "Inside DSA" Revenues	\$ (1,109)	\$ (1,182)	\$ (2,291)	\$ (1,135)	\$ (1,206)	\$ (2,341)	
Total State Share	\$ 957	\$ 1,015	\$ 1,972	\$ 982	\$ 1,101	\$ 2,083	
Miscellaneous DSA Revenues	\$ (130)	\$ (133)	\$ (263)	\$ (133)	\$ (137)	\$ (270)	
General Fund Support	\$ 827	\$ 882	\$ 1,709	\$ 849	\$ 964	\$ 1,813	6.1%

The approved budget anticipates that the total of all Nevada school district budgets will increase to \$2.53 billion in the first year of the upcoming biennium and \$2.74 billion in the second year, compared to \$2.18 billion and \$2.33 billion for school district budgets as approved by the 2003 Legislature for the 2003-05 biennium. This is an increase of 17.1 percent. As indicated in the table, certain locally generated revenues are considered before the state responsibility is determined. These revenues are referred to as being "outside" of the "Nevada Plan" (the state responsibility) and consist of the following:

- **Property Tax:** State law requires a property tax rate of 75 cents per \$100 of assessed valuation for the support of schools, of which 25 cents is "inside" the Nevada Plan and 50 cents is "outside" the DSA funding formula. The actual amount of collections of property tax will be affected by the property tax relief legislation (A.B. 489/S.B. 509) approved by the 2005 Legislature and discussed in the tax policy section of this report. The approved budget projects that the 50-cent portion of this tax will generate \$380 million in FY 2005-06, which represents a 9.5 percent increase over FY 2004-05 and \$410 million in FY 2006-07, an increase of 7.7 percent over FY 2005-06.
- **Local Government Services Tax:** Formerly called the motor vehicle privilege tax, this tax is estimated to generate \$88.5 million in FY 2005-06 and \$97.4 million in FY 2006-07 compared to FY 2003-04 actual collections of \$73.2 million.
- **Other Local Sources:** Franchise taxes, federal revenue, interest, tuition and other local revenue and opening balances are expected to contribute \$117.9 million in FY 2005-06 and \$118.0 million in FY 2006-07.

Generally, these local revenues are not guaranteed by the state, thus the local school districts benefit when actual revenues are in excess of expectations or suffer the loss when revenues do not meet expectations. However, due to the uncertainty of the impact of the property tax relief legislation, the 2005 Legislature provided that the Basic Support amounts for the 2005-07 biennium would be recalculated to compensate for any shortfall in property tax collections relative to the amounts that were included in the legislatively-approved budget. These locally-generated revenues “outside” of the Nevada Plan are budgeted to generate approximately 23 percent of the revenue necessary to support the budgets of the school districts (compared to 22.2 percent in the 2003-05 biennium), with the balance being funded through the Nevada Plan. Nevada Plan funding for school districts consists of state financial support received through the DSA and locally collected revenues that are “inside” the Nevada Plan, namely the 2.25-cent Local School Support Tax (LSST) (sales tax) and remaining 25 cents of the Ad Valorem Tax (property tax).

The Legislature determines the level of state aid for schools and each district’s share through a formula called the Nevada Plan, which allows for differences across districts in the costs of providing education and in local wealth. A guaranteed amount of Basic Support per pupil is calculated for each school district and is established in law each legislative session. The state, through the DSA, and local school districts, through the LSST and property tax, share the responsibility for providing the money needed to fund the guaranteed Basic Support.

Local funding from the 25-cent portion of the property taxes is budgeted at \$190.2 million for FY 2005-06 and \$204.9 million for FY 2006-07. This represents increases of 9.5 percent and 7.7 percent respectively. The LSST is estimated at \$944.5 million for FY 2005-06 and \$1.001 billion for FY 2006-07, which represents an increase of six percent in each year of the 2005-07 biennium. Combined, these two local sources provide approximately 61.5 percent of the Basic Support amount with the state contributing the remaining 38.5 percent. It is important to note that these two local revenue sources are guaranteed by the state, i.e., if budgeted amounts are not actually collected, the state makes up the difference and conversely, if actual revenues exceed projections, the amount of state General Fund support is reduced.

The total required state support of school district expenditures within the DSA totals \$2.12 billion and \$2.31 billion for FY 2005-06 and FY 2006-07, respectively, an increase of 16.9 percent over the legislatively-approved amounts for the 2003-05 biennium. These amounts include the recommended increase in all of the programs funded through the DSA (i.e., Basic Support, class-size reduction, special education, adult programs, school improvement, counseling, early childhood education, high-impact and at-risk retirement credits, retired employee health insurance subsidy costs, etc.).

DISTRIBUTIVE SCHOOL ACCOUNT - SUMMARY FOR 2005-07 BIENNIUM							
	2003-04		2004-05		2005-06	2006-07	
	Legislature Approved	2003-04 Actual	Legislature Approved	2004-05 Estimated	Leg Approved	Leg Approved	
TOTAL ENROLLMENT *	\$ 371,663	\$ 373,498	\$ 384,908	\$ 387,957	\$ 405,606	\$ 422,453	
BASIC SUPPORT	\$ 4,295	\$ 4,298	\$ 4,424	\$ 4,424	\$ 4,486	\$ 4,696	
TOTAL REGULAR BASIC SUPPORT **	\$ 1,596,307,778	\$ 1,605,251,649	\$ 1,702,874,391	\$ 1,716,321,768	\$ 1,819,511,660	\$ 1,983,868,424	
CLASS-SIZE REDUCTION	\$ 108,937,389	\$ 108,937,389	\$ 117,142,553	\$ 117,142,553	\$ 125,552,187	\$ 137,922,619	
SPECIAL EDUCATION ***	\$ 83,185,765	\$ 83,185,765	\$ 87,866,476	\$ 87,866,476	\$ 97,617,555	\$ 103,715,266	
SPECIAL UNITS/GIFTED & TALENTED	\$ 181,067	\$ 39,777	\$ 190,877	\$ 190,877	\$ 203,808	\$ 216,132	
ADULT HIGH SCHOOL DIPLOMA	\$ 16,926,569	\$ 16,926,568	\$ 17,843,596	\$ 17,843,596	\$ 18,435,662	\$ 21,484,388	
SCHOOL LUNCH PROGRAM STATE MATCH	\$ 0	\$ 0	\$ 0	\$ 0	\$ 588,732	\$ 588,732	
NRS ADJUSTMENT	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
SCHOOL IMPROVEMENT PROGRAMS:							
REMEDATION	\$ 6,179,109	\$ 3,008,209	\$ 6,513,874	\$ 7,282,024	\$ 6,818,788	\$ 7,089,336	
RPDP, NELIP & LEAD	\$ 8,997,941	\$ 8,711,348	\$ 9,116,835	\$ 9,116,835	\$ 10,332,421	\$ 10,510,364	
SPECIAL FUNDING:							
EARLY CHILDHOOD EDUCATION	\$ 2,896,583	\$ 2,896,583	\$ 2,896,583	\$ 2,896,583	\$ 3,032,172	\$ 3,152,479	
AT-RISK SCHOOLS RETIREMENT CREDIT	\$ 2,689,206	\$ 2,689,204	\$ 7,045,056	\$ 7,045,056	\$ 16,138,996	\$ 18,433,608	
HIGH IMPACT POSITIONS RETIRE CREDIT	\$ 0	\$ 0	\$ 5,732,643	\$ 5,732,643	\$ 9,369,907	\$ 9,763,443	
RETIRED EMPLOYEES' INS SUBSIDY	\$ 0	\$ 2,704,730	\$ 0	\$ 0	\$ 8,391,659	\$ 9,171,421	
SPECIAL ELEMENTARY COUNSELING	\$ 850,000	\$ 850,000	\$ 850,000	\$ 850,000	\$ 850,000	\$ 850,000	
SPECIAL STUDENT TRANSPORTATION	\$ 47,715	\$ 81,663	\$ 47,715	\$ 47,715	\$ 81,663	\$ 81,663	
ADJUSTMENTS TO BALANCE TO 387.303	\$ 0	\$ (50)	\$ 0	\$ 0	\$ 0	\$ 0	
TOTAL REQUIRED STATE SUPPORT	\$ 1,827,199,122	\$ 1,835,282,835	\$ 1,958,120,599	\$ 1,972,336,126	\$ 2,116,925,210	\$ 2,306,847,874	
LESS							
LOCAL SCHOOL SUPPORT TAX	\$ (717,955,893)	\$ (785,709,334)	\$ (758,161,426)	\$ (890,994,385)	\$ (944,454,048)	\$ (1,001,121,291)	
\$.25 PROPERTY TAX	\$ (159,067,666)	\$ (157,340,133)	\$ (173,705,519)	\$ (173,705,519)	\$ (190,244,063)	\$ (204,865,724)	
CHARTER SCHOOL SPECIAL PAY	\$ 0	\$ 28,169	\$ 0	\$ 0	\$ 28,169	\$ 28,169	
TOTAL STATE SHARE	\$ 950,175,563	\$ 892,261,537	\$ 1,026,253,654	\$ 907,636,222	\$ 982,255,268	\$ 1,100,889,028	
STATE SHARE ELEMENTS							
GENERAL FUND	\$ 746,727,016	\$ 745,581,887	\$ 884,229,250	\$ 884,229,250	\$ 849,687,448	\$ 963,564,914	
GENERAL FUND TRANS 05 TO 04	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
FEDERAL FISCAL RELIEF	\$ 67,952,000	\$ 67,951,154	\$ 0	\$ 0	\$ 0	\$ 0	
DSA SHARE OF SLOT TAX	\$ 38,303,623	\$ 36,643,286	\$ 39,898,127	\$ 36,127,995	\$ 36,342,372	\$ 37,968,811	
PERMANENT SCHOOL FND	\$ 4,704,000	\$ 3,366,985	\$ 5,497,188	\$ 5,497,188	\$ 5,377,740	\$ 5,490,122	
FED MINERAL LEASE REV	\$ 5,237,765	\$ 3,531,040	\$ 5,394,898	\$ 5,394,898	\$ 3,746,080	\$ 3,858,462	
OUT OF STATE LSST	\$ 71,125,593	\$ 68,263,920	\$ 75,108,625	\$ 77,411,285	\$ 82,055,962	\$ 86,979,320	
ESTATE TAX	\$ 16,125,566	\$ 12,386,219	\$ 16,125,566	\$ 13,427,078	\$ 5,045,666	\$ 3,027,399	
PRIOR YR REFUNDS	\$ 0	\$ 1,145,129	\$ 0	\$ 0	\$ 0	\$ 0	
TRANSFER FROM IFC	\$ 0	\$ 2,704,730	\$ 0	\$ 0	\$ 0	\$ 0	
OTHER STATE FUNDING	\$ 0	\$ 198,525	\$ 0	\$ 0	\$ 0	\$ 0	
BALANCE FORWARD	\$ 0	\$ (49,511,338)	\$ 0	\$ 49,511,338	\$ 0	\$ 0	
TOTAL SHARE STATE ELEMENTS	\$ 950,175,563	\$ 892,261,537	\$ 1,026,253,654	\$ 1,071,599,032	\$ 982,255,268	\$ 1,100,889,028	
BALANCE (TO/FROM GENERAL FUND)	\$ 0	\$ 0	\$ 0	\$ 163,962,810	\$ 0	\$ 0	
*** Special Education Units		No. of Units	\$ per Unit		No. of Units	\$ per Unit	
	2003-04	2,615	31,811.00	2005-06	2,835	34,433.00	
	2004-05	2,708	32,447.00	2006-07	2,953	35,122.00	
* FY 04 Apportioned and FY 05, 06, & 07 Weighted							
** Totals May Not Balance Due to Rounding							
*** Special Education Unit funded separately from Basic Support							

In the approved budget, the state’s share of funding is covered largely by General Fund appropriations of \$849.7 million in FY 2005-06 and \$963.6 million in FY 2006-07, totaling \$1.81 billion for the 2005-07 biennium. This is \$182 million greater than the \$1.63 billion appropriated for the 2003-05 biennium (including a \$7.9 million supplemental appropriation for retiree health insurance subsidies for school districts). This represents an increase of 11.2 percent. It is anticipated that the DSA will revert approximately \$175.8 million for the 2003-05 biennium. If the estimated reversion is reduced from General Fund support approved in the 2003-05 biennium, the General Fund increase would be 24.6 percent.

An annual tax on slot machines, interest earned on investments from the Permanent School Fund, projected estate taxes collections, revenue from leases of federal land for mineral exploration and from royalties, and local school support tax from sales that cannot be attributed to any particular county also supplement the DSA and are included in the accompanying table as “Miscellaneous DSA Revenues.”

The table on the previous page displays the DSA budget as approved by the 2003 Legislature, actual revenues and expenditures for FY 2003-04, estimates for FY 2004-05, and the legislatively-approved budget for the 2005-07 biennium. The statewide average Basic Support guarantee per pupil is recommended to change from the FY 2004-05 legislatively-approved amount of \$4,424 to \$4,486 in FY 2005-06 and \$4,696 in FY 2006-07. The guaranteed Basic Support per pupil should not be confused with expenditures per pupil. As indicated earlier, other resources not considered within the Nevada Plan are also available to cover school districts’ operating costs.

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 3 and 4-year-olds with disabilities. Handicapped preschoolers and kindergarten pupils are only counted as six-tenths of a pupil because they typically attend school for one-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:

1997-98 Actual	1998-99 Actual	1999-00 Actual	2000-01 Actual	2001-02 Actual	2002-03 Actual	2003-04 Actual	2004-05 Estimated	2005-06 Leg Appr	2006-07 Leg Appr
286,084	300,567	315,489	328,867	344,765	358,641	373,498	387,834	405,606	422,453
5.24%	5.06%	4.96%	4.24%	4.83%	4.02%	4.14%	3.84%	4.58%	4.15%

Based on the most recent estimates, weighted enrollment increased by approximately 8.1 percent during the 2003-05 biennium, to 387,834 students in FY 2004-05. The approved budget projects an enrollment increase of 4.58 percent in FY 2005-06 over the FY 2004-05 estimated weighted enrollment and an increase of 4.15 percent in FY 2006-07.

POSITIONS AND SALARIES

The budget approved by the 2005 Legislature included an increase of two percent for movement on the salary scale (typically called the “roll-up”) and cost-of-living salary increases of two percent in FY 2005-06 and four percent in FY 2006-07.

In addition, the 2005 Legislature authorized \$25.5 million in FY 2005-06 and \$28.2 million in FY 2006-07 to be utilized for the continued purchase of retirement credits for certain licensed education personnel.

SPECIAL EDUCATION

For FY 2004-05, the state funded 2,708 special education units at \$32,447 each, totaling \$87.9 million. The 2005 Legislature approved 2,835 special education units, at a cost of \$34,433 each or \$97.6 million for FY 2005-06, and 2,953 special education units, at a cost of \$35,122 each or \$103.7 million for FY 2006-07, an increase of 11.1 percent and 6.2 percent, respectively, to accommodate growth in enrollment and roll-up costs for special education programs.

Additional special education funding is also continued during the 2005-07 biennium for six 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 \$203,808 in FY 2005-06 and \$216,132 in FY 2006-07.

CLASS-SIZE REDUCTION

In order to maintain pupil-teacher ratios of 16:1 in first and second grades and 19:1 in third grade, the 2005 Legislature approved funding \$125.6 million in FY 2005-06 and \$137.9 million in FY 2006-07 for the Class-Size Reduction (CSR) program. This represents an increase of 7.2 percent in FY 2005-06 when compared to the FY 2004-05 work program amount of \$117.1 million, with an additional 9.9 percent increase in FY 2006-07. 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.

Assembly Bill 526, as approved by the 2005 Legislature, requires school districts that do not meet the statutory class-size pupil-teacher ratio of 15:1 in kindergarten through grade 3 to request a variance from the Nevada State Board of Education only if the class-sizes are outside the ratios prescribed by legislative appropriation or by an approved plan for an alternative class-size reduction program. Previously, school districts were required to request a variance in all instances where the class-size ratios were outside the statutory limit.

The 2005 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 2005 Legislature, through the passage of S.B. 460, continued 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. The rural school districts are authorized 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 22:1 in grades 1, 2 and 3 and may not exceed 25:1 in grades 4 and 5 or grades 4, 5 and 6 in school districts that include grade 6 in elementary school. 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

The 2005 Legislature also continued funding for the Regional Professional Development Programs (RPDPs), including the Nevada Early Literacy Intervention Program (NELIP) and special administrator training programs. In approving the funding of \$10.3 million in FY 2005-06 and \$10.5 million in FY 2006-07, the Legislature authorized the RPDPs to maintain an ending fund balance of no more than five percent of the total budget over the 2005-07 biennium. Finally, the Legislature authorized the Northeastern RPDP to purchase four vehicles in lieu of leasing the vehicles; this action saved the state General Fund approximately \$124,104 over the 2005-07 biennium.

The 2005 Legislature increased support for remedial education programs considerably over the previous biennium. The 2005 Legislature approved the creation of the Account for Programs for Innovation and the Prevention of Remediation and appropriated \$50 million to the account in each year of the 2005-07 biennium. This funding is to be utilized in grades K through 6 and will be disbursed upon the recommendation of the Governor's Commission on Educational Excellence, with the exception that in FY 2006-07, \$22 million of the \$50 million is to be utilized to provide full-day kindergarten in certain schools. It is estimated that approximately 118 elementary schools that have at least a 55 percent free and reduced lunch population will be provided funding to implement full-day kindergarten. In order to assist these schools

with the need for additional classrooms, the Legislature, through the passage of A.B. 580, approved \$7.4 million for the purchase of portable classrooms by all school districts except Clark County School District. Furthermore, \$6.8 million and \$7.1 million was approved in FY 2005-06 and FY 2006-07, respectively, for remediation in grades 7 through 12. By contrast, during the 2003-05 biennium, total support for remediation was \$12.7 million.

SPECIAL FUNDING

The 2005 Legislature approved funding of \$3.0 million in FY 2005-06 and \$3.2 million in FY 2006-07 to continue the early childhood education programs. In approving funding for early childhood education programs, the 2005 Legislature continued the requirement that the funds be restricted to items directly related to the instruction of pupils and that a longitudinal evaluation be conducted for all early childhood programs as part of receipt of grant funds. In addition, the Legislature approved a new requirement for the department to review the outcome indicators for the Early Childhood Education program, establish minimum performance levels and increase the expected performance rates, as appropriate.

DEPARTMENT OF EDUCATION

The 2005 Legislature approved total funding for the Department of Education (excluding the Distributive School Account and the Account for Programs for Innovation and the Prevention of Remediation) in the amount of \$299.5 million in FY 2005-06 and \$301.2 million in FY 2006-07, an increase of 25.3 percent for the 2005-07 biennium compared to the 2003-05 biennium. Of this amount, General Fund support was approved in the amount of \$49.6 million for the 2005-07 biennium, compared to \$45.6 million (including \$2.8 million for the reporting of test scores) for the 2003-05 biennium. This represents an increase in General Fund support of approximately 8.7 percent.

In an effort to assist the department in providing support to schools within this state, the 2005 Legislature approved seven new full-time positions. The positions include:

- A charter school consultant who will be dedicated to special education services in charter schools;
- A state remediation consultant to assist with coordinating the Governor-recommended and legislatively-approved Account for Programs for Innovation and the Prevention of Remediation and Commission on Educational Excellence;
- A social studies consultant, who will dedicate 25 percent of his/her time to charter school issues;
- A Grant Writer position that is authorized for the 2005-07 biennium only and must be re-justified to the 2007 Legislature;
- An Administrative Assistant to provide support to the new positions;

- A new writing examination consultant, authorized to be funded with federal Title VI funds; and
- An administrator for the Adult High School Diploma program. For this position, the Legislature approved the reallocation of funding, which in the past had been utilized to fund a contractor position for this same purpose.

The 2005 Legislature approved \$6.05 million in FY 2005-06 and \$6.35 million in FY 2006-07 to continue the \$2,000 signing bonuses for teachers who are newly hired by school districts. To fully fund signing bonuses for teachers during the 2003-05 biennium, the Legislature also approved S.B. 511, which provided a supplemental appropriation from the General Fund of \$436,000.

Also approved by the 2005 Legislature is funding in the amount of \$9.95 million to continue funding for the educational technology needs of school districts during the 2005-07 biennium. The funds are approved to be utilized for technology infrastructure (\$4,825,000), high quality content material (\$1,990,000), professional development (\$1,492,500), technical support (\$796,000), pilot projects for best practices in education technology (\$696,500), and an evaluation of educational technology in Nevada (\$150,000). This was the first time funding for educational technology was approved through the budget process in lieu of legislation.

SAIN – SYSTEM FOR ACCOUNTABILITY INFORMATION IN NEVADA

The 2005 Legislature approved state funding of \$200,000 in each fiscal year of the 2005-07 biennium for ongoing maintenance and support of the SAIN program, (previously SMART). In addition to state General Funds, the Legislature authorized federal Title VI funding of \$600,000 in each fiscal year of the 2005-07 biennium for support of the SAIN program. These funds will be utilized for contracting services for enhanced web reporting, department technical support and funding for a Database Manager II position, which was not filled during the 2003-05 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. With implementation of the No Child Left Behind Act (NCLBA), the state's accountability system, including the testing program, has been significantly affected. Under the NCLBA, reading and math tests must be given annually in grades 3 through 8 starting in FY 2005-06 and the state's accountability system must take into account the achievement of all public elementary and secondary school students.

Historically, the Legislature fully funded the costs of state-required tests. However, with implementation of the NCLBA, the federal government now provides states with a Title VI State Assessment Grant, which provides states with funds to pay the costs of development of the additional state standards and assessments required by the NCLBA. The 2005 Legislature approved state General Funds of \$4.2 million in FY 2005-06 and \$4.3 million in FY 2006-07 for ongoing support of the state testing program.

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.

The 2005 Legislature approved the revenue projections of the department for this account, including the projected Licensing reserve of \$97,820 in FY 2005-06 and \$79,243 in FY 2006-07. In approving the revenue projections, the Legislature also approved a Letter of Intent to the department requesting that the Commission on Professional Standards in Education raise fees, if necessary, to support this budget account in lieu of approaching the IFC for a Contingency Fund allocation.

IMPROVING AMERICA'S SCHOOLS – TITLE I

Title I programs include the majority of the federal funds utilized by school districts to comply with the NCLBA requirements. The 2005 Legislature authorized federal funds in the amount of \$82.3 million for each fiscal year of the 2005-07 biennium for Title I programs. Of this amount, \$72.9 million in each fiscal year will be utilized for Title I basic programs, including migrant and neglected and delinquent programs; \$1.2 million will continue the federal Even Start program; \$1.6 million will continue the Comprehensive School Reform program; and \$6.7 million will be used for the Reading First program.

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

Five of the programs included in the NCLBA federal legislation are included in this budget account. The 2005 Legislature authorized federal funds in each fiscal year of the 2005-07 biennium for the following grants:

- Title II – Teacher Quality Grant - \$15.1 million;
- Title II – Education Technology Grant - \$3.6 million;
- Title II – Mathematics and Science Partnerships - \$865,869;
- Title V – Innovative Education Grant - \$2.2 million; and
- Title VI – State Assessment Grant - \$4.9 million.

STUDENT INCENTIVE GRANTS

The 2005 Legislature approved state General Funds in the amount of \$376,273 in FY 2005-06 and \$376,952 in FY 2006-07 to meet the state matching requirements for the Leveraging Educational Assistance Program (LEAP) and the Special Leveraging Education Assistance Program (SLEAP). The General Fund support in this account is not “new” funding, but simply the same funding that in previous years was placed in the University System’s Special Project Account to be transferred to the department for this same purpose.

OTHER BILLS PROVIDING FUNDING FOR K-12 EDUCATION

Senate Bill 1 of the 22nd Special Session appropriates \$1.4 million in each fiscal year of the 2005-07 biennium to the Interim Finance Committee to continue the services of a consultant to provide brochures for the reporting of test scores of pupils and to provide web-based data and instructional tools to address and improve the performance of pupils on statewide examinations.

Assembly Bill 580 appropriates \$5.0 million in each fiscal year of the 2005-07 biennium to the department to provide grants to local school districts that adopt a program of performance pay and enhanced compensation for the recruitment, retention and mentoring of licensed educational personnel. This legislation also appropriates \$1.0 million in each fiscal year for the department to provide grants to local school districts or charter schools to establish technical skills advisory committees that are to review the curriculum, design, content and operation of a program of career and technical education to determine its effectiveness. In addition, A.B. 580 appropriates \$175,000 over the biennium for school districts to establish pilot programs to teach the English language to children who have limited proficiency in the English language during the summer before they attend kindergarten. Assembly Bill 580 also appropriates \$500,000 in each fiscal year of the biennium for school districts to implement pilot alternative programs for the education of disruptive pupils. Finally, in an effort to increase the passing rate on the High School Proficiency Examination (HSPE), A.B. 580 appropriates \$346,500 in FY 2005-06 to the department to release one form of the reading and mathematics portion of the HSPE for review and practice by students in this state.

NEVADA SYSTEM OF HIGHER EDUCATION

The Nevada System of Higher Education (NSHE - formerly the University and Community College System of Nevada) 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 NSHE campus budgets are primarily formula-driven.

The system is governed by a 13-member Board of Regents. Assembly Joint Resolution 11 introduced and approved in the 72nd Legislative Session and approved again in the 73rd Legislative Session proposes to amend the Nevada Constitution to reduce the Board of Regents' membership from 13 to 9 members. The resolution also reduces the length of a Regent's term from six to four years. The amendment proposal will be on the ballot of the general election in November 2006.

The 2005 Legislature approved a total of \$1.53 billion in operating funding for the 2005-07 biennium, an increase of \$243 million, or 18.9 percent, over the \$1.28 billion approved by the 2003 Legislature. The total includes \$1.15 billion in General Fund appropriations. The legislatively-approved budget allocates approximately 20.1 percent of available General Fund appropriations to the NSHE in FY 2005-06 and 19.6 percent in FY 2006-07 (19.8 percent for the biennium).

ESTATE TAX

The estate tax has been phased out as a revenue source for Nevada. For the 2003-05 biennium, the 2003 Legislature replaced \$89.2 million in NSHE estate tax allocations with state General Fund appropriations. The replacement appropriations included payback provisions, providing for estate tax transfers to the General Fund of \$45.8 million in FY 2003-04 and \$43.4 million in FY 2004-05. The 2005 Legislature approved the Governor's base budget recommendation to continue the General Fund appropriations into the 2005-07 biennium with no corresponding deposits of estate tax revenues to the General Fund. During the 2003 Legislative Session, the NSHE projected estate tax revenues needed to repay the General Fund appropriations could fall short by as much as \$9.6 million. However, estate tax receipts were much higher than anticipated, and the full \$89.2 million in General Fund appropriations were anticipated to be deposited to the General Fund by the end of FY 2004-05.

After fulfilling the repayment obligation, the NSHE estimated that the final estate tax revenue balance would reach approximately \$29 million by the end of the 2005-07 biennium. The Governor's recommended budget did not allocate any of the remaining estate tax revenues. However, the 2005 Legislature chose to allocate unobligated estate tax revenues to the NSHE CIP projects identified below:

- Nevada State College Liberal Arts Building - \$9.0 million;
- CCSN classroom facility - \$5.0 million;
- DRI Computer Automated Virtual Environment (CAVE) - \$14.4 million; and
- CCSN Automotive Technology Building - \$600,000.

ADJUSTED BASE BUDGET

The 2005 Legislature approved adjusted base funding for all NSHE budgets totaling \$669.8 million in FY 2005-06 and \$678.9 million in FY 2006-07. These amounts are 1.0 and 2.4 percent higher, respectively, than the FY 2004-05 work program amount of \$662.9 million. The Legislature made corrections and adjustments to the NSHE recommended base budget that netted General Fund savings of \$322,517 in FY 2005-06 and \$213,237 in FY 2006-07. Significant additions included vehicle insurance recalculations and adjustments at CCSN to correct position grade and step miscalculations. Conversely, reductions were made to the amounts budgeted for property and contents insurance premiums that resulted in General Fund savings of \$1.04 million in FY 2005-06 and \$987,543 in FY 2006-07. The base budget includes a number of notable items including but not limited to the following:

Professional Merit Pay: The Governor recommended \$7.61 million in FY 2005-06 and \$15.41 million in FY 2006-07 to maintain a 2.5 percent merit pool for professional employees (excluding positions at or above the Assistant Dean's level). The Governor proposed to continue partial limits on merit funding for professional salaries at or beyond the maximum salary scale level, as approved by the 2003 Legislature. The 2005 Legislature implemented a full merit pay exclusion for all non-instructional, administrative salaries beyond the maximum salary scale that resulted in General Fund savings of \$182,568 in FY 2005-06 and \$369,708 in FY 2006-07 (\$552,276 for the biennium). For instructional faculty beyond the maximum salary scale level, the Legislature continued partial limits as recommended by the Governor.

Community College Salary Adjustments: The Legislature approved increases to the community college professional salary schedule as approved by the Board of Regents and recommended by the Governor. The NSHE reported that an increase to the base salary was necessary to reach the median salary provided by Western Interstate Commission for Higher Education (WICHE) institutions.

Energy Conservation Debt Service: As recommended by the Governor, the Legislature approved continued base funding for energy conservation program debt service at UNR and UNLV.

Graduate Assistant Health Insurance: During the 2003 Legislative Session, the NSHE sought but was denied funding to offer medical insurance to graduate assistants at UNR and UNLV. Shortly after the end of the regular 2003 Legislative Session, the Regents approved graduate assistant health insurance benefits supported through an allocation of existing formula funds. The 2005 Legislature approved continuation of Graduate Assistant health insurance benefits in UNR's and UNLV's adjusted base budgets. However, funding formulas were not modified to recognize the benefits.

UNR Intercollegiate Athletics Recharge: UNR employs a recharge mechanism to allocate operations and maintenance costs to supported units (e.g., the medical school, Agriculture Experiment Station, health lab, etc.). The 2005 Legislature approved the Governor's recommendation to introduce UNR intercollegiate athletics into the recharge process. UNLV does not include intercollegiate athletics in the recharge process.

FICA Alternative: Effective July 1, 2005, NSHE joined the state of Nevada FICA alternative plan. The plan allows the system's part-time, seasonal and temporary employees to contribute 7.5 percent of their pre-tax earnings to their own personal investment accounts rather than Social Security. Further, the plan allows the NSHE to eliminate the matching employer contribution for participating employees, resulting in savings. Because it was not possible to recognize General Fund savings in the current budgets, the money committees issued a Letter of Intent directing the NSHE to reserve for reversion any savings that accrue from implementation of the FICA alternative plan during the 2005-07 biennium.

Nevada National Guard Fee Waivers: Assembly Bill 9 of the 20th Special Session authorized the NSHE to temporarily waive registration and other fees for certain members of the Nevada National Guard. The authorization expired at the end of the 2003-05 biennium; however, S.B. 78 of the 73rd Legislative Session made the authorization permanent. According to the NSHE, actual waivers in the state-supported budgets totaled \$348,557 in FY 2003-04 with projected costs increasing to \$485,178 in FY 2005-06 and \$537,404 in FY 2006-07. The Legislature approved General Fund increases of \$9,300 in FY 2005-06 and \$9,500 in FY 2006-07 beyond the amounts recommended by the Governor to include the waiver at NSCH.

Athletic Fee Waivers: During the 2003 Legislative Session, the NSHE requested General Fund appropriations of \$1.76 million in FY 2003-04 and \$1.79 million in FY 2004-05 to support athletic fee waivers. Neither the Governor nor the Legislature recommended or approved funding. However, during closing hearings, the NSHE indicated a willingness to cover fee waivers with formula funding, with the understanding that the Legislature would support the fee waiver in the 2005-07 biennium. The NSHE covered athletic fees at UNLV, UNR and CCSN during the 2003-05 biennium with available formula funding, and the Governor's budget continued the payments in the adjusted base budget.

The Legislature approved the continuation of athletic fee subsidies only for the universities and changed the payment method from a waiver in the campus operating budgets to a direct appropriation in the intercollegiate athletics budgets. Appropriations were frozen at the levels anticipated for FY 2005-06. The Legislature denied continuation of athletic fee subsidies at CCSN and ordered the restoration of \$223,134 in waived revenues for the 2005-07 biennium. NSHE's appeal to add athletic fee waivers at the WNCC campus was also denied. As a result of the Legislature's actions, the following amounts were appropriated within each university's intercollegiate athletics budget:

Institution	FY 2006 Athletic Fee Appropriations	FY 2007 Athletic Fee Appropriations
UNR	\$1,268,333	\$1,268,333
UNLV	\$1,713,379	\$1,713,379
Total Appropriations	\$2,981,712	\$2,981,712

University Police Officer Salaries: The adjusted base budgets included funding for the University Police Officer upgrades approved by the IFC, pursuant to A.B. 555 of the 72nd Legislature. However, the Governor's recommended two-grade increase for law enforcement officers during the 2005-07 biennium excluded University Police Officers. The NSHE provided information packets that addressed recruitment and retention problems and salary differences between the NSHE police series and other law enforcement agencies in the state. The Legislature chose to fund two-grade increases for the University Police Officer series and added General Fund appropriations of \$360,263 in FY 2005-06 and \$376,056 in FY 2006-07 for the upgrades.

STUDENT ENROLLMENTS

Excepting Nevada State College, NSHE student FTE projections are based on a three-year weighted average. The Legislature updated the Governor's recommended enrollments to include final FY 2004-05 actual annual counts. While projected enrollments system-wide continue to reflect significant growth (5.5 percent in FY 2005-06 and 5.6 percent in FY 2006-07), re-projected enrollments were significantly lower than the amounts used in calculating the Governor's recommended budget.

Revised enrollment projections were 2,068 FTE lower than the Governor's recommended amounts in FY 2005-06 and 2,940 lower in FY 2006-07. The table below provides a summary of actual and projected enrollments and compares the Governor's recommendations to the updated projections provided by the NSHE.

Average Annual FTE Enrollment Projections								
Area	FY 04 Actual	FY 05 Actual	FY 06 Gov Rec	FY 06 Rev Proj	FY 06 Diff	FY 07 Gov Rec	FY 07 Rev Proj	FY 07 Diff
UNR	11,778	12,193	13,319	12,762	(557)	14,163	13,357	(806)
UNLV	18,350	19,778	21,131	21,221	90	22,676	22,769	93
CCSN	17,569	17,712	20,060	18,414	(1,646)	21,436	19,143	(2,293)
TMCC	5,523	5,860	6,121	6,213	92	6,444	6,588	144
WNCC	2,179	2,252	2,243	2,298	55	2,276	2,345	69
GBC	1,427	1,351	1,610	1,381	(229)	1,709	1,412	(297)
NSC	394	964	996	1,123	127	1,197	1,347	150
Totals	57,220	60,110	65,480	63,412	(2,068)	69,901	66,961	(2,940)

FORMULA FUNDING

In the maintenance modules, the Governor recommended \$34.9 million in FY 2005-06 and \$53.5 million in FY 2006-07 for enrollment growth, as calculated by the NSHE funding formulas. General Fund appropriations comprised \$22.0 and \$30.9 million of the totals recommended in FY 2005-06 and 2006-07, respectively. The 2003 Legislature approved formula funding at 84.09 percent of the calculated amount in FY 2004-05. The Governor's recommended budget retained maintenance formula allocations of 84.09 percent in each year of the 2005-07 biennium. The Governor also recommended nominal formula percentage increases as enhancements.

The Legislature applied the Governor's 84.09 percent formula recommendation to the revised enrollments which decreased costs by \$9.99 million in FY 2005-06 and \$13.57 million in FY 2006-07 (\$23.56 million for the biennium) below the amounts reflected in the Governor's budget. The table below provides details on the maintenance funding adjustments that resulted from incorporating revised enrollments at the Governor's recommended maintenance funding levels. Formula corrections to the student services function were also made for graduate student FTE counts at UNLV and student headcounts at UNLV and UNR.

MAINTENANCE - GOV REC VS. RE-PROJECTED (REVISED ENROLLMENTS @ 84.09%)

Area	Gov Rec FY 06	Re-project FY 06	Difference FY 06	Gov Rec FY 07	Re-project FY 07	Difference FY 07	Biennium Difference
UNR	\$ 3,789,007	\$ 193,568	\$ (3,595,439)	\$ 8,007,259	\$ 3,036,341	\$ (4,970,918)	\$ (8,566,357)
UNLV	\$ 14,140,101	\$ 15,539,178	\$ 1,399,077	\$ 22,135,000	\$ 23,627,962	\$ 1,492,962	\$ 2,892,039
CCSN	\$ 8,493,405	\$ 862,713	\$ (7,630,692)	\$ 12,967,799	\$ 3,045,446	\$ (9,922,353)	\$ (17,553,045)
TMCC	\$ 3,200,544	\$ 3,603,394	\$ 402,850	\$ 3,734,228	\$ 4,385,782	\$ 651,554	\$ 1,054,404
WNCC	\$ (82,474)	\$ 214,305	\$ 296,779	\$ (115,907)	\$ 171,840	\$ 287,747	\$ 584,526
GBC	\$ 1,024,492	\$ (673,523)	\$ (1,698,015)	\$ 1,494,316	\$ (647,948)	\$ (2,142,264)	\$ (3,840,279)
NSCH	\$ 3,555,171	\$ 4,387,436	\$ 832,265	\$ 4,509,948	\$ 5,542,288	\$ 1,032,340	\$ 1,864,605
DRI	\$ (61,659)	\$ (61,659)	\$ 0	\$ (104,038)	\$ (104,038)	\$ 0	\$ 0
NFB Equip	\$ 821,169	\$ 821,169	\$ 0	\$ 821,169	\$ 821,169	\$ 0	\$ 0
Totals	\$ 34,879,756	\$ 24,886,581	\$ (9,993,175)	\$ 53,449,774	\$ 39,878,842	\$ (13,570,932)	\$ (23,564,107)
	84.09%	84.09%		84.09%	84.09%		

Several campuses received formula amounts lower than the Governor's recommendations. However, excepting DRI and GBC, the formula recommendations resulted in increases beyond base and maintenance funding levels at each campus. The new enrollment projections caused GBC's formula amounts to fall below base and maintenance levels (i.e. a hold harmless situation). The Legislature approved GBC's request to be "held harmless" which resulted in no formula funding loss for the campus. With the incorporation of the new enrollments into the formula calculation, WNCC was removed from a hold harmless position.

As recommended by the Governor, the Legislature approved enhancements to increase formula funding percentages incrementally from 84.09 to 84.15 percent in FY 2005-06 and 84.25 percent in FY 2006-07. As with the maintenance modules, updated enrollment projections affected the distribution of formula funding in the enhancement modules. The impacts to each campus are described in the following table.

FORMULA ENHANCEMENTS - GOV REC VS. RE-PROJECTED (ENROLLMENTS @ 84.15/84.25%)

Area	Gov Rec FY 06	Re-project FY 06	Difference FY 06	Gov Rec FY 07	Re-project FY 07	Difference FY 07	Biennium Difference
UNR	\$ 110,473	\$ 116,690	\$ 6,217	\$ 332,612	\$ 326,007	\$ (6,605)	\$ (388)
UNLV	\$ 144,089	\$ 156,543	\$ 12,454	\$ 439,127	\$ 445,734	\$ 6,607	\$ 19,061
CCSN	\$ 76,794	\$ 77,454	\$ 660	\$ 233,513	\$ 216,635	\$ (16,878)	\$ (16,218)
TMCC	\$ 28,354	\$ 30,895	\$ 2,541	\$ 84,108	\$ 86,068	\$ 1,960	\$ 4,501
WNCC	\$ 13,689	\$ 14,989	\$ 1,300	\$ 40,097	\$ 40,988	\$ 891	\$ 2,191
GBC	\$ 10,727	\$ 10,369	\$ (358)	\$ 32,427	\$ 28,629	\$ (3,798)	\$ (4,156)
NSCH	\$ 5,842	\$ 6,901	\$ 1,059	\$ 18,719	\$ 20,843	\$ 2,124	\$ 3,183
DRI	\$ 1,626	\$ 1,755	\$ 129	\$ 4,625	\$ 4,665	\$ 40	\$ 169
NFB Equip	\$ 543	\$ 586	\$ 43	\$ 1,549	\$ 1,563	\$ 14	\$ 57
Totals	\$ 392,137	\$ 416,182	\$ 24,045	\$ 1,186,777	\$ 1,171,132	\$ (15,645)	\$ 8,400
	84.15%	84.15%		84.25%	84.25%		

The Governor's budget recommended a redistribution of formula funds as a result of merging Special Projects funding into the campus accounts. The Legislature approved the redistributions which resulted in formula percentages of 84.41 percent in FY 2005-06 and 84.50 percent in FY 2006-07, but combined netted to a zero sum system-wide (i.e., the transfer brought existing non-formula funds into the formula distribution).

Pursuant to a Letter of Intent from the 2003 money committees, the NSHE implemented a revised taxonomy that uniformly classifies course costs at each institution and achieves cost neutrality on a system-wide basis.

REMEDIAL COURSES

Beginning in fall 2006 (FY 2006-07), the NSHE plans to make remedial education courses at the universities self-supporting. However, FTE enrollments generated by the remedial courses were included in the Governor's three-year weighted average enrollment projection and were therefore reflected in the state-supported FY 2006-07 university enrollment counts. The money committees expressed concern that state support could be provided for FTE university students who will be in self-supported courses. The money committees also noted that the universities would receive funding for students that the NSHE planned to educate at the community colleges.

The Legislature adjusted the Governor's budget to shift funding for remedial course FTE enrollments from the universities to the colleges as reflected in the following table. At one point during the 2005 Legislative Session, the money committees explored the possibility of accelerating the implementation date to fall 2005 (FY 2005-06). However, based upon concerns expressed by the NSHE, the Legislature limited adjustments to FY 2006-07.

Campus	FY 2007 Gen. Fund Adj.	FY 2007 Fee Adj.	FY 2007 Total Adj.
University of Nevada, Reno	\$ (393,343)	\$ (198,591)	\$ (591,934)
University of Nevada, Las Vegas	\$ (2,118,942)	\$ (989,544)	\$ (3,108,486)
Community College of Southern Nevada	\$ 1,663,971	\$ 536,261	\$ 2,200,232
Great Basin College	\$ 67,022	\$ 16,220	\$ 83,242
Truckee Meadows Community College	\$ 213,200	\$ 73,292	\$ 286,492
Western Nevada Community College	\$ 98,987	\$ 25,456	\$ 124,443
Nevada State College	\$ 288,681	\$ 45,626	\$ 334,307
System Net Total	\$ (180,424)	\$ (491,280)	\$ (671,704)

UNLV RECHARGE

Pursuant to a Letter of Intent from the 2003 money committees, the Governor's budget introduced a recharge process for UNLV's professional schools. The Legislature approved the plan, which will recharge to the dental and law schools, Operations and Maintenance (O&M) expenditures made by UNLV on their behalf. The recharge proposal should result in a clearer depiction of the true costs of state-supported operations at the dental and law schools.

OPERATIONS AND MAINTENANCE OF NEW SPACE

The Governor recommended General Fund appropriations of \$5.0 million in FY 2005-06 and \$5.2 million in FY 2006-07 to support formula-driven operating and position costs for new space added or anticipated during the 2005-07 biennium. Significant items within the new space recommendations included the addition of previously unfunded space and/or maintained acreage at UNR, CCSN, WNCC, the Agriculture Experiment Station, and the Cooperative Extension Service. Other noteworthy items included: UNR office space, Art Department lab space and storage; UNR Cooperative Extension Las Vegas Building; UNR Intercollegiate Athletics Varsity Village Expansion; CCSN's Health Sciences building and Mesquite facility; and GBC's Elko Clinic.

The Legislature made adjustments and corrections to the Governor's recommendations that resulted in net General Fund savings of \$1.05 million in FY 2005-06 and \$725,226 in FY 2006-07. However, the Legislature also approved numerous requests from the NSHE to add O&M and/or lease support for items not included in the Governor's recommended budget. The approved appeal items cost \$5.35 million for the biennium as reflected in the following table.

Campus	Appeal Description	FY 2006	FY 2007	Biennial Total
GBC	Add Winnemucca mining program rental & O&M	\$ 49,195	\$ 48,124	\$ 97,319
UNLV	Add omitted space – Paradise school acreage and paved parking	\$ 583,834	\$ 520,545	\$ 1,104,379
UNLV	Add state support for Moyer Student Union	\$ 309,756	\$ 301,612	\$ 611,368
UNLV	Add omitted athletic facility O&M	\$ 1,130,805	\$ 1,065,894	\$ 2,196,699
UNR	Add O&M for parking services building	\$ 31,460	\$ 30,494	\$ 61,954
CCSN	Add O&M for collision repair building (donated space)	\$ 58,195	\$ 54,774	\$ 112,969
NSCH	Add lease space and O&M	\$ 308,079	\$ 431,516	\$ 739,595
UNR	Add new space rentals (22,422 sq. ft. total)	\$ 211,012	\$ 211,012	\$ 422,024
	Total General Fund – O&M Appeals	\$ 2,682,336	\$ 2,663,971	\$ 5,346,307

UNLV DENTAL SCHOOL ENROLLMENTS

As recommended by the Governor, the Legislature approved \$2.88 million (\$1.81 million General Fund) in each year of the 2005-07 biennium for Dental School enrollment growth. Enrollment is anticipated to grow from 225 students to the target of 300 students in FY 2005-06, bringing the school to four full classes. The added funding supports 26.5 new FTE positions at the Dental School including 9.5 FTE faculty in Clinical Sciences, 2.0 FTE faculty in Basic Sciences and 15.0 classified positions in patient care services.

During budget hearings, the money committees noted that the funding increase for dental school enrollments is significantly higher than amounts approved for equal complements of students added during the 2003-05 biennium. In response, UNLV reported that fourth-year students are more costly to educate than first-year dental students. UNLV stated that clinical education requires a faculty-to-student ratio of 1:6 while standard dental classroom ratios are 1:75. Further, UNLV pointed out that third and fourth year students will be spending 50 percent and 70 percent of their time, respectively, in patient care.

UNLV LAW SCHOOL ENROLLMENTS

As recommended by the Governor, the 2005 Legislature approved a total of \$685,078 each fiscal year to accommodate previously unfunded enrollment growth at the UNLV Law School. The funding will provide for 5.5 FTE faculty and staff, part-time instructors and operating funding increases. The UNLV explained that the budget submitted for the 2003 Legislative Session omitted enrollment growth. The UNLV reported that annualized FTE grew from 418 in FY 2001-02 to 458 in FY 2003-04, with projected FTE at 470 in FY 2004-05. Approved funding will address the growth that occurred in FY 2003-04 and FY 2004-05.

FRINGE BENEFIT ADJUSTMENTS

The Executive Budget included \$1.20 million in FY 2005-06 and \$3.26 million in FY 2006-07 for fringe benefit cost adjustments in retirement, group health insurance, retired employees' group insurance, personnel assessments, unemployment compensation and workers' compensation. The Legislature approved the fringe benefit adjustments with two notable modifications. First, a biennial total of \$120,948 was added to correct the unemployment insurance assessment factor for all NSHE accounts. Second, the Legislature significantly reduced group health insurance premium amounts which resulted in system-wide savings for the NSHE totaling \$7.11 million in FY 2005-06 and \$7.21 million in FY 2006-07.

CLASSIFIED POSITION COLAS

The Governor recommended General Fund appropriations of \$1.76 million in FY 2005-06 and \$3.63 million in FY 2006-07 to fund the annual two percent cost-of-living increases for NSHE's classified positions. The appropriations were reflected in the Board of Examiners' salary adjustment account and represented 80 percent of the anticipated COLA cost. The Legislature approved the two percent COLA recommended by the Governor in FY 2005-06 and added a tenth step to the classified pay plan in the first year of the biennium. In the second year of the biennium, the Legislature approved a four percent COLA rather than the two percent amount recommended by the Governor. General Fund appropriations were increased to \$3.50 million in FY 2005-06 and \$7.45 million in FY 2006-07.

PROFESSIONAL POSITION COLAS

The Governor recommended General Fund appropriations of \$5.44 million in FY 2005-06 and \$10.99 million in FY 2006-07 in the NSHE professional salary adjustment account to fund annual two percent COLA increases for NSHE's professional positions. The recommended appropriations represented 80 percent of the full COLA cost, while the recommended transfers reflected the full cost of the COLAs.

Unlike the NSHE classified positions, the NSHE professional positions historically have not had access to the Board of Examiners' salary adjustment account. As such, without a modification to the Governor's recommended budget, there would have been no mechanism to provide the full COLA amount to NSHE professional positions. The money committees considered numerous options relative to the Governor's recommendation for professional COLAs.

Ultimately, the Legislature chose to move the NSHE Professional Salary Adjustment funding to the Board of Examiners salary adjustment account. While the appropriation continued to represent 80 percent of the full COLA cost, the move will allow the NSHE to access up to 100 percent of need, based upon justification by the NSHE of the amounts required to fund professional salary increases. Consistent with other state positions, the Legislature approved a two percent COLA for NSHE's professional

positions in the first year of the biennium and a four percent COLA in the second year. The COLA increases, together with COLA-related merit and fringe adjustments, resulted in General Fund appropriations to the Board of Examiners salary adjustment account totaling \$5.62 million in FY 2005-06 and \$17.51 million in FY 2006-07.

MEDICAL SCHOOL RESIDENCY

As recommended by the Governor, the 2005 Legislature approved General Fund appropriations of \$1.28 million in FY 2005-06 and \$2.55 million in FY 2006-07 to expand the number of physician trainees by 17 per year (34 total) in the School of Medicine’s residency and fellowship training programs. Supporting documentation provided by the NSHE indicated that residency and fellowship programs provide the bulk of new physicians throughout Nevada, and that approximately 70 percent of physician trainees remain in the community or state in which they were trained. The Medical School anticipates the trainees will be allocated to existing programs in family medicine, internal medicine, obstetrics and gynecology, psychiatry and surgery, as outlined below.

Medical Specialty	Location	FY 2006		FY 2007	
		Resident	Fellow	Resident	Fellow
Family Medicine	Las Vegas	2	1	4	1
Internal Medicine	Las Vegas	2	2	4	4
	Reno		1		2
Obstetrics & Gynecology	Las Vegas		1		1
Psychiatry	Las Vegas	2		4	4
	Reno		2		4
Surgery	Las Vegas	2	2	4	2
Subtotal		8	9	16	18
Total		17		34	

DRI CLOUD SEEDING

The Governor proposed to remove funding approved by the IFC for the DRI’s Weather Modification program. NSHE sought to add the program to DRI’s operating budget, but the Governor recommended denial of the request. The Legislature did not approve the Governor’s recommendation to remove funding for the cloud seeding program. Instead, the Legislature added General Fund appropriations of \$503,277 in FY 2005-06 and \$511,690 in FY 2006-07 to make the Weather Modification program part of DRI’s ongoing operating budget.

RUVO CENTER FOR ALZHEIMER’S

As recommended by the Governor, the 2005 Legislature approved an appropriation totaling \$823,380 in FY 2006-07 to provide eight professional and two classified staff for the Medical School in support of the Lou Ruvo Center for Alzheimer’s Disease and Brain Aging. The NSHE indicated the proposed center is part of the first phase of the Academic Medical Center. According to the NSHE, the Ruvo Center will be a 35,000-square-foot building located on the south end of the new Union Park

development in downtown Las Vegas on land donated by the city. The NSHE noted the center will be a partnership between the private sector and public institutions to better serve the health of citizens of the state. The NSHE also indicated that Mr. Ruvo plans to create a turnkey facility that will be gifted to the School of Medicine. During the budget hearings, the NSHE reported that it is likely the center will be completed during calendar year 2007.

INDIRECT COST RECOVERY RETENTION

To supplement competitive research activities, the Governor proposed to allow the NSHE to retain 100 percent of Indirect Cost Recoveries (ICR) charged to grantor or contracting agencies. The state had traditionally retained portions of the ICR revenues, but the retentions had decreased gradually over time from 75 percent (prior to 1985) to the 25 percent rate used during the 2003-05 biennium. The retention had been viewed as partial reimbursement for state funding provided to create and maintain the infrastructure necessary to generate NSHE contracts and grants.

To replace the ICR revenues, the Governor recommended General Fund appropriations of \$5.09 million per year, the full amount requested by the NSHE under items for special consideration. However, the recommended amounts did not fully remove ICR revenues from the NSHE state-supported budgets. After replacing the \$5.09 million per year, ICR revenues remaining in the legislatively-approved budgets total \$913,954 in FY 2005-06 and \$1.26 million in FY 2006-07.

The 2005 Legislature concurred with the Governor's recommendation to allow the NSHE to retain 100 percent of ICRs. Nevertheless, the Legislature did not add General Fund appropriations to enable the NSHE to reach the 100 percent retention level during the 2005-07 biennium. Instead, the money committees issued a Letter of Intent declaring that the state-supported budgets for the 2007-09 biennium should fully exclude ICRs. Correspondingly, the NSHE should retain all ICR revenues during the 2007-09 biennium.

FUNDING TRANSFERS

As noted previously, the 2005 Legislature approved the Governor's recommendation to transfer campus-related costs from the Special Projects account to the campus accounts. Special projects funding generally provides for ongoing activities that can be directly linked to individual campuses, such as: financial aid, scholarships and student access; community college part-time faculty compensation; basic research at UNLV, UNR, and DRI; data networking and technical support; and data warehousing. EPSCoR research remains in the Special Projects account.

Student Incentive Grants were transferred from the NSHE to the State Department of Education. Paradise School lease funding was transferred from the UNLV Law School account to the UNLV main campus account. The Legislature also approved the transfer of \$38,585 per year from the UNR main account to the State Health Lab account to classify Health Lab funding properly.

STUDENT FEE AND TUITION REVENUE REPROJECTIONS

The 2005 Legislature approved student fee and tuition revenue revisions as noted in the following table to recognize new enrollments, adjust realized revenue percentages, and correct revenue calculation and input errors. The resulting student fee and tuition adjustments netted offsetting General Fund savings of \$5.16 million for the 2005-07 biennium.

Student Fee & Tuition Modifications

Campus	FY 2006	FY 2007	Biennium Total
UNR	\$ 1,419,857	\$ 1,441,652	\$ 2,861,509
UNLV	\$ 3,457,500	\$ 3,977,977	\$ 7,435,477
NSCH	\$ 102,613	\$ 118,868	\$ 221,481
CCSN	\$ (2,209,594)	\$ (3,221,868)	\$ (5,431,462)
TMCC	\$ 229,848	\$ 375,109	\$ 604,957
WNCC	\$ 72,245	\$ 93,106	\$ 165,351
GBC	\$ (306,094)	\$ (391,012)	\$ (697,106)
Totals	\$ 2,766,375	\$ 2,393,832	\$ 5,160,207

STUDENT FEE AND TUITION REVENUE DISTRIBUTIONS

The Board of Regents approved annual student fee increases ranging from \$1.75 per credit to \$13.75 per credit during the 2005-07 biennium. Registration fees and non-resident tuition increases for full-time students range from 1 percent to 10.1 percent per year. Current and projected fee schedules are provided in the following table:

Type of Institution/Fee	FY 2005	Regent Aprvd FY 2006	% Change	Regent Aprvd FY 2007	% Change
Community Colleges					
Resident	\$49.00/credit	\$50.75/credit	3.6%	\$52.50/credit	3.5%
Upper Div (GBC)	\$70.00/credit	\$74.50/credit	6.4%	\$79.00/credit	6.0%
Non-Resident	\$4,692/year	\$4,915/year	4.8%	\$4,962/year	1.0%
Nevada State College					
Resident	\$70.00/credit	\$74.50/credit	6.4%	\$79.00/credit	6.0%
Non-Resident	\$6,676/year	\$7,191/year	7.7%	\$7,437/year	3.4%
Universities					
Resident	\$91.00/credit	\$ 98.00/credit	7.7%	\$105.25/credit	7.4%
Graduate	\$123.50/credit	\$136.00/credit	10.1%	\$149.75/credit	10.1%
Non-Resident	\$8,674/year	\$9,467/year	9.1%	\$9,911/year	4.7%

The Legislature implemented the Regents' plan whereby significant portions of the annual increases are directed to the NSHE capital and general improvement fee funds and student access fund. The portions of fee revenues dedicated to those funds are not reflected in the state-supported budget. At the universities, the Regents approved equal

fee increase allocations to student access and the state-supported budget with the Capital Improvement Fee Fund (CIFF) receiving nominal allocations. At the community colleges, only \$0.25 of the \$1.75 increase (14 percent) for lower-division courses was allocated to the state-supported budget. The following table summarizes the fee increase distribution for undergraduate courses at the universities and NSCH, and lower-division courses at the community colleges.

Fee Distribution Summary								
Fee Increase Distribution	University Undergrad		NSCH		GBC Lower Division		CCSN, WNCC, & TMCC Lower Division	
	FY 06	FY 07	FY 06	FY 07	FY 06	FY 07	FY 06	FY 07
Capital Imp	\$1.00	\$1.00	\$0.50	\$0.50	\$0.25	\$0.25	\$0.00	\$0.00
General Imp	\$0.00	\$0.00	\$1.00	\$1.00	\$0.50	\$0.50	\$0.75	\$0.75
Student Access	\$3.00	\$3.12	\$2.00	\$2.00	\$0.75	\$0.75	\$0.75	\$0.75
State Budget	\$3.00	\$3.13	\$1.00	\$1.00	\$0.25	\$0.25	\$0.25	\$0.25
Total	\$7.00	\$7.25	\$4.50	\$4.50	\$1.75	\$1.75	\$1.75	\$1.75

The money committees engaged in several discussions regarding the NSHE fee allocations and noted that the total shares of student registration fee revenues dedicated to the NSHE state-supported operating budgets have steadily declined since FY 2000-01. For example, the following table shows that university undergraduate fees distributed to the state-supported budget have decreased from 73.99 percent in FY 2000-01 to 64.49 percent in FY 2006-07.

Historical Percentage Allocations to State-Supported Budgets							
Institution	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
UNR & UNLV							
Undergrad	73.99%	73.53%	73.10%	70.29%	67.86%	66.07%	64.49%
Graduate	80.55%	80.24%	79.95%	77.00%	74.33%	71.73%	69.40%
NSCH	N/A	N/A	68.55%	66.67%	65.00%	62.42%	60.13%
Community Colleges							
Upper Division	69.83%	69.17%	68.55%	66.67%	65.00%	62.42%	60.13%
Lower Division	84.12%	83.52%	82.97%	81.48%	80.10%	77.83%	75.71%

In response to committee questioning, the NSHE reported that the analysis in the table above does not go back far enough and noted that the undergraduate fee allocation to the state-supported budget in 1995 was 66.81 percent. The NSHE contended a more valid comparison of student fee allocations should include the allotment to student access that relieves the state of the burden of meeting access demands. While NSHE's information is accurate, the trend over the past few biennia reflects a decreasing percentage of student fee increases allocated to the state-supported budget, which results in higher General Fund operating appropriations than otherwise would occur.

The money committees pointed out that the fee distributions approved by the Regents for the 2005-07 biennium allocate less than 50 percent of the increase at all levels to the state-supported budget. If similar allocations continue into the future, the overall percentages of student fee revenues allocated to the state-supported budgets would

eventually dip below 50 percent. As a result, the money committees approved a Letter of Intent communicating to the NSHE that any future Regent-approved fee allocations to the state-supported budget that are below current cumulative percentages may not be supported by the Legislature in corresponding General Fund appropriations.

LAW SCHOOL FEES

The NSHE increased the law school's resident full-time fees by \$1,655, or 23 percent, effective FY 2005-06. However, as reflected in the Governor's budget, the fee increases would not apply to students who are currently enrolled in the law school. The NSHE explained that the transition afforded those matriculated students the opportunity to complete the programs without undue financial hardship.

The money committees questioned why consideration was not given to at least a partial increase for existing students. Ultimately, the Legislature modified the Governor's budget and appropriated funding commensurate with a 10 percent increase for existing law school students resulting in General Fund savings of \$29,188 for the 2005-07 biennium. In a Letter of Intent, the money committees communicated that the disparate treatment of student fee increases for new and continuing students at the law school did not set precedent. Further, the money committees noted that similar differences in the future may not be supported by the Legislature in corresponding General Fund appropriations.

NON-RESIDENT TUITION (S.B. 32)

Until recently, the Board of Regents' residency policies differed from Nevada Revised Statutes. State law previously provided that tuition shall be free to all students whose families are bona fide residents of the state of Nevada or whose families reside outside of the state, providing such students themselves have been bona fide residents for at least six months prior to their matriculation. In 1995, the Board increased the minimum residency requirement to 12 months prior to the date of matriculation. At the January 2004 meeting, the Board amended its policy to bring its residency requirements into compliance with state law in effect at that time. The Board approved repayments of non-resident tuition to qualified students back to 1995.

Senate Bill 32, approved by the 73rd Legislature, increased the residency requirement to 12 months. Accordingly, the Legislature increased non-resident revenues by \$106,923 per year, with offsetting reductions to General Fund appropriations.

RESEARCH GRANT BALANCE FORWARDS

When the 2003 Legislature replaced estate tax revenues with General Fund appropriations, the NSHE pointed out there are numerous multiple-year grants and contracts in the Special Projects account. NSHE requested, and the Legislature approved, the addition of language in the Appropriations Act that allowed General Fund appropriations to be carried forward to match multiple-year grants. The 73rd Legislature

added language to the Appropriations Act to clarify that General Fund appropriations can only be balanced forward if committed as match for documented research grants. The Legislature also expanded the balance forward language beyond the Special Projects account to recognize the transfer of funding to the campus accounts.

ITEMS ADDED BY THE LEGISLATURE

CCSN Faculty Salaries: The funding formula provides equal salary amounts for all new positions generated by type of institution. However, there are significant differences in the average salaries for existing instructional faculty at the community colleges. The salary differences likely resulted from periods when CCSN enrollments significantly exceeded budgeted levels. The following table reflects the average salary differences for full-time instructional faculty at the community colleges as reflected in NSHE's supporting budget documentation for the 2005-07 biennium. Similar funding differences exist for part-time instructor salaries.

**AVERAGE SALARY DIFFERENCE FOR FULL-TIME INSTRUCTIONAL FACULTY
AT COMMUNITY COLLEGES**

WNCC:	\$61,191/full-time instructional faculty FTE
TMCC:	\$58,425/full-time instructional faculty FTE
GBC:	\$58,161/full-time instructional faculty FTE
CCSN:	\$54,314/full-time instructional faculty FTE

The Legislature added General Fund appropriations of \$617,081 in FY 2005-06 and \$1.23 million in FY 2006-07 (\$1.85 million for the 2005-07 biennium) to assist in bringing CCSN instructional faculty salaries to the weighted average of the other Nevada community colleges.

Special Consideration Items: The NSHE submitted a list of unfunded items that totaled \$130.45 million for the biennium. Although the entire list was not funded, other budget actions taken by the Legislature generated savings that provided the capability to fund the following special consideration items.

ITEMS FOR SPECIAL CONSIDERATION FUNDED BY THE 2005 LEGISLATURE

Item Description	FY 2006	FY 2007	Total
Nursing Initiatives			
Improved Nursing Ratio	\$ 1,367,280	\$ 1,328,480	\$ 2,695,760
Summer Session	\$ 406,080	\$ 0	\$ 406,080
Bach of Science in Nursing - GBC	\$ 105,840	\$ 114,080	\$ 219,920
PhD in Nursing – UNLV	\$ 280,800	\$ 397,440	\$ 678,240
Nursing Subtotal	\$ 2,160,000	\$ 1,840,000	\$ 4,000,000
UNSOM enrollment & enhancements	\$ 1,513,600	\$ 2,786,400	\$ 4,300,000
Enrollment-related technology operating	\$ 789,547	\$ 1,410,453	\$ 2,200,000
SPECIAL CONSIDERATION TOTAL	\$ 4,463,147	\$ 6,036,853	\$ 10,500,000

CAPITAL IMPROVEMENT PROJECTS

The Legislature approved \$256.6 million for NSHE CIPs during the 2005-07 biennium that includes \$241.6 million for planning, construction and furnishings and \$15.0 million for statewide campus maintenance projects. The CIPs were funded with \$144.5 million in general obligation bonds, \$20.5 million in General Fund appropriations, \$57.7 million in other funds such as donations and revenue bonds, \$29.0 million in estate tax allocations, and \$5.0 million from the Special Higher Education Capital Construction Fund (SHECC).

NSHE CIPs approved by the Legislature more than doubled the Governor’s funding recommendations, exceeding The Executive Budget by approximately \$131.5 million. Narrowing the comparison to state and estate-tax funding sources, legislatively-approved General Fund appropriations, bond authorizations, and estate tax allocations totaled \$194.0 million which is \$97.8 million or 102 percent higher than the amount of state funding recommended in the Governor’s budget. The following table provides a high-level summary of the NSHE projects approved by the Legislature.

Campus & Project Description	Gen. Fund (mil)	Bond Fund (mil)	Other Fund (mil)	Total Fund (mil)
Community College of Southern Nevada				
• Furniture, fixtures and equipment (FF&E) for the Health Sciences Building (FF&E was deferred by the 2003 Legislature)	\$5.2			\$5.2
• Design and construct a classroom facility at the West Charleston campus	\$0.10	\$14.9	\$10.0	\$25.0
• Design and construct a 33,000 sq. ft. automotive technology program facility at the Cheyenne campus		\$9.4	\$1.6	\$11.0
University of Nevada, Reno				
• Complete construction of the Knowledge Center. Automated Storage and Retrieval System (ASRS) funding and FF&E were deferred to the 2007 CIP		\$15.8		\$15.8
• Design and construct a 102,000 sq. ft. Science and Math Education Facility	\$0.6	\$31.4	\$18.0	\$50.0
• Design a 110,000 sq. ft. Biotechnology & Genomics Research Facility			\$5.4	\$5.4
• Advance planning for the Academic Medical Center	\$1.5			\$1.5
University of Nevada, Las Vegas				
• Complete construction of the Science & Engineering Building. FF&E funding was deferred to the 2007 CIP		\$15.8		\$15.8
• Design & construct the Greenspun College of Urban Affairs that will include administrative offices, classrooms and studios for radio and TV stations	\$0.6	\$33.4	\$23.3	\$57.2
• Construct a 22,700 sq. ft. addition to the Student Services Complex and make minor renovations to the existing Frazier Hall	\$0.6	\$8.4	\$1.0	\$10.0
Nevada State College at Henderson				
• Funding for master plan; furnishings & equipment design; specialty case work for labs; and other furnishings & equipment		\$1.1		\$1.1
• Provide estate tax funds to supplant agency funds for the design & construction of the Academic & Student Services Bldg			\$9.0	\$9.0
Great Basin College				
• Complete the design and construct the Electrical and Industrial Technology Building	\$0.35	\$14.3	\$0.5	\$15.1
Desert Research Institute				
• Design & construct a 40,000 sq. ft. facility to house a Computer Automated Virtual Environment (CAVE) visualization lab, auditorium, classrooms & offices			\$17.9	\$17.9
Truckee Meadows Community College				
• Red Mountain Building fire code renovations	\$1.0			\$1.0
Western Nevada Community College				
• Bristlecone Building life safety	\$0.09			\$0.09
• Pinion Hall Building new fire sprinkler system	\$0.2			\$0.2
• Planning project for ADA compliance	\$0.3			\$0.3
Campus Improvement Projects – System Wide	\$10.0		\$5.0	\$15.0
NSHE CIPs Total	\$20.5	\$144.5	\$91.7	\$256.6

In addition to the state CIP described in the previous table, A.B. 534 of the 2005 Legislative Session increased the maximum amount of revenue bonds that can be issued by UNLV and UNR. At UNLV, the limit is increased from \$199 million to \$339.1 million, which the campus plans to use for numerous projects including, but not limited to: A recreation center and new student union; an addition to the student services complex; parking expansion; various renovations; Flamingo Wash improvements; acquisitions; and completion of the Science, Engineering and Technology Building fourth floor. At UNR, the limit is increased from \$176 million to \$276.9 million, with the additional authority targeted for projects including: Knowledge Center; Cooperative Extension, Las Vegas building; Student Union; Biotechnology building; and Las Vegas Academic Medical Center. Assembly Bill 534 also adds \$20 million in revenue bond authority to construct the first phase of CCSN's parking facilities at the Charleston campus. Revenue bond authority of \$10 million is provided for residence halls at WNCC.

LEGISLATIVELY-APPROVED BILLS WITH A FISCAL IMPACT

Beyond the operating appropriations and CIP funding, the 2005 Legislature approved a number of bills that provided additional funding to the NSHE as follows:

- Assembly Bill 107 provided a supplemental appropriation of \$1,400 as state match for federal student loan allocations.
- Assembly Bill 580 included funding for two NSHE initiatives as follows:
 - Section 60 appropriated \$150,000 in each year of the 2005-07 biennium to support the Women's Research Institute at UNLV; and
 - Section 80 appropriated \$4.0 million to the IFC for allocation to the Medical School for the design, engineering and construction of the Academic Medical Center.
- Senate Bill 1 of the 22nd Special Session included funding for the following four NSHE initiatives:
 - Section 13 appropriated \$50,000 to the Trust Fund for the Education of Dependent Children;
 - Section 17 appropriated \$300,000 to the Chancellor's Office for expenses related to the continuation of the Pediatric Dentistry Residency program;
 - Section 26 appropriated \$135,500 in FY 2005-06 and \$114,500 in FY 2006-07 for the Basque Genealogy Center at UNR; and
 - Section 29 appropriated \$1.0 million to the DRI for the purchase of equipment and services to analyze groundwater yields in arid basins.
- Senate Bill 105 appropriated \$10.0 million to the University of Nevada School of Medicine for facility costs related to the partnership with the Nevada Cancer Institute and Center for Excellence to expand research, treatment, education and teaching opportunities in Nevada.

- Senate Bill 314 authorized Tourism transient lodging transfers to UNR of \$11,500 in FY 2005-06 and \$14,500 in FY 2006-07 for equipment at the Fleischman Planetarium and Science Center.

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) to provide educational assistance 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 pay back any portion of the support fee monetarily; however, there is a penalty for not fulfilling the practice obligation.

The 2005 Legislature approved funding for professional support fees at \$1.30 million in FY 2005-06 and \$1.29 million in FY 2006-07. The General Fund support for FY 2005-06 is \$789,191 and for FY 2006-07 is \$797,728; remaining revenue comes from a combination of student fees, penalties, fines, interest income, and loan and stipend repayments. In addition, the Legislature approved one additional professional slot in the field of veterinary medicine. In approving these funds, the Legislature approved the continuation of a pilot program approved by the 2003 Legislature, which provided authority to the agency to obtain matching federal funds for dental slots under the HCAP program. The funds, both state and federal, are utilized to reimburse the education costs of selected dental school licensed graduates in exchange for a two-year practice obligation to serve the medically-underserved population of the state. The Governor also recommended and the Legislature approved the expansion of the federal matching program into the field of mental health for five professional slots. Finally, the Governor recommended and the Legislature approved a new pilot program, which will match funds from the University Medical Center (UMC) in Las Vegas with state funds for five nursing professional slots; a two-year practice obligation at the UMC will be required.

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 2005 Legislature approved a total budget for the department of \$35.3 million during the 2005-07 biennium, which is a 9.8 percent increase from amounts approved for the 2003-05 biennium. General Fund support for the department totals \$25.1 million, which represents an increase of 10.2 percent over amounts approved for the 2003-05 biennium.

The Legislature approved placing annual funding of \$100,000 into a separate budget account for the southern Nevada office of the Nevada Humanities Committee. With approval of S.B. 1 of the 22nd Special Session, the Legislature approved a General Fund appropriation of \$350,000 for expenses related to the Nevada Online Encyclopedia.

CULTURAL AFFAIRS ADMINISTRATION

In closing the department's administration budget, the Legislature agreed with the Governor to add two new positions: one Management Analyst II and one Computer Systems Technician III. The Legislature also provided an annual General Fund appropriation of \$75,000 for support of the Governor's Advisory Council on Holocaust Education.

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. In addition, the agency oversees the annual distribution of the Cultural Resource Bonds. With passage of S.B. 4, the 2005 Legislature reauthorized the issuance of Cultural Resource bonds (general obligation bonds) for a 10-year period and increased the maximum annual distribution from \$2 million to \$3 million.

In closing the budget, the Legislature agreed with the Governor to add a new Historic Preservation Specialist. In addition, with the approval of A.B. 289, an additional position and support costs of \$62,608 in FY 2005-06 and \$77,225 in FY 2006-07 were added from funding from the Commission on Tourism for the establishment of a stewardship program within the Office of Historic Preservation.

The 2003 Legislature approved funding of \$701,273 for CIP 03-C52 to construct a new 4,000 square foot building in Virginia City to provide office space for the Comstock Historic District and to provide exhibit space for display of a historic railroad engine. The 2005 Legislature approved an additional half-time position to provide adequate staffing at the new and larger facility.

NEVADA STATE LIBRARY

The Nevada State Library provides a variety of support services to assist state agencies, public libraries and the public throughout the state. The agency operates with 30.27 positions. The 2005 Legislature approved funding for the bookmobile program at \$77,953 each fiscal year of the 2005-07 biennium. However, with approval of S.B. 1, the 22nd Special Session, the Legislature added an additional \$50,000 for the bookmobile program.

With approval of A.B. 580, the 2005 Legislature provided an annual General Fund appropriation of \$600,000 for grants to local libraries for library collections.

ARCHIVES AND RECORDS

The Archives and Records Management program also oversees the operation of the state's Micrographic and Imaging program. General Fund support totaling of \$100,000 in each year of the 2005-07 biennium was added to the Archives and Records program to microfilm state records and free up space for the continued receipt of agency records.

NEVADA ARTS COUNCIL

The Nevada Arts Council operates with ten positions with offices in Carson City and Las Vegas. A nine-member council appointed by the Governor advises the agency on cultural policies and approves grant allocations. In closing the budget for the Nevada Arts Council, the 2005 Legislature increased General Fund support by \$200,000 per year to restore \$41,000 in grant funding reduced during the 2003-05 biennium, and to increase overall grant funding by an additional \$159,000 per year.

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. In closing the budgets for the division, the 2005 Legislature approved \$932,610 for deferred maintenance projects involving many museum buildings. With approval of S.B. 1 of the 22nd Special Session, the Legislature appropriated \$371,125 for the purchase of artifacts for the State Museum system. The Legislature, with approval of CIP C05-27, provided funding of \$3.5 million for an ADA entrance and connecting structure at the Nevada State Museum in Carson City.

With the voter approval for Question 1 in November 2002 (A.B. 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. The 2005 Legislature approved CIP P-06, which provided planning funding of \$180,464 for the remodel of the museum at Lorenzi Park.

In the State Railroad Museum's budget, the 2005 Legislature approved restoring two positions at the Boulder City Railroad Museum that were eliminated during the 2003-05 biennium. The positions were funded with General Fund contributing 50 percent of the needed support in FY 2005-06 and 25 percent in FY 2006-07 with the remaining funding support derived from ride charge revenues. The Legislature also approved S.B. 103, which appropriates \$859,140 from the General Fund for the improvement and expansion of the Boulder City Railroad Museum.

**Nevada Legislative Counsel Bureau
Summary of Appropriations and Authorizations (Detail)
2005 Legislature**

	2004 - 05 Work Program	2005 - 06 Governor Recommended	2005 - 06 Legislature Approved	2006 - 07 Governor Recommended	2006 - 07 Legislature Approved
EDUCATION					
DEPARTMENT OF EDUCATION					
DISTRIBUTIVE SCHOOL ACCOUNT	1,083,677,632	956,525,228	982,255,268	1,015,370,074	1,100,889,027
GENERAL FUND	892,141,890	827,314,002	849,687,448	881,966,488	963,564,913
BALANCE FORWARD	49,511,338				
FEDERAL FUND	5,394,898	3,746,080	3,746,080	3,858,462	3,858,462
OTHER FUND	136,629,506	125,465,146	128,821,740	129,545,124	133,465,652
OTHER STATE EDUC PROGRAMS	15,153,044	12,515,695	17,530,863	11,265,892	12,665,585
GENERAL FUND	14,712,897	12,500,268	17,515,436	11,250,465	12,650,158
BALANCE FORWARD	409,297				
INTER AGENCY TRANSFER	23,400				
OTHER FUND	7,450	15,427	15,427	15,427	15,427
PRGMS FOR INNOVATION & PREVENTION O		50,000,000	50,000,000	50,000,000	50,000,000
GENERAL FUND		50,000,000	50,000,000	50,000,000	50,000,000
EDUCATION STATE PROGRAMS	2,583,087	2,742,244	2,819,285	2,814,282	2,908,938
GENERAL FUND	2,444,434	2,500,973	2,668,713	2,549,908	2,736,906
INTER AGENCY TRANSFER	135,710	219,013	128,314	261,374	169,032
OTHER FUND	2,943	22,258	22,258	3,000	3,000
NDE, STAFFING SERVICES	431,334	450,964	442,290	478,619	468,526
INTER AGENCY TRANSFER	431,334	450,964	442,290	478,619	468,526
EDUCATION SUPPORT SERVICES	2,436,806	2,551,184	2,575,275	2,516,789	2,657,801
GENERAL FUND	977,490	937,575	956,969	993,888	1,016,567
BALANCE FORWARD	100,989	230,571	230,571	184,566	279,229
INTER AGENCY TRANSFER	1,358,327	1,383,038	1,387,735	1,338,335	1,362,005
PROFICIENCY TESTING	4,557,724	4,255,640	4,185,897	4,436,056	4,349,220
GENERAL FUND	4,557,724	4,234,496	4,177,322	4,402,715	4,331,677
INTER AGENCY TRANSFER		21,144	8,575	33,341	17,543
TEACHER EDUCATION AND LICENSING	1,445,311	1,466,152	1,466,344	1,437,792	1,471,538
GENERAL FUND	100	100	100	100	100
BALANCE FORWARD	163,924	242,419	242,419	166,764	199,964
INTER AGENCY TRANSFER	77,870	80,298	80,490	81,882	82,428
OTHER FUND	1,203,417	1,143,335	1,143,335	1,189,046	1,189,046
DRUG ABUSE EDUCATION	2,925,750	2,043,002	2,043,002	2,043,002	2,043,002
FEDERAL FUND	2,925,750	2,043,002	2,043,002	2,043,002	2,043,002
SCHOOL HEALTH EDUCATION - AIDS	318,915	279,499	279,499	279,499	280,454
BALANCE FORWARD		48,749	48,749	48,749	49,704
FEDERAL FUND	318,915	230,750	230,750	230,750	230,750
NDE GEAR UP	1,225,180	1,200,016	1,200,016	1,202,959	1,202,959
FEDERAL FUND	1,225,180	1,200,016	1,200,016	1,202,959	1,202,959
DISCRETIONARY GRANTS - UNRESTRICTED	2,969,587	296,746	298,451	303,840	306,897
BALANCE FORWARD	110,070				
FEDERAL FUND	2,859,517	296,746	298,451	303,840	306,897

**Nevada Legislative Counsel Bureau
Summary of Appropriations and Authorizations (Detail)
2005 Legislature**

	2004 - 05 Work Program	2005 - 06 Governor Recommended	2005 - 06 Legislature Approved	2006 - 07 Governor Recommended	2006 - 07 Legislature Approved
DEPARTMENT OF EDUCATION					
DISCRETIONARY GRANTS - RESTRICTED	19,092,628	14,568,842	14,568,842	14,568,842	14,568,842
FEDERAL FUND	19,092,628	14,568,842	14,568,842	14,568,842	14,568,842
IMPROVING AMERICA'S SCHOOLS - TITLE I	95,391,201	82,325,072	82,325,072	82,325,072	82,325,072
FEDERAL FUND	95,376,920	82,325,072	82,325,072	82,325,072	82,325,072
INTER AGENCY TRANSFER	14,281				
IMPROVING AMERICA'S SCHOOLS - TITLES	37,269,886	26,668,171	26,668,171	26,668,171	26,668,171
FEDERAL FUND	37,269,886	26,668,171	26,668,171	26,668,171	26,668,171
STUDENT INCENTIVE GRANTS	542,721	542,782	536,033	544,119	537,246
GENERAL FUND	10,135	383,022	376,273	383,825	376,952
FEDERAL FUND	156,391	159,248	159,248	159,248	159,248
INTER AGENCY TRANSFER	376,195	512	512	1,046	1,046
CAREER AND TECHNICAL EDUCATION	9,643,418	9,038,295	9,033,462	9,049,693	9,044,321
GENERAL FUND	362,620	365,912	361,079	370,778	365,406
FEDERAL FUND	9,280,798	8,666,127	8,666,127	8,666,127	8,666,127
INTER AGENCY TRANSFER		6,256	6,256	12,788	12,788
NDE CONTINUING EDUCATION	4,891,422	4,672,203	4,758,041	4,674,025	4,762,097
GENERAL FUND	465,281	469,838	555,676	469,991	558,063
FEDERAL FUND	4,426,141	4,200,753	4,200,753	4,200,753	4,200,753
INTER AGENCY TRANSFER		1,612	1,612	3,281	3,281
NUTRITION EDUCATION PROGRAMS	56,399,681	61,569,630	61,565,165	67,728,631	67,724,571
GENERAL FUND	254,008	275,804	275,804	278,640	278,640
BALANCE FORWARD	188,117				
FEDERAL FUND	55,940,151	61,271,566	61,269,994	67,421,835	67,421,045
INTER AGENCY TRANSFER	14,405	22,260	19,367	28,156	24,886
OTHER FUND	3,000				
INDIVIDUALS WITH DISABILITIES (IDEA)	68,129,575	67,245,511	67,245,019	67,246,263	67,245,713
GENERAL FUND	280,000	195,119	195,119	195,205	195,205
FEDERAL FUND	67,813,406	67,012,625	67,012,625	67,012,625	67,012,625
INTER AGENCY TRANSFER	36,169	37,767	37,275	38,433	37,883
SUB-FUNCTION RECAP					
DEPARTMENT OF EDUCATION	1,409,084,902	1,300,956,876	1,331,795,995	1,364,953,620	1,452,119,980
GENERAL FUND	916,206,579	899,177,109	926,769,939	952,862,003	1,036,074,587
BALANCE FORWARD	50,483,735	521,739	521,739	400,079	528,897
FEDERAL FUND	302,080,581	272,388,998	272,389,131	278,661,686	278,663,953
INTER AGENCY TRANSFER	2,467,691	2,222,864	2,112,426	2,277,255	2,179,418
OTHER FUND	137,846,316	126,646,166	130,002,760	130,752,597	134,673,125

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

2005 Legislature

	2004 - 05 Work Program	2005 - 06 Governor Recommended	2005 - 06 Legislature Approved	2006 - 07 Governor Recommended	2006 - 07 Legislature Approved
EDUCATION					
COMMISSION ON POSTSECONDARY EDUCATION					
COMMISSION ON POSTSECONDARY EDUCATION	350,952	346,853	351,999	355,032	359,750
GENERAL FUND	254,526	244,297	243,253	247,016	244,994
FEDERAL FUND	96,426	97,260	103,450	97,260	104,000
INTER AGENCY TRANSFER		5,296	5,296	10,756	10,756
SUB-FUNCTION RECAP					
COMMISSION ON POSTSECONDARY EDUCATION	350,952	346,853	351,999	355,032	359,750
GENERAL FUND	254,526	244,297	243,253	247,016	244,994
FEDERAL FUND	96,426	97,260	103,450	97,260	104,000
INTER AGENCY TRANSFER		5,296	5,296	10,756	10,756

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

2005 Legislature

	2004 - 05 Work Program	2005 - 06 Governor Recommended	2005 - 06 Legislature Approved	2006 - 07 Governor Recommended	2006 - 07 Legislature Approved
EDUCATION					
NEVADA SYSTEM OF HIGHER EDUCATION					
NSHE SYSTEM ADMINISTRATION	3,771,029	4,638,478	4,634,465	4,791,259	4,785,489
GENERAL FUND	3,658,716	4,470,014	4,465,289	4,564,262	4,555,582
INTER AGENCY TRANSFER	853	57,004	57,716	115,537	118,447
OTHER FUND	111,460	111,460	111,460	111,460	111,460
NSHE SALARY ADJUSTMENTS		7,229,441	9,146,182	14,648,976	24,988,092
GENERAL FUND		7,229,441	9,146,182	14,648,976	24,988,092
NSHE - SPECIAL PROJECTS	21,746,343	2,584,437	2,583,712	2,601,998	2,608,611
GENERAL FUND	19,676,314	2,470,206	2,467,097	2,369,683	2,366,543
BALANCE FORWARD	2,067,360				
INTER AGENCY TRANSFER	2,669	114,231	116,615	232,315	242,068
UNIVERSITY PRESS	762,968	786,883	779,790	814,452	807,023
GENERAL FUND	762,893	776,450	769,168	793,307	785,102
INTER AGENCY TRANSFER	75	10,433	10,622	21,145	21,921
SYSTEM COMPUTING CENTER	18,732,814	20,179,651	20,864,754	20,736,671	22,032,456
GENERAL FUND	18,728,644	20,002,300	20,684,209	20,376,543	21,659,261
INTER AGENCY TRANSFER	4,170	177,351	180,545	360,128	373,195
NATIONAL DIRECT STUDENT LOAN PROGR.	50,904	50,904	50,904	50,904	50,904
GENERAL FUND	50,904	50,904	50,904	50,904	50,904
UNIVERSITY OF NEVADA - RENO	155,590,000	171,338,836	165,231,105	181,109,204	173,188,435
GENERAL FUND	114,242,080	130,974,148	121,050,253	135,656,517	123,939,366
INTER AGENCY TRANSFER	4,726,657	8,055,883	9,142,523	10,194,428	11,438,082
OTHER FUND	36,621,263	32,308,805	35,038,329	35,258,259	37,810,987
INTERCOLLEGIATE ATHLETICS - UNR	2,677,881	3,955,112	5,430,524	4,058,229	5,543,173
GENERAL FUND	2,677,484	3,914,582	5,389,249	3,976,051	5,457,948
INTER AGENCY TRANSFER	397	40,530	41,275	82,178	85,225
STATEWIDE PROGRAMS - UNR	6,873,609	7,518,030	7,484,730	7,746,772	7,691,948
GENERAL FUND	6,871,255	7,413,727	7,378,705	7,535,262	7,473,392
INTER AGENCY TRANSFER	2,354	104,303	106,025	211,510	218,556
SCHOOL OF MEDICAL SCIENCES	24,334,323	28,237,430	29,375,014	31,184,357	33,564,473
GENERAL FUND	22,137,099	25,387,933	26,908,651	27,846,583	30,705,592
INTER AGENCY TRANSFER	3,680	362,511	369,537	735,396	764,135
OTHER FUND	2,193,544	2,486,986	2,096,826	2,602,378	2,094,746
NSHE HEALTH LABORATORY AND RESEAR	2,294,207	2,409,080	1,822,289	2,470,743	1,867,682
GENERAL FUND	1,621,989	1,817,567	1,792,648	1,837,246	1,806,750
INTER AGENCY TRANSFER	2,042	29,463	29,641	60,206	60,932
OTHER FUND	670,176	562,050		573,291	
AGRICULTURE EXPERIMENT STATION	8,706,832	8,841,097	9,366,619	9,170,969	9,636,892
GENERAL FUND	7,461,817	7,417,992	7,940,924	7,602,686	8,058,015
FEDERAL FUND	1,242,371	1,282,530	1,282,530	1,282,530	1,282,530
INTER AGENCY TRANSFER	2,644	140,575	143,165	285,753	296,347

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Summary of Appropriations and Authorizations (Detail)
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	2004 - 05 Work Program	2005 - 06 Governor Recommended	2005 - 06 Legislature Approved	2006 - 07 Governor Recommended	2006 - 07 Legislature Approved
NEVADA SYSTEM OF HIGHER EDUCATION					
COOPERATIVE EXTENSION SERVICE	8,993,787	9,377,928	9,705,543	9,760,914	10,137,784
GENERAL FUND	7,232,069	7,402,926	7,718,111	7,604,649	7,958,662
FEDERAL FUND	1,162,447	1,203,628	1,212,839	1,205,234	1,214,924
INTER AGENCY TRANSFER	2,486	159,373	162,592	323,423	336,590
OTHER FUND	596,785	612,001	612,001	627,608	627,608
BUSINESS CENTER NORTH	2,146,539	2,254,664	2,226,954	2,332,127	2,301,649
GENERAL FUND	2,144,234	2,217,615	2,189,668	2,256,469	2,225,024
INTER AGENCY TRANSFER	2,305	37,049	37,286	75,658	76,625
UNIVERSITY OF NEVADA - LAS VEGAS	196,511,611	222,845,170	224,423,118	238,441,285	236,763,890
GENERAL FUND	133,841,045	152,025,012	148,381,076	156,474,559	149,886,957
INTER AGENCY TRANSFER	55,683	4,854,269	4,905,274	7,829,659	8,038,054
OTHER FUND	62,614,883	65,965,889	71,136,768	74,137,067	78,838,879
INTERCOLLEGIATE ATHLETICS - UNLV	2,728,967	3,093,659	4,771,665	3,200,140	4,871,503
GENERAL FUND	2,728,563	3,049,250	4,726,272	3,110,189	4,777,527
INTER AGENCY TRANSFER	404	44,409	45,393	89,951	93,976
STATEWIDE PROGRAMS - UNLV	1,063,208	1,106,542	1,303,416	1,150,476	1,343,269
GENERAL FUND	1,062,939	1,088,972	1,285,481	1,114,808	1,306,109
INTER AGENCY TRANSFER	269	17,570	17,935	35,668	37,160
UNLV LAW SCHOOL	9,339,525	11,369,697	11,294,174	11,695,752	11,612,050
GENERAL FUND	6,872,762	8,118,953	8,017,757	8,254,376	8,153,772
INTER AGENCY TRANSFER	1,779	139,389	142,018	283,055	293,813
OTHER FUND	2,464,984	3,111,355	3,134,399	3,158,321	3,164,465
DENTAL SCHOOL-UNLV	7,716,456	11,894,026	11,808,986	12,235,839	12,143,077
GENERAL FUND	4,524,679	7,465,825	7,378,524	7,660,074	7,558,066
INTER AGENCY TRANSFER	1,442	142,244	144,505	289,808	299,054
OTHER FUND	3,190,335	4,285,957	4,285,957	4,285,957	4,285,957
BUSINESS CENTER SOUTH	1,811,341	1,922,853	1,899,209	1,990,299	1,965,083
GENERAL FUND	1,810,058	1,890,023	1,865,998	1,923,600	1,896,828
INTER AGENCY TRANSFER	1,283	32,830	33,211	66,699	68,255
DESERT RESEARCH INSTITUTE	5,982,911	7,648,733	8,025,159	7,774,764	8,254,473
GENERAL FUND	5,375,088	7,419,770	7,795,711	7,486,241	7,940,225
INTER AGENCY TRANSFER	2,411	80,477	80,962	140,037	165,762
INTERIM FINANCE	456,926				
OTHER FUND	148,486	148,486	148,486	148,486	148,486
GREAT BASIN COLLEGE	14,523,991	16,624,203	15,699,692	17,642,226	16,282,245
GENERAL FUND	12,952,800	14,410,306	13,788,726	15,077,998	14,079,872
INTER AGENCY TRANSFER	5,788	206,614	209,777	421,328	434,265
OTHER FUND	1,565,403	2,007,283	1,701,189	2,142,900	1,768,108
WESTERN NEVADA COMMUNITY COLLEGE	19,719,072	21,223,619	21,507,970	21,840,925	22,204,663
GENERAL FUND	17,149,599	18,245,021	18,452,850	18,529,179	18,756,858
INTER AGENCY TRANSFER	6,859	275,301	279,578	560,066	577,563
OTHER FUND	2,562,614	2,703,297	2,775,542	2,751,680	2,870,242

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Summary of Appropriations and Authorizations (Detail)
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	2004 - 05 Work Program	2005 - 06 Governor Recommended	2005 - 06 Legislature Approved	2006 - 07 Governor Recommended	2006 - 07 Legislature Approved
NEVADA SYSTEM OF HIGHER EDUCATION					
COMMUNITY COLLEGE OF SOUTHERN NEVADA	103,381,568	118,334,994	110,949,124	126,306,904	119,268,333
GENERAL FUND	77,983,975	89,266,788	83,914,519	93,852,303	89,256,692
INTER AGENCY TRANSFER	29,724	1,302,749	1,324,027	2,655,723	2,742,761
OTHER FUND	25,367,869	27,765,457	25,710,578	29,798,878	27,268,880
TRUCKEE MEADOWS COMMUNITY COLLEGE	38,155,732	43,887,040	44,252,906	45,720,172	46,501,628
GENERAL FUND	30,512,648	35,399,654	35,505,860	36,325,715	36,604,794
INTER AGENCY TRANSFER	12,530	507,554	515,372	1,030,681	1,062,663
OTHER FUND	7,630,554	7,979,832	8,231,674	8,363,776	8,834,171
NEVADA STATE COLLEGE AT HENDERSON	5,145,839	8,903,720	10,049,361	10,013,476	11,780,730
GENERAL FUND	4,480,696	7,259,523	8,310,832	7,957,044	9,565,135
INTER AGENCY TRANSFER	250	59,813	60,832	121,527	125,696
OTHER FUND	664,893	1,584,384	1,677,697	1,934,905	2,089,899
CLASSIFIED REGISTRATION	187,640				
GENERAL FUND	187,640				
SUB-FUNCTION RECAP					
NEVADA SYSTEM OF HIGHER EDUCATION	662,949,097	738,256,227	734,687,365	789,489,833	792,195,555
GENERAL FUND	506,747,990	567,184,902	557,374,664	594,885,224	591,813,068
BALANCE FORWARD	2,067,360				
FEDERAL FUND	2,404,818	2,486,158	2,495,369	2,487,764	2,497,454
INTER AGENCY TRANSFER	4,868,754	16,951,925	18,156,426	26,221,879	27,971,145
INTERIM FINANCE	456,926				
OTHER FUND	146,403,249	151,633,242	156,660,906	165,894,966	169,913,888
WICHE PROGRAM					
W.I.C.H.E. LOAN & STIPEND	1,390,350	1,325,794	1,303,241	1,276,480	1,285,578
GENERAL FUND	797,557	811,744	789,191	788,630	797,728
OTHER FUND	592,793	514,050	514,050	487,850	487,850
W.I.C.H.E. ADMINISTRATION	330,296	339,414	328,376	351,916	340,766
GENERAL FUND	330,296	336,052	325,011	345,014	333,863
INTER AGENCY TRANSFER		3,362	3,365	6,902	6,903
SUB-FUNCTION RECAP					
WICHE PROGRAM	1,720,646	1,665,208	1,631,617	1,628,396	1,626,344
GENERAL FUND	1,127,853	1,147,796	1,114,202	1,133,644	1,131,591
INTER AGENCY TRANSFER		3,362	3,365	6,902	6,903
OTHER FUND	592,793	514,050	514,050	487,850	487,850

**Nevada Legislative Counsel Bureau
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	2004 - 05 Work Program	2005 - 06 Governor Recommended	2005 - 06 Legislature Approved	2006 - 07 Governor Recommended	2006 - 07 Legislature Approved
EDUCATION					
DEPARTMENT OF CULTURAL AFFAIRS					
CULTURAL AFFAIRS ADMINISTRATION	918,269	1,006,276	999,478	863,192	931,313
GENERAL FUND	699,529	972,457	965,694	818,951	887,434
BALANCE FORWARD	200,000				
INTER AGENCY TRANSFER	18,740	33,819	33,784	44,241	43,879
COMSTOCK HISTORIC DISTRICT	108,036	148,845	146,154	156,621	153,393
GENERAL FUND	108,036	147,197	144,506	153,252	150,024
INTER AGENCY TRANSFER		1,648	1,648	3,369	3,369
STATE HISTORIC PRESERVATION OFFICE	909,046	1,078,281	1,070,015	1,103,686	1,093,712
GENERAL FUND	306,508	316,303	312,570	325,998	321,101
BALANCE FORWARD	7,355				
FEDERAL FUND	514,572	727,947	723,400	737,912	732,834
INTER AGENCY TRANSFER	80,611	34,031	34,045	39,776	39,777
NEVADA STATE LIBRARY	5,046,558	4,762,110	4,703,757	4,789,738	4,734,065
GENERAL FUND	3,507,991	3,474,807	3,442,690	3,473,132	3,435,124
BALANCE FORWARD	508,848				
FEDERAL FUND	1,026,890	1,222,528	1,224,841	1,224,058	1,228,713
INTER AGENCY TRANSFER		60,948	32,399	88,721	66,401
OTHER FUND	2,829	3,827	3,827	3,827	3,827
ARCHIVES AND RECORDS	658,017	759,462	847,706	715,854	802,518
GENERAL FUND	651,571	738,305	829,442	682,764	772,698
FEDERAL FUND	4,219	5,370	5,370	5,370	5,370
INTER AGENCY TRANSFER		14,165	11,272	26,098	22,828
OTHER FUND	2,227	1,622	1,622	1,622	1,622
MICROGRAPHICS AND IMAGING	762,243	673,772	673,718	597,624	602,919
BALANCE FORWARD	141,310	145,707	145,707	74,252	79,713
INTER AGENCY TRANSFER	620,933	528,065	528,011	523,372	523,206
NEVADA STATE LIBRARY - LITERACY	224,925	227,692	229,773	231,998	233,826
GENERAL FUND	140,775	147,980	146,011	149,808	147,586
FEDERAL FUND	32,150	19,347	19,347	19,347	19,347
INTER AGENCY TRANSFER	52,000	60,365	64,415	62,843	66,893
NEVADA STATE LIBRARY-CLAN	655,958	363,246	361,733	371,818	370,007
BALANCE FORWARD	219,498				
FEDERAL FUND	26,000	3,591	3,591	3,591	3,591
INTER AGENCY TRANSFER	69,528	71,761	71,761	72,994	72,994
OTHER FUND	340,932	287,894	286,381	295,233	293,422
NEVADA ARTS COUNCIL	2,305,093	2,260,004	2,250,155	2,282,695	2,271,543
GENERAL FUND	1,475,576	1,697,907	1,688,043	1,707,576	1,696,422
BALANCE FORWARD	27,926				
FEDERAL FUND	487,100	470,029	470,029	470,124	470,124
INTER AGENCY TRANSFER	250,000	21,274	21,289	34,201	34,203
OTHER FUND	64,491	70,794	70,794	70,794	70,794

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2005 Legislature**

	2004 - 05 Work Program	2005 - 06 Governor Recommended	2005 - 06 Legislature Approved	2006 - 07 Governor Recommended	2006 - 07 Legislature Approved
DEPARTMENT OF CULTURAL AFFAIRS					
MUSEUMS AND HISTORY	312,078	339,118	335,215	345,066	340,613
GENERAL FUND	312,078	325,011	321,090	325,613	321,158
INTER AGENCY TRANSFER		14,107	14,125	19,453	19,455
LOST CITY MUSEUM	415,218	464,402	457,305	435,467	427,627
GENERAL FUND	340,281	377,171	369,752	340,517	331,488
INTER AGENCY TRANSFER		5,558	5,558	11,425	11,425
OTHER FUND	74,937	81,673	81,995	83,525	84,714
NEVADA HISTORICAL SOCIETY	719,661	767,092	757,167	772,645	761,474
GENERAL FUND	659,661	696,621	686,112	690,603	677,587
INTER AGENCY TRANSFER		10,411	10,411	21,177	21,177
OTHER FUND	60,000	60,060	60,644	60,865	62,710
STATE MUSEUM, CARSON CITY	1,711,164	1,861,560	1,834,429	1,819,805	1,789,660
GENERAL FUND	1,380,962	1,474,843	1,445,483	1,402,647	1,365,493
FEDERAL FUND	12,000	12,089	12,089	12,143	12,143
INTER AGENCY TRANSFER	10,000	33,389	33,389	57,771	57,771
OTHER FUND	308,202	341,239	343,468	347,244	354,253
MUSEUM & HISTORICAL SOCIETY - LV	1,040,798	1,267,813	1,251,694	1,090,823	1,072,933
GENERAL FUND	1,003,613	1,211,414	1,194,883	1,016,832	998,072
INTER AGENCY TRANSFER		15,408	15,408	31,606	31,606
OTHER FUND	37,185	40,991	41,403	42,385	43,255
STATE RAILROAD MUSEUMS	1,490,442	2,126,167	2,107,141	1,544,676	1,522,825
GENERAL FUND	496,000	1,783,035	1,164,272	1,148,644	1,132,394
INTER AGENCY TRANSFER	875,479	141,298	749,969	159,542	159,542
OTHER FUND	118,963	201,834	192,900	236,490	230,889
NEVADA HUMANITIES			100,000		100,000
GENERAL FUND			100,000		100,000
SUB-FUNCTION RECAP					
DEPARTMENT OF CULTURAL AFFAIRS	17,277,506	18,105,840	18,125,440	17,121,708	17,208,428
GENERAL FUND	11,082,581	13,363,051	12,810,548	12,236,337	12,336,581
BALANCE FORWARD	1,104,937	145,707	145,707	74,252	79,713
FEDERAL FUND	2,102,931	2,460,901	2,458,667	2,472,545	2,472,122
INTER AGENCY TRANSFER	1,977,291	1,046,247	1,627,484	1,196,589	1,174,526
OTHER FUND	1,009,766	1,089,934	1,083,034	1,141,985	1,145,486

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	2004 - 05 Work Program	2005 - 06 Governor Recommended	2005 - 06 Legislature Approved	2006 - 07 Governor Recommended	2006 - 07 Legislature Approved
FUNCTION RECAP					
TOTAL EDUCATION	2,091,383,103	2,059,331,004	2,086,592,416	2,173,548,589	2,263,510,057
GENERAL FUND	1,435,419,529	1,481,117,155	1,498,312,606	1,561,364,224	1,641,600,821
INTER AGENCY TRANSFER	9,313,736	20,229,694	21,904,997	29,713,381	31,342,748
INTERIM FINANCE	456,926				
OTHER FUND	285,852,124	279,883,392	288,260,750	298,277,398	306,220,349
BALANCE FORWARD	53,656,032	667,446	667,446	474,331	608,610
FEDERAL FUND	306,684,756	277,433,317	277,446,617	283,719,255	283,737,529
TOTAL EDUCATION	2,091,383,103	2,059,331,004	2,086,592,416	2,173,548,589	2,263,510,057
LESS: INTER AGENCY TRANSFER	9,313,736	20,229,694	21,904,997	29,713,381	31,342,748
NET: EDUCATION	2,082,069,367	2,039,101,310	2,064,687,419	2,143,835,208	2,232,167,309