

NEVADA LEGISLATIVE APPROPRIATIONS REPORT

SEVENTY-THIRD LEGISLATURE

Fiscal Years
2005-06 and 2006-07



FISCAL ANALYSIS DIVISION
Legislative Counsel Bureau

October 2005

INTRODUCTION

The Nevada Legislative Appropriations Report is prepared by the Fiscal Analysis Division and is designed to provide a summary of all legislative budgetary and taxation actions taken by the 73rd Regular and 22nd Special Session of the Nevada Legislature. Comparisons are also provided between The Executive Budget recommendations and final legislative actions.

The report contains information on the state's General Fund revenues, including changes to revenue enhancements approved during the 73rd Regular and 22nd Special Session of the Legislature. Schedules detailing the present and projected condition of the General Fund are also provided, along with information on all capital improvement projects, special and "one-shot" appropriations, supplemental appropriations and budgetary summaries of state agencies broken down by various governmental functions.

The General Fund Revenue and Projections section of the report includes a schedule of the projected balance of the state General Fund. A schedule of all General Fund revenues is provided including estimates through the 2005-07 biennium. This section also contains pie charts of actual General Fund collections by source of revenue in Fiscal Year (FY) 2003-04 and budgetary estimates of General Fund revenues by source during each year of the 2005-07 biennium.

The General Fund Appropriations section includes a schedule of all operating appropriations approved by the 2005 Legislature (includes 22nd Special Session); a schedule of General Fund "one-shot" and supplemental appropriations; a schedule of appropriations to restore balances in certain funds; a position summary; and a listing of capital improvements. This section also contains pie charts of operating appropriations by governmental function.

The Tax Policy section includes a description of all major tax and revenue legislation approved by the 73rd Regular and 22nd Special Session.

The report also contains budget summaries of each major functional area of state government. These summaries include narrative highlights of significant legislative changes to the various budgets and a schedule of funding levels. The functional areas of state government are:

- Constitutional Agencies;
- Education;
- Finance and Administration;
- Commerce and Industry;
- Human Services;
- Public Safety;
- Infrastructure; and
- Special Purpose Agencies.

The report is designed to be as brief as possible, while at the same time provide meaningful information to all interested persons. We have highlighted only major legislative budgetary actions; we encourage readers to contact us if information that is more detailed is needed on any item within the report.

PREPARED BY THE FISCAL ANALYSIS DIVISION
FOR MEMBERS OF THE 73RD NEVADA LEGISLATURE



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◆ TABLE OF CONTENTS ◆

GENERAL FUND PROJECTIONS

GENERAL FUND REVENUE ESTIMATES AND PROJECTED UNAPPROPRIATED GENERAL FUND BALANCES	3
STATEMENT OF PROJECTED UNAPPROPRIATED GENERAL FUND BALANCE FY 2003-04, FY 2004-05, FY 2005-06, FY 2006-07	4
GENERAL FUND REVENUES - ECONOMIC FORUM - MAY 2005 FORECAST	6
NEVADA GENERAL FUND REVENUE - ACTUAL BY SOURCE - FY 2003-04.....	8
NEVADA GENERAL FUND REVENUE - ADJUSTED ECONOMIC FORUM 2005-07 BIENNIUM	9

GENERAL FUND APPROPRIATIONS

GENERAL FUND APPROPRIATIONS.....	13
GENERAL FUND APPROPRIATIONS - COMPARISON OF GOVERNOR RECOMMENDED VERSUS LEGISLATIVELY APPROVED	14
GENERAL FUND APPROPRIATIONS - 2005 LEGISLATURE - BY FUNCTION	15
LEGISLATURE APPROVED - 2005-07 BIENNIUM.....	16
LEGISLATURE APPROVED - 2003-05 BIENNIUM.....	17
GENERAL FUND SUPPLEMENTAL APPROPRIATIONS - 2005-07 BIENNIUM	18
GENERAL FUND APPROPRIATIONS TO RESTORE FUND BALANCES.....	20
GENERAL FUND ONE-TIME OR SPECIAL APPROPRIATIONS.....	21
GENERAL FUND APPROPRIATIONS OPERATING AND DSA/CLASS-SIZE REDUCTIONS	31
HIGHWAY FUND SUPPLEMENTAL APPROPRIATIONS	34
CAPITAL IMPROVEMENT PROGRAM	36
POSITION SUMMARY	48
SUMMARY OF APPROPRIATIONS AND AUTHORIZATIONS (DETAIL)	50

TAX POLICY

BACKGROUND	55
PROPERTY TAX RELIEF	56
BILLS REGARDING STATE REVENUES AND TAXES	57
BILLS REGARDING TECHNICAL AND ADMINISTRATIVE CHANGES	60
BILLS REGARDING EXEMPTIONS, ABATEMENTS AND POSTPONEMENT.....	63
BILLS REGARDING LOCAL GOVERNMENT TAXES AND REVENUES	64

CONSTITUTIONAL AGENCIES

OFFICE OF THE GOVERNOR	69
WASHINGTON OFFICE.....	69
HIGH LEVEL NUCLEAR WASTE.....	70
CONSUMER HEALTH ASSISTANCE	70
ENERGY CONSERVATION	71
ETHICS COMMISSION.....	72
LIEUTENANT GOVERNOR	72

ATTORNEY GENERAL	72
FRAUD CONTROL UNITS.....	73
BUREAU OF CONSUMER PROTECTION	74
DOMESTIC VIOLENCE PROGRAMS.....	74
LITIGATION DIVISION.....	75
SECRETARY OF STATE	75
STATE CONTROLLER	76
STATE TREASURER	76
HIGHER EDUCATION TUITION ADMINISTRATION (PREPAID TUITION).....	77
MILLENNIUM SCHOLARSHIP ADMINISTRATION.....	78
UNCLAIMED PROPERTY DIVISION.....	79
BOND INTEREST AND REDEMPTION	80
JUDICIAL BRANCH	81
JUSTICES', JUDGES' AND SURVIVORS' PENSIONS	82
SUPREME COURT.....	82
PLANNING AND ANALYSIS	83
DISTRICT JUDGES' SALARY	83
SPECIALTY COURTS	83
RETIRED JUSTICE DUTY FUND.....	84
LEGISLATIVE COUNSEL BUREAU.....	85
SUMMARY OF APPROPRIATIONS AND AUTHORIZATIONS (DETAIL)	86

FINANCE AND ADMINISTRATION

DEPARTMENT OF ADMINISTRATION	95
BUDGET AND PLANNING DIVISION	95
STATE EMPLOYEE SALARY INCREASES	96
STATE UNCLASSIFIED POSITIONS	96
ADMINISTRATIVE SERVICES DIVISION	97
INFORMATION TECHNOLOGY DIVISION.....	98
INFORMATION TECHNOLOGY PROJECTS	98
DIVISION OF INTERNAL AUDIT	99
STATE MOTOR POOL.....	99
STATE PURCHASING DIVISION	100
DIVISION OF BUILDINGS AND GROUNDS.....	100
MAIL SERVICES.....	101
CLEAR CREEK YOUTH CENTER.....	102
MARLETTE LAKE.....	102
STATE PUBLIC WORKS BOARD	103
HEARINGS AND APPEALS DIVISION.....	103
VICTIMS OF CRIME PROGRAM.....	104
DEPARTMENT OF TAXATION	104
DEPARTMENT OF INFORMATION TECHNOLOGY.....	105
DIRECTOR'S OFFICE	106
PLANNING AND RESEARCH DIVISION	106
APPLICATION DESIGN AND DEVELOPMENT DIVISION	107
COMPUTING AND COMMUNICATIONS DIVISIONS.....	107
DEPARTMENT OF PERSONNEL.....	109
SUMMARY OF APPROPRIATIONS AND AUTHORIZATIONS (DETAIL)	110

EDUCATION

EDUCATION (K-12)	117
DISTRIBUTIVE SCHOOL ACCOUNT	117
ENROLLMENT	121
POSITIONS AND SALARIES	122
SPECIAL EDUCATION	122
CLASS-SIZE REDUCTION	122
SCHOOL IMPROVEMENT PROGRAMS	123
SPECIAL FUNDING	124
DEPARTMENT OF EDUCATION.....	124
SAIN – SYSTEM FOR ACCOUNTABILITY INFORMATION IN NEVADA.....	125
PROFICIENCY TESTING	125
TEACHER EDUCATION AND LICENSING.....	126
IMPROVING AMERICA’S SCHOOLS – TITLE I.....	126
IMPROVING AMERICA’S SCHOOLS – TITLES II, V, AND VI.....	126
STUDENT INCENTIVE GRANTS.....	127
OTHER BILLS PROVIDING FUNDING FOR K-12 EDUCATION	127
NEVADA SYSTEM OF HIGHER EDUCATION	127
ESTATE TAX	128
ADJUSTED BASE BUDGET	129
STUDENT ENROLLMENTS	131
FORMULA FUNDING	132
REMEDIAL COURSES	133
UNLV RECHARGE.....	134
OPERATIONS AND MAINTENANCE OF NEW SPACE	134
UNLV DENTAL SCHOOL ENROLLMENTS	135
UNLV LAW SCHOOL ENROLLMENTS	135
FRINGE BENEFIT ADJUSTMENTS	136
CLASSIFIED POSITION COLAS	136
PROFESSIONAL POSITION COLAS	136
MEDICAL SCHOOL RESIDENCY	137
DRI CLOUD SEEDING	137
RUVO CENTER FOR ALZHEIMER’S	137
INDIRECT COST RECOVERY RETENTION	138
FUNDING TRANSFERS	138
STUDENT FEE AND TUITION REVENUE REPROJECTIONS	139
STUDENT FEE AND TUITION REVENUE DISTRIBUTIONS	139
LAW SCHOOL FEES	141
NON-RESIDENT TUITION (S.B. 32).....	141
RESEARCH GRANT BALANCE FORWARDS	141
ITEMS ADDED BY THE LEGISLATURE	142
CAPITAL IMPROVEMENT PROJECTS.....	143
LEGISLATIVELY-APPROVED BILLS WITH A FISCAL IMPACT	145

WESTERN INTERSTATE COMMISSION FOR HIGHER EDUCATION	146
DEPARTMENT OF CULTURAL AFFAIRS	146
CULTURAL AFFAIRS ADMINISTRATION.....	147
STATE HISTORIC PRESERVATION OFFICE	147
NEVADA STATE LIBRARY	148
ARCHIVES AND RECORDS	148
NEVADA ARTS COUNCIL.....	148
MUSEUMS AND HISTORY	148
SUMMARY OF APPROPRIATIONS AND AUTHORIZATIONS (DETAIL)	150

COMMERCE AND INDUSTRY

DEPARTMENT OF AGRICULTURE	161
DIVISION OF ADMINISTRATION.....	161
DIVISION OF PLANT INDUSTRY	162
DIVISION OF LIVESTOCK IDENTIFICATION	162
DIVISION OF ANIMAL INDUSTRY.....	163
DIVISION OF MEASUREMENT STANDARDS.....	164
DIVISION OF RESOURCE PROTECTION.....	165
COMMISSION ON MINERAL RESOURCES.....	165
DIVISION OF MINERALS	165
GAMING CONTROL BOARD.....	165
PUBLIC UTILITIES COMMISSION	166
DEPARTMENT OF BUSINESS AND INDUSTRY.....	167
DIRECTOR'S OFFICE	168
DIVISION OF INSURANCE	168
REAL ESTATE DIVISION.....	169
FINANCIAL INSTITUTIONS DIVISION	170
MORTGAGE LENDING DIVISION	171
DIVISION OF INDUSTRIAL RELATIONS.....	171
NEVADA ATTORNEY FOR INJURED WORKERS.....	172
DAIRY COMMISSION.....	173
ATHLETIC COMMISSION.....	173
TAXICAB AUTHORITY	174
TRANSPORTATION SERVICES AUTHORITY	174
COMMISSION ON ECONOMIC DEVELOPMENT	174
NEVADA FILM OFFICE	175
RURAL COMMUNITY DEVELOPMENT	176
COMMISSION ON TOURISM	176
NEVADA MAGAZINE	177
SUMMARY OF APPROPRIATIONS AND AUTHORIZATIONS (DETAIL)	178

HUMAN SERVICES

DEPARTMENT OF HEALTH AND HUMAN SERVICES	189
DIRECTOR'S OFFICE.....	189
DEVELOPMENTAL DISABILITIES	190
COMMUNITY BASED SERVICES	190
HEALTHY NEVADA FUND	191
BLUE CROSS/BLUE SHIELD	192
GRANTS MANAGEMENT UNIT.....	193
TITLE XX PURCHASE OF SOCIAL SERVICES	193
FAMILY-TO-FAMILY CONNECTION PROGRAM AND FAMILY RESOURCE CENTERS	193
HEALTHY NEVADA GRANTS	194
PROBLEM GAMBLING PROGRAM	194
CHILDREN'S TRUST ACCOUNT	195
DIVISION OF HEALTH CARE, FINANCING AND POLICY.....	195
MEDICAID	196
MEDICAID CASELOADS.....	198
RATE INCREASES	199
MEDICARE PRESCRIPTION DRUG, IMPROVEMENT AND MODERNIZATION ACT	200
BEHAVIORAL HEALTH REDESIGN.....	201
MEDICAID WAIVERS.....	202
OTHER ISSUES.....	203
HEALTH CARE FINANCING AND POLICY ADMINISTRATION.....	203
HIFA MEDICAL.....	204
NEVADA CHECK-UP.....	205
INCREASED QUALITY OF NURSING CARE	207
INTERGOVERNMENTAL TRANSFER PROGRAM.....	208
DIVISION OF MENTAL HEALTH AND DEVELOPMENTAL SERVICES.....	209
ADMINISTRATION.....	210
NORTHERN NEVADA ADULT MENTAL HEALTH SERVICES.....	210
FACILITY FOR THE MENTAL OFFENDER.....	211
RURAL CLINICS	211
SOUTHERN NEVADA ADULT MENTAL HEALTH SERVICES.....	212
DEVELOPMENTAL SERVICES.....	213
FAMILY PRESERVATION PROGRAM.....	213
HEALTH DIVISION.....	214
OFFICE OF HEALTH ADMINISTRATION	214
VITAL STATISTICS.....	215
CONSUMER HEALTH PROTECTION	215
HEALTH FACILITIES HOSPITAL LICENSING	216
SEXUALLY TRANSMITTED DISEASE CONTROL PROGRAM.....	216
IMMUNIZATION PROGRAM.....	217
EARLY INTERVENTION SERVICES	218
WOMEN, INFANTS AND CHILDREN PROGRAM	218
BUREAU OF ALCOHOL AND DRUG ABUSE.....	219

DIVISION OF WELFARE AND SUPPORTIVE SERVICES.....	219
DIVISION OF WELFARE AND SUPPORTIVE SERVICES ADMINISTRATION.....	219
DIVISION OF WELFARE AND SUPPORTIVE SERVICES FIELD SERVICES	221
TEMPORARY ASSISTANCE FOR NEEDY FAMILIES	221
TANF FUNDING	222
TANF CASELOADS.....	223
TANF CASH GRANTS	223
NEW EMPLOYEES OF NEVADA	223
CHILD SUPPORT ENFORCEMENT.....	224
ASSISTANCE TO AGED AND BLIND.....	224
CHILD ASSISTANCE AND DEVELOPMENT	225
ENERGY ASSISTANCE	225
DIVISION FOR AGING SERVICES.....	226
AGING SERVICES GRANTS	226
AGING OLDER AMERICANS ACT	226
SENIOR SERVICES PROGRAM.....	227
EPS/HOMEMAKER PROGRAMS.....	227
SENIOR CITIZENS PROPERTY TAX ASSISTANCE	228
DIVISION OF CHILD AND FAMILY SERVICES	228
CHILD AND FAMILY SERVICES ADMINISTRATION	229
CLARK COUNTY INTEGRATION	230
WASHOE COUNTY INTEGRATION.....	231
UNITY/SACWIS.....	232
CHILD CARE SERVICES BUREAU.....	233
RURAL CHILD WELFARE.....	233
TRANSITION FROM FOSTER CARE	234
WRAPAROUND IN NEVADA.....	235
REVIEW OF DEATH OF CHILDREN.....	236
VICTIMS OF DOMESTIC VIOLENCE	236
COMMUNITY JUVENILE JUSTICE PROGRAMS	237
JUVENILE ACCOUNTABILITY BLOCK GRANT	237
YOUTH ALTERNATIVE PLACEMENT	237
JUVENILE CORRECTIONAL FACILITY	238
CALIENTE YOUTH CENTER	239
NEVADA YOUTH TRAINING CENTER.....	240
YOUTH PAROLE SERVICES	240
NORTHERN NEVADA CHILD AND ADOLESCENT SERVICES.....	241
SOUTHERN NEVADA CHILD AND ADOLESCENT SERVICES.....	242
STATE PUBLIC DEFENDER.....	244

DEPARTMENT OF EMPLOYMENT, TRAINING AND REHABILITATION	244
ADMINISTRATION	245
INFORMATION DEVELOPMENT AND PROCESSING DIVISION	245
EQUAL RIGHTS COMMISSION.....	246
REHABILITATION ADMINISTRATION	246
BUREAU OF DISABILITY ADJUDICATION	247
BUREAU OF VOCATIONAL REHABILITATION.....	247
BUREAU OF SERVICES TO THE BLIND AND VISUALLY IMPAIRED	248
EMPLOYMENT SECURITY DIVISION	248
CAREER ENHANCEMENT PROGRAM	249
EMPLOYMENT SECURITY SPECIAL FUND	249
SUMMARY OF APPROPRIATIONS AND AUTHORIZATIONS (DETAIL)	250

PUBLIC SAFETY

DEPARTMENT OF CORRECTIONS	267
INMATE POPULATION PROJECTIONS	267
SUPPLEMENTAL AND ONE-SHOT APPROPRIATIONS	269
SALARY ADJUSTMENTS	269
OFFENDER MANAGEMENT INFORMATION SYSTEM REPLACEMENT.....	269
CAPITAL IMPROVEMENTS	270
DEFERRED MAINTENANCE PROJECTS	272
DIRECTOR'S OFFICE	273
MEDICAL DIVISION.....	273
CORRECTIONAL PROGRAMS	274
SOUTHERN NEVADA CORRECTIONAL CENTER.....	274
CASA GRANDE TRANSITIONAL HOUSING.....	275
SOUTHERN NEVADA WOMEN'S CORRECTIONAL CENTER	276
HIGH DESERT STATE PRISON.....	276
LOVELOCK CORRECTIONAL CENTER	276
SOUTHERN DESERT CORRECTIONAL CENTER.....	277
DEPARTMENT OF MOTOR VEHICLES	277
ADMINISTRATIVE SERVICES.....	277
COMPLIANCE ENFORCEMENT	278
FIELD SERVICES.....	278
CENTRAL SERVICES	279
MOTOR CARRIER	280
MOTOR VEHICLE POLLUTION CONTROL.....	280
AUTOMATION UNIT	280

DEPARTMENT OF PUBLIC SAFETY	281
SUPPLEMENTAL AND ONE-SHOT APPROPRIATIONS	282
DIVISION OF EMERGENCY MANAGEMENT	282
OFFICE OF HOMELAND SECURITY	283
CRIMINAL HISTORY REPOSITORY	284
NEVADA HIGHWAY PATROL	284
DIGNITARY PROTECTION	285
NARCOTICS CONTROL TASK FORCES/FORFEITURES	285
DIVISION OF PAROLE AND PROBATION.....	285
TRAINING DIVISION	286
FIRE MARSHAL'S OFFICE	286
PAROLE BOARD	287
SUMMARY OF APPROPRIATIONS AND AUTHORIZATIONS (DETAIL)	288

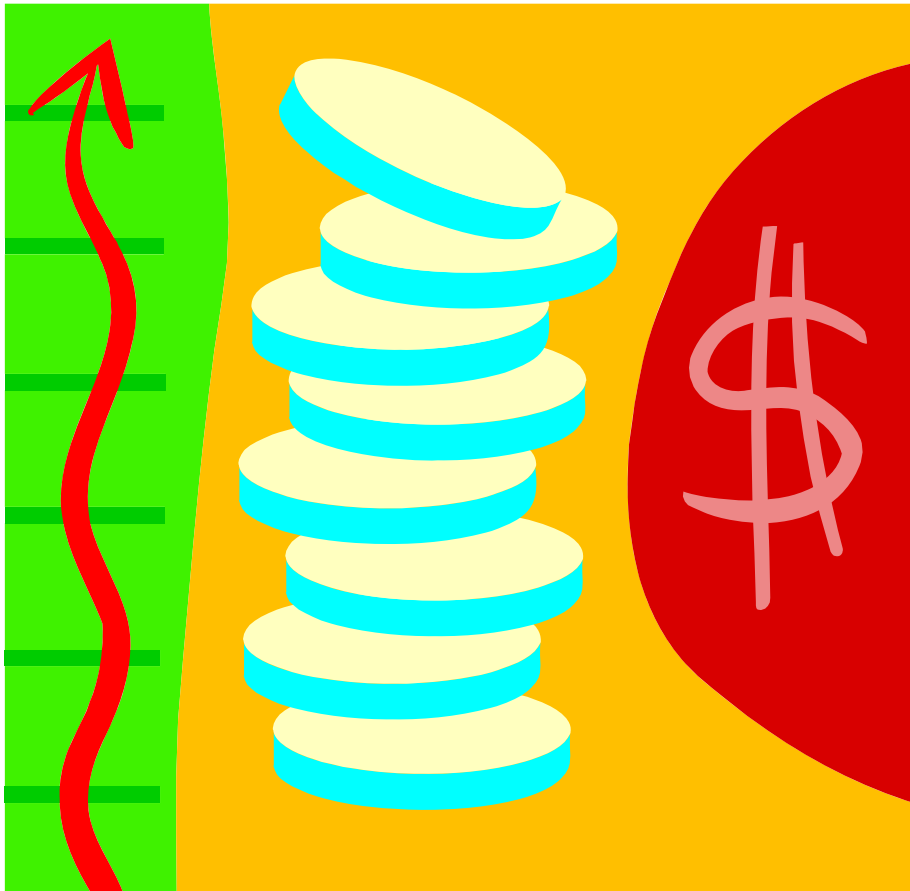
INFRASTRUCTURE

DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES	299
DIRECTOR'S OFFICE	300
NEVADA NATURAL HERITAGE PROGRAM	300
DIVISION OF STATE LANDS	300
DIVISION OF STATE PARKS.....	301
DIVISION OF WATER RESOURCES	301
DIVISION OF ENVIRONMENTAL PROTECTION.....	302
DIVISION OF FORESTRY	303
FOREST FIRE SUPPRESSION	304
FORESTRY HONOR CAMPS.....	304
TAHOE REGIONAL PLANNING AGENCY.....	305
DEPARTMENT OF WILDLIFE	306
WILDLIFE BOATING PROGRAM	307
NEVADA DEPARTMENT OF TRANSPORTATION	307
COLORADO RIVER COMMISSION.....	308
SUMMARY OF APPROPRIATIONS AND AUTHORIZATIONS (DETAIL)	311

SPECIAL PURPOSE AGENCIES

PUBLIC EMPLOYEES' RETIREMENT SYSTEM	319
PUBLIC EMPLOYEES' BENEFITS PROGRAM	320
RETIRED EMPLOYEE GROUP INSURANCE PROGRAM.....	321
ACTIVE EMPLOYEE GROUP INSURANCE PROGRAM.....	322
OFFICE OF THE MILITARY.....	322
NATIONAL GUARD BENEFITS PROGRAM	323
OFFICE OF VETERANS' SERVICES.....	323
VETERANS' HOME ACCOUNT	324
SUMMARY OF APPROPRIATIONS AND AUTHORIZATIONS (DETAIL)	326

GENERAL FUND PROJECTIONS



GENERAL FUND REVENUE ESTIMATES AND PROJECTED UNAPPROPRIATED GENERAL FUND BALANCES

The 2005 Legislature (includes the 22nd Special Session) approved a General Fund operating budget for the 2005-07 biennium that totals \$5.798 billion. The Governor recommended an operating budget that totaled \$5.712 billion or approximately \$85.9 million less than was approved by the 2005 Legislature.

State law provides that the Economic Forum, whose membership is from the private sector, must develop a forecast of all state General Fund revenues by December 1st of even-numbered years and a revised forecast by May 1st of odd-numbered years. The Governor's proposed budget was based on the Economic Forum's December 2004 revenue forecast. The legislatively-approved budget was based on the May 2005 revised revenue forecast which was adjusted downward by a net amount of \$36.3 million based on actions of the 2005 Legislature. These actions, which are addressed in the Tax Policy section of the Appropriations Report, lowered revenues generated primarily from the Business License Fee, Modified Business Tax, and Unclaimed Property receipts. After adjusting for the revenue changes approved by the 2005 Legislature, the May 2005 revenue forecast increased by \$85.6 million in FY 2004-05 and \$143.8 million over the 2005-07 biennium when compared to the December 2004 forecast.

The schedules that follow present the projected appropriated General Fund balance at the close of FY 2004-05, FY 2005-06 and FY 2006-07 and recap the revenue forecast upon which the 2005-07 budget was based. Including the revenue reductions approved by the 2005 Legislature, total General Fund revenues are forecast to increase by 3.8 percent in FY 2005-06 (includes loss of estate tax revenues transferred from the Nevada System of Higher Education during FY 2004-05) and 5.5 percent in FY 2006-07. The state's two largest revenue sources, sales tax and gaming taxes, are projected to account for approximately 60.5 percent for all General Fund revenues during the 2005-07 biennium (does not include Live Entertainment Tax). Sales taxes are projected to increase by 6.0 percent in both FY 2005-06 and FY 2006-07, while gaming taxes are projected to grow by 4.1 percent in FY 2005-06 and 5.1 percent in FY 2006-07.

The budget approved by the Legislature projects a General Fund balance of \$168.5 million at the end of the 2005-07 biennium compared to the projected balance of \$151.9 million in The Executive Budget. In addition to the expected surplus at the end of FY 2006-07, with the appropriations approved in FY 2005-06 and FY 2006-07, the balance in the Rainy Day Fund is projected to increase from approximately \$123.6 million on June 30, 2005 to approximately \$194.6 million at the end of the 2005-07 biennium. The balance in the Rainy Day Fund, along with the projected General Fund balance, will be available to meet future financial emergencies.

STATEMENT OF PROJECTED UNAPPROPRIATED GENERAL FUND BALANCE
FY 2003-04, FY 2004-05, FY 2005-06, and FY 2006-07

FY 2003-04	LEGISLATURE APPROVES	ACTUAL	DIFFERENCE
Unappropriated Balance - July 1, 2003	\$ 100,379,792	\$ 107,503,157	\$ 7,123,365
Projected Revenue FY 2003-04 - Economic Forum Projection of May 2003/Actual FY 2004	\$ 2,260,650,058	\$ 2,404,005,956	\$ 143,355,898
Repayment of Outstanding General Fund Advances	\$ -	\$ 44,332	\$ 44,332
Deposit Estate Tax Revenue in General Fund - UCCSN (S.B. 415; Chapter 428)	\$ 45,836,551	\$ 45,836,551	\$ -
Projected/Actual Reversions	\$ 46,964,000	\$ 52,989,444	\$ 6,025,444
Total Funds Available	\$ 2,353,450,609	\$ 2,502,876,283	\$ 149,425,674
Less Appropriations:			
2003-04 Ongoing Appropriations	\$ (1,556,348,888)	\$ (1,556,348,888)	\$ -
2003-04 Distributive School Account	\$ (637,789,627)	\$ (637,789,627)	\$ -
2003-04 Class Size Reduction	\$ (108,937,389)	\$ (108,937,389)	\$ -
2003-04 One-Time Appropriations	\$ (8,815,000)	\$ (8,815,000)	\$ -
2003-04 Restore Fund Balance (IFC)	\$ (8,092,456)	\$ (8,092,456)	\$ -
2003-04 Appropriations Transferred to 2004-05	\$ -	\$ 4,463,003	\$ 4,463,003
Cost of 20th Special Session (S.B. 1; Chapter 1 & S.B. 7, Chapter 16)	\$ (450,000)	\$ (450,000)	\$ -
Total FY 2003-04 Appropriations	\$ (2,320,433,360)	\$ (2,315,970,357)	\$ 4,463,003
Controller's Adjustments	\$ -	\$ (2,022,105)	\$ (2,022,105)
Transfer to Disaster Relief Account (NRS 353.288/2735)	\$ -	\$ (536,388)	\$ (536,388)
Total Unappropriated Balance July 1, 2004	\$ 133,397,041	\$ 291,850,590 ^a	\$ 158,453,549
Transfer to Stabilize Operation of State Government	\$ -	\$ (70,609,836) ^b	\$ (70,609,836)
FY 2004-05	GOVERNOR RECOMMENDS	LEGISLATURE APPROVES	DIFFERENCE
Unappropriated Balance July 1, 2004	\$ 221,240,754 ^a	\$ 221,240,754 ^a	\$ -
Projected Revenues 2004-05 Per Economic Forum December 2004/May 2005	\$ 2,637,249,565	\$ 2,722,824,285	\$ 85,574,720
Deposit Estate Tax Revenue in General Fund - UCCSN (S.B. 415; Chapter 428)	\$ 43,398,297	\$ 43,398,297	\$ -
Projected Reversions 2004-05	\$ 199,720,000	\$ 221,718,310	\$ 21,998,310
Total Funds Available	\$ 2,880,367,862	\$ 2,987,940,892	\$ 107,573,030
Less Appropriations:			
FY 2004-05 Operating Appropriations	\$ (1,647,562,294)	\$ (1,647,562,294)	\$ -
2004-05 Distributive School Account	\$ (767,086,697)	\$ (767,086,697)	\$ -
2004-05 Class Size Reduction	\$ (117,142,553)	\$ (117,142,553)	\$ -
2003-04 Appropriations Transferred to 2004-05	\$ (4,463,003)	\$ (4,463,003)	\$ -
Cost of 21st Special Session (S.B. 1)	\$ (250,000)	\$ (250,000)	\$ -
2004-05 Contingent Appropriations	\$ (50,350,000)	\$ (50,350,000)	\$ -
2004-05 Restore Fund Balances	\$ (19,000,000)	\$ (19,000,000)	\$ -
2004-05 Supplemental Appropriations	\$ (17,024,938)	\$ (39,086,577)	\$ (22,061,639)
2004-05 One-Time Appropriations	\$ (27,155,934)	\$ (47,004,301)	\$ (19,848,367)
2004-05 Millennium Scholarship Trust Fund	\$ -	\$ (35,000,000)	\$ (35,000,000)
2004-05 Capital Improvement Program	\$ -	\$ (30,172,106)	\$ (30,172,106)
2004-05 Rebate	\$ (300,000,000)	\$ (300,000,000)	\$ -
Cost of the 2005 Session	\$ (17,500,000)	\$ (17,100,000)	\$ 400,000
Total FY 2004-05 Appropriations	\$ (2,967,535,419)	\$ (3,074,217,531)	\$ (106,682,112)
Transfer to Disaster Relief Account (NRS 353.288/2735)	\$ (2,000,000)	\$ (2,000,000)	\$ -
Total Estimated Unappropriated General Fund Balance July 1, 2005	\$ 132,073,197	\$ 132,964,115	\$ 890,918
Transfer to Stabilize Operation of State Government	\$ (1,763,689)	\$ (1,678,824)	\$ 84,866

STATEMENT OF PROJECTED UNAPPROPRIATED GENERAL FUND BALANCE
FY 2003-04, FY 2004-05, FY 2005-06, and FY 2006-07

FY 2005-06	GOVERNOR RECOMMENDS	LEGISLATURE APPROVES	DIFFERENCE
Unappropriated Balance July 1, 2005	\$ 130,309,508	\$ 131,285,291	\$ 975,784
Projected Revenues 2005-06 Per Economic Forum December 2004/May 2005	\$ 2,793,399,380	\$ 2,888,539,173	\$ 95,139,793
Projected Revenue Revisions (A.B. 554, S.B. 357, S.B. 390, S.B. 391, S.B. 523 & S.B. 3 [22nd SS])	\$ -	\$ (9,755,504)	\$ (9,755,504)
Transfer to Millennium Scholarship Trust Fund (S.B. 4, 22nd SS)	\$ (7,600,000)	\$ (7,600,000)	\$ -
Projected Reversions	\$ 55,340,000	\$ 55,340,000	\$ -
Total Funds Available	\$ 2,841,139,380	\$ 2,926,523,669	\$ 85,384,289
Less Appropriations			
2005-06 Ongoing Appropriations	\$ (1,940,940,107)	\$ (1,919,831,912)	\$ 21,108,195
2005-06 Distributive School Account	\$ (702,065,382)	\$ (724,135,261)	\$ (22,069,879)
2005-06 IFC - Unexpected Cost of Health Insurance for School District Employees	\$ -	\$ (4,000,000)	\$ (4,000,000)
2005-06 Class Size Reduction	\$ (125,248,620)	\$ (125,552,187)	\$ (303,567)
2005-06 One-Time Appropriations	\$ -	\$ (38,347,592)	\$ (38,347,592)
2005-06 Fund to Stabilize Operation of State Government	\$ (3,000,000)	\$ (37,000,000)	\$ (34,000,000)
2005-06 Capital Improvement Program	\$ (52,000,000)	\$ (53,623,972)	\$ (1,623,972)
Total FY 2005-06 Appropriations	\$ (2,823,254,109)	\$ (2,902,490,924)	\$ (79,236,815)
Transfer to Disaster Relief Account (NRS 353.288/2735)	\$ (2,000,000)	\$ (2,000,000)	\$ -
Total Estimated Unappropriated General Fund Balance July 1, 2006	\$ 146,194,779	\$ 153,318,036	\$ 7,123,258
Transfer to Stabilize Operation of State Government	\$ (3,112,829)	\$ -^c	\$ 3,112,829
FY 2006-07	GOVERNOR RECOMMENDS	LEGISLATURE APPROVES	DIFFERENCE
Unappropriated Balance July 1, 2006	\$ 143,081,950	\$ 153,318,036	\$ 10,236,087
Projected Revenues 2006-07 Per Economic Forum December 2004/May 2005	\$ 2,963,425,747	\$ 3,048,404,040	\$ 84,978,293
Projected Revenue Revisions (A.B. 554, S.B. 357, S.B. 390, S.B. 391, S.B. 523 & S.B. 3 [22nd SS])	\$ -	\$ (11,318,883)	\$ (11,318,883)
Transfer to Millennium Scholarship Trust Fund (S.B. 4, 22nd SS)	\$ (7,600,000)	\$ (7,600,000)	\$ -
Projected Reversions	\$ 88,370,000	\$ 88,370,000	\$ -
Total Estimated Revenue & Reversions 2004-05	\$ 3,044,195,747	\$ 3,117,855,157	\$ 73,659,410
Less Appropriations:			
2006-07 Ongoing Appropriations	\$ (2,061,796,927)	\$ (2,060,830,171)	\$ 966,756
2006-07 Distributive School Account	\$ (747,012,998)	\$ (825,642,294)	\$ (78,629,296)
2006-07 Class-Size Reduction	\$ (134,953,490)	\$ (137,922,619)	\$ (2,969,129)
2006-07 One-Time Appropriations	\$ -	\$ (23,807,077)	\$ (23,807,077)
2006-07 Fund to Stabilize Operation of State Government	\$ (68,000,000)	\$ (34,000,000)	\$ 34,000,000
Projected Cost of the 2007 Legislative Session	\$ (18,500,000)	\$ (18,500,000)	\$ -
Total FY 2006-07 Appropriations	\$ (3,030,263,415)	\$ (3,100,702,161)	\$ (70,438,746)
Transfer to Disaster Relief Account (NRS 353.288/2735)	\$ (2,000,000)	\$ (2,000,000)	\$ -
Total Estimated Unappropriated General Fund Balance July 1, 2007	\$ 155,014,282	\$ 168,471,032	\$ 13,456,751
Transfer to Stabilize Operation of State Government	\$ (3,130,444)	\$ -^c	\$ 3,130,444
Total Estimated Unappropriated General Fund Balance July 1, 2007 Following Transfer	\$ 151,883,837	\$ 168,471,032	\$ 16,587,195

^a. Subject to reconciliation with the Fiscal Division and the 2003-04 Controller's Annual Report; does not include \$136,340,970 in the Stabilization Fund (NRS 353.288).

^b. Calculated by State Controller's Office.

^c. S.B. 95 increased the threshold for the trigger to transfer to the Stabilization Fund from 5% to 10% of ongoing appropriations.

GENERAL FUND REVENUES - ECONOMIC FORUM MAY 2, 2005 FORECAST
ACTUAL: FY 2001 THROUGH FY 2004 AND FORECAST: FY 2005 THROUGH FY 2007
FY 2006 AND FY 2007 ECONOMIC FORUM FORECAST ADJUSTED FOR LEGISLATIVE ACTIONS APPROVED BY THE 2005 LEGISLATURE (73rd SESSION and 22nd SPECIAL SESSION)

DESCRIPTION	FY 2001		FY 2002		FY 2003		FY 2004		MAY 2, 2005 ECONOMIC FORUM FORECAST					
	ACTUAL	% Change	ACTUAL	% Change	ACTUAL	% Change	ACTUAL [a.]	% Change	FY 2005 FORECAST	% Change	FY 2006 FORECAST	% Change	FY 2007 FORECAST	% Change
TAXES														
TOTAL MINING TAXES	\$14,672,692	9.1%	\$9,418,008	-35.8%	\$10,641,100	13.0%	\$16,817,927	58.0%	\$15,255,500	-9.3%	\$15,232,000	-0.2%	\$15,850,000	4.1%
TOTAL SALES AND USE TAX [1-FY04]	\$645,767,621	5.9%	\$655,068,480	1.4%	\$693,528,823	5.9%	\$790,602,667	14.0%	\$896,543,000	13.4%	\$950,335,000	6.0%	\$1,007,354,000	6.0%
TOTAL GAMING TAXES [2-FY04][3-FY04][1-FY06]	\$604,464,065	2.0%	\$589,803,811	-2.4%	\$596,260,210	1.1%	\$714,653,673	19.9%	\$756,342,200	5.8%	\$786,991,600	4.1%	\$826,940,500	5.1%
CASINO/LIVE ENTERTAINMENT TAX [4a-FY04][4b-FY04][2-FY06]	\$63,919,196	9.2%	\$64,817,715	1.4%	\$70,212,815	8.3%	\$89,201,827	27.0%	\$107,248,000	20.2%	\$136,247,000	27.0%	\$147,926,000	8.6%
INSURANCE PREMIUM TAX	\$146,925,032	13.6%	\$156,550,893	6.6%	\$174,135,736	11.2%	\$194,457,058	11.7%	\$213,369,000	9.7%	\$234,980,000	10.1%	\$258,061,000	9.8%
LIQUOR TAX [5-FY04]	\$15,745,514	0.5%	\$15,995,650	1.6%	\$16,531,358	3.3%	\$33,025,941	99.8%	\$36,214,000	9.7%	\$37,309,000	3.0%	\$38,377,000	2.9%
CIGARETTE TAX [6-FY04]	\$43,691,552	3.5%	\$41,843,892	-4.2%	\$44,019,969	5.2%	\$106,770,729	142.6%	\$115,188,000	7.9%	\$115,188,000		\$115,188,000	
OTHER TOBACCO TAX [7-FY04]	\$5,602,823	-6.0%	\$5,557,893	-0.8%	\$5,916,301	6.4%	\$6,927,276	17.1%	\$7,342,900	6.0%	\$7,746,800	5.5%	\$8,134,100	5.0%
LAETRILE & GEROVITAL MFG.	\$2,692	-28.7%												
HECC TRANSFER	\$5,000,000		\$5,000,000		\$5,000,000		\$5,000,000		\$5,000,000		\$5,000,000		\$5,000,000	
BUSINESS LICENSE FEE [8-FY04][3-FY06][4-FY06]	\$523,072	1.8%	\$680,845	30.2%	\$739,561	8.6%	\$11,851,752		\$16,000,000	35.0%	\$17,159,420	7.2%	\$23,098,884	34.6%
BUSINESS LICENSE TAX [9-FY04]	\$77,270,722	1.8%	\$78,394,651	1.5%	\$79,026,132	0.8%	\$22,216,500	-71.9%	\$1,210,000		\$500,000		\$250,000	
MODIFIED BUSINESS TAX														
MBT-NONFINANCIAL [10-FY04][5-FY06][6-FY06]							\$146,161,812		\$209,985,000	43.7%	\$220,381,168	5.0%	\$235,270,237	6.8%
MBT-FINANCIAL [11-FY04][5-FY06]							\$15,462,677		\$18,662,000	20.5%	\$18,462,200	-1.1%	\$19,424,500	5.2%
BRANCH BANK EXCISE TAX [12-FY04][7-FY06]							\$1,508,192		\$3,071,000	103.6%	\$2,716,000	-11.6%	\$2,744,000	1.0%
REAL PROPERTY TRANSFER TAX [13-FY04][8-FY06]							\$88,024,738		\$144,524,000	64.2%	\$142,125,708	-1.7%	\$137,579,496	-3.2%
TOTAL TAXES	\$1,623,584,982	4.8%	\$1,623,131,839	0.0%	\$1,696,012,005	4.5%	\$2,242,707,768	32.2%	\$2,545,954,600	13.5%	\$2,690,373,896	5.7%	\$2,841,197,717	5.6%
LICENSES														
INSURANCE LICENSES	\$6,889,858	6.2%	\$7,806,594	13.3%	\$10,076,143	29.1%	\$10,578,744	5.0%	\$11,128,800	5.2%	\$12,241,700	10.0%	\$12,878,300	5.2%
BANKING LICENSES [1-FY01][16-FY04]	\$23,785	35.7%	\$23,600	-0.8%	\$20,400	-13.6%								
MARRIAGE LICENSES	\$638,691	3.5%	\$587,774	-8.0%	\$587,712	0.0%	\$594,588	1.2%	\$609,800	2.6%	\$629,700	3.3%	\$645,300	2.5%
TOTAL SECRETARY OF STATE [1-FY02][14-FY04]	\$36,442,206	3.4%	\$50,064,820	37.4%	\$54,026,461	7.9%	\$75,312,846	39.4%	\$79,847,000	6.0%	\$86,677,000	8.6%	\$94,307,000	8.8%
PRIVATE SCHOOL LICENSES	\$156,485	9.8%	\$181,009	15.7%	\$207,145	14.4%	\$251,705	21.5%	\$264,000	4.9%	\$278,000	5.3%	\$287,000	3.2%
PRIVATE EMPLOYMENT AGENCY	\$29,800	-5.4%	\$29,000	-2.7%	\$29,100	0.3%	\$26,000	-10.7%	\$18,500	-28.8%	\$18,500		\$18,500	
TOTAL REAL ESTATE [2-FY02][15-FY04][16-FY04]	\$1,451,867	-4.4%	\$1,690,734	16.5%	\$1,548,788	-8.4%	\$2,653,740	71.3%	\$2,429,200	-8.5%	\$2,805,750	15.5%	\$2,568,750	-8.4%
TOTAL FINANCIAL INSTITUTIONS [1-FY01][16-FY04]	\$1,626,149	7.5%	\$1,795,162	10.4%	\$1,926,415	7.3%								
ATHLETIC COMMISSION FEES [5-FY02]	\$2,853,655	1.2%	\$1,706,730	-40.2%	\$1,901,357	11.4%	\$2,258,306	18.8%	\$2,000,000	-11.4%	\$2,000,000		\$2,000,000	
TOTAL LICENSES	\$50,112,496	3.6%	\$63,885,422	27.5%	\$70,323,520	10.1%	\$91,675,929	30.4%	\$96,297,300	5.0%	\$104,650,650	8.7%	\$112,704,850	7.7%
FEES AND FINES														
VITAL STATISTICS FEES [17-FY04]	\$534,243	2.1%	\$576,967	8.0%	\$647,213	12.2%	\$759,587	17.4%	\$806,400	6.2%	\$846,700	5.0%	\$889,000	5.0%
DIVORCE FEES	\$203,454	1.4%	\$196,953	-3.2%	\$201,070	2.1%	\$205,535	2.2%	\$197,000	-4.2%	\$202,500	2.8%	\$208,200	2.8%
CIVIL ACTION FEES	\$1,215,362	2.0%	\$1,250,147	2.9%	\$1,322,518	5.8%	\$1,376,653	4.1%	\$1,399,900	1.7%	\$1,438,700	2.8%	\$1,477,400	2.7%
INSURANCE FEES	\$537,507	-27.2%	\$719,183	33.8%	\$617,132	-14.2%	\$624,149	1.1%	\$603,300	-3.3%	\$603,300		\$603,300	
TOTAL REAL ESTATE FEES	\$388,128	-10.9%	\$397,274	2.4%	\$436,415	9.9%	\$1,097,847	151.6%	\$1,385,377	26.2%	\$1,382,500	-0.2%	\$1,336,000	-3.4%
SHORT-TERM CAR LEASE [2-FY02]	\$8,288,217	0.2%	\$19,662,998	137.2%	\$22,208,165	12.9%	\$25,638,556	15.4%	\$27,177,000	6.0%	\$28,672,000	5.5%	\$30,105,000	5.0%
ATHLETIC COMMISSION LICENSES/FINES [5-FY02]			\$122,908		\$210,920	71.6%	\$109,825	-47.9%	\$150,000	36.6%	\$140,000	-6.7%	\$140,000	
WATER PLANNING FEES [4-FY02]	\$21,069	31.6%												
STATE ENGINEER SALES	\$1,588,378	4.6%	\$1,572,066	-1.0%	\$1,590,428	1.2%	\$1,698,473	6.8%	\$1,975,000	16.3%	\$1,975,000		\$1,975,000	
SUPREME COURT FEES	\$204,075	-12.2%	\$207,830	1.8%	\$212,035	2.0%	\$219,042	3.3%	\$223,000	1.8%	\$227,000	1.8%	\$231,100	1.8%
MISC. FINES/FORFEITURES	\$136,957	16.4%	\$172,541	26.0%	\$350,947	103.4%	\$261,421	-25.5%	\$418,900	60.2%	\$387,800	-7.4%	\$393,100	1.4%
TOTAL FEES AND FINES	\$13,117,391	-1.0%	\$24,878,868	89.7%	\$27,796,842	11.7%	\$31,991,088	15.1%	\$34,335,877	7.3%	\$35,875,500	4.5%	\$37,358,100	4.1%
USE OF MONEY AND PROPERTY														
LYON COUNTY REPAYMENTS	\$177,450													
OTHER REPAYMENTS [7-FY02][8-FY02][18-FY04]	\$1,118,866	-2.4%	\$931,938	-16.7%	\$2,405,277	158.1%	\$2,008,738	-16.5%	\$2,100,096	4.5%	\$2,200,911	4.8%	\$2,251,778	2.3%
MARLETTE REPAYMENT	\$10,483	65.4%	\$10,512	0.3%	\$10,512		\$10,512		\$10,512		\$10,512		\$10,512	
INTEREST INCOME	\$26,333,458	34.0%	\$12,501,357	-52.5%	\$5,990,047	-52.1%	\$4,528,633	-24.4%	\$12,999,000	187.0%	\$17,259,600	32.8%	\$15,011,200	-13.0%
TOTAL USE OF MONEY AND PROPERTY	\$27,640,257	32.9%	\$13,443,808	-51.4%	\$8,405,836	-37.5%	\$6,547,883	-22.1%	\$15,109,608	130.8%	\$19,471,023	28.9%	\$17,273,490	-11.3%
OTHER REVENUE														
HOOVER DAM REVENUE	\$300,000		\$300,000		\$300,000		\$300,000		\$300,000		\$300,000		\$300,000	
MISC. SALES AND REFUNDS	\$4,515,462	84.6%	\$1,431,898	-68.3%	\$932,709	-34.9%	\$899,132	-3.6%	\$881,700	-1.9%	\$909,900	3.2%	\$871,700	-4.2%
COST RECOVERY PLAN	\$4,251,236	-2.9%	\$5,006,463	17.8%	\$5,004,477	0.0%	\$9,714,586	94.1%	\$9,758,600	0.5%	\$10,538,200	8.0%	\$10,549,000	0.1%
PETROLEUM INSPECTION FEES	\$516,320	-3.5%	\$550,736	6.7%	\$563,727	2.4%	\$557,966	-1.0%	\$581,600	4.2%	\$587,500	1.0%	\$593,300	1.0%
UNCLAIMED PROPERTY [9-FY02][9-FY06]	\$10,078,369	30.4%	\$19,328,933	91.8%	\$16,014,824	-17.1%	\$19,611,605	22.5%	\$19,605,000	0.0%	\$8,477,000	-56.8%	\$8,637,000	1.9%
TOTAL OTHER REVENUE	\$19,661,386	27.8%	\$26,618,030	35.4%	\$22,815,737	-14.3%	\$31,083,289	36.2%	\$31,126,900	0.1%	\$20,812,600	-33.1%	\$20,951,000	0.7%
TOTAL GENERAL FUND REVENUE	\$1,734,116,512	5.3%	\$1,751,957,967	1.0%	\$1,825,353,940	4.2%	\$2,404,005,956	31.7%	\$2,722,824,285	13.3%	\$2,871,183,669	5.4%	\$3,029,485,157	5.5%

GENERAL FUND REVENUES - ECONOMIC FORUM MAY 2, 2005 FORECAST
ACTUAL: FY 2001 THROUGH FY 2004 AND FORECAST: FY 2005 THROUGH FY 2007
FY 2006 AND FY 2007 ECONOMIC FORUM FORECAST ADJUSTED FOR LEGISLATIVE ACTIONS APPROVED BY THE 2005 LEGISLATURE (73rd SESSION and 22nd SPECIAL SESSION)

NOTES:

[a.] Subject to adjustment based on reconciliation with the Controller's Office and Budget Division

FY 2001

[1-FY01] Amount for FY 2000-01 (5-Oct-01) for GL 3179 reflects adjustments of \$198,388.19, \$534,222.45, and \$153,128.65 that should have been deposited to GL 3179 - Financial Institution Fees, but were recorded in the Controller's system by the Financial Institutions Division under GL 3100 - Credit Union Fees, GL 3110 - Banking Fees, and GL 3177 - Thrift Institution Fees, respectively. Adjustment made to maintain historical pattern of collections for comparison.

FY 2002

- [1-FY02] FY 2002 and FY 2003 collections reflect the 50% increase in most Secretary of State fees (approved by the 2001 Legislature in S.B. 577).
[2-FY02] FY 2002 and FY 2003 collections reflect the revenue enhancement approved by the 2001 Legislature in S.B. 307.
[3-FY02] Collections FY 2002 and FY 2003 reflect additional revenues from the increase in short-term car rental rate resulting from approval of A.B. 460 (2001 Legislature).
[4-FY02] Beginning in FY 2002, GL 3180 - Water Planning Fees were deposited in GL 3205 - State Engineer Sales due to elimination of the account by the agency.
[5-FY02] Beginning in FY 2002, Licenses/Fines (GL 3103) revenues collected by the Athletic Commission are reported separately. Previously, these revenues were recorded in GL 3102 along with the fees assessed on the gross receipts from admission fees to unarmed combat events.
[6-FY02] In FY 2001-02, the Treasurer deposited \$20,000,000 in GL 3291 due to the "2002 Forward Delivery Agreement" for prepayment of interest from the Bond Interest Redemption Fund. The amount is not shown in the General Fund Revenue Tables, but is accounted for on the General Fund Ending Fund Balance Statement as a one-time revenue adjustment.
[7-FY02] The Department of Information of Technology (DOIT) did not make the scheduled repayment for the noted projects totaling \$114,749 in FY 2002. These payments for FY 2002 will be made in FY 2003 in addition to their normal scheduled repayments for FY 2003.
[8-FY02] The Printing Division did not make the scheduled repayment of \$70,669 in FY 2002 and is currently not budgeting to make payments in FY 2003, FY 2004, and FY 2005.
[9-FY02] Collections for FY 2002 includes amount generated from "one-time" acceleration of holding period for determining property to be unclaimed approved by the 2001 Legislature in A.B. 77.

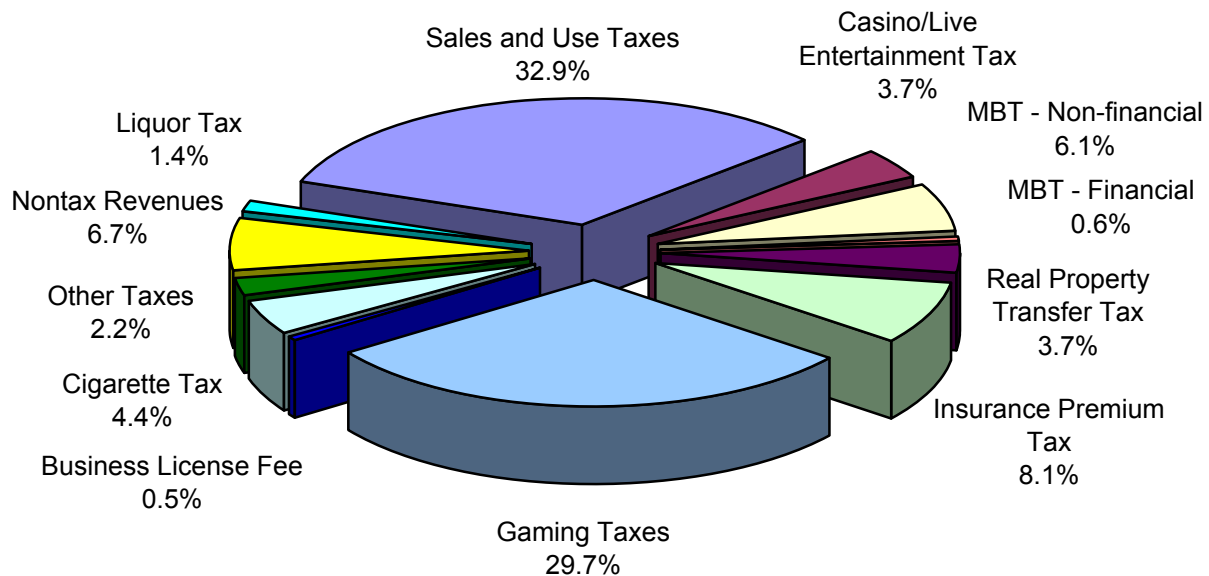
FY 2004

- [1-FY04] A.B. 4 (20th S.S.) reduced the collection allowance provided to the taxpayer for collecting and remitting the sales tax to the state from 1.25% to 0.5%, effective July 1, 2003.
[2-FY04] S.B. 8 (20th S.S.) increased gross gaming tax rates by 0.5%: 3.0% to 3.5% on monthly revenue up to \$50,000; 4.0% to 4.5% on revenue over \$50,000 and up to \$134,000; 6.25% to 6.75% on revenue exceeding \$134,000, effective August 1, 2003.
[3-FY04] S.B. 8 (20th S.S.) increased quarterly restricted slot fees by 33%: from \$61 to \$81 per machine, up to 5 machines; from \$106 to \$141 for each machine over 5, up to 15 machines, effective July 22, 2003.
[4a-FY04] S.B. 8 (20th S.S.) modified types of establishments and entertainment subject to the current 10% Casino Entertainment Tax (CET), effective September 1 to December 31, 2003 [Estimated to generate \$4,982,000 additional collections during 4-month period].
[4b-FY04] S.B. 8 (20th S.S.) repealed CET and replaced by Live Entertainment Tax (LET): 5% of admissions price, if entertainment is in facility with 7,500 or more seats; 10% of admissions price & food, beverage, and merchandise purchased, if facility has more than 300 and up to 7,500 seats; exempt from the tax if facility is a non-gaming establishment with less than 300 seats or is gaming establishment with less than 300 seats and less than 51 slot machines, 6 games, or any combination thereof, effective January 1, 2004.
[5-FY04] S.B. 8 (20th S.S.) increased liquor taxes by 75%: beer from 9 cents to 16 cents per gallon; liquor up to 14% alcohol from 40 cents to 70 cents per gallon; liquor over 14% and up to 22% alcohol from 75 cents to \$1.30 per gallon; liquor over 22% alcohol from \$2.05 (15 cents for alcohol abuse program, 50 cents to local government, and \$1.40 to state general fund) to \$3.60 per gallon (15 cents for alcohol abuse program, 50 cents to local government, and \$2.95 to state general fund), effective August 1, 2003. [Estimated to generate \$13,873,000 in FY 2004 and \$15,536,000 in FY 2005]. A.B. 4 (20th S.S.) reduced the collection allowance provided to the taxpayer for collecting and remitting the liquor tax to the state from 3% to 0.5%, effective August 1, 2003. [Estimated to generate \$734,000 in FY 2004 and \$822,000 in FY 2005]
[6-FY04] S.B. 8 (20th S.S.) increased cigarette tax per pack of 20 by 45 cents: from 35 cents per pack (10 cents to Local Government Distribution Fund, 25 cents to state general fund) to 80 cents per pack (10 cents to Local Government Distribution Fund, 70 cents to state general fund), effective July 22, 2003. [Estimated to generate \$63,268,000 in FY 2004 and \$70,047,000 in FY 2005] A.B. 4 (20th S.S.) reduced the collection allowance provided to the taxpayer for collecting and remitting the cigarette tax to the state from 3% to 0.5%, effective August 1, 2003. [Estimated to generate \$2,538,000 in FY 2004 and \$2,884,000 in FY 2005]
[7-FY04] A.B. 4 (20th S.S.) reduced collection allowance provided to taxpayer for collecting and remitting tax on other tobacco items from 2.0% to 0.5%, effective August 1, 2003.
[8-FY04] S.B. 8 (20th S.S.) changed the \$25 one-time annual business license fee to an annual fee of \$100, effective July 22, 2003.
[9-FY04] S.B. 8 (20th S.S.) repealed the current quarterly \$25 per employee tax when the Modified Business Tax comes online, effective October 1, 2003. [See Notes 10 and 11]
[10-FY04] S.B. 8 (20th S.S.) imposes tax on gross payroll of a business less a deduction for health care provided to employees, effective October 1, 2003. Tax rate is 0.70% in FY 2004 and 0.65% in FY 2005.
[11-FY04] S.B. 8 (20th S.S.) imposes tax of 2.0% on gross payroll of a financial institution less a deduction for health care provided to employees, effective October 1, 2003.
[12-FY04] S.B. 8 (20th S.S.) imposes excise tax on each bank of \$7,000 per year (\$1,750 per quarter) on each branch office, effective January 1, 2004.
[13-FY04] S.B. 8 (20th S.S.) imposes tax of \$1.30 per \$500 of value on the transfers of real property, effective October 1, 2003.
[14-FY04] S.B.2 and A.B. 4 (20th S.S.) makes changes to the rates and structure of the fees collected from entities filing with the Secretary of State's office, effective September 1, 2003 for Securities and UCC fee increases and November 1, 2003 for changes to commercial
[15-FY04] S.B. 428 (2003 Session) increases real estate salesman, broker-salesman, and brokers licensing fees by \$20 for an original license and \$10 for renewal of license (original and renewal license fee varies depending on type of license), effective July 1, 2003.
[16-FY04] A.B. 493 (2003 Session) established that revenues from fees collected by the Division of Financial Institutions of the Department of Business & Industry will be deposited in a separate fund to pay the expenses related to the operations of the Commissioner of Financial Institutions and the Division of Financial Institutions, effective January 1, 2004. Previously, the revenues from the fees were deposited in the state general fund.
[17-FY04] A.B. 550 (2003 Session) increased state's portion of the fee for issuing copy of a birth certificate by \$2 and fee for issuing copy of death certificate by \$1, effective October 1, 2003
[18-FY04] S.B. 504 (2003 Session) transferred the State Printing Division of the Department of Administration to the Legislative Counsel Bureau and all debt to the state general fund was forgiven, effective July 1, 2003.
[19-FY04] Beginning in FY 2004, the portion of the fees collected by the Real Estate Division for Real Estate Testing Fees that belong to the general fund are transferred from Category 28 in BA 3823 to GL 4741 in the General Fund. Previously, the revenue from these fees were reverted to the general fund at the end of the fiscal year.

FY 2006

- [1-FY06] S.B. 357 (2005 Session) allocates \$1 per slot machine per quarter in FY 2006 and \$2 per slot machine per quarter in FY 2007 from the quarterly license fee imposed on restricted and nonrestricted slot machines and sunsets effective June 30, 2007. A total of \$822,000 in FY 2006 and \$1,678,000 is projected to be deposited in the Account to Support Programs for the Prevention and Treatment of Problem Gambling. (FY 2006: \$84,666 - restricted; \$737,334 - Nonrestricted and FY 2007: \$172,834 - Restricted; \$1,505,166 - Nonrestricted)
[2-FY06] A.B. 554 (2005 Session) lowers the occupancy threshold from 300 to 200, effective July 1, 2005. Estimated to generate \$3,600,000 in FY 2006 and FY 2007.
[3-FY06] S.B. 3 (22nd S.S.) provides an exemption for entities that have four or fewer rental dwelling units. Estimated to reduce collections by \$2,975,000 in FY 2006 and \$3,060,000 in FY 2007.
[4-FY06] S.B. 3 (22nd S.S.) allows an entity operating a facility where craft shows, exhibitions, trade shows, conventions, or sporting events to pay the BLF for entities not having a business license as an annual flat fee of \$5,000 or on a \$1.25 times the number entities without a business license times the number days of the show basis. Estimated to generate \$134,420 in FY 2006 and \$158,884 in FY 2007.
[5-FY06] S.B. 391 (2005 Session) replaces the NAICS-based approach for defining a financial institution with a structure based on a state or federal licensing or regulatory requirement for conducting financial activities. Collection agencies and pawn shops are not included as financial institutions, but as nonfinancial businesses. The changes are estimated to reduce MBT-Financial collections by \$1,801,800 in FY 2006 and \$2,047,500 in FY 2007 and increase MBT-Nonfinancial collections by \$584,168 in FY 2006 and \$621,237 in FY 2007. Net effect is a reduction in total MBT collections of \$1,217,632 in FY 2006 and \$1,426,263 in FY 2007.
[6-FY06] S.B. 523 (2005 Session) reduces the MBT-nonfinancial institutions tax rate from 0.65% to 0.63% from July 1, 2005 to June 30, 2007. Estimated to reduce collections by \$6,978,000 in FY 2006 and \$7,450,000 in FY 2007.
[7-FY06] S.B. 3 (22nd S.S.) provides an exemption for the first branch bank operated by a bank in each county, replacing the previous exemption for one branch bank only. Estimated to reduce collections by \$441,000 in FY 2006 and FY 2007.
[8-FY06] S.B. 390 (2005 Session) increases the collection allowance provided to Clark County and Washoe County from 0.2% to 1.0%, effective July 1, 2005, which makes the collection allowance 1.0% in all 17 counties. Estimated to reduce collections by \$1,056,292 in FY 2006 and \$1,022,504 in FY 2007.
[9-FY06] S.B. 4 (22nd S.S.) allocates \$7,600,000 of the Unclaimed Property revenues collected by the State Treasurer to the Millenium Scholarship Trust Fund in FY 2006 and FY 2007.

NEVADA GENERAL FUND REVENUE ACTUAL BY SOURCE, FY 2003-04



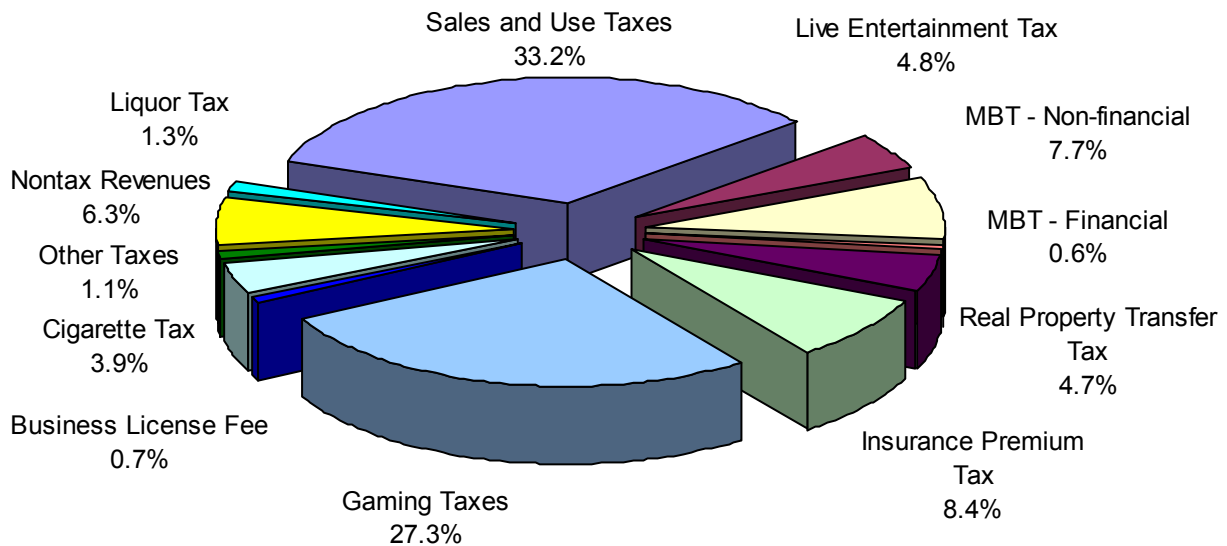
ACTUAL GENERAL FUND REVENUE - FY 2003-04

	<u>Millions \$'s</u>	<u>% of Total</u>		<u>Millions \$'s</u>	<u>% of Total</u>
Taxes:			Other Taxes:		
State Gaming Taxes	\$714.6	29.7%	Business License Tax (b)	\$22.2	0.9%
Sales and Use Taxes	\$790.6	32.9%	Mining Tax	\$16.8	0.7%
Insurance Premium Tax	\$194.5	8.1%	Annual Slot Tax Transfer	\$5.0	0.2%
Cigarette Tax	\$106.8	4.4%	Tobacco & Other Taxes	\$6.9	0.3%
Casino/Live Entertainment Tax (a) (b):			Branch Bank Excise Tax (a)	\$1.5	0.1%
Gaming Establishments	\$84.9	3.5%	Subtotal Other Taxes	\$52.4	2.2%
Non-Gaming Establishments	\$4.3	0.2%			
Modified Business Tax (MBT) (a):			Subtotal Taxes	\$2,242.7	93.3%
Non-Financial Institutions	\$146.2	6.1%			
Financial Institutions	\$15.5	0.6%	Nontax Revenues		
Real Property Transfer Tax (a)	\$88.0	3.7%	Licenses	\$91.7	3.8%
Business License Fee (a)	\$11.9	0.5%	Fees and Fines	\$32.0	1.3%
Liquor Tax	\$33.0	1.4%	Use of Money and Property	\$6.5	0.3%
			Miscellaneous Revenues	\$31.1	1.3%
			Subtotal Nontax Revenues	\$161.3	6.7%
			Total General Fund	\$2,404.0	100.0%

(a) New state taxes approved by the 2003 Legislature (A.B. 4 and S.B. 8 - 20th Special Session)

(b) Taxes repealed in FY 2003-04 by the 2003 Legislature (S.B. 8 - 20th Special Session)

NEVADA GENERAL FUND REVENUE ADJUSTED* ECONOMIC FORUM FORECAST, 2005-07 BIENNIUM



ESTIMATED GENERAL FUND REVENUE - 2005-07 BIENNIUM ADJUSTED* ECONOMIC FORUM MAY 2, 2005 FORECAST

	<u>Millions \$'s</u>	<u>% of Total</u>		<u>Millions \$'s</u>	<u>% of Total</u>
Taxes:			Other Taxes:		
State Gaming Taxes (c)	\$1,613.9	27.3%	Business License Tax (b)	\$0.8	0.0%
Sales and Use Taxes	\$1,957.7	33.2%	Mining Tax	\$31.1	0.5%
Insurance Premium Tax	\$493.0	8.4%	Annual Slot Tax Transfer	\$10.0	0.2%
Cigarette Tax	\$230.4	3.9%	Tobacco & Other Taxes	\$15.9	0.3%
Live Entertainment Tax (a)(c):			Branch Bank Excise Tax (a)(c)	\$5.4	0.1%
Gaming Establishments	\$257.2	4.3%	Subtotal Other Taxes	\$63.2	1.1%
Non-Gaming Establishments	\$27.0	0.5%			
Modified Business Tax (MBT) (a)(c):			Subtotal Taxes	\$5,531.6	93.7%
Non-Financial Institutions	\$455.7	7.7%			
Financial Institutions	\$37.9	0.6%	Nontax Revenues		
Real Property Transfer Tax (a)(c)	\$279.7	4.7%	Licenses	\$217.4	3.7%
Business License Fee (a)(c)	\$40.2	0.7%	Fees and Fines	\$73.2	1.2%
Liquor Tax	\$75.7	1.3%	Use of Money and Property	\$36.7	0.6%
			Miscellaneous Revenues (c)	\$41.8	0.8%
			Subtotal Nontax Revenues	\$369.1	6.3%
			Total General Fund	\$5,900.7	100.0%

*Adjusted for Legislative actions approved by the 2005 Legislature (73rd Session and 22nd Special Session)

(a) New state taxes approved by the 2003 Legislature (A.B. 4 and S.B. 8 - 20th Special Session)

(b) Taxes repealed in FY 2003-04 by the 2003 Legislature (S.B. 8 - 20th Special Session)

(c) The FY 2006 footnotes for the General Fund Revenue Table on page 7 provide a description of the Legislative actions approved by the 2005 Legislature reflected in the table.

GENERAL FUND APPROPRIATIONS



GENERAL FUND APPROPRIATIONS

The 2005 Legislature appropriated \$6.47 billion from the state General Fund which was approximately \$256.4 million more than the amount recommended by the Governor in The Executive Budget.

Appropriations approved by the 2005 Legislature (including the 22nd Special Session) include \$39.1 million in supplementals, \$599.0 million in special, one-time items and Capital Improvement Projects (includes \$300.0 million appropriation to be refunded to taxpayers), \$19.0 million to restore various fund balances, \$71.0 million to increase the balance in the fund to stabilize the operation of state government (Rainy Day Fund) and \$17.1 million for the cost of the 73rd Regular and 22nd Special Session. The balance of appropriations was made for general operating purposes of state government for fiscal years 2005-06 and 2006-07.

For FY 2005-06, General Fund operating appropriations of \$2.77 billion were approved, which represents a 7.7 percent increase when compared to \$2.58 billion appropriated in FY 2004-05 (includes supplemental appropriations). For FY 2006-07, operating appropriations of \$3.02 billion were approved, which represents a 9.0 percent increase over FY 2005-06 operating appropriations. The overall biennial increase in operating appropriations is 19.0 percent. Operating appropriations approved by the 2005 Legislature were approximately \$5.3 million higher in FY 2005-06 and \$80.6 million higher in FY 2006-07 than the amounts recommended by the Governor.

Significant increases in General Fund support during the 2005-07 biennium were approved for K-12 Education, the Nevada System of Higher Education and Human Services. These three areas received a total increase of \$739.0 million over the funding approved for the 2003-05 biennium (includes supplemental appropriations approved by the 2005 Legislature). A significant increase in General Fund support was also approved in the Finance and Administration functional area which is mainly due to funding approved to finance pay raises in each year of the 2005-07 biennium and for continued development and implementation of the Unified Tax System at the Department of Taxation. Additional information on the appropriations approved by the 2005 Legislature in these functional areas can be found in the Finance and Administration, Education and Human Services sections of this report.

After adjusting for interagency transfers, the total authority for spending for the 2005-07 biennium from revenue sources other than General Fund is \$7.98 billion. Total spending authorized from all revenue sources, including General Fund, totals \$13.78 billion, which compares to \$12.17 billion for the 2003-05 biennium (includes supplemental appropriations).

**GENERAL FUND APPROPRIATIONS
2005 LEGISLATURE and 22nd SPECIAL SESSION
COMPARISON OF
GOVERNOR RECOMMENDED VERSUS LEGISLATIVELY APPROVED**

	Governor Recommended	Legislature Approved	Difference
<u>Fiscal Year 2004-05</u>			
Restore Fund Balances	\$19,000,000	\$19,000,000	\$0
Supplemental Appropriations	\$17,024,938	\$39,086,577	\$22,061,639
Special or One-time Appropriations	\$27,155,934	\$47,004,301	\$19,848,367
Millennium Scholarship Trust Fund	\$0	\$35,000,000	\$35,000,000
Capital Improvements	\$0	\$30,172,106	\$30,172,106
Tax Rebate	\$300,000,000	\$300,000,000	\$0
Cost of Legislature	\$17,500,000	\$17,100,000	(\$400,000)
Total Appropriations	<u>\$380,680,872</u> ^{a.}	<u>\$487,362,984</u> ^{a.}	<u>\$106,682,112</u>
Difference		<u>\$106,682,112</u>	
<u>Fiscal Year 2005-06</u>			
Operating Appropriations	\$1,940,940,107	\$1,919,831,912	(\$21,108,195)
Distributive School Account	\$702,065,382	\$728,135,261	\$26,069,879
Class Size	\$125,248,620	\$125,552,187	\$303,567
Special or One-Time Appropriations	\$0	\$38,347,592	\$38,347,592
Fund to Stabilize Operation of State Government	\$3,000,000	\$37,000,000	\$34,000,000
Capital Improvements	\$52,000,000	\$53,623,972	\$1,623,972
Total Appropriations	<u>\$2,823,254,109</u> ^{a.}	<u>\$2,902,490,924</u> ^{a.}	<u>\$79,236,815</u>
Difference		<u>\$79,236,815</u>	
<u>Fiscal Year 2006-07</u>			
Operating Appropriations	\$2,061,796,927	\$2,060,830,171	(\$966,756)
Distributive School Account	\$747,012,998	\$825,642,294	\$78,629,296
Class Size	\$134,953,490	\$137,922,619	\$2,969,129
Special or One-Time Appropriations	\$0	\$23,807,077	\$23,807,077
Fund to Stabilize Operation of State Government	\$68,000,000	\$34,000,000	(\$34,000,000)
Capital Improvements	\$0	\$0	\$0
Total Appropriations	<u>\$3,011,763,415</u> ^{a.}	<u>\$3,082,202,161</u> ^{a.}	<u>\$70,438,746</u>
Difference		<u>\$70,438,746</u>	
CUMULATIVE DIFFERENCE		<u>\$256,357,673</u>	

^{a.} Does not include "triggered" transfers to the Fund to Stabilize the Operation of State Government.

^{b.} Includes \$4,000,000 appropriated to IFC for unexpected health care costs.

GENERAL FUND OPERATING APPROPRIATIONS BY FUNCTIONAL AREA: 2003-05 AND 2005-07 BIENNIUM

	Legislature Approves 2003-05 Biennium ^a		Governor Recommends 2005-07 Biennium		Dollar Change	Percent Change	Legislature Approves 2005-07 Biennium		Dollar Change	Percent Change
Constitutional Agencies	\$ 176,030,045	3.6% ^b	\$ 166,753,174	2.9%	\$ (9,276,871)	-5.3%	\$ 163,587,688	2.8%	\$ (12,442,357)	-7.1%
Finance & Administration	\$ 55,683,454	1.1% ^c	\$ 160,355,278	2.8% ^g	\$ 104,671,824	188.0%	\$ 172,733,250	3.0% ^h	\$ 117,049,796	210.2%
Education:										
University System	\$ 989,403,295	20.3% ^d	\$ 1,162,070,126	20.3% ⁱ	\$ 172,666,831	17.5%	\$ 1,149,187,732	19.8% ^j	\$ 159,784,437	16.1%
K-12 ^f	\$ 1,685,019,177	34.6% ^e	\$ 1,852,039,112	32.4%	\$ 167,019,935	9.9%	\$ 1,962,844,526	33.9%	\$ 277,825,349	16.5%
<u>Other Education</u>	\$ 25,654,322	<u>0.5%</u>	\$ 28,372,141	<u>0.5%</u>	\$ 2,717,819	<u>10.6%</u>	\$ 27,881,169	<u>0.5%</u>	\$ 2,226,847	<u>8.7%</u>
Subtotal Education	\$ 2,700,076,794	55.4%	\$ 3,042,481,379	53.3%	\$ 342,404,585	12.7%	\$ 3,139,913,427	54.2%	\$ 439,836,633	16.3%
Human Services	\$ 1,338,546,422	27.5%	\$ 1,646,112,226	28.8%	\$ 307,565,804	23.0%	\$ 1,639,969,006	28.3%	\$ 301,422,584	22.5%
Commerce & Industry	\$ 85,341,037	1.8%	\$ 101,400,232	1.8%	\$ 16,059,195	18.8%	\$ 99,769,477	1.7%	\$ 14,428,440	16.9%
Public Safety	\$ 456,550,753	9.4%	\$ 525,911,921	9.2%	\$ 69,361,168	15.2%	\$ 516,271,263	8.9%	\$ 59,720,510	13.1%
Infrastructure	\$ 49,759,707	1.0%	\$ 56,199,542	1.0%	\$ 6,439,835	12.9%	\$ 54,485,810	0.9%	\$ 4,726,103	9.5%
<u>Special Purpose Agencies</u>	\$ 11,965,813	<u>0.2%</u>	\$ 12,803,772	<u>0.2%</u>	\$ 837,959	<u>7.0%</u>	\$ 11,184,523	<u>0.2%</u>	\$ (781,290)	<u>-6.5%</u>
Total Appropriations	\$ 4,873,954,025	100.0%	\$ 5,712,017,524	100.0%	\$ 838,063,499	17.2%	\$ 5,797,914,444	100.0%	\$ 923,960,419	19.0%

^a. Funding displayed for the 2003-05 Biennium includes Supplemental Appropriations of \$39,086,577 as approved by the 2005 Legislature for fiscal year 2005.

^b. Includes \$27.5 million for allocation by IFC for implementation of new and enhanced general fund revenues and approximately \$800,000 per year for allocation for Retired Employees Group Insurance.

^c. Includes \$5.7 million in salary adjustment funds for salary increases for State employees.

^d. Includes \$89.2 million in appropriations that are offset by deposit of Estate Tax Revenues to the General Fund and salary adjustment and REGI adjustment funds of \$9.6 million.

^e. Reduced by \$67.9 million in funding received from Federal Flexible Funding (PL 108-27).

^f. Includes State Department of Education.

^g. Includes \$50.9 million in salary adjustment funds for payraises recommended by the Governor.

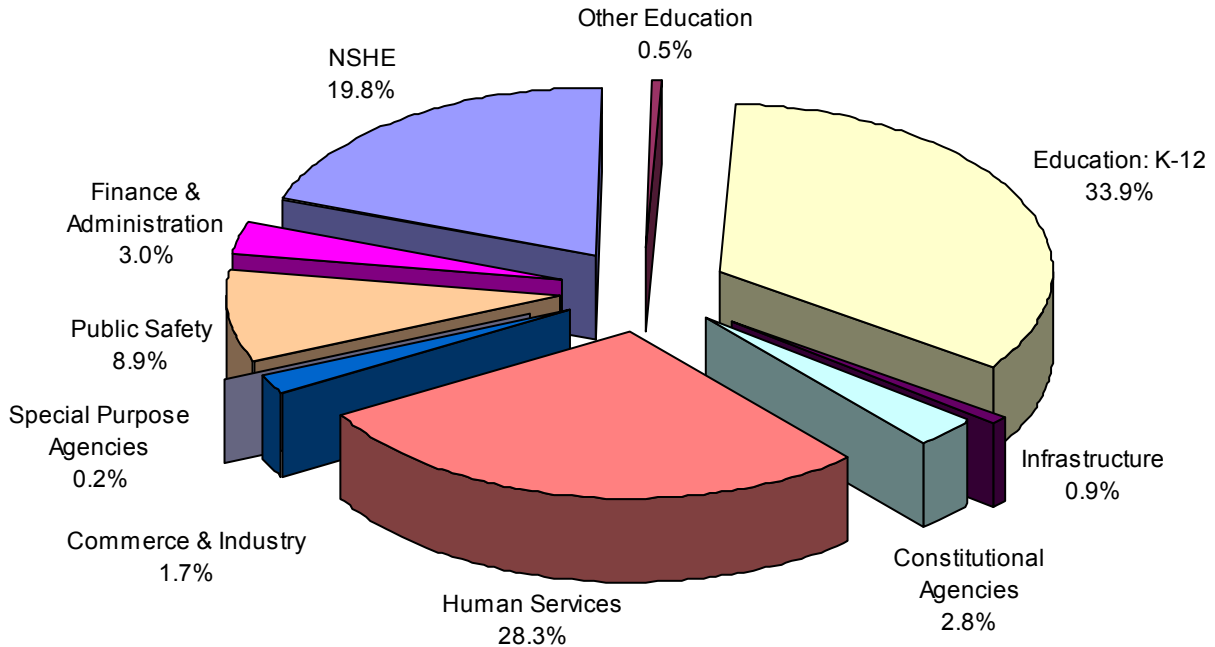
^h. Includes \$73.8 million in salary adjustment funds for payraises approved by the Legislature.

ⁱ. Includes \$21.9 million in salary adjustment funds for payraises recommended by the Governor.

^j. Includes \$34.1 million in salary adjustment funds for payraises approved by the Legislature.

NEVADA GENERAL FUND APPROPRIATIONS

LEGISLATURE APPROVED, 2005-07 BIENNIUM

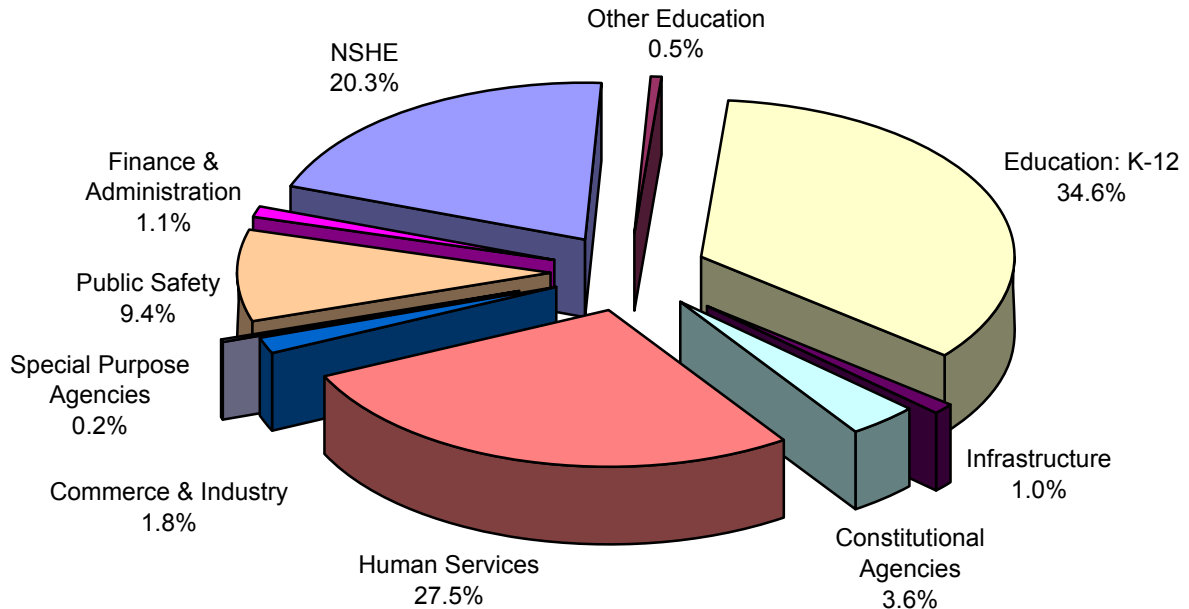


LEGISLATURE APPROVED APPROPRIATIONS - 2005-07 BIENNIUM

	<u>FY 2005-06</u>	<u>FY 2006-07</u>	<u>Total</u>	<u>% of TOTAL</u>
CONSTITUTIONAL AGENCIES	\$ 81,500,707	\$ 82,086,981	\$ 163,587,688	2.8%
FINANCE & ADMINISTRATION	\$ 88,320,146	\$ 84,413,104	\$ 172,733,250	3.0%
EDUCATION:				
NEVADA SYSTEM OF HIGHER EDUCATION	\$ 557,374,664	\$ 591,813,068	\$ 1,149,187,732	19.8%
KINDERGARTEN TO 12TH GRADE	\$ 926,769,939	\$ 1,036,074,587	\$ 1,962,844,526	33.9%
OTHER EDUCATION	\$ 14,168,003	\$ 13,713,166	\$ 27,881,169	0.5%
SUBTOTAL EDUCATION	\$ 1,498,312,606	\$ 1,641,600,821	\$ 3,139,913,427	54.2%
HUMAN SERVICES	\$ 773,985,219	\$ 865,983,787	\$ 1,639,969,006	28.3%
COMMERCE & INDUSTRY	\$ 50,228,650	\$ 49,540,827	\$ 99,769,477	1.7%
PUBLIC SAFETY	\$ 248,038,131	\$ 268,233,132	\$ 516,271,263	8.9%
INFRASTRUCTURE	\$ 27,464,746	\$ 27,021,064	\$ 54,485,810	0.9%
SPECIAL PURPOSE AGENCIES	\$ 5,669,155	\$ 5,515,368	\$ 11,184,523	0.2%
TOTAL	\$ 2,773,519,360	\$ 3,024,395,084	\$ 5,797,914,444	100.0%

NEVADA GENERAL FUND APPROPRIATIONS

LEGISLATURE APPROVED, 2003-05 BIENNIUM



LEGISLATURE APPROVED APPROPRIATIONS - 2003-05 BIENNIUM ¹

	<u>FY 2003-04</u>	<u>FY 2004-05</u>	<u>Total</u>	<u>% of TOTAL</u>
CONSTITUTIONAL AGENCIES	\$ 87,354,056	\$ 88,675,989	\$ 176,030,045	3.6%
FINANCE & ADMINISTRATION	\$ 24,505,634	\$ 31,177,820	\$ 55,683,454	1.1%
EDUCATION:				
NEVADA SYSTEM OF HIGHER EDUCATION	\$ 482,655,305	\$ 506,747,990	\$ 989,403,295	20.3%
KINDERGARTEN TO 12TH GRADE	\$ 768,812,598	\$ 916,206,579	\$ 1,685,019,177	34.6%
OTHER EDUCATION	\$ 13,189,362	\$ 12,464,960	\$ 25,654,322	0.5%
SUBTOTAL EDUCATION	\$ 1,264,657,265	\$ 1,435,419,529	\$ 2,700,076,794	55.4%
HUMAN SERVICES	\$ 627,028,394	\$ 711,518,028	\$ 1,338,546,422	27.5%
COMMERCE & INDUSTRY	\$ 42,734,818	\$ 42,606,219	\$ 85,341,037	1.8%
PUBLIC SAFETY	\$ 221,166,114	\$ 235,384,639	\$ 456,550,753	9.4%
INFRASTRUCTURE	\$ 25,160,142	\$ 24,599,565	\$ 49,759,707	1.0%
SPECIAL PURPOSE AGENCIES	\$ 6,006,478	\$ 5,959,335	\$ 11,965,813	0.2%
TOTAL	\$ 2,298,612,901	\$ 2,575,341,124	\$ 4,873,954,025	100.0%

¹ Includes supplemental appropriations as approved by the 2005 Legislature.

GENERAL FUND SUPPLEMENTAL APPROPRIATIONS
GOVERNOR RECOMMENDS AND LEGISLATURE APPROVES - 2005 LEGISLATURE & 22nd SPECIAL SESSION
2005-07 BIENNIUM

BILL NUMBER	CHAPTER	DEPARTMENT/ DIVISION	PURPOSE	EXECUTIVE BUDGET			LEGISLATURE APPROVES		
				FY 2005	FY 2006	FY 2007	FY 2005	FY 2006	FY 2007
CONSTITUTIONAL AGENCIES									
-	-	Ethics Commission	Temporary lease of office space.	\$4,450			\$0		
EDUCATION									
S.B. 88	-	Cultural Affairs, Nevada State Library	For records storage costs.	\$9,444			\$0		
S.B. 88	-	Cultural Affairs, Comstock Historic District	For anticipated operating costs.	\$3,037			\$0		
S.B. 108	41	Education, Education for the Handicapped Act	To fund unanticipated placement costs in the NRS 395 program.	\$0			\$87,590		
S.B. 511	251	Education, Other State Education Programs	For signing bonuses for newly hired teachers.	\$0			\$436,000		
A.B. 93	214	Education, DSA	For health care subsidies to retired school district employees.	\$9,645,678			\$7,912,640		
A.B. 107	19	Nevada System of Higher Education	For required match for the Perkins Student Loan Program (Federal).	\$1,400			\$1,400		
HUMAN SERVICES									
S.B. 89	285	DHR, Health Division	Bureau of Alcohol and Drug Abuse - Maintenance of Effort for the Substance Abuse, Prevention and Treatment Block Grant	\$521,620			\$361,620		
S.B. 90	106	DHR, Mental Health/Developmental Services	Southern Nevada Adult Mental Health Services - Operating expenses associated with the opening of the 28-bed inpatient annex.	\$2,730,965			\$2,410,118		
S.B. 90	106	DHR, Mental Health/Developmental Services	Rural Clinics - For unanticipated Medicaid, Insurance Recoveries and Client Charge revenue shortfalls.	\$483,315			\$483,315		
S.B. 512	286	DHR, Health Care Financing and Policy	For unanticipated expenses for the Nevada Medicaid Program.	\$0			\$22,771,148		
S.B. 512	286	DHR, Health Care Financing and Policy	For unanticipated expenses for the Nevada Check-Up Program.	\$0			\$773,871		
COMMERCE AND INDUSTRY									
A.B. 95	23	Business and Industry, Athletic Commission	For unanticipated shortfalls in the commission's budget in fiscal years 2004 and 2005 due to reclassifications of two administrative assistant positions.	\$7,963			\$15,204		

**GENERAL FUND SUPPLEMENTAL APPROPRIATIONS
GOVERNOR RECOMMENDS AND LEGISLATURE APPROVES - 2005 LEGISLATURE & 22nd SPECIAL SESSION
2005-07 BIENNIUM**

BILL NUMBER	CHAPTER	DEPARTMENT/ DIVISION	PURPOSE	EXECUTIVE BUDGET			LEGISLATURE APPROVES		
				FY 2005	FY 2006	FY 2007	FY 2005	FY 2006	FY 2007
PUBLIC SAFETY									
S.B. 91	133	Corrections, Misc Institutions	For expenses in excess of budgeted for utilities (\$1,850,384), operating (\$90,000), inmate-driven (\$532,252) and facility maintenance (\$23,000).	\$2,141,674			\$2,495,636		
S.B. 91	133	Corrections, Southern Nevada Women's Correctional Facility	For annualized cost of operating the Southern Nevada Women's Correctional Facility	\$1,352,710			\$1,223,433		
S.B. 92	85	Public Safety, Dignitary Protection	For unanticipated out-of-state travel, in-state travel and operating expenses.	\$28,710			\$35,000		
INFRASTRUCTURE									
A.B. 94	22	CNR, Director's Office	Terminal leave costs incurred due to retirement of former director and administrative services officer.	\$42,460			\$28,090		
A.B. 94	22	CNR, Conservation Districts	For tort and automobile liability premiums.	\$36,532			\$36,532		
A.B. 94	22	CNR, Water Resources	For costs paid to the United States Geological Survey for stream and river gauging.	\$14,980			\$14,980		
TOTAL GENERAL FUND SUPPLEMENTAL APPROPRIATIONS				\$17,024,938			\$39,086,577		
TOTAL GENERAL FUND SUPPLEMENTAL APPROPRIATIONS EXECUTIVE BUDGET							\$17,024,938		
DIFFERENCE							\$22,061,639		

**GENERAL FUND APPROPRIATIONS TO RESTORE FUND BALANCES
GOVERNOR RECOMMENDS - 2005 LEGISLATURE & 22nd SPECIAL SESSION
2005-07 BIENNIUM**

BILL NUMBER	CHAPTER	APPROPRIATED TO	PURPOSE	EXECUTIVE BUDGET			LEGISLATURE APPROVES		
				FY 2005	FY 2006	FY 2007	FY 2005	FY 2006	FY 2007
S.B. 94	27	Interim Finance Contingency Fund	To restore the balance in the fund to approximately \$12 million.	\$12,000,000			\$12,000,000		
S.B. 95	452	Fund to Stabilize the Operation of State Government	To increase the balance in the fund.		\$3,000,000	\$68,000,000		\$37,000,000	\$34,000,000
A.B. 96	15	State Claims Account	To restore the balance in the account to approximately \$3.5 million.	\$3,500,000			\$3,500,000		
A.B. 96	15	Emergency Account	To restore the balance in the account to approximately \$500,000	\$500,000			\$500,000		
A.B. 96	15	Statutory Contingency Account	To restore the balance in the account to approximately \$3 million.	\$3,000,000			\$3,000,000		
TOTAL GENERAL FUND APPROPRIATIONS TO RESTORE FUND BALANCES				\$19,000,000	\$3,000,000	\$68,000,000	\$19,000,000	\$37,000,000	\$34,000,000
TOTAL GENERAL FUND APPROPRIATIONS TO RESTORE FUND BALANCES - EXECUTIVE BUDGET							\$19,000,000	\$3,000,000	\$68,000,000
DIFFERENCE							\$0	\$34,000,000	-\$34,000,000

**HIGHWAY FUND APPROPRIATIONS TO RESTORE FUND BALANCES
GOVERNOR RECOMMENDS - 2005 LEGISLATURE & 22nd SPECIAL SESSION
2005-07 BIENNIUM**

BILL NUMBER	CHAPTER	FUND	PURPOSE	EXECUTIVE BUDGET			LEGISLATURE APPROVES		
				FY 2005	FY 2006	FY 2007	FY 2005	FY 2006	FY 2007
S.B. 94	27	Interim Finance Contingency Fund	To restore the balance in the fund to \$2 million.	\$2,000,000			\$964,701		
TOTAL HIGHWAY FUND APPROPRIATIONS TO RESTORE FUND BALANCES				\$2,000,000			\$964,701		
TOTAL HIGHWAY FUND APPROPRIATIONS TO RESTORE FUND BALANCES - EXECUTIVE BUDGET							\$2,000,000		
DIFFERENCE							-\$1,035,299		

**GENERAL FUND ONE-TIME OR SPECIAL APPROPRIATIONS
GOVERNOR RECOMMENDS - 2005 LEGISLATURE & 22nd SPECIAL SESSION
2005-07 BIENNIUM**

BILL NUMBER ^a	CHAPTER	APPROPRIATED TO	PURPOSE	EXECUTIVE BUDGET			LEGISLATURE APPROVES		
				FY 2005	FY 2006	FY 2007	FY 2005	FY 2006	FY 2007
CONSTITUTIONAL AGENCIES									
S.B. 96	253	Office of the Governor	To pay the costs for a contractor to update the State's Energy Assurance Plan pursuant to federal guidelines.	\$125,000			\$31,250		
S.B. 100	301	Supreme Court	For remodeling costs associated with the conversion of two offices into meeting rooms.	\$20,000			\$20,000		
S.B. 101	453	Legislative Counsel Bureau	For reproducing out-of-print publications.	\$130,842			\$130,842		
S.B. 101	453	Legislative Counsel Bureau	For information technology upgrades.	\$1,091,235			\$1,091,235		
S.B. 101	453	Legislative Counsel Bureau	For building improvements and an emergency generator.	\$335,000			\$335,000		
S.B. 101	453	Legislative Counsel Bureau	For a portion of the payment of lease-purchase costs of a warehouse connected to the State Printing Office, resurfacing of the exterior of the State Printing Office and a parking lot (\$107,892 per year).				\$215,784		
A.B. 97	26	Account for the Governor's Portrait	For the preparation and framing of a portrait of Governor Kenny C. Guinn.	\$20,000			\$20,000		
A.B. 576	434	Supreme Court	For moving and furnishings expenditures required for relocating to the Regional Justice Center in Clark County.				\$194,204		
FINANCE AND ADMINISTRATION									
S.B. 97		Department of Administration	For security enhancements in the Attorney General's Office, the Capitol Building and the Supreme Court. <i>Funded in S.B. 2, 22nd Special Session.</i>	\$447,655					
S.B. 107	-	Board of Examiners	For expenses related to construction of a new court facility in White Pine County.	\$8,000,000					
S.B. 496	28	State Public Works Board	05-C13 - Office of the Military: Design of the Las Vegas Readiness Center. <i>Early funding of design for project recommended by the Governor in <u>The Executive Budget</u> to facilitate awarding of construction contract by September 2005 when Federal Funds must be obligated.</i>				\$617,578		
S.B. 524	398	State Public Works Board	2005-07 Biennium Capital Improvement Projects. <i>Refer to S.B. 496 and A.B. 204 for additional General Fund support for CIP's.</i>		\$52,000,000		\$28,154,528	\$53,623,972	
S.B. 510	252	State Public Works Board	For expenses relating to the arbitration associated with the design and construction of the Southern Nevada Veterans' Home.				\$673,900		
A.B.98	287	Motor Pool Division	For additional vehicles to be utilized by agencies that have requested them. 60 vehicles will be purchased in FY 2006 and 3 vehicles will be purchased in FY 2007.	\$1,100,603			\$1,213,174		

**GENERAL FUND ONE-TIME OR SPECIAL APPROPRIATIONS
GOVERNOR RECOMMENDS - 2005 LEGISLATURE & 22nd SPECIAL SESSION
2005-07 BIENNIUM**

BILL NUMBER ^a	CHAPTER	APPROPRIATED TO	PURPOSE	EXECUTIVE BUDGET			LEGISLATURE APPROVES		
				FY 2005	FY 2006	FY 2007	FY 2005	FY 2006	FY 2007
A.B. 99	-	Department of Administration	For support of the Southwest Defense Alliance and Nevada's representative serving on the Alliance.	\$50,000					
A.B. 103	248	Department of Administration	For allocation to the Nevada Rural Hospital Partners for establishment of a pool for loans for rural health care providers.	\$1,000,000			\$1,000,000		
A.B. 204	13	State Public Works Board	05-C14 - Department of Human Resources; Design and construction of a 40-bed addition to the 150-bed psychiatric hospital at SNAMHS. <i>Early funding for project recommended by the Governor in <u>The Executive Budget</u> to allow for construction of project without interruption and without additional inflationary increases.</i>				\$1,400,000		
A.B. 572	432	Account for One-Time Rebate	To pay the costs incurred for issuing and paying rebates pursuant to this legislation.	\$300,000,000			\$300,000,000		
A.B. 580 ^c	482 ^c	Department of Administration	For compilation of a report on the status of the finances of the State.					\$20,351	\$14,851
S.B. 1S ^c	7 ^c	Interim Finance Committee	For allocation to the Department of Taxation for costs incurred by the Department or other governmental entities relating to the implementation of A.B. 489 or S.B. 509 or the 73rd Session of the Nevada Legislature.				\$1,000,000		
S.B. 2S	8	Department of Administration	For security enhancements in the Attorney General's Office, the Capitol Building and the Supreme Court. <i>Governor recommended in S.B. 97, 73rd Session.</i>				\$433,550		
EDUCATION									
S.B. 103	302	Department of Cultural Affairs / Southern Nevada Railroad Museum	For upgrade for the air brake system on locomotive #1000 for passenger safety.	\$10,000			\$10,000		
S.B. 103	302	Department of Cultural Affairs / Southern Nevada Railroad Museum	Track reconstruction utilizing "Wye" (used in place of a turntable).	\$69,140			\$69,140		
S.B. 103	302	Department of Cultural Affairs / Southern Nevada Railroad Museum	For the purchase of a used backhoe.	\$30,000			\$30,000		
S.B. 103	302	Department of Cultural Affairs / Southern Nevada Railroad Museum	For 500 feet of new track, 13,000 square feet of steel covered canopies, walkways, lighting, fencing and landscaping; includes engineering and design costs.	\$750,000			\$750,000		
S.B. 105	392	University of Nevada School of Medicine	For support of its partnership with the Nevada Cancer Institute and Center for Excellence to expand research, treatment, education and teaching opportunities in Nevada.	\$10,000,000			\$10,000,000		

**GENERAL FUND ONE-TIME OR SPECIAL APPROPRIATIONS
GOVERNOR RECOMMENDS - 2005 LEGISLATURE & 22nd SPECIAL SESSION
2005-07 BIENNIUM**

BILL NUMBER ^a	CHAPTER	APPROPRIATED TO	PURPOSE	EXECUTIVE BUDGET			LEGISLATURE APPROVES		
				FY 2005	FY 2006	FY 2007	FY 2005	FY 2006	FY 2007
A.B. 102	-	Department of Administration	For allocation to the Nevada Humanities Committee to assist in the operation of the southern Nevada Office. <i>Funding approved in B/A 2894-Nevada Humanities; \$100,000 per fiscal year.</i>	\$200,000					
A.B. 104	153	Western Interstate Commission for Higher Education	For upgrades in information technology for its accounting system.	\$67,900			\$67,900		
A.B. 580 ^c	482 ^c	Legislative Counsel Bureau	For financial management reviews of school districts in Nevada.				\$300,000		
A.B. 580 ^c	482 ^c	Department of Education	To fund the cost of a five percent increase to the salary of certain speech pathologists. If the funding is insufficient to pay the total cost of the salary increase the school district shall pay the difference.					\$533,337	\$572,691
A.B. 580 ^c	482 ^c	Department of Education	For the support of nonprofit public broadcasting stations in Nevada whose programs are devoted primarily to serving the educational, informational and cultural needs of Nevada.						\$300,000
A.B. 580 ^c	482 ^c	Department of Education	For the purchase of portable classrooms for the provision of full-day kindergarten.				\$4,745,500	\$2,650,000	
A.B. 580 ^c	482 ^c	Nevada System of Higher Education - UNLV	Women's Research Institute at UNLV					\$150,000	\$150,000
A.B. 580 ^c	482 ^c	Department of Cultural Affairs / State Library and Archives	For grants to local libraries for library collections.					\$600,000	\$600,000
A.B. 580 ^c	482 ^c	Department of Education	To establish a pilot program to teach the English language to children who have limited proficiency in the English language in the summer before they attend kindergarten.					\$175,000	
A.B. 580 ^c	482 ^c	Department of Education	For pilot programs for alternative programs of education for disruptive pupils.					\$500,000	\$500,000
A.B. 580 ^c	482 ^c	Department of Administration	For allocation to the Las Vegas-Clark County Library District Foundation, Inc. for the establishment of a "Homework Help Center" at the West Las Vegas Library.				\$200,000		
A.B. 580 ^c	482 ^c	Department of Administration	For allocation to the M2 Foundation for Kids in this State for enhancing educational programs for children.				\$200,000		
A.B. 580 ^c	482 ^c	Department of Education	For grants to school districts that adopt a program of performance pay and enhanced compensation for the recruitment, retention and mentoring of licensed personnel.					\$5,000,000	\$5,000,000
A.B. 580 ^c	482 ^c	Clark County Public Education Foundation, Inc.	For new programs and the expansion of outreach efforts.				\$250,000		
A.B. 580 ^c	482 ^c	Washoe County School District Educational Foundation, Inc.	For new programs and the expansion of outreach efforts.				\$150,000		

**GENERAL FUND ONE-TIME OR SPECIAL APPROPRIATIONS
GOVERNOR RECOMMENDS - 2005 LEGISLATURE & 22nd SPECIAL SESSION
2005-07 BIENNIUM**

BILL NUMBER ^a	CHAPTER	APPROPRIATED TO	PURPOSE	EXECUTIVE BUDGET			LEGISLATURE APPROVES		
				FY 2005	FY 2006	FY 2007	FY 2005	FY 2006	FY 2007
A.B. 580 ^c	482 ^c	Department of Education	To release one form of the reading and math portions of the High School Proficiency Examination to the public.					\$346,500	
A.B. 580 ^c	482 ^c	Interim Finance Committee	For allocation to the School of Medicine of the Nevada System of Higher Education for expenses relating to architectural design, engineering and construction of an academic Medical Center with an organ transplant center located in Clark County.					\$4,000,000	
A.B. 580 ^c	482 ^c	Department of Education	To establish advisory technical skills committees and to provide for the support of career and technical educational programs.					\$1,000,000	\$1,000,000
S.B. 1S ^c	7 ^c	Nevada System of Higher Education - Trust Fund for the Education of Dependent Children	For the payment of registration fees and expenses for attendance at classes for an undergraduate degree at the Nevada System of Higher Education for dependent children of police or highway patrol officer, fireman or volunteer driver or attendant killed in the line of duty.					\$50,000	
S.B. 1S ^c	7 ^c	Department of Cultural Affairs	For the operation of bookmobiles in rural counties.					\$50,000	
S.B. 1S ^c	7 ^c	Nevada System of Higher Education - Chancellor's Office	For certain expenses relating to the continuation of the Pediatric Dentistry Residency Program.				\$300,000		
S.B. 1S ^c	7 ^c	Department of Cultural Affairs - State Library and Archives	For distribution to the Nevada Public Radio Corporation (\$100,000) and KLVX Communications (\$100,000).				\$200,000		
S.B. 1S ^c	7 ^c	Nevada Cancer Institute	To fund researcher "start-up" packages, to purchase equipment needed for each recruit's research, for cancer research, education and outreach to define needs and implement preventative health strategies.					\$5,000,000	\$5,000,000
S.B. 1S ^c	7 ^c	Nevada Cancer Institute	To conduct a pain management study.					\$150,000	
S.B. 1S ^c	7 ^c	Nevada System of Higher Education - UNR (Center for Basque Studies)	For the creation of a Basque Genealogy Center, including the establishment of a biographical database and a publication series, and the formation of a group of experts to assist with genealogy research.					\$135,500	\$114,500
S.B. 1S ^c	7 ^c	Department of Cultural Affairs	For expenses relating to the creation of the Nevada Online Encyclopedia.				\$350,000		
S.B. 1S ^c	7 ^c	Nevada System of Higher Education - Desert Research Institute	For the purchase of equipment and services to analyze groundwater yields in arid basins.				\$1,000,000		
S.B. 1S ^c	7 ^c	VSA Arts of Nevada	For restoration of Lake Mansion in Reno				\$350,000		
S.B. 1S ^c	7 ^c	Department of Cultural Affairs	For the purchase of artifacts for the State Museum system.				\$371,125		

**GENERAL FUND ONE-TIME OR SPECIAL APPROPRIATIONS
GOVERNOR RECOMMENDS - 2005 LEGISLATURE & 22nd SPECIAL SESSION
2005-07 BIENNIUM**

BILL NUMBER ^a	CHAPTER	APPROPRIATED TO	PURPOSE	EXECUTIVE BUDGET			LEGISLATURE APPROVES		
				FY 2005	FY 2006	FY 2007	FY 2005	FY 2006	FY 2007
S.B. 1S ^c	7 ^c	Nevada Commission for the Reconstruction of the V & T Railway of Carson City and Douglas, Lyon, Storey and Washoe Counties	For the establishment of a railroad line similar to the former Virginia and Truckee Railroad from Virginia City through the Gold Hill area to Carson City.				\$500,000		
S.B. 1S ^c	7 ^c	Clark County Museum Guild	For costs related to moving and repairing the Clark County Museum.				\$150,000		
S.B. 1S ^c	7 ^c	Legislative Counsel Bureau	For costs related to hiring a consultant to assist the interim committee appointed by the Legislative Committee to conduct a study to develop a plan for the deconsolidation for the Clark County School District.					\$250,000	
S.B. 1S ^c	7 ^c	Interim Finance Committee	To continue the contractual services for a consultant to provide brochures for the reporting of test scores of pupils, to provide web-based data and instructional tools to address and improve the performance of pupils on statewide examinations and to provide related services identified by the Interim Finance Committee.					\$1,400,000	\$1,400,000
S.B. 4S	10	Millennium Scholarship Trust Fund	To provide for the continued support of the Millennium Scholarship program.				\$35,000,000		
HUMAN SERVICES									
S.B. 98	448	Department of Administration	For allocation to provide necessary assistance to the Task Force on Cervical Cancer.				\$50,000		
S.B. 98	448	Department of Administration	For allocation to provide necessary assistance to the Task Force on Prostate Cancer.	\$50,000			\$50,000		
A.B. 40	161	Division of MH/DS	For establishment of a mental health and substance abuse screening and stabilization component for a community triage center in Clark County.				\$370,000		
A.B. 100	-	Department of Administration	For allocation to Opportunity Village to provide assistance for the construction of a new southwest campus designed to serve additional Nevadans. <i>Funding approved in S.B. 1, 22nd Special Session.</i>	\$1,000,000					
A.B. 101	245	Department of Administration	For allocation to the Nevada Commission for National and Community Service to match federal funding for continuation of its programs dedicated to promoting citizen volunteerism.	\$365,000			\$365,000		
A.B. 175 ^b	446 ^b	Division of MH/DS - Southern Nevada Adult Mental Health Services	To increase the number of community residential placements by 90.					\$552,827	\$1,191,450
A.B. 175 ^b	446 ^b	Division of MH/DS - Southern Nevada Adult Mental Health Services	To purchase additional acute psychiatric crisis placements if the capacity of the Division to provide those services is exhausted.				\$7,050,938		
A.B. 175 ^b	446 ^b	Division of MH/DS - Southern Nevada Adult Mental Health Services	To support a Mental Health Court in Clark County.					\$737,093	\$1,210,757

**GENERAL FUND ONE-TIME OR SPECIAL APPROPRIATIONS
GOVERNOR RECOMMENDS - 2005 LEGISLATURE & 22nd SPECIAL SESSION
2005-07 BIENNIUM**

BILL NUMBER ^a	CHAPTER	APPROPRIATED TO	PURPOSE	EXECUTIVE BUDGET			LEGISLATURE APPROVES		
				FY 2005	FY 2006	FY 2007	FY 2005	FY 2006	FY 2007
A.B. 175 ^b	446 ^b	Division of MH/DS - Northern Nevada Adult Mental Health Services	To support a Mental Health Court in Washoe County.					\$382,643	\$816,236
A.B. 175 ^b	446 ^b	Division of MH/DS - Rural Clinics	To support a Mental Health Court in Carson City.					\$100,000	\$100,000
A.B. 175 ^b	446 ^b	Division of MH/DS - Southern Nevada Adult Mental Health Services	For the support of a community triage center.					\$900,000	\$900,000
A.B. 175 ^b	446 ^b	Division of MH/DS - Northern Nevada Adult Mental Health Services	For the support of a community triage center.					\$500,000	\$500,000
A.B. 580 ^c	482 ^c	Legislative Committee on Children Youth and Family or the Legislative Commission	To contract with a qualified, independent consultant to conduct a performance audit of the enforcement and collection of child support by the Welfare Division and the district attorneys of this state.				\$150,000		
A.B. 580 ^c	482 ^c	Department of Human Resources	To establish the Office of Minority Health.					\$134,234	\$114,262
A.B. 580 ^c	482 ^c	Department of Human Resources	For the establishment of the statewide non-emergency information and referral telephone system concerning health, welfare, human and social services.				\$200,000		
A.B. 580 ^c	482 ^c	Department of Human Resources - Division of Health Care Financing & Policy	To provide Medicaid Services to those foster children between the ages of 18 and 21.					\$91,616	\$285,761
A.B. 580 ^c	482 ^c	Department of Human Resources - Welfare Division	To provide Medicaid Services to those foster children between the ages of 18 and 21.					\$86,890	\$32,711
A.B. 580 ^c	482 ^c	Department of Human Resources - Division of Child & Family Services	To provide Medicaid Services to those foster children between the ages of 18 and 21.					\$35,727	\$4,722
A.B. 580 ^c	482 ^c	Clark County	For operating expenses to launch a pilot project that will provide a discounted medical services for uninsured residents of Clark County.					\$175,000	
A.B. 580 ^c	482 ^c	Legislative Commission	To contract with a qualified, independent consultant to conduct an evaluation and review, including the preparation of a report, concerning the health, safety, welfare and civil and other rights of children who are under care of certain governmental entities or private facilities.				\$200,000		
A.B. 580 ^c	482 ^c	Department of Human Resources - Health Division	For acquisition of a power generator for the bioterrorism laboratory in Nevada.					\$250,000	

**GENERAL FUND ONE-TIME OR SPECIAL APPROPRIATIONS
GOVERNOR RECOMMENDS - 2005 LEGISLATURE & 22nd SPECIAL SESSION
2005-07 BIENNIUM**

BILL NUMBER ^a	CHAPTER	APPROPRIATED TO	PURPOSE	EXECUTIVE BUDGET			LEGISLATURE APPROVES		
				FY 2005	FY 2006	FY 2007	FY 2005	FY 2006	FY 2007
A.B. 580 ^c	482 ^c	Clark County	For capital projects designed to assist homeless persons, including without limitation, the construction of restrooms, showers and storage facilities as well as case management and intervention services.					\$2,000,000	\$2,000,000
S.B. 1S ^c	7 ^c	Nevada Alliance of Boys and Girls Clubs, Inc.	For the establishment and operation of a SMART (Skills Mastery And Resistance Training) Moves program by the Boys and Girls Clubs operating in Nevada.					\$1,500,000	
S.B. 1S ^c	7 ^c	City of Reno	To assist with the expenses relating to the construction of the Community Assistance Center.				\$5,000,000		
S.B. 1S ^c	7 ^c	White Pine County	For the construction of a regional juvenile detention facility in Ely that would serve White Pine, Eureka and Lincoln counties.				\$2,200,000		
S.B. 1S ^c	7 ^c	Nevada's Safe Place	Continuation of outreach programs for youth under the age of 21; funds to be divided equally between northern and southern Nevada and may only be used if matching money is provided by corporate donations or from other sources.				\$250,000		
S.B. 1S ^c	7 ^c	Interim Finance Committee	For distribution to Douglas County for the State's share of merit increases, holiday pay, utility and food cost increases and the addition of six new full-time employees for the China Spring Youth Camp.					\$169,833	\$194,143
S.B. 1S ^c	7 ^c	Department of Administration	For allocation to Opportunity Village to provide assistance for the construction of a new southwest campus designed to serve additional Nevadans.				\$1,000,000		
S.B. 1S ^c	7 ^c	Advisory Council on the State Program for Fitness and Wellness	For operational costs of the council.				\$100,000		
A.B. 7S	5	Big Brothers Big Sisters of Northern Nevada, Inc.	To be used for the payment of the cost of a facility for use by the organization.					\$25,000	
COMMERCE AND INDUSTRY									
A.B. 105	154	Department of Agriculture	For the acquisition of equipment for the State Sealer of Weights and Measures	\$290,000			\$290,000		
A.B. 576	434	Interim Finance Committee	For allocation to the Information Technology Projects account for the Department of Agriculture, License Payment System.					\$278,201	
A.B. 576	434	Interim Finance Committee	For allocation to the Information Technology Projects account for the Integrated Consumer Affairs Tracking System.					\$341,096	
A.B. 576	434	Interim Finance Committee	For allocation to the Information Technology Projects account for the Labor Commissioner Wage Claim System.					\$259,619	

**GENERAL FUND ONE-TIME OR SPECIAL APPROPRIATIONS
GOVERNOR RECOMMENDS - 2005 LEGISLATURE & 22nd SPECIAL SESSION
2005-07 BIENNIUM**

BILL NUMBER ^a	CHAPTER	APPROPRIATED TO	PURPOSE	EXECUTIVE BUDGET			LEGISLATURE APPROVES		
				FY 2005	FY 2006	FY 2007	FY 2005	FY 2006	FY 2007
A.B. 580 ^c	482 ^c	Department of Agriculture - Account for the Control of Weeds	For the abatement of weeds.					\$100,000	
S.B. 1S ^c	7 ^c	Nevada Economic Development Fund	For making grants of money for economic development in rural areas.					\$3,000,000	
S.B. 1S ^c	7 ^c	Nevada Economic Development Fund	For making grants of money for economic development in blighted urban areas.					\$500,000	
S.B. 1S ^c	7 ^c	Commission on Economic Development	For making grants of money to political subdivisions and or local or regional organizations for economic development to assist in projects of economic diversification in counties whose economies are subject to dramatic fluctuations because of their dependency on mining and that do not qualify for funding from the Economic Development Administration of the United States Department of Commerce.					\$500,000	\$500,000
S.B. 1S ^c	7 ^c	Department of Agriculture	To develop and provide technical assistance to farmers' markets in Nevada.					\$50,000	
A.B. 7S	5	Nevada Commission on Sports	To fund the operational expenses of the Nevada Commission on Sports.					\$100,000	
PUBLIC SAFETY									
S.B. 99	234	Department of Administration	For litigation costs incurred by the Interstate Commission for Adult Offender Supervision.	\$3,000			\$3,000		
S.B. 104	105	Department of Corrections	For the purchase of 48 replacement vehicles.	\$1,012,482			\$1,012,482		
A.B. 576	434	Interim Finance Committee	For allocation to the Department of Corrections for electronic equipment to augment security at the Southern Nevada Correctional Center.				\$838,200		
S.B. 521	397	Department of Public Safety - Division of Parole and Probation	For expenses related to installation of a closed-circuit security system.					\$187,889	
S.B. 521	397	Department of Public Safety - Parole Board	For expenses related to installation of a closed-circuit security system.					\$60,554	

**GENERAL FUND ONE-TIME OR SPECIAL APPROPRIATIONS
GOVERNOR RECOMMENDS - 2005 LEGISLATURE & 22nd SPECIAL SESSION
2005-07 BIENNIUM**

BILL NUMBER ^a	CHAPTER	APPROPRIATED TO	PURPOSE	EXECUTIVE BUDGET			LEGISLATURE APPROVES		
				FY 2005	FY 2006	FY 2007	FY 2005	FY 2006	FY 2007
INFRASTRUCTURE									
S.B. 62	493	Board for Financing Water Projects - Water Rights Technical Support Fund	To make grants to local governments to obtain and provide expert and technical assistance ;to gather data to protect its existing water rights; or, to fund projects to enhance or protect its existing water rights.					\$1,000,000	
A.B. 106	86	Department of Conservation and Natural Resources	For the preparation of new offices for occupancy (Richard H. Bryan Building).	\$462,077			\$462,077		
A.B. 106	86	Department of Conservation and Natural Resources	For the replenishment of the Account for Channel Clearance, Maintenance, Restoration, Surveying and Monumenting Program created by NRS 532.230.	\$250,000			\$250,000		
A.B. 106	86	Department of Conservation and Natural Resources	For litigation costs of the Division of Water Resources.	\$150,000			\$150,000		
A.B. 576	434	Interim Finance Committee	For allocation to the Information Technology Projects account for the Division of Water Resources Video Conferencing System.					\$55,000	
S.B. 1S ^c	7 ^c	The Fund for Aviation	For enlargement, improvement or maintenance of rural airports, landing areas or air navigation facilities in Nevada. Funding must be utilized to match funds that are available from the Federal Government.					\$500,000	
S.B. 1S ^c	7 ^c	CNR - Forestry	For the establishment of a cost share, community-based wildfire threat reduction program administered by the Nevada Fire Safe Council, to assist in the implementation of the recommended wildfire threat reduction projects as described in the Community Wildfire Protection Plans.					\$500,000	\$500,000
S.B. 1S ^c	7 ^c	CNR - Forestry	For expenses relating to the general operating expenditures of the Nevada Fire Safe Council.					\$241,782	\$304,993
S.B. 1S ^c	7 ^c	Interim Finance Committee	For allocation to the Reno-Sparks Convention and Visitors Authority to implement the Truckee River Recreational Master Plan as adopted by the City of Reno, Sparks and by Washoe County through a public review process.				\$600,000		
SPECIAL PURPOSE AGENCIES									
S.B. 102	235	Office of Veterans' Services	To pay for the construction of a shelter to protect state-owned vehicles at the State Veterans' Home in Boulder City.	\$126,000			\$60,000		

**GENERAL FUND ONE-TIME OR SPECIAL APPROPRIATIONS
GOVERNOR RECOMMENDS - 2005 LEGISLATURE & 22nd SPECIAL SESSION
2005-07 BIENNIUM**

BILL NUMBER ^a	CHAPTER	APPROPRIATED TO	PURPOSE	EXECUTIVE BUDGET			LEGISLATURE APPROVES		
				FY 2005	FY 2006	FY 2007	FY 2005	FY 2006	FY 2007
A.B. 580 ^c	482 ^c	Office of the Military - Patriot Relief Account	To pay premiums on group life insurance, to fund textbooks for courses of study in higher education and to provide monetary relief from economic hardships experienced by members of the Nevada National Guard who have been called into active service.					\$500,000	\$500,000
S.B. 1S ^c	7 ^c	Office of the Military	For expenses related to the manufacture and issuance of the Nevada War on Terrorism Medal.					\$81,900	
S.B. 1S ^c	7 ^c	Office of Veterans' Services	For expenses relating to the establishment and operation of an Office of Coordinator of Services for Veterans by Nye and Esmeralda Counties.					\$300,000	
S.B. 1S ^c	7 ^c	City of Fernley	For construction of a road into the Northern Nevada Veterans' Memorial Cemetery, designated as the "Mission Way Project".					\$140,000	

TOTAL GENERAL FUND ONE-TIME AND SPECIAL APPROPRIATIONS	\$327,155,934	\$52,000,000		\$412,176,407	\$91,971,564	\$23,807,077
TOTAL GENERAL FUND ONE-TIME AND SPECIAL APPROPRIATIONS - EXECUTIVE BUDGET				\$327,155,934	\$52,000,000	
DIFFERENCE				\$85,020,473	\$39,971,564	\$23,807,077

^a. An "S" after the bill number signifies this bill was approved by the 22nd Special Session.

^b. Not to be included in the Base Budget for the 2007-09 biennium.

^c. Not to be included in the Base Budget for the 2007-09 biennium and policy changes implemented by this legislation may be continued to the extent that money is available from the State or Federal Government or other sources.

**GENERAL FUND APPROPRIATIONS - OPERATING AND DSA/CLASS SIZE REDUCTION
GOVERNOR RECOMMENDS AND LEGISLATURE APPROVES - 2005 LEGISLATURE & 22nd SPECIAL SESSION
2005-07 BIENNIUM**

BILL NUMBER ^a	CHAPTER	APPROPRIATED TO	PURPOSE	EXECUTIVE BUDGET			LEGISLATURE APPROVES		
				FY 2005	FY 2006	FY 2007	FY 2005	FY 2006	FY 2007
S.B. 22	377	Department of Human Resources	For expenses to support the activities of the inter-agency advisor board.					\$25,909	\$26,254
S.B. 195	436	District Judges Salary Account	For the salaries of four additional district court judges for the Eighth Judicial District.						\$335,105
S.B. 203	465	Department of Administration - Risk Management Division	For expenses of blood tests to screen for hepatitis C for state of Nevada law enforcement personnel and correctional officers.					\$61,845	\$6,042
S.B. 274	-	Department of Public Safety Fire Marshal	To fund the operations of the Fire Marshal impacted by the loss of revenue from implementation of this legislation. LEGISLATION WAS VETOED BY THE GOVERNOR.						
S.B. 304	321	Office of the Attorney General	For expenses related to the issuance or identity theft passports to victims of identity theft.					\$24,156	\$11,554
S.B. 404	437	Account for Programs for Innovation and the Prevention of Remediation	For the provision of grants or money to implement programs for innovation and prevention of remediation. A.B. 4 (22nd SS) provided an appropriation of \$22,000,000 to partially implement full-day kindergarten in fiscal year 2007; refer to explanation in this schedule.		\$50,000,000	\$50,000,000		\$50,000,000	\$28,000,000
S.B. 521	397	Department of Public Safety Division of Parole and Probation	For expenses related to operation of a closed-circuit security system.					\$720	\$720
S.B. 521	397	Department of Public Safety Parole Board	For expenses related to operation of a closed-circuit security system.					\$3,179	\$3,179
S.B. 522	510	Gaming Control Board / Commission	Appropriation for support of operational costs.		\$29,397,381	\$29,092,387		\$28,722,179	\$28,352,647
S.B. 525	450	Distributive School Account	Funding for the 2005-07 biennium.		\$702,065,382	\$747,012,998		\$724,135,261	\$825,642,294
S.B. 525	450	Interim Finance Committee	To provide allocations to school districts that incur unexpected expenses related to providing health insurance for their employees during the 2005-07 biennium.					\$4,000,000	
S.B. 3S	9	Department of Taxation	To fund the estimated cost associated with increasing the salaries of the chairman and members of the Nevada Tax Commission.					\$153,500	\$153,500
S.B. 3S	9	Department of Taxation	For expenses relating to printing the Taxpayers' Bill of Rights.					\$2,300	\$2,300
A.B. 575	433	State Distributive School Account	For costs associated with class-size reduction for the 2005-07 biennium.		\$125,248,620	\$134,953,490		\$125,552,187	\$137,922,619
A.B. 576	434	Statewide	Appropriation for support of civil government.		\$1,833,245,146	\$1,938,189,859		\$1,801,487,525	\$1,907,835,634
A.B. 576	434	Interim Finance Committee	For allocation to the Bureau of Vocational Rehabilitation for provision of Vocational Rehabilitation Services					\$133,007	\$294,503

**GENERAL FUND APPROPRIATIONS - OPERATING AND DSA/CLASS SIZE REDUCTION
GOVERNOR RECOMMENDS AND LEGISLATURE APPROVES - 2005 LEGISLATURE & 22nd SPECIAL SESSION
2005-07 BIENNIUM**

BILL NUMBER ^a	CHAPTER	APPROPRIATED TO	PURPOSE	EXECUTIVE BUDGET			LEGISLATURE APPROVES		
				FY 2005	FY 2006	FY 2007	FY 2005	FY 2006	FY 2007
A.B. 576	434	Interim Finance Committee	For allocation to the Bureau of Services to the Blind and Visually Impaired for provision of Vocational Rehabilitation Services					\$71,663	\$83,139
A.B. 576	434	Public Employees' Retirement Board	For administration of the Legislators' Retirement System					\$103,302	
A.B. 577	435	Board of Examiners	Paybill - Approximate 2% increase in fiscal year 2006 and 4% increase in fiscal year 2007 of the salaries of unclassified state employees.		\$2,424,662	\$3,565,561		\$2,424,662	\$4,828,110
A.B. 577	435	Board of Examiners	Paybill - Credential pay incentive for Gaming Control Board / Commission staff. Governor's recommendation included funding in the Gaming Control Board / Commission budgets.					\$235,000	\$237,500
A.B. 577	435	Board of Examiners	Paybill - Approximate 2% increase in fiscal year 2006 and 4% increase in fiscal year 2007 of the salaries of classified state employees and to provide funding for the estimated cost of providing a 10th step in the pay schedule for classified state employees.		\$6,578,108	\$13,856,450		\$13,361,090	\$28,726,753
A.B. 577	435	Board of Examiners	Paybill - Approximate 2% increase in fiscal year 2006 and 4% increase in fiscal year 2007 of the salaries of classified state employees and to provide funding for the estimated cost of providing a 10th step in the pay schedule for classified employees of the Nevada System of Higher Education.		\$1,762,407	\$3,625,796		\$3,500,425	\$7,448,501
A.B. 577	435	Board of Examiners	Paybill - Approximate 2% increase in fiscal year 2006 and 4% increase in fiscal year 2007 of the salaries of professional employees of the Nevada System of Higher Education.		\$5,439,341	\$10,994,861		\$5,618,016	\$17,511,270
A.B. 577	435	Legislative Counsel Bureau	Paybill - Approximate 2% increase in fiscal year 2006 and 4% increase in fiscal year 2007 of the salaries of classified state employees and to provide funding for the estimated cost of providing a 10th step in the pay schedule for employees of the Legislative Counsel Bureau.					\$824,878	\$1,272,214
A.B. 577	435	Board of Examiners	Paybill - To effect a two-grade increase on the classified employee compensation plan for certain law enforcement, correctional officer, nursing, dispatch and youth correctional personnel.		\$11,982,882	\$12,361,759		\$11,982,882	\$12,361,759
A.B. 577	435	Board of Examiners	Paybill - To effect certain salary changes to unclassified positions within the Offices of the Attorney General, Secretary of State, State Treasurer and the State Controller.		\$110,180	\$110,254		\$110,180	\$110,254

**GENERAL FUND APPROPRIATIONS - OPERATING AND DSA/CLASS SIZE REDUCTION
GOVERNOR RECOMMENDS AND LEGISLATURE APPROVES - 2005 LEGISLATURE & 22nd SPECIAL SESSION
2005-07 BIENNIUM**

BILL NUMBER ^a	CHAPTER	APPROPRIATED TO	PURPOSE	EXECUTIVE BUDGET			LEGISLATURE APPROVES		
				FY 2005	FY 2006	FY 2007	FY 2005	FY 2006	FY 2007
A.B. 577	435	Board of Examiners	Paybill - To meet deficiencies which may be created between the money appropriated for salaries in the Office of the Attorney General and the salaries established in the unclassified payroll.					\$985,494	\$1,229,233
A.B. 4S	3	Department of Education	For school districts to provide full-day kindergarten at certain schools. Funding to be included in the Account for Programs for Innovation and the Prevention of Remediation. Please refer to S.B. 404, this schedule.						\$22,000,000
TOTAL GENERAL FUND OPERATING AND DSA/CLASS SIZE REDUCTION					\$2,768,254,109	\$2,943,763,415		\$2,773,519,360	\$3,024,395,084
TOTAL GENERAL FUND OPERATING AND DSA/CLASS SIZE REDUCTION - EXECUTIVE BUDGET								\$2,768,254,109	\$2,943,763,415
DIFFERENCE								\$5,265,251	\$80,631,669

^a An "S" after the bill number signifies this bill was approved by the 22nd Special Session.

**HIGHWAY FUND SUPPLEMENTAL APPROPRIATIONS
GOVERNOR RECOMMENDS AND LEGISLATURE APPROVES - 2005 LEGISLATURE & 22nd SPECIAL SESSION
2005-07 BIENNIUM**

BILL NUMBER	CHAPTER	APPROPRIATED TO	PURPOSE	EXECUTIVE BUDGET			LEGISLATURE APPROVES		
				FY 2005	FY 2006	FY 2007	FY 2005	FY 2006	FY 2007
S.B. 92	85	Nevada Highway Patrol - DPS	For unanticipated operating expenses.	\$755,414					
S.B. 93	180	Administrative Services - DMV	For unanticipated costs related to electronic payments.	\$1,770,000			\$1,300,000		
TOTAL HIGHWAY FUND SUPPLEMENTAL APPROPRIATIONS				\$2,525,414			\$1,300,000		
TOTAL HIGHWAY FUND SUPPLEMENTAL APPROPRIATIONS - EXECUTIVE BUDGET							\$2,525,414		
DIFFERENCE							-\$1,225,414		

**HIGHWAY FUND ONE-TIME OR SPECIAL APPROPRIATIONS
GOVERNOR RECOMMENDS AND LEGISLATURE APPROVES - 2005 LEGISLATURE & 22nd SPECIAL SESSION
2005-07 BIENNIUM**

BILL NUMBER	CHAPTER	APPROPRIATED TO	PURPOSE	EXECUTIVE BUDGET			LEGISLATURE APPROVES		
				FY 2005	FY 2006	FY 2007	FY 2005	FY 2006	FY 2007
S.B. 524	398	State Public Works Board	To support the Board in carrying out the program of capital improvements as approved by the 2005 Legislature.	\$1,818,131			\$1,474,499		
TOTAL HIGHWAY FUND ONE-TIME OR SPECIAL APPROPRIATIONS				\$1,818,131			\$1,474,499		
TOTAL HIGHWAY FUND ONE-TIME OR SPECIAL APPROPRIATIONS - EXECUTIVE BUDGET							\$1,818,131		
DIFFERENCE							-\$343,632		

**HIGHWAY FUND OPERATING APPROPRIATIONS
GOVERNOR RECOMMENDS AND LEGISLATURE APPROVES - 2005 LEGISLATURE & 22nd SPECIAL SESSION
2005-07 BIENNIUM**

BILL NUMBER ^a	CHAPTER	APPROPRIATED TO	PURPOSE	EXECUTIVE BUDGET			LEGISLATURE APPROVES		
				FY 2005	FY 2006	FY 2007	FY 2005	FY 2006	FY 2007
A.B. 249	340	Department of Motor Vehicles	To defray any administrative costs incurred by the department in the imposition of an administrative fine against any person who engages in a deceptive trade practice.					\$234,644	\$198,530
A.B. 576	434	Statewide	For support of civil government.		\$113,443,225	\$108,411,908		\$109,358,724	\$107,514,804
A.B. 577	435	Board of Examiners	Paybill - Approximate 2% increase in fiscal year 2006 and 4% increase in fiscal year 2007 of the salaries of unclassified state employees.		\$308,552	\$329,227		\$308,552	\$401,773
A.B. 577	435	Board of Examiners	Paybill - Approximate 2% increase in fiscal year 2006 and 4% increase in fiscal year 2007 of the salaries of classified state employees and to provide funding for the estimated cost of providing a 10th step in the pay schedule for classified state employees.		\$2,995,378	\$6,127,937		\$6,289,964	\$13,018,220
A.B. 577	435	Board of Examiners	Paybill - To effect a two-grade increase on the classified employee compensation plan for certain law enforcement, correctional officer, nursing, dispatch and youth correctional personnel.		\$2,468,218	\$2,543,089		\$2,468,218	\$2,543,089
S.B. 203	465	Department of Administration Risk Management Division	For expenses of blood tests to screen for hepatitis C for state of Nevada law enforcement personnel and correctional officers.					\$13,680	\$1,026
S.B. 522	510	Department of Transportation ^b	Provides authorization for the use of Highway Funds over the 2003-05 biennium.		\$244,528,882	\$247,666,521		\$243,435,486	\$246,905,244
S.B. 3 S	9	Department of Motor Vehicles	Printing and mailing of the Taxpayers' Bill of Rights.					\$3,920	\$3,920
TOTAL HIGHWAY FUND OPERATING APPROPRIATIONS					\$363,744,255	\$365,078,682		\$362,113,188	\$370,586,606
TOTAL HIGHWAY FUND OPERATING APPROPRIATIONS - EXECUTIVE BUDGET								\$363,744,255	\$365,078,682
DIFFERENCE								-\$1,631,067	\$5,507,924

^a An "S" after the bill number signifies this bill was approved by the 20th Special Session.

^b Adjusted by the Interim Finance Committee at their June 23, 2005 meeting.

CAPITAL IMPROVEMENT PROGRAM

The Capital Improvement Program for the 2005-07 biennium as approved by the 2005 Legislature totals approximately \$419.4 million, which is approximately \$97.5 million more than was recommended by the Governor. The Capital Improvement Program is funded from the following sources:

Funding Source	Governor Recommends	Percentage of Total	Legislature Approved	Percentage of Total
General Fund	\$ 52,000,000	16.1%	\$ 83,796,078	20.0%
General Obligation Bonds	\$ 224,921,941	69.9%	\$ 224,921,940	53.6%
Highway Funds	\$ 1,818,131	0.6%	\$ 1,474,499	0.4%
SHECC*	\$ 5,000,000	1.5%	\$ 5,000,000	1.2%
Federal Funds	\$ 13,760,251	4.3%	\$ 18,802,491	4.5%
University Funds	\$ 24,001,884	7.5%	\$ 54,671,884	13.0%
Agency Funds	\$ 400,000	0.1%	\$ 534,264	0.1%
Securities Settlement Funds	\$ 0	0.0%	\$ 1,221,872	0.3%
Estate Tax	\$ 0	0.0%	\$ 29,000,000	6.9%
Total	\$ 321,902,207	100.0%	\$ 419,423,028	100.0%

*Special Higher Education Capital Construction

The 2005 Legislature established the property tax rate to support the principal and interest payments on the existing and newly approved general obligation bonds for capital improvement projects at \$0.1585 per \$100 of assessed valuation. The Legislature also approved the levy of an additional \$0.0115 property tax rate per \$100 of assessed valuation to support the principal and interest payments on the existing and planned issuance of general obligation bonds as a result of the approval of Question 1 by the voters at the general election conducted on November 5, 2002. The levies above the historic 15-cent levy (2 cents) are not subject to the \$3.64 local government property tax cap.

Senate Bill 524 (the 2005 CIP Legislation) includes funding of \$564,944 through a combination of a General Fund appropriation and general obligation bond authorization for the design and construction of a central dining room for the Veterans' Nursing Home in Boulder City contingent on the receipt of federal funding in the amount of \$631,971. The 2005 CIP legislation also prohibits the State Public Works Board from executing a construction contract for a Nevada System of Higher Education (NSHE) project for which partial funding is being provided through the NSHE, until those agency funds are provided to the board.

In addition to approving S.B. 524, the 2005 Legislature also approved A.B. 204 and S.B. 496, which authorizes and provides funding for four Capital Improvement Projects to allow construction of these projects to continue without additional interruption and without additional inflationary increases in construction costs. These projects include an addition to and renovation of the state computer facility (05-C20a), design and construction of a 40-bed addition to the 150-bed psychiatric hospital in southern Nevada (05-C14), construction of the state emergency operations center in Carson City (05-C9a) and completion of the design of the Las Vegas readiness center for the Office of the Military (05-C13).

The following table provides the total funds included for each state agency in the 2005 Capital Improvement Program as approved by the Legislature and sets forth the percentage of the overall program that each agency received:

State Agency	Total Funds	Percentage of Program
Department of Administration	\$ 29,753,490	7.1%
Department of Agriculture	\$ 3,816,109	0.9%
Department of Conservation & Natural Resources	\$ 793,191	0.2%
Department of Corrections	\$ 58,622,185	14.0%
Department of Cultural Affairs	\$ 5,690,193	1.3%
Department of Education	\$ 167,981	0.1%
Department of Human Resources	\$ 27,763,591	6.6%
Department of Information Technology	\$ 2,368,500	0.6%
Department of the Military	\$ 27,700,030	6.6%
Department of Motor Vehicles	\$ 974,403	0.2%
Department of Public Safety	\$ 3,940,105	0.9%
Nevada System of Higher Education	\$ 256,636,335	61.2%
Office of Veterans Services	\$ 1,196,915	0.3%
Total	\$ 419,423,028	100.0%

The 2005 Legislature also approved authority for capital improvements for the NSHE in addition to the projects that were included in the 2005 Capital Improvement Program. Assembly Bill 534 increased the maximum amount of revenue bonds that can be issued by the University of Nevada, Las Vegas (UNLV) and the University of Nevada, Reno (UNR) for capital improvements on their campuses. For UNLV projects, the limit is increased from \$199.0 million to \$339.1 million, and for UNR projects, the limit is increased from \$176.0 million to \$276.9 million. The additional authority approved for UNLV will be used in part to fund additional parking, an addition to the student services complex, various building renovations, and completion of the science, engineering and technology building. Projects to be funded with the additional authority for UNR include a biotechnology building, a student union, an academic medical center and the new library approved by the 2001 Legislature as project CIP 01-C24. In addition, the legislation authorized the issuance of revenue bonds for the Community College of Southern Nevada not to exceed \$20 million for parking facilities and the issuance of revenue bonds for Western Nevada Community College not to exceed \$10 million for a residence hall.

The 2005 Legislature also approved Senate Bill 426 which provides, in part, authorization for the Nevada System of Higher Education to enter into lease-purchase and installment-purchase agreements provided payments under the agreements will be made with state appropriations. The legislation limits the NSHE to executing no more

than three such agreements during the 2005-07 biennium. S.B. 426 also provides for creation of an advisory group to conduct an interim study concerning lease-purchase and installment-purchase agreements by public entities in the state. The advisory group must submit a report of the results of its study and any recommendations for legislation to the 74th Session of the Legislature.

SCHEDULE OF CAPITAL IMPROVEMENT PROJECTS
2005-07 CIP PROGRAM

Project Number	Project Title	Governor Recommends				Legislature Approves					
		State Funds	Other Funds	Total Funding	Other Funding Source	General Fund	Bond Funds	Highway Fund	Other Funds	Total Funding	Other Funding Source
CONSTRUCTION PROJECTS											
05-C01	Sawyer Building Tile Repair, Las Vegas -- IFC approval required for selection of new exterior skin and authorization for installation.	\$8,611,979		\$8,611,979		\$2,309,671	\$6,302,308			\$8,611,979	
05-C02	Furnishings for North Las Vegas DMV Office		\$974,403	\$974,403	Highway Fund			\$974,403		\$974,403	
05-C03	Furnishings for Southern Nevada Psychiatric Hospital, Las Vegas	\$4,593,047		\$4,593,047		\$4,593,047				\$4,593,047	
05-C04	Furnishings for Health Sciences Building, CCSN	\$5,200,000		\$5,200,000		\$5,200,000				\$5,200,000	
05-C05	Additional Funding for Knowledge Center, UNR -- Continuation of CIP 01-C24. Revised cost estimate provided by SPWB due to construction cost inflation and to defer cost of ASRS system	\$16,800,000		\$16,800,000			\$15,800,000			\$15,800,000	
05-C06	Additional Funding for Science and Engineering Building, UNLV -- Continuation of CIP 03-C23	\$15,822,050		\$15,822,050			\$15,822,050			\$15,822,050	
05-C07	Deferred Construction and Furnishings for Central Kitchen at NNAMHS -- Revised cost estimate provided by SPWB due to construction cost inflation	\$437,778		\$437,778		\$1,047,022				\$1,047,022	
05-C08	Telephone Data Switches for State Emergency Operations Center, Carson City -- Revised cost estimate provided by SPWB due to construction cost inflation	\$527,490		\$527,490		\$577,490				\$577,490	
05-C09	Microwave Station for State Emergency Operations Center, Carson City -- Project eliminated -- Duplicates funding included in the Department of Administration budget	\$554,954		\$554,954						\$0	
05-C09a	Additional Funding for State Emergency Operations Center, Carson City -- Continuation of CIP 03-C06			\$0			\$778,128		\$1,221,872	\$2,000,000	Securities Settlement Funds
05-C10	Furnishings for Academic and Student Services (Liberal Arts) Building and Campus Master Plan, NSC -- Revised cost estimate provided by SPWB to defer furnishings and moving costs	\$3,936,114		\$3,936,114			\$1,079,820			\$1,079,820	
05-C11	NHP E. Sahara Office Demolition -- Funding approved from Buildings and Grounds Division reserve		\$343,632	\$343,632	Highway Fund				\$334,264	\$334,264	Agency Funds

SCHEDULE OF CAPITAL IMPROVEMENT PROJECTS
2005-07 CIP PROGRAM

Project Number	Project Title	Governor Recommends				Legislature Approves					
		State Funds	Other Funds	Total Funding	Other Funding Source	General Fund	Bond Funds	Highway Fund	Other Funds	Total Funding	Other Funding Source
05-C12	Redundant UPS and Generator for Computer Facility, Carson City -- Project Eliminated -- SPWB requested withdrawal	\$900,198		\$900,198						\$0	
05-C13	Las Vegas Readiness Center, Office of the Military -- Revised cost estimate provided by SPWB due to construction cost inflation	\$9,983,510	\$13,170,520	\$23,154,030	Federal Funds	\$617,578	\$11,365,932		\$15,170,520	\$27,154,030	Federal Funds
05-C14	Addition of 4th Pod to Southern Nevada Psychiatric Hospital, Las Vegas	\$11,334,293		\$11,334,293		\$1,400,000	\$9,934,293			\$11,334,293	
05-C15	Rehab Food Services Facilities #4 & #5 at Desert Regional Center	\$1,898,598		\$1,898,598		\$130,000	\$1,768,598			\$1,898,598	
05-C16	Greenspun College of Urban Affairs, UNLV -- Project scope increased for additional building square footage	\$24,166,389	\$13,055,551	\$37,221,940	University Funds	\$600,000	\$33,366,389		\$23,255,551	\$57,221,940	University Funds
05-C17	Veterans Nursing Home Central Dining Room, Boulder City -- Revised cost estimate provided by SPWB due to construction cost inflation	\$527,184	\$589,731	\$1,116,915	Federal Funds	\$70,000	\$494,944		\$631,971	\$1,196,915	Federal Funds
05-C18	Electrical and Industrial Technology Building, GBC -- Revised cost estimate provided by SPWB due to construction cost inflation	\$12,674,032	\$500,000	\$13,174,032	University Funds	\$350,000	\$14,281,069		\$500,000	\$15,131,069	University Funds
05-C19	Elko Branch Office for Department of Agriculture -- Revised cost estimate provided by SPWB to change project scope to purchase and remodel of existing building	\$4,520,852		\$4,520,852		\$745,000	\$1,761,346			\$2,506,346	
05-C20	Human Resources Building Lease Purchase Subsidy -- Project not approved	\$20,878,925		\$20,878,925						\$0	
05-C20a	Additional Funding for Addition/Renovation to Computer Facility, Carson City -- Continuation of CIP 03-C10	\$2,368,500		\$2,368,500			\$2,368,500			\$2,368,500	
05-C20b	High Desert State Prison Phase IV, 3 Housing Units -- Project scope changed to construction of two housing units	\$58,570,649		\$58,570,649		\$650,000	\$39,639,099			\$40,289,099	
05-C20c	Classroom Building, CCSN -- Project scope changed to increase square footage for classroom space	\$5,000,000	\$5,000,000	\$10,000,000	University Funds	\$100,000	\$14,900,000		\$10,000,000	\$25,000,000	University Funds and Estate Tax
05-C25	Acquire Land for Future Facility and Training Sites for Office of the Military	\$546,000		\$546,000		\$546,000				\$546,000	

**SCHEDULE OF CAPITAL IMPROVEMENT PROJECTS
2005-07 CIP PROGRAM**

Project Number	Project Title	Governor Recommends				Legislature Approves					
		State Funds	Other Funds	Total Funding	Other Funding Source	General Fund	Bond Funds	Highway Fund	Other Funds	Total Funding	Other Funding Source
05-C27	ADA Entrance and Connecting Structure at Nevada State Museum, Carson City -- Revised cost estimate provided by SPWB due to construction cost inflation	\$3,230,894		\$3,230,894		\$600,000	\$2,859,894			\$3,459,894	
05-C35	Gym and Multi-Purpose Building Remodel at Nevada Youth Training Center, Elko -- Revised cost estimate provided by SPWB due to construction cost inflation	\$3,477,399		\$3,477,399		\$627,829	\$3,199,570			\$3,827,399	
05-C64L	Additional Funding for Academic and Student Services (Liberal Arts) Building, NSC -- Continuation of CIP 01-C25			\$0					\$9,000,000	\$9,000,000	
05-C65L	CAVE (Computer Automated Virtual Environment) Facility, Desert Research Institute			\$0					\$17,870,000	\$17,870,000	Federal Funds, University Funds and Estate Tax
05-C66L	Automotive Technology Building, Phase I, CCSN			\$0			\$9,400,000		\$1,600,000	\$11,000,000	University Funds and Estate Tax
05-C67L	Student Services Building Addition and Renovation of Frazier Hall, UNLV			\$0		\$600,000	\$8,400,000		\$1,000,000	\$10,000,000	University Funds
05-C68L	Science and Math Education Center, UNR			\$0		\$600,000	\$31,400,000		\$18,000,000	\$50,000,000	University Funds
CONSTRUCTION PROJECTS TOTAL		\$216,560,835	\$33,633,837	\$250,194,672		\$21,363,637	\$224,921,940	\$974,403	\$98,584,178	\$345,844,158	

SCHEDULE OF CAPITAL IMPROVEMENT PROJECTS
2005-07 CIP PROGRAM

Project Number	Project Title	Governor Recommends				Legislature Approves					
		State Funds	Other Funds	Total Funding	Other Funding Source	General Fund	Bond Funds	Highway Fund	Other Funds	Total Funding	Other Funding Source
MAINTENANCE PROJECTS											
05-M02	Platform Guardrail for Rooftop HVAC Unit at Lakes Crossing -- Revised cost estimate provided by SPWB due to construction cost inflation	\$18,196		\$18,196		\$22,196				\$22,196	
05-M03	Red Mountain Building Fire Code Renovations, TMCC -- SPWB requested deferral of one-half of project scope to 2007 CIP	\$2,000,000		\$2,000,000		\$1,000,000				\$1,000,000	
05-M04	Electrical and Lighting Upgrade at Lost City Museum -- Revised cost estimate provided by SPWB due to construction cost inflation	\$390,306		\$390,306		\$465,306				\$465,306	
05-M05	Indian Springs Camp Upgrade for Forestry Division -- Revised cost estimate provided by SPWB due to construction cost inflation	\$87,166		\$87,166		\$107,166				\$107,166	
05-M06	Installation of Generator No. 4 at High Desert State Prison	\$532,738		\$532,738		\$532,738				\$532,738	
05-M07	Replace Emergency Generators at Desert Regional Center -- Revised cost estimate provided by SPWB due to construction cost inflation	\$261,486		\$261,486		\$281,486				\$281,486	
05-M08	Secure Egress Area for Building 3A at SNAMHS	\$130,703		\$130,703		\$130,703				\$130,703	
05-M09	Bristlecone Building Life Safety, WNCC -- Revised cost estimate provided by SPWB due to construction cost inflation	\$79,398		\$79,398		\$89,398				\$89,398	
05-M10	Pinion Hall Building New Fire Sprinkler System, WNCC -- Revised cost estimate provided by SPWB due to construction cost inflation	\$184,950		\$184,950		\$199,950				\$199,950	
05-M11	Purchasing Warehouse Structural Evaluation and Repairs, Reno	\$188,910		\$188,910		\$188,910				\$188,910	
05-M12	Light Control Switching at Nevada State Museum, Carson City -- Revised cost estimate provided by SPWB due to construction cost inflation	\$90,721		\$90,721		\$100,721				\$100,721	
05-M13	Install Backflow Preventors at Northern Nevada Correctional Center and Nevada State Prison	\$188,047		\$188,047		\$188,047				\$188,047	
05-M14	Expand Sewage Leachfield at Silver Springs Correctional Center	\$598,929		\$598,929		\$598,929				\$598,929	

SCHEDULE OF CAPITAL IMPROVEMENT PROJECTS
2005-07 CIP PROGRAM

Project Number	Project Title	Governor Recommends				Legislature Approves					
		State Funds	Other Funds	Total Funding	Other Funding Source	General Fund	Bond Funds	Highway Fund	Other Funds	Total Funding	Other Funding Source
05-M15	Sewage Treatment Upgrades at Ely State Prison -- Revised cost estimate provided by SPWB due to construction cost inflation	\$3,102,880		\$3,102,880		\$3,332,880				\$3,332,880	
05-M16	Sewage Disposal Upgrades at Pioche Conservation Camp	\$234,467		\$234,467		\$234,467				\$234,467	
05-M17	Department of Corrections, Indian Springs Sewage Disposal	\$2,658,136		\$2,658,136		\$2,658,136				\$2,658,136	
05-M18	Replace Air Handling Units Phase 1 at Ely State Prison -- Project not approved	\$3,781,902		\$3,781,902						\$0	
05-M19	Phone Cable Replacement at Northern Nevada Correctional Center -- Revised cost estimate provided by SPWB due to construction cost inflation and addition of security allowance	\$146,649		\$146,649		\$175,839				\$175,839	
05-M21	Generator for HVAC Systems at SNCAS -- Revised cost estimate provided by SPWB due to construction cost inflation	\$421,629		\$421,629		\$446,626				\$446,626	
05-M22	Central Boiler Plant Renovation at Lovelock Correctional Center -- Revised cost estimate provided by SPWB due to construction cost inflation	\$337,999		\$337,999		\$367,999				\$367,999	
05-M23	Drainage and Walkway Projects at Ely Railroad Museum -- Revised cost estimate provided by SPWB due to construction cost inflation	\$170,076		\$170,076		\$180,076				\$180,076	
05-M24	Repair/Replace Locks, Doors, Control Panel, Intercom at Warm Springs Correctional Center -- Revised cost estimate provided by SPWB due to construction cost inflation	\$513,173		\$513,173		\$548,173				\$548,173	
05-M25	Repair/Replace Doors, Locks, Control Panels at Southern Desert Correctional Center -- Revised cost estimate provided by SPWB due to construction cost inflation	\$406,599		\$406,599		\$436,599				\$436,599	
05-M26	HVAC System Renovation at Lakes Crossing -- Revised cost estimate provided by SPWB due to construction cost inflation	\$167,193		\$167,193		\$177,193				\$177,193	

SCHEDULE OF CAPITAL IMPROVEMENT PROJECTS
2005-07 CIP PROGRAM

Project Number	Project Title	Governor Recommends				Legislature Approves					
		State Funds	Other Funds	Total Funding	Other Funding Source	General Fund	Bond Funds	Highway Fund	Other Funds	Total Funding	Other Funding Source
05-M27	Renovate Las Vegas Native Plant Nursery -- Revised cost estimate provided by SPWB due to construction cost inflation. Legislature approved 20 year payback of project costs to General Fund from Forestry Nurseries Fund	\$474,995		\$474,995		\$524,995				\$524,995	
05-M28	Kyle Canyon Fire Station Upgrade -- Revised cost estimate provided by SPWB due to construction cost inflation	\$96,930		\$96,930		\$116,930				\$116,930	
05-M29	Groundwater Protection at Carlin Conservation Camp -- Revised cost estimate provided by SPWB due to construction cost inflation	\$599,874		\$599,874		\$639,874				\$639,874	
05-M30	Building Structural Remediation at Lovelock Correctional Center -- Revised cost estimate provided by SPWB due to construction cost inflation and addition of security and remote site allowances	\$313,747		\$313,747		\$452,832				\$452,832	
05-M31	Boiler Replacement at Southern Desert Correctional Center -- Revised cost estimate provided by SPWB due to construction cost inflation	\$397,421		\$397,421		\$427,421				\$427,421	
05-M32	HVAC System Renovation Building #5 at NNAMHS -- Revised cost estimate provided by SPWB due to construction cost inflation	\$245,179		\$245,179		\$265,179				\$265,179	
05-M33	HVAC System Renovation Building #8 at NNAMHS -- Revised cost estimate provided by SPWB due to construction cost inflation	\$341,997		\$341,997		\$371,997				\$371,997	
05-M34	Failing Door and Hardware Replacement at Lakes Crossing -- Revised cost estimate provided by SPWB due to construction cost inflation	\$114,499		\$114,499		\$122,999				\$122,999	
05-M35	Domestic Hot Water System Upgrades at Lakes Crossing -- Revised cost estimate provided by SPWB due to construction cost inflation	\$56,720		\$56,720		\$60,720				\$60,720	
05-M36	Central Chiller Plant Renovation at Lovelock Correctional Center -- Revised cost estimate provided by SPWB due to construction cost inflation	\$1,122,864		\$1,122,864		\$1,212,864				\$1,212,864	

**SCHEDULE OF CAPITAL IMPROVEMENT PROJECTS
2005-07 CIP PROGRAM**

Project Number	Project Title	Governor Recommends				Legislature Approves					
		State Funds	Other Funds	Total Funding	Other Funding Source	General Fund	Bond Funds	Highway Fund	Other Funds	Total Funding	Other Funding Source
05-M37	Replace High Mast Cable System and Operators at Ely State Prison -- Revised cost estimate provided by SPWB due to construction cost inflation	\$454,465		\$454,465		\$504,465				\$504,465	
05-M38	Boiler Replacement at Warm Springs Correctional Center -- Revised cost estimate provided by SPWB due to construction cost inflation. Duplicate prison security allowance eliminated.	\$205,547		\$205,547		\$213,034				\$213,034	
05-M39	State Criminal Justice Computer System - UPS Replacement -- Revised cost estimate provided by SPWB due to construction cost inflation	\$98,847		\$98,847		\$104,847				\$104,847	
05-M40	Repair Perimeter Fence at Lovelock Correctional Center -- Revised cost estimate provided by SPWB due to construction cost inflation	\$56,056		\$56,056		\$60,056				\$60,056	
05-M41	Remodel Bathrooms in Buildings 1,2,3 & 3A at SNAMHS -- Revised cost estimate provided by SPWB due to construction cost inflation	\$1,236,722		\$1,236,722		\$1,306,722				\$1,306,722	
05-M42	Secure Uninhabited Buildings at NNAMHS -- Project scope changed to demolition of six buildings	\$265,943		\$265,943		\$1,600,000				\$1,600,000	
05-M43	Security Upgrade at Nevada State Library and Archives -- Revised cost estimate provided by SPWB due to construction cost inflation and to correct mathematical error	\$683,593		\$683,593		\$1,183,593				\$1,183,593	
05-M44	Replace Failing Doors at Railroad Museum, Carson City -- Revised cost estimate provided by SPWB due to construction cost inflation	\$113,139		\$113,139		\$120,139				\$120,139	
05-M45	Sewage Treatment Upgrades at Southern Nevada Correctional Center			\$0		\$500,000				\$500,000	
05-M46	Building Exterior Masonry Repairs at Stewart Complex -- Governor included funding in Buildings and Grounds Division budget			\$0		\$1,637,670				\$1,637,670	
MAINTENANCE PROJECTS TOTAL		\$23,570,791	\$0	\$23,570,791		\$23,889,875	\$0	\$0	\$0	\$23,889,875	

SCHEDULE OF CAPITAL IMPROVEMENT PROJECTS
2005-07 CIP PROGRAM

Project Number	Project Title	Governor Recommends				Legislature Approves					
		State Funds	Other Funds	Total Funding	Other Funding Source	General Fund	Bond Funds	Highway Fund	Other Funds	Total Funding	Other Funding Source
ADVANCE PLANNING PROJECTS											
05-P01	Arsenic Reduction in Domestic Water at Silver Springs and Humboldt Conservation Camps	\$65,599		\$65,599		\$65,599				\$65,599	
05-P02	Advance Planning of Water Line Replacement at Southern Desert Correctional Center	\$488,297		\$488,297		\$488,297				\$488,297	
05-P03	Erosion Control at High Desert State Prison	\$61,718		\$61,718		\$61,718				\$61,718	
05-P04	ADA Advance Planning, WNCC	\$275,775		\$275,775		\$275,775				\$275,775	
05-P05	Advance Planning of Women's Reentry Center at Southern Nevada Women's Correctional Facility -- Project scope and cost estimate revised by SPWB to allow for earlier construction timeline	\$1,246,100		\$1,246,100		\$2,662,734				\$2,662,734	
05-P06	State Records Center for Nevada State Library and Archives, Las Vegas	\$180,464		\$180,464		\$180,464				\$180,464	
05-P07	Advance Planning of New Prison #8 -- Project not approved	\$1,800,000		\$1,800,000						\$0	
05-P08	Advance Planning of New Campos Building, Las Vegas	\$1,257,768		\$1,257,768		\$1,257,768				\$1,257,768	
05-P09	Advance Planning of Agriculture Headquarters and Lab Building, Sparks	\$1,309,763		\$1,309,763		\$1,309,763				\$1,309,763	
05-P10	Programming for Department of Education future space needs in Capitol Complex	\$167,981		\$167,981		\$167,981				\$167,981	
05-P12	Corrections Statewide Utilization Plan -- Project not approved	\$363,189		\$363,189						\$0	
05-P18	Kyle Canyon Fire Station Feasibility Study	\$44,100		\$44,100		\$44,100				\$44,100	
05-P19	Consolidated Facilities Building Study at NNAMHS	\$277,411		\$277,411		\$277,411				\$277,411	
05-P20	Advance Planning of Biotechnology & Genomics Research Facility, UNR		\$5,446,333	\$5,446,333	University Funds				\$5,446,333	\$5,446,333	University Funds
05-P28	Advance Planning of Indian Springs Work Center, Department of Corrections	\$1,970,385		\$1,970,385		\$1,970,385				\$1,970,385	
05-P29L	Advance Planning of Academic Medical Center, UNR School of Medicine, Las Vegas			\$0		\$1,500,000				\$1,500,000	
	ADVANCE PLANNING PROJECTS TOTAL	\$9,508,550	\$5,446,333	\$14,954,883		\$10,261,995	\$0	\$0	\$5,446,333	\$15,708,328	

**SCHEDULE OF CAPITAL IMPROVEMENT PROJECTS
2005-07 CIP PROGRAM**

Project Number	Project Title	Governor Recommends				Legislature Approves					
		State Funds	Other Funds	Total Funding	Other Funding Source	General Fund	Bond Funds	Highway Fund	Other Funds	Total Funding	Other Funding Source
STATEWIDE PROJECTS											
05-S01	Statewide Roofing Program -- Funding added for building roofing repairs at Stewart Complex. Governor included funding in Buildings and Grounds Division budget.	\$3,619,052		\$3,619,052		\$5,122,932				\$5,122,932	
05-S02	Statewide ADA Program	\$3,227,032	\$71,952	\$3,298,984	Highway Fund	\$3,227,032		\$71,952		\$3,298,984	
05-S03	Statewide Fire and Life Safety Program	\$5,143,513	\$52,500	\$5,196,013	Highway Fund	\$5,143,513		\$52,500		\$5,196,013	
05-S04	Statewide Advance Planning -- Funding included for Reno master plan	\$591,299		\$591,299		\$591,299				\$591,299	
05-S05	Statewide Paving Program	\$3,763,264	\$375,644	\$4,138,908	Highway Fund	\$3,763,264		\$375,644		\$4,138,908	
05-S06	Statewide Asbestos, Lead, IAQ, Mold -- Funding reduced based on SPWB's estimate of available funds remaining in 2003 statewide project	\$705,074	\$400,000	\$1,105,074	Agency Funds	\$200,000			\$200,000	\$400,000	Agency Funds
05-S07	Statewide Underground Storage Tank	\$232,531		\$232,531		\$232,531				\$232,531	
STATEWIDE PROJECTS TOTAL		\$17,281,765	\$900,096	\$18,181,861		\$18,280,571	\$0	\$500,096	\$200,000	\$18,980,667	
UNIVERSITY CAMPUS IMPROVEMENT PROJECTS											
05-U01	Campus Improvements - Project distributed among campuses below	\$10,000,000	\$5,000,000	\$15,000,000	SHECC						
05-U1L	Campus Improvements - UCCSN System					\$400,000				\$400,000	
05-U2L	Campus Improvements - UNLV					\$3,192,491		\$1,862,699		\$5,055,190	SHECC
05-U3L	Campus Improvements - UNR					\$3,546,906		\$2,284,636		\$5,831,542	SHECC
05-U4L	Campus Improvements - CCSN					\$1,170,432		\$493,189		\$1,663,621	SHECC
05-U5L	Campus Improvements - DRI					\$274,065		\$48,193		\$322,258	SHECC
05-U6L	Campus Improvements - GBC					\$269,955		\$3,241		\$273,196	SHECC
05-U7L	Campus Improvements - TMCC					\$676,945		\$232,617		\$909,562	SHECC
05-U8L	Campus Improvements - WNCC					\$365,206		\$75,425		\$440,631	SHECC
05-U9L	Campus Improvements - NSC					\$104,000				\$104,000	
UNIVERSITY CAMPUS IMPROVEMENTS TOTAL		\$10,000,000	\$5,000,000	\$15,000,000		\$10,000,000	\$0	\$0	\$5,000,000	\$15,000,000	
TOTAL ALL CIP PROJECTS		\$276,921,941	\$44,980,266	\$321,902,207		\$83,796,078	\$224,921,940	\$1,474,499	\$109,230,511	\$419,423,028	

POSITION SUMMARY

The following table displays the existing and new positions approved by the 2005 Legislature by functional area for the 2005-07 biennium. For comparison purposes, the FY 2004-05 (work program year) total position count is displayed. The total number of positions for the Nevada System of Higher Education (NSHE) is detailed separately and is included in the grand totals.

For FY 2005-06, excluding the NSHE, the 2005 Legislature eliminated 270.82 existing positions when compared to FY 2004-05 (work program year), thus approving 16,791.58 existing positions and adding 1,153.33 new positions, resulting in a total of 17,944.91 approved positions. Net new positions (new less eliminations) are 882.51.

For FY 2006-07, excluding the NSHE, the 2005 Legislature eliminated 285.08 existing positions when compared to FY 2004-05 (work program year), thus approving 16,777.32 existing positions and adding 250.88 net new positions when compared to new positions added in FY 2005-06. This results in a total of 1,404.21 new positions over the 2005-07 biennium and 18,181.53 approved positions. For FY 2006-07, net positions (new less eliminations) are 236.62.

Significant increases in positions approved by the Legislature for the 2005-07 biennium include 775.2 FTE in the Human Services functional area primarily to support caseload growth within the Divisions of Mental Health/Developmental Services, Child and Family Services, and Health. In addition to increases within the Human Services functional area, 361.96 of the new positions were added to the Public Safety functional area. These new positions are primarily to support staffing needs at the Southern Nevada Correctional Center. In addition, 68 new positions were added in the Special Purpose Agencies function, primarily due to the addition of federally funded positions in the Department of the Military.

The total number of positions approved by the 2005 Legislature for the Nevada System of Higher Education (NSHE) increased by 186.92 new positions when compared to the FY 2004-05 work program year. The Legislature approved university system funding increases to respond to enrollment growth and space maintenance needs. The funding increases will enable the NSHE to add 176.92 new full-time equivalent (FTE) positions in FY 2005-06 as compared to FY 2004-05. Final FY 2006-07 NSHE position count data will not be available until the FY 2006-07 operating budgets are prepared and the approved formula funding is distributed by function. However, eight professional FTEs and two classified FTEs were added by the Legislature in FY 2006-07 to support the Lou Ruvo Center for Alzheimer's Disease and Brain Aging.

The total number of positions approved by the 2005 Legislature for the operation of state government and the NSHE for FY 2005-06 is 25,330.67 and for FY 2006-07 is 25,577.29.

**Nevada Legislative Counsel Bureau
Legislatively-Approved Position Summary
Full-Time Equivalency Count**

	FY 2004-05 Work Program ^{a.}	Legislatively Approved ← FY 2005-06 →			← Legislatively Approved FY 2006-07 →		
		Existing ^{b.}	New	Total	Existing ^{b.}	New	Total
Government Function							
Constitutional Agencies	1,056.46	1,048.46	45.54	1,094.00	1,047.96 ^{c.}	50.54	1,098.50
Finance & Administration ^{d.}	925.02	877.51	34.51	912.02	877.51	34.51	912.02
Education (excluding NSHE)	297.18	297.18	13.51	310.69	297.18	13.51	310.69
Human Services ^{e.}	5,271.61	5,113.00	611.83	5,724.83	5,107.49 ^{f.}	775.20	5,882.69
Commerce & Industry ^{g.}	1,321.20	1,306.99	38.49	1,345.48	1,305.74 ^{h.}	39.49	1,345.23
Public Safety ^{i.}	5,145.05	5,102.05	284.45	5,386.50	5,095.05 ^{j.}	361.96	5,457.01
Infrastructure	2,669.37	2,669.88	57.00	2,726.88	2,669.88	61.00	2,730.88
Special Purpose Agencies	376.51	376.51	68.00	444.51	376.51	68.00	444.51
Sub-Total	17,062.40	16,791.58	1,153.33	17,944.91	16,777.32	1,404.21	18,181.53
Nevada System of Higher Education							
Professional	4,657.98	4,657.98	82.68	4,740.66	4,657.98	90.68	4,748.66
Classified	2,550.86	2,550.86	94.24	2,645.10	2,550.86	96.24	2,647.10
Sub-Total	7,208.84	7,208.84	176.92	7,385.76	7,208.84	186.92	7,395.76
Total ^{k.}	24,271.24	24,000.42	1,330.25	25,330.67	23,986.16	1,591.13	25,577.29

a. FY 2004-05 work program amounts reflect revisions approved by the Legislature and the Interim Finance Committee.

b. Existing positions for FY 2005-06 and FY 2006-07 are net of position eliminations of 270.82 in FY 2005-06 and an additional 14.26 in FY 2006-07 for a total of 285.08 eliminated positions when compared to the FY 2004-05 Work Program. Detail of positions eliminated is on file in the Fiscal Analysis Division.

c. Reduction of .5 FTE in the Constitutional Agencies function between FY 2005-06 and FY 2006-07 is due to elimination of position in the LCB budget.

d. Decrease in existing positions for Finance & Administration between FY 2004-05 (work program) and FY 2005-06 primarily due to transfer of positions to the Human Services function.

e. Decrease in existing positions for Human Services between FY 2004-05 (work program) and FY 2005-06 primarily due to transfer of positions within Child Welfare Integration budget to Clark County and to position deletions in the Employment Security budget.

f. Reduction of 5.51 existing positions in Human Services between FY 2005-06 and FY 2006-07 due to grant expirations and reductions in the SNAMHS, Juvenile Accountability Block Grant and Youth Parole Services budgets.

g. Decrease in existing positions in Commerce & Industry between FY 2004-05 (work program) and FY 2005-06 is due to position deletions in the Gaming Control Board, Dairy Commission, and certain Agriculture budgets.

h. Reduction of 1.25 existing positions for Commerce & Industry between FY 2005-06 and FY 2006-07 due to position deletions in certain Agriculture budgets.

i. Decrease in existing positions in Public Safety between FY 2004-05 (work program) and FY 2005-06 primarily due to elimination of positions in the Correctional Programs budget, and sunseting of the funding to house prisoners from Washington and Wyoming in the High Desert State Prison budget.

j. Reduction of 7.0 existing positions between FY 2005-06 and FY 2006-07 due to position eliminations in the Correctional Programs, Parole & Probation, and Highway Safety Planning/Administration budgets.

k. Total does not include Boards and Commissions.

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

	2004 - 05 Work Program	2005 - 06 Governor Recommended	2005 - 06 Legislature Approved	2006 - 07 Governor Recommended	2006 - 07 Legislature Approved
CONSTITUTIONAL AGENCIES					
GENERAL FUND	88,675,989	83,512,171	81,500,707	83,241,003	82,086,981
BALANCE FORWARD	82,533,731	57,056,914	61,180,442	65,131,467	63,251,743
FEDERAL FUND	23,416,882	4,574,155	4,698,556	4,344,079	4,452,449
HIGHWAY FUND	169,450	2,500	7,500	2,500	7,500
INTER AGENCY TRANSFER	114,476,644	119,781,480	122,151,680	116,210,760	118,353,536
INTERIM FINANCE	1,787,532				
OTHER FUND	234,972,060	277,002,147	277,949,231	280,708,710	282,012,216
TOTAL CONSTITUTIONAL AGENCIES	546,032,288	541,929,367	547,488,116	549,638,519	550,164,425
Less: INTER AGENCY TRANSFER	114,476,644	119,781,480	122,151,680	116,210,760	118,353,536
NET-CONSTITUTIONAL AGENCIES	431,555,644	422,147,887	425,336,436	433,427,759	431,810,889
FINANCE & ADMINISTRATION					
GENERAL FUND	31,177,820	88,212,903	88,320,146	72,142,375	84,413,104
BALANCE FORWARD	29,389,272	30,582,792	30,582,792	40,594,130	38,987,075
FEDERAL FUND	3,183,460	3,675,197	3,047,768	3,342,369	3,047,768
HIGHWAY FUND	6,620,162	8,377,526	12,378,334	12,255,055	20,136,931
INTER AGENCY TRANSFER	111,160,386	94,508,817	92,878,247	96,709,912	94,286,201
OTHER FUND	34,441,964	39,354,682	39,562,484	41,090,014	41,480,591
TOTAL FINANCE & ADMINISTRATION	215,973,064	264,711,917	266,769,771	266,133,855	282,351,670
Less: INTER AGENCY TRANSFER	111,160,386	94,508,817	92,878,247	96,709,912	94,286,201
NET-FINANCE & ADMINISTRATION	104,812,678	170,203,100	173,891,524	169,423,943	188,065,469
EDUCATION					
GENERAL FUND	1,435,419,529	1,481,117,155	1,498,312,606	1,561,364,224	1,641,600,821
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
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
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

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

	2004 - 05 Work Program	2005 - 06 Governor Recommended	2005 - 06 Legislature Approved	2006 - 07 Governor Recommended	2006 - 07 Legislature Approved
COMMERCE & INDUSTRY					
GENERAL FUND	42,606,219	50,965,148	50,228,650	50,435,084	49,540,827
BALANCE FORWARD	39,061,848	42,080,927	42,731,866	44,268,130	50,156,918
FEDERAL FUND	16,465,118	10,396,980	10,790,523	10,400,963	10,787,565
HIGHWAY FUND	2,136,959	2,201,799	2,105,265	2,249,138	2,229,396
INTER AGENCY TRANSFER	13,426,191	15,907,592	15,350,886	16,553,786	15,980,228
INTERIM FINANCE	35,160				
OTHER FUND	95,249,000	107,496,060	111,925,993	109,782,716	115,941,193
TOTAL COMMERCE & INDUSTRY	208,980,495	229,048,506	233,133,183	233,689,817	244,636,127
Less: INTER AGENCY TRANSFER	13,426,191	15,907,592	15,350,886	16,553,786	15,980,228
NET-COMMERCE & INDUSTRY	195,554,304	213,140,914	217,782,297	217,136,031	228,655,899
HUMAN SERVICES					
GENERAL FUND	711,518,028	777,380,220	773,985,219	868,732,006	865,983,787
BALANCE FORWARD	61,199,651	43,163,324	44,733,350	40,699,942	41,667,507
FEDERAL FUND	1,122,336,727	1,124,685,596	1,122,438,861	1,190,607,218	1,179,620,950
INTER AGENCY TRANSFER	253,144,515	248,661,689	263,473,935	272,979,223	285,719,000
INTERIM FINANCE	520,000				
OTHER FUND	195,224,998	191,667,858	198,810,094	202,739,869	203,307,161
TOTAL HUMAN SERVICES	2,343,943,919	2,385,558,687	2,403,441,459	2,575,758,258	2,576,298,405
Less: INTER AGENCY TRANSFER	253,144,515	248,661,689	263,473,935	272,979,223	285,719,000
NET-HUMAN SERVICES	2,090,799,404	2,136,896,998	2,139,967,524	2,302,779,035	2,290,579,405
PUBLIC SAFETY					
GENERAL FUND	235,384,639	252,245,398	248,038,131	273,666,523	268,233,132
BALANCE FORWARD	11,846,768	9,148,177	9,383,461	11,512,289	12,616,256
FEDERAL FUND	97,631,300	27,077,083	29,159,432	26,320,245	28,398,363
HIGHWAY FUND	104,419,247	108,633,548	104,186,603	102,905,468	101,307,535
INTER AGENCY TRANSFER	35,635,148	52,072,978	51,388,800	58,268,986	56,906,489
INTERIM FINANCE	507,533				
OTHER FUND	118,701,210	120,061,326	118,678,025	128,494,351	123,133,991
TOTAL PUBLIC SAFETY	604,125,845	569,238,510	560,834,452	601,167,862	590,595,766
Less: INTER AGENCY TRANSFER	35,635,148	52,072,978	51,388,800	58,268,986	56,906,489
NET-PUBLIC SAFETY	568,490,697	517,165,532	509,445,652	542,898,876	533,689,277

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

	2004 - 05 Work Program	2005 - 06 Governor Recommended	2005 - 06 Legislature Approved	2006 - 07 Governor Recommended	2006 - 07 Legislature Approved
INFRASTRUCTURE					
GENERAL FUND	24,599,565	28,552,098	27,464,746	27,647,444	27,021,064
BALANCE FORWARD	50,214,929	51,696,667	51,863,422	42,470,537	46,951,256
FEDERAL FUND	244,798,833	269,913,767	270,583,423	270,643,845	271,288,515
HIGHWAY FUND	277,894,824	244,528,882	243,435,486	247,666,521	246,905,244
INTER AGENCY TRANSFER	16,520,167	21,675,556	23,669,143	24,260,410	25,980,842
INTERIM FINANCE	303,619				
OTHER FUND	660,477,839	524,437,727	326,714,434	531,162,131	531,371,995
TOTAL INFRASTRUCTURE	1,274,809,776	1,140,804,697	943,730,654	1,143,850,888	1,149,518,916
Less: INTER AGENCY TRANSFER	16,520,167	21,675,556	23,669,143	24,260,410	25,980,842
NET-INFRASTRUCTURE	1,258,289,609	1,119,129,141	920,061,511	1,119,590,478	1,123,538,074
SPECIAL PURPOSE AGENCIES					
GENERAL FUND	5,959,335	6,269,016	5,669,155	6,534,756	5,515,368
BALANCE FORWARD	47,007,889	52,499,502	66,000,068	57,494,467	64,761,286
FEDERAL FUND	13,670,375	16,157,708	16,350,687	16,992,802	17,104,048
INTER AGENCY TRANSFER	219,446,404	376,460,717	341,009,108	398,717,071	359,213,101
OTHER FUND	49,507,454	71,182,833	59,658,270	75,117,619	64,623,761
TOTAL SPECIAL PURPOSE AGENCIE	335,591,457	522,569,776	488,687,288	554,856,715	511,217,564
Less: INTER AGENCY TRANSFER	219,446,404	376,460,717	341,009,108	398,717,071	359,213,101
NET-SPECIAL PURPOSE AGENCIES	116,145,053	146,109,059	147,678,180	156,139,644	152,004,463
STATEWIDE SUMMARY:					
GENERAL FUND	2,575,341,124	2,768,254,109	2,773,519,360	2,943,763,415	3,024,395,084
BALANCE FORWARD	374,910,120	286,895,749	307,142,847	302,645,293	319,000,651
FEDERAL FUND	1,828,187,451	1,733,913,803	1,734,515,867	1,806,370,776	1,798,437,187
HIGHWAY FUND	391,240,642	363,744,255	362,113,188	365,078,682	370,586,606
INTER AGENCY TRANSFER	773,123,191	949,298,523	931,826,796	1,013,413,529	987,782,145
INTERIM FINANCE	3,610,770				
OTHER FUND	1,674,426,649	1,611,086,025	1,421,559,281	1,667,372,808	1,668,091,257
TOTAL STATEWIDE	7,620,839,947	7,713,192,464	7,530,677,339	8,098,644,503	8,168,292,930
Less: INTER AGENCY TRANSFER	773,123,191	949,298,523	931,826,796	1,013,413,529	987,782,145
NET STATEWIDE	6,847,716,756	6,763,893,941	6,598,850,543	7,085,230,974	7,180,510,785

TAX POLICY



TAX POLICY

BACKGROUND

With regard to tax policy, the 2005 Legislature focused primarily on providing property tax relief and considering changes to the new taxes approved during the 20th Special Session (July 2003). Prior to the 2005 Legislative Session, reports were made about the potential for significant increases in property values in different areas of the state. The 2005 Legislature made providing relief from the anticipated record increases in property taxes an early priority of the Session. The Legislature determined that legislation was needed to be passed by the end of March 2005 to allow county assessors and treasurers an opportunity to implement property tax relief and allow local government entities to incorporate the projected impacts of property tax relief into their FY 2005-06 budgets.

The Senate Taxation and Assembly Growth and Infrastructure Committees held several joint meetings during the first two months of the session to: gather information on the state's property tax system regarding assessment and tax rates; obtain an understanding of the economic and demographic factors driving the record growth in property values; and consider alternative solutions for providing tax relief to the property owners in the state. On the 54th day of the Legislative Session (April 1, 2005), the Senate and Assembly approved A.B. 489, which provides tax relief for property owners in the form of partial abatements from the FY 2005-06 property tax bills mailed in July 2005. On June 1, 2005, the Legislature approved S.B. 509, which made technical corrections to and provided for the administration of the provisions of A.B. 489.

The partial abatements limit the amount a property owner's tax bill may increase from year to year. For single-family owner-occupied homes, and qualifying residential rental dwelling units, the property tax bill cannot increase by more than three percent per year. For the owners of all other types of property, the property tax bill in each county cannot increase by more than eight percent, the 10-year average growth in assessed value, or two times the rate of inflation, as determined by a two-part formula. The Property Tax Relief section, beginning on the next page, provides additional information regarding the provisions of the property tax relief plan established in A.B. 489 and S.B. 509.

The 2005 Legislature also approved several technical and policy changes to the tax plan approved by the 72nd Regular and 20th Special Session. Many of the changes were recommended by the Interim Legislative Committee on Taxation, Public Revenue and Tax Policy created by S.B. 8 of the 20th Special Session to review and study the tax changes approved during the 20th Special Session. Additional proposals were considered by the Senate Taxation and Assembly Commerce and Labor Committees regarding modifications to the structure and rate of various taxes, principally the Business License Fee (BLF), Modified Business Tax on General Business and Financial

Institutions (MBT), and the Live Entertainment Tax (LET). Assembly Bill 554, S.B. 391, S.B. 523 and S.B. 3 (22nd Special Session) are the four major bills implementing legislatively-approved changes to the BLF, MBT, and LET and the provisions of these bills are summarized in the Bills Regarding State Revenues and Taxes section, beginning on the next page.

PROPERTY TAX RELIEF

Assembly Bill 489 and Senate Bill 509 were approved during the 2005 Legislative Session to provide property tax relief to both residential and non-residential property owners in the state. The two bills jointly establish the provisions for providing the partial abatement of property taxes and provide for mechanisms to distribute the reduced property tax revenue to government entities.

Subsection 10 of Section 1 of Article 10 of the Nevada Constitution authorizes the Legislature to provide by law for an abatement of the tax upon, or an exemption of, part of the assessed value of a single-family residence occupied by the owner to the extent necessary to avoid a severe economic hardship to the owner of the residence. The 2005 Legislature declared that an increase of more than three percent in the property tax bill of a single-family owner-occupied residence in a given year constitutes a severe economic hardship. Assembly Bill 489 establishes a partial abatement such that property taxes cannot increase by more than three percent from last year's tax levy for owners of a single-family residence that is the primary residence of the owner. An owner of a single-family residence is still eligible for the partial abatement if a home business is operated out of a portion of the residence or the title has been placed in trust for the purpose of estate planning. The primary residence of the owner is defined to be the residence designated as the primary residence of the owner, exclusive of any other residence of the owner in the state, and is not rented or leased for exclusive occupancy by any person other than the owner of the residence and members of the family of the owner of the residence.

Subsection 8 of Section 1 of Article 10 of the Nevada Constitution provides that the Legislature may exempt from taxation, property used for certain charitable purposes. The 2005 Legislature declared that a charitable exemption should be provided to owners of residential rental dwellings qualifying as low-income housing under the standards established by the U.S. Department of Housing and Urban Development. To qualify for this partial abatement, the amount of rent collected from each tenant of the residential rental dwelling cannot exceed the fair market rent for the county in which the dwelling is located, as published by the U.S. Department of Housing and Urban Development. The charitable exemption is provided in the form of a partial abatement of property taxes and provides for the same annual three percent cap on the increase in taxes provided to owners of single-family residences. The partial abatement provided to qualifying residential rental dwellings does not apply to hotels, motels, or other forms of transient lodging.

The Legislature provided a separate partial abatement from property taxes for all other property not qualifying as a single-family owner-occupied primary residence or meeting the requirements established for low-income rental dwelling units. The maximum percentage increase in property taxes allowed in each county is determined by a two-part formula. The first part is the lesser of: 1) the average percentage change in the assessed value of all taxable property in the county over the past 10 years (the fiscal year in which the levy is made and the nine immediately preceding fiscal years as determined by the Department of Taxation); or 2) eight percent. The second part is determined by establishing twice the percent change in the Consumer Price Index (U.S. city average, all items, all urban consumers) for the prior calendar year. The partial abatement provided in the form of a limit on the increase in property taxes from the prior year is the greater of the percentages calculated from the first and second parts of the formula.

The partial abatements provided in A.B. 489 do not apply to property for which no assessed valuation was separately established for the preceding fiscal year. The partial abatements are not available to property value in its first year of existence on the tax roll, such as new improvements or enhancements to existing improvements. The partial abatements also do not apply to property for which there is a change in the authorized use. Land is valued at full cash value and improvements are valued at replacement cost when first added to the tax roll as new property value.

Assembly Bill 489 provides that if a legislative act becomes effective after April 6, 2005, which requires a local government entity to levy a new property tax or to increase the rate of an existing assessment, the amount of the new tax or increase in an existing tax is exempt from each of the partial abatements provided in A.B. 489.

The bill establishes an interim committee of six legislators to be equally appointed by the Senate Majority Leader and Speaker of the Assembly. The committee is charged with studying the state's property tax laws and factors contributing to the level of taxes paid by property owners and determine if the laws can be amended to ease property tax burdens in a fair and equitable fashion. The committee is required to submit a report, along with any recommendations for legislation, to the 74th Session of the Legislature.

BILLS REGARDING STATE REVENUES AND TAXES

Assembly Bill 338 makes various changes to the licensing, regulation, and taxation of insurance, including the following related to taxes and fees:

- A risk retention group, chartered in a state other than Nevada and registered in Nevada pursuant to statute, shall pay the insurance premium tax at a rate of two percent.
- The initial and annual registration fee for risk retention groups is lowered to \$250 from \$2,450.
- A producer of insurance acting as a viatical settlement broker shall pay a registration fee of \$250.

- The maximum aggregated tax paid by a captive insurer for net direct premiums and revenue from assumed reinsurance premiums cannot exceed \$175,000 for any year.

Assembly Bill 554 makes changes to various provisions governing taxation of events or transactions, primarily regarding live entertainment and the sales and use tax. The following summarizes the major provisions of the bill:

- For the purposes of the Modified Business Tax on General Business, an employer does not include any person who does not supply a product or service, but who only consumes a service.
- For purposes of the Live Entertainment Tax (LET), statutory definitions are established for casual assemblage, shopping mall, and a trade show.
- The term “admission charge” is clarified to include an entertainment fee, a cover charge, a table reservation fee, or a required minimum purchase of food, refreshments, or merchandise.
- Events or activities defined to be or not to be live entertainment in the regulations adopted by the Nevada Tax Commission and Nevada Gaming Commission are put in statute.
- Specific exemptions from the LET, not included in the regulations, are provided for the following: 1) live entertainment that is incidental to an amusement ride, a motion simulator, or a similar digital, electronic, mechanical or electromechanical device; 2) live entertainment provided to the public in an outdoor area, where there is no admission charge or requirement to purchase food, refreshments, or merchandise; 3) an outdoor concert unless provided on the premises of a licensed gaming establishment; 4) race events that are part of the National Association for Stock Car Auto Racing Nextel Cup Series and all races associated with such an event, effective July 1, 2007; and 5) live entertainment provided in a restaurant which is incidental to any other activities conducted in the restaurant or serves as ambience as long as there is no admission charge.
- Clarifies that live entertainment provided by or for the benefit of a non-profit entity filed with the Secretary of State under NRS Chapter 82 is exempt from the LET.
- The maximum occupancy threshold to determine whether a liability for the LET exists was lowered from 300 to 200.
- For the purposes of the real property transfer tax, the bill clarifies the exemption provided to transfers between family members must be related within the first degree of lineal consanguinity or affinity.
- Provides for the submission to the voters a question of whether the Sales and Use Tax Act of 1955 should be amended to include an exemption from the state sales tax for certain farm equipment and the trade-in value of a vehicle. If the ballot question fails, the provisions of the bill provide for the discontinuation, effective December 31, 2006, of the current exemption from the local sales taxes for the trade-in value of a motor vehicle. The current exemption provided from the local sales tax for certain farm equipment is extended from June 30, 2005, to December 31, 2005, and if the question is approved by voters, becomes effective again January 1, 2007.

Senate Bill 3 (22nd Special Session) makes various technical and policy changes related to selected tax measures approved in Senate Bill 8 (20th Special Session) based on recommendations of the Interim Legislative Committee on Taxation, Public Revenue and Tax Policy. The following major provisions are implemented in S.B. 3:

- The bill makes the Taxpayers' Bill of Rights applicable to the insurance premium tax, short-term car rental tax and the fuel taxes administered by the Department of Motor Vehicles. The dissemination requirements for the Taxpayers' Bill of Rights were changed by eliminating the provision requiring a pamphlet be distributed to each taxpayer and requiring the pamphlet be made available on the websites and at the offices of the Department of Taxation, the Department of Motor Vehicles, and at public libraries.
- The major provisions of the bill affecting the Business License Fee (BLF) include: 1) allowing common anniversary dates for taxpayers with multiple businesses to submit a \$100 annual renewal fee; 2) specifying that a natural person is required to obtain only one business license for multiple business activities; 3) providing that a person or governmental entity that operates a facility at which craft shows, exhibitions, trade shows, conventions or sporting events are held is responsible for the payment of the BLF for those persons who do not have a business license and that the entity operating the facility where the event is held can pay the fee as an annual flat fee of \$5,000 or on a per-show or event basis using a per-business formula; 4) providing an exemption for a person who derives rental income from four or fewer dwelling units; and 5) requiring that a business or natural person must perform a service or engage in a trade for profit to be subject to the requirements to obtain a business license.
- The major provisions of the bill affecting the Modified Business Tax (MBT) include: 1) requiring that an entity must be conducting an activity for profit subject to the MBT; 2) placing in statute regulations developed by the Nevada Tax Commission regarding definitions of claims, direct administrative costs, employees, and health benefits for implementing the healthcare deduction.
- An exemption from the branch bank excise tax is provided for one branch office maintained by a bank in each county, replacing the previous exemption of only one branch office per bank.
- The major provisions of the bill affecting the Live Entertainment Tax (LET) include: 1) clarifying that the tax is based on maximum occupancy of the facility, not maximum seating capacity; 2) providing an exemption for food and product demonstrations conducted at shopping malls, craft shows, membership stores, and similar facilities; and 3) clarifying the exemption provided to nonprofit organizations.
- The bill establishes a salary of \$27,500 for the Chairperson of the Nevada Tax Commission and \$20,000 for each of the other seven members of the commission.

Senate Bill 357 creates the Advisory Committee on Problem Gambling and establishes the Revolving Account to Support Programs for the Prevention and Treatment of Problem Gambling. The Gaming Commission is required to deposit quarterly into the account an amount equal to \$1 in FY 2005-06 and \$2 in FY 2006-07 for each slot machine subject to the quarterly restricted and nonrestricted license fees. The required transfer of quarterly slot machine license fees expires on June 30, 2007.

Senate Bill 391 replaces the previous language for defining financial institutions for the Modified Business Tax on Financial Institutions (NRS Chapter 363A) based on the North American Industrial Classification System (NAICS) definitions with language based upon the licensing, registration, or other state or federal requirements for doing business as a financial institution. Collection agencies and pawn shops are excluded as financial institutions for the purpose of the tax on financial institutions and are taxed as a business under the tax on general business. Entities that are issuers of credit cards or a service provider for an entity issuing credit cards are defined to be a financial institution, but a seller of goods or services who issues a credit card for purposes of providing or extending credit only in connection with the goods or services provided are not deemed to be financial institutions.

Senate Bill 444 requires the Gaming Commission to adopt regulations authorizing a gaming licensee to charge a fee for admission, with the approval of the Chairman of the Gaming Control Board, to an area in which gaming is conducted in accordance with the provisions of this bill.

Senate Bill 523 reduces the Modified Business Tax on General Businesses from 0.65 percent to 0.63 percent of wages paid during a calendar quarter less allowable health care expenses, effective from July 1, 2005, to June 30, 2007.

BILLS REGARDING TECHNICAL AND ADMINISTRATIVE CHANGES

Assembly Bill 67 authorizes the Department of Taxation to suspend or revoke a business license for failure to comply with the laws and regulations regarding the issuance of business licenses.

Assembly Bill 365 increases from \$200,000 to \$350,000 the amount of equity in property protected under the homestead exemption.

Assembly Bill 392 requires the Nevada Tax Commission to adopt general and uniform regulations governing the assessment of property by county assessors, county boards of equalization, the State Board of Equalization, and the Department of Taxation. The regulations must include standards for the appraisal and reappraisal of land that are used by county assessors to determine taxable value. County boards of equalization must comply with any applicable regulations adopted by the Nevada Tax Commission.

Assembly Bill 436 revises provisions under which tobacco manufacturers not participating in the Master Settlement Agreement (MSA) must contribute to an escrow account and establishes procedures to certify compliance with the MSA provisions established in statute.

Assembly Bill 464 makes various changes regarding the sales, delivery and taxation of cigarettes and revises the duties, rights and licensing requirements of manufacturers, wholesale dealers and retail dealers of cigarettes.

Assembly Bill 570 eliminates the allodial title program established during the 1997 Legislative Session. Existing allodial titles are still valid as long as the homeowner continues to own the residence and cannot be transferred or reestablished.

Senate Bill 15 authorizes the Nevada Tax Commission to enter into a compromise with a taxpayer over a liability the Department of Taxation has determined the taxpayer is required to pay. The Commission may accept an amount less than the liability as full satisfaction of the liability if it is unlikely the full amount will be collected; the amount of the liability of the taxpayer is unclear; or a compromise of the liability is appropriate based upon considerations of equity and fairness.

Senate Bill 233 authorizes a grocery store to serve samples of alcoholic beverages on the premises to a person of legal age. The bill also authorizes the operation of an instructional winemaking facility if a license is obtained from the Department of Taxation.

Senate Bill 358 requires that any ad valorem taxes or special assessments imposed upon any real property within a common-interest community must be assessed on the community units and not upon the common-interest community as a whole and must not be assessed on any common elements of the common-interest community. Each community unit must be assessed separately for the ad valorem taxes and special assessments. A property tax lien applies only to the community unit and not to any other portion of the common-interest community.

Senate Bill 394 makes technical changes to the assessment of real and personal property and the collection of property taxes, including:

- Clarification of certain provisions concerning the inflation adjustment for the partial exemptions from property tax assessment provided to surviving spouses, blind persons, veterans, disabled veterans and veteran's organizations.
- Changes related to appeals to the county boards of equalization, payments of taxes under protest and determinations of taxes on personal property as uncollectible.
- Water rights are deemed to be attributes of real property and must be considered in valuing the property during assessment.
- The county assessor may reopen the tax roll to correct assessments because of clerical, typographical or mathematical error or correct over assessments because of factual error in age, use or zoning, or legal or physical restrictions on use.

- A county board of equalization may not reduce the county assessor's assessment unless it is established by a preponderance of the evidence that the valuation exceeds the full cash value of the property or is inequitable.
- All real and personal property of the Nevada Heritage Association and the Habitat for Humanity is exempt from the property tax.
- Establishes a two percent commission, effective until June 30, 2007, on taxes collected from personal property and the assessed value attributable to the net proceeds of mines to be used by county assessors for the acquisition and improvement of technology in their offices.
- The use of real property and the improvements on that real property as a golf course is deemed to be an open-space use of the land. The land belonging to a golf course must not exceed a taxable value of \$2,860 per acre adjusted for inflation each year relative to the July 1, 2004, base period. The Nevada Tax Commission shall establish a manual for determining the value of improvements to a golf course including factors for obsolescence based upon the actual number of rounds played relative to the number of rounds that could have been played under optimum conditions.
- If real property receiving an agricultural or open-space use assessment is sold or transferred making it exempt from property taxes, any liens for deferred property taxes must be paid in full before the transfer of ownership, if the property is converted to another use, unless the property is transferred to the Nevada System of Higher Education, a school district, or another local government entity.
- Increases the limit on the assessed value of a home to \$200,000 from \$87,500 for the purpose of determining eligibility for the senior citizen's property tax rebate program.

Senate Bill 481 eliminates the \$130,000 limit on the amount of revenue that can be transferred from the Account for Taxes on Aviation Fuel (Account) to the Civil Air Patrol Account (CAPA). The total amount remaining in the Account, after the required distribution of the optional aviation fuel tax to the local government entity as specified in statute, must be transferred to the CAPA. The bill authorizes the use of money in the CAPA to carry out homeland defense and narcotics interdiction missions and eliminates the restriction on the use of money to pay for fuel for vehicles and aircraft used in the official mission of the United States Air Force.

Senate Bill 483 provides that a responsible person who fails to collect or pay any tax or fee to the Department of Taxation or attempts to evade the payment of any tax or fee is jointly and severally liable with any other person who is required to pay such a tax or fee for the tax or fee plus interest and all applicable penalties.

Senate Bill 515 revises various provisions governing sales and use taxes to provide clarification and consistency and to carry out the Streamlined Sales and Use Tax Agreement.

BILLS REGARDING EXEMPTIONS, ABATEMENTS AND POSTPONEMENTS

Assembly Bill 145 clarifies that if a veteran or surviving spouse of a veteran submits documentation indicating a percentage of permanent service-connected disability for more than one permanent service-connected disability, the property tax exemption allowed by statute for disabled veterans must be based on the total combined disability percentage, not to exceed 100 percent.

Assembly Bill 580 exempts certain members of the Nevada National Guard and their relatives from the state and local sales and use tax under the exemption provided in statute to the state of Nevada, its unincorporated agencies and instrumentalities.

Senate Bill 64 exempts from the real property transfer tax a conveyance of real property by deed to a grantee which becomes effective upon the death of the owner of the property.

Senate Bill 299 allows a person intending to locate a business in certain defined areas to submit a request to a local government for endorsement of an application to the Commission on Economic Development for a partial abatement of sales and use taxes and property taxes. A defined area includes a historically underutilized business zone, redevelopment area, area eligible for a community development block grant, or an enterprise community established pursuant to federal law. This bill also provides for a request for partial tax abatements for the location or expansion of a grocery store within the Southern Nevada Enterprise Community.

Senate Bill 321 requires the Department of Taxation to extend the sales and use tax exemption to nonprofit organizations formed for religious, charitable, or educational purposes to include any type of motor vehicle transferred for use, whether by sale or lease, by the nonprofit organization. The exemption applies whether title to the vehicle passes to the nonprofit organization at any time during the use of the vehicle.

Senate Bill 339 provides that the average hourly wage requirement to be paid by a new or expanding business applying for a partial abatement of sales and property taxes in a county whose population is less than 100,000 or a city whose population is less than 60,000 may be the lesser of the average statewide hourly wage or the average countywide hourly wage. The Employment Security Division of the Department of Employment, Training, and Rehabilitation must determine the average hourly wage in the state and each county for nonmanagerial employees and establish a method to determine the average hourly wage for nonmanagerial employees from wages for managerial and administrative employees. This information, including recommendations concerning the average hourly wage required to be paid to managerial and nonmanagerial employees to be eligible for the tax abatements, must be presented in a report to the 74th Session of the Legislature.

Effective July 1, 2009, the bill eliminates the requirement that a partial abatement approved by the Commission on Economic Development for a facility for the generation of electricity from renewable energy or a facility for the production of an energy storage device must be for a duration of 10 years and equal to 50 percent of the taxes on real and personal property payable by the facility each year.

Senate Bill 398 extends the expiration date to December 31, 2005, from June 30, 2005, for the sales and use tax exemption for: 1) products or systems that use renewable energy to generate electricity; 2) solar thermal energy system that reduces the consumption of electricity or any fossil fuel; and 3) solar lighting system that reduces consumption of electricity or any fossil fuel. The exemption applies to the Local School Support Tax, Basic and Supplemental City-County Relief Taxes and local option sales and use taxes, but does not apply to the state two percent rate.

BILLS REGARDING LOCAL GOVERNMENT TAXES AND REVENUES

Assembly Bill 393 authorizes a county, under certain circumstances, to sell tax liens against parcels of real property located in the county upon which the property taxes are delinquent.

Assembly Bill 418 authorizes the Clark County Board of County Commissioners to increase the sales and use tax up to one-half of one percent to employ and equip additional police officers for the Boulder City, Henderson, Las Vegas Metropolitan, Mesquite, and North Las Vegas police departments. A rate of one-quarter of one percent may first be imposed on October 1, 2005. The rate may be increased up to an additional one-quarter of one percent on or after October 1, 2009, if the Legislature approves the increase.

Assembly Bill 547 revises the intra-county (2nd tier) distribution formula for the 2.35-cent portion of the 3.6-cent-per-gallon motor vehicle fuel tax. The previous criterion in the formula based on road and street mileage and vehicle miles of travel from nonfederal aid primary road measure is changed to one based on improved roads and streets maintained by the county or incorporated city in the county. A hold harmless provision is included to ensure that local governments will not receive less from the amended intra-county distribution formula than the local government received in FY 2004-05.

Senate Bill 35 changes the tax imposed on the transfer of groundwater to another county or state and increases the fee from \$6 per acre-foot to a fee of \$10 per acre-foot.

Senate Bill 38 provides an additional method for determining the excess amount to be distributed from the consolidated tax distribution for counties in which: 1) the average assessed valuation of property attributable to net proceeds of minerals over the past five years is at least \$50 million; 2) the average percentage change in population over the past five years is negative; or 3) both. The one-plus formula must be used to calculate the distribution factor based on average growth in population and assessed value for the local government entities in an applicable county.

Senate Bill 169 expands the purposes for which money in the infrastructure fund generated from a sales and use tax imposed by ordinance in a county whose population is less than 100,000 may be used to include operating and maintaining projects for the management of flood plains, the prevention of floods, or solid waste disposal facilities. Existing statute allows the use of funds for acquisition, establishment, construction and expansion, but not operation and maintenance of these types of projects and facilities. The bill also authorizes expenditure of infrastructure funds for the construction and renovation of facilities having cultural or historical value.

Senate Bill 170 authorizes the board of county commissioners of a county whose population is less than 100,000 to impose by ordinance a local sales and use tax rate of not more than one-quarter of one percent to acquire, construct, equip, or operate libraries, parks, recreational programs and facilities, facilities and services for senior citizens, and to preserve and protect agriculture, or any combination of these activities. The bill authorizes the issuance of bonds for the same purpose the local tax is imposed and the pledge of tax receipts to secure the bonds.

Senate Bill 181 expands the counties authorized to impose additional motor vehicle fuel excise taxes to include any county with a population of less than 400,000 (currently all counties except Clark). Before an applicable county may impose an additional fuel excise tax, a majority of the voters must approve the imposition of the additional tax and the county must either impose the optional tax authorized by statute at the maximum rate (9 cents per gallon) or submit to the voters the question of whether to impose the statutorily-authorized rate at the maximum level. An additional fuel tax approved in a county with a population of less than 100,000 expires unless a majority of the voters reapprove the additional tax every eight years.

Senate Bill 306 establishes statutory provisions to be known as the Tourism Improvement District Law, which authorizes the governing body of a municipality to create, by ordinance, a tourism improvement district to acquire, develop, and maintain an economic and tourism development project within the established district. An amount not to exceed 75 percent of the state and local sales tax revenues generated in the tourism improvement district may be pledged to finance a project.

Senate Bill 389 authorizes a governing body of a municipality to designate a tax increment area comprising a specially benefited zone within the municipality designated for purposes of creating a special account for the payment of bonds issued to defray the cost of an allowable undertaking.

Senate Bill 390 makes several changes concerning the real property transfer tax, including:

- A county recorder who has a question of law regarding the imposition or collection of the real property transfer tax must request an opinion from the district attorney. A district attorney is required to request an opinion on the county recorder's question from the Attorney General if there is a conflict between the opinions of two or more district attorneys or the district attorney chooses not to render an opinion or will not be able to render an opinion within a reasonable time.
- If based on an Attorney General's opinion, the amount of taxes received by a county recorder differs from the amount required by law, the county recorder will notify the taxpayer.
- The county recorder of every county is allowed to withhold one percent of the proceeds generated from the state's portion of the real property transfer tax to reimburse the county for the cost of collecting the state portion. Previously, Clark and Washoe counties were allowed to collect a commission of 0.2 percent while all other counties retained one percent.
- The definition of "deed" is amended as it relates to the real property transfer tax to exclude a distribution of the separate property of a decedent pursuant to Chapter 134 of NRS and a conveyance of an interest in gas, oil, and minerals.
- Clarifies the exemption from the tax for spouses and relatives to exempt transfers or conveyances of real property if the owner is related to the person to whom it is conveyed within the first degree of lineal consanguinity or affinity.
- A county recorder cannot charge a fee for recording the declaration of value required when a deed transferring the title of real property is recorded.

CONSTITUTIONAL AGENCIES



CONSTITUTIONAL AGENCIES

The Constitutional Agencies function encompasses elected officials of the Executive Branch of Government including the Governor, Lieutenant Governor, Attorney General, Secretary of State, Treasurer and Controller, as well as the Judicial and Legislative Branches of Government. For the 2005-07 biennium, General Fund appropriations for the constitutional agencies approved by the Legislature total \$163.6 million; amounts appropriated to this function for the 2003-05 biennium totaled \$175.9 million. However, the appropriations for the 2003-05 biennium included appropriations to the Interim Finance Committee (IFC) of \$27.5 million for allocation to various agencies to support information technology or additional operating costs required to implement or modify the collections of General Fund revenues and approximately \$1.6 million for allocation to various agencies for costs related to the Retired Employees' Group Insurance Program. After these IFC amounts are deducted from the 2003-05 biennium total, General Fund support for the Constitutional Agencies function increases 11.4 percent for the 2005-07 biennium.

OFFICE OF THE GOVERNOR

The 2005 Legislature approved the Governor's Office budget as recommended. Two positions supporting the Office of Homeland Security, which was established with the approval of A.B. 441 by the 2003 Legislature, were transferred to the Department of Public Safety in a new budget titled Office of Homeland Security. The position of Advisor on Wildlife, Conservation and Rural Nevada Issues was moved to the Governor's Office effective July 1, 2005. The position had previously been federally funded and housed within the Division of Forestry budget. The authorized staffing for the Governor's Office for the 2005-07 biennium is 19 positions.

The Governor's Office will increase its space from 6,199 to 16,992 square feet. The additional space includes 7,087 square-feet located in the Capitol Annex that was vacated by the Controller's Office; this space is currently being renovated (CIP 01-C10). The additional space in the Capitol Annex will alleviate crowded conditions experienced by the Governor's staff. The remaining space on the second floor will be used as a media room for the Governor's press briefings and other official announcements.

WASHINGTON OFFICE

The 1985 Legislature authorized the establishment of a Washington, D.C. office to identify, monitor and provide information on federal issues of high priority to the state of Nevada. The Washington Office, which is operated on a contract basis, is funded through transfers from the Commission on Economic Development (\$20,000 General Fund), Commission on Tourism (\$109,650 room tax funding), and the Nevada Department of Transportation (\$137,429 Highway Fund). The 2005 Legislature

approved funding of the Washington Office at a level of \$267,079 in each year of the 2005-07 biennium, which is the same funding level approved for each year of the 2003-05 biennium. Distribution of costs between the participating agencies is in proportion to the anticipated services required.

HIGH LEVEL NUCLEAR WASTE

The Nevada Nuclear Waste Project Office was formally established by executive order in 1983 and by the Nevada State Legislature in 1985 following passage of the federal Nuclear Waste Policy Act of 1982. Funding for the office comes primarily from a General Fund appropriation, an annual grant from the Department of Energy and from Nevada's Department of Transportation to study issues related to transportation of nuclear waste. In addition to state funds, the office has received funding from other sources—including cities, counties and private citizens—to assist in preventing the federal government from storing high level nuclear waste in Nevada. Under federal guidelines, federal funds may only be used for specific scientific oversight activities and may not be used to support the agency's general personnel and operating costs. Because of the federal actions limiting the uses of the federal funding, state General Funds were provided to adequately fund the agency's oversight activities at Yucca Mountain. The Department of Energy has defined scientific oversight as pertaining only to the physical sciences; therefore, federal funding cannot be used for impact assessment, environmental, transportation, or any other activities not related to the physical sciences.

In closing the budget, the Legislature provided General Fund appropriations of \$3.0 million over the 2005-07 biennium for the Nevada Nuclear Waste Project Office. Federal funding support, which is transferred from the Division of Emergency Management, is anticipated to continue at the current level of \$2.5 million each year.

The Governor proposed an additional \$2.0 million General Fund appropriation in FY 2005-06 be placed in the separate Nevada Protection Account to assist the state with legal issues associated with the Department of Energy's licensing application for Yucca Mountain before the Nuclear Regulatory Commission. In closing the budget, the Legislature reduced the appropriation to \$1.0 million and included the appropriation within the main Nuclear Waste Project Office budget. If additional funding is necessary before the start of the 2007 Legislative Session, the agency has the option to make a request for supplemental funding to the IFC.

CONSUMER HEALTH ASSISTANCE

The Office of Consumer Health Assistance was created by the 1999 Legislature, within the Office of the Governor, to assist consumers and injured employees in understanding their rights and responsibilities under health care plans and policies of industrial insurance, including responding to and investigating complaints regarding those plans and policies. Responsibilities of the former Office for Hospital Patients were transferred to this agency by the 2001 Legislature and include resolving disputes between patients

and hospitals. The 2003 Legislature added the responsibility of providing information to consumers concerning prescription drug programs offered by manufacturers of prescription drugs or by the state of Nevada. The agency is located in Las Vegas and is supported by a General Fund appropriation, Medicaid funding, hospital assessments, and funding from the Workers' Compensation and Safety Fund.

Pursuant to state statutes, the funding from the Workers' Compensation and Safety Fund must be used to pay the portion of costs related to providing assistance to consumers and injured employees concerning workers' compensation. For each fiscal year of the 2005-07 biennium, the Legislature approved funding related to workers' compensation assistance be set at 7.80 percent of the total agency-budgeted expenditures based upon the FY 2003-04 workload; this is compared to 27 percent approved by the 2003 Legislature. In addition, the Legislature approved funding related to Medicaid services at 12.03 percent in each fiscal year of the 2005-07 biennium based upon the FY 2003-04 workload; this is compared to three percent approved by the 2003 Legislature. These funding changes, netted with the changes in approved expenditures, resulted in increases in General Fund support of \$128,207 and \$114,056 in FY 2005-06 and 2006-07, respectively.

With regard to the Bureau for Hospital Patients, S.B. 514, as approved by the 2005 Legislature, revises the annual assessment of hospitals for support of the Office of Consumer Health Assistance. Previously, NRS 223.575 required each hospital, other than federal and state hospitals, with 49 or more licensed or approved hospital beds to pay an annual assessment for the support of the Bureau for Hospital Patients; the statute required that the total amount assessed must be \$100,000 adjusted for inflation. Senate Bill 514 revised the total amount assessed to be no more than \$100,000 adjusted for inflation.

ENERGY CONSERVATION

The Nevada State Office of Energy (NSOE) is responsible for implementing the Governor's Comprehensive Energy Plan for Nevada and is the state's point of contact for the Energy Efficiency and the Renewable Energy Division of the U.S. Department of Energy's State Energy Program (SEP). NSOE administers grants and contracts that promote the economic development of the state, encourages conservation and energy efficiency, and encourages the development of renewable energy sources in Nevada. The activities of the NSOE include energy emergency support, energy policy formulation and implementation, technical assistance and public information and education. The NSOE was transferred from the Department of Business & Industry to the Office of the Governor under the Governor's Energy Advisor in December 2001 (A.B. 661 — 2001 Legislative Session).

The 2005 Legislature approved a new, Governor-recommended Deputy Director position to be funded from the General Fund and a new Grants Project Analyst to be federally funded. The agency has not received a General Fund appropriation in the past.

The Governor recommended a one-time appropriation of \$125,000 to use contractors to update the state's Energy Assurance Plan. The Legislature, through passage of S.B. 96, provided the required state appropriation of \$31,250 to match available federal funding.

ETHICS COMMISSION

The 2003 Legislature, through passage of A.B. 551, modified the funding of the Ethics Commission's budget to reflect that a significant portion of the workload of the Ethics Commission relates to public officers and employees of local governments. Assembly Bill 551 requires local governments to participate in the funding of the Ethics Commission, based upon the usage of the agency and the population of the local government. During the 2005-07 biennium, state participation in funding of the office was set at 35 percent and local government support was set at 65 percent.

General Fund support approved for the 2005-07 biennium increased by 32.8 percent compared to state funding approved during the 2003-05 biennium (includes IFC allocation approved in September 2004). The 2005 Legislature concurred with the Governor's recommendation to continue funding for the new Las Vegas office approved by the IFC in FY 2004-05, to provide a new investigator position, and for an increase in salary for the Executive Director and Commission Counsel positions.

LIEUTENANT GOVERNOR

The Lieutenant Governor serves as acting Governor when the Governor is out-of-state or incapacitated, as the President of the Senate when the Legislature is in session, and as Chairperson of the Commission on Economic Development and the Commission on Tourism. The budget of the Lieutenant Governor was approved as recommended in The Executive Budget, which includes an increase in funding for travel to attend National Lieutenant Governors Association conferences and travel related to economic development, tourism, and other statewide issues.

ATTORNEY GENERAL

The Office of the Attorney General serves as legal advisor to nearly all state agencies, boards, and commissions and assists the county district attorneys of the state. The office consists of nine divisions and three fraud units. The three fraud units are the Workers' Compensation/Insurance Fraud Control Unit, the Medicaid Fraud Control Unit, and the Bureau of Consumer Protection. The 2005 Legislature approved the recommendation to combine the Insurance Fraud Unit with the Workers' Compensation Fraud Unit, thereby reducing the number of fraud units from four to three.

For the budgets administered by the office, the 2005 Legislature approved General Fund appropriations totaling \$26.3 million for the 2005-07 biennium, which represents a decrease of 4.4 percent below amounts approved by the 2003 Legislature. The 2005 Legislature also approved a revised Attorney General Cost Allocation plan, which in conjunction with other actions taken by the Legislature, reduced the General Fund support recommended by the Governor in the Attorney General's administrative budget by \$1.48 million in FY 2005-06 and \$1.26 million in FY 2006-07.

The 2005 Legislature approved a total of nine new positions within the office—four Investigators, two Legal Secretaries, one Administrative Assistant, one Program Assistant, and one Consumer Counsel position. In addition, the 2005 Legislature approved the upgrade of 15 positions—12 upgrades were recommended in The Executive Budget, while the remaining 3 upgrades were requested by the office during the session and were not included in The Executive Budget. (These upgrades were supported by the Governor through a budget amendment.)

The Executive Budget recommended salary increases for certain attorney positions in select state agencies; however, it did not initially recommend salary increases for attorney positions within the office. Subsequently, during the 2005 Legislative Session, the Executive Budget Office submitted a budget amendment that included salary increases for all of the office's attorney positions. The 2005 Legislature did review the issue of attorney salaries and approved salary increases for positions within the office.

The 2005 Legislature also approved the Governor's recommendation for \$222,683 in FY 2005-06 and \$186,049 in FY 2006-07 for the purchase of replacement computer equipment for the various divisions and units within the office.

FRAUD CONTROL UNITS

As recommended by the Governor, the 2005 Legislature eliminated the Insurance Fraud Unit and combined its revenues and expenditures—including 10 FTE positions—with the Workers' Compensation Fraud Unit. This recommendation stemmed from efforts to reorganize the office to improve efficiency and effectiveness of fraud unit operations. The 2005 Legislature was provided assurance from the office that proper accounting procedures would be established to ensure that activities of the combined fraud unit will be cost allocated so that workers' compensation funds are used for workers' compensation activities and insurance fraud funds are used for insurance activities.

The Executive Budget also recommended General Funds totaling \$319,862 over the 2005-07 biennium to assist in meeting the federally required 25 percent state match for Medicaid fraud activities. In past biennia, Medicaid fraud recoveries were used to pay all the state's 25 percent match requirement; however, The Executive Budget indicated that Medicaid recovery projections would not be sufficient to pay the state's match

requirement during the 2005-07 biennium. Conversely, the office testified during the 2005 Legislative Session that more recent projections show recovery funds would likely be available to pay the state's match-requirement and General Funds would not be needed. Accordingly, the 2005 Legislature approved a General Fund appropriation of \$1,000 in each year of the 2005-07 biennium to allow the agency access to the IFC Contingency Fund in case recovery revenues do not meet projected levels.

BUREAU OF CONSUMER PROTECTION

The Executive Budget recommended General Funds totaling \$227,518 over the 2005-07 biennium to support two new positions for the office's Bureau of Consumer Protection: one new Consumer Fraud Investigator in northern Nevada and one Program Assistant in southern Nevada. An additional Legal Secretary in southern Nevada was also approved utilizing reserves funded from assessments on utilities. The 2005 Legislature approved these recommendations in order to address growing workloads. The Legislature also approved the recommendation to upgrade three attorney positions to better align these positions with their current duties and responsibilities.

During the 2005 Legislative Session, the office proposed a new Consumer Counsel position for the Consumer Protection Bureau's budget. The agency indicated this position was not included in The Executive Budget because the need for the new position was not identified until after filling the vacant Consumer Advocate position. The office testified that the Consumer Counsel position would be involved in the analysis, supervision, and coordination of all aspects of regulatory matters before the Public Utilities Commission of Nevada, the Federal Energy Regulatory Commission, the District Courts of Nevada, and the Nevada Supreme Court. The 2005 Legislature approved the addition of the new Consumer Counsel position, which will be located in Las Vegas. Funding for the new position comes from reserve reductions.

DOMESTIC VIOLENCE PROGRAMS

The Executive Budget recommended a number of changes to the office's Domestic Violence programs, including:

- Creation of a new Violence Against Women Grants budget account that would contain all pass-through grant revenues and expenditures;
- Utilization of General Funds instead of federal funds to pay the personnel costs of the Domestic Violence Ombudsman; and
- Addition of a new Administrative Assistant position to assist the Ombudsman and the Committee on Domestic Violence with a variety of administrative tasks.

The 2005 Legislature approved the creation of the new Violence Against Women Grants budget account, with the caveat that the budget account remain part of The Executive Budget so the Legislature could monitor domestic violence grants. The Legislature did not approve \$139,435 in General Funds over the 2005-07 biennium to

pay the costs associated with the Domestic Violence Ombudsman position; instead, the Legislature directed the office to continue to fund the position with federal domestic violence funds. The Legislature also approved the recommendation to add one new Administrative Assistant position to assist the Ombudsman and the Committee on Domestic Violence.

LITIGATION DIVISION

The 2005 Legislature approved the Governor's recommendation to provide General Fund support totaling \$1.0 million in FY 2005-06 to fund legal costs for activities to prevent the location of a federal nuclear waste repository at Yucca Mountain. This appropriation can be used in either year of the biennium; however, authority to transfer any remaining funds to FY 2006-07 must be approved by the IFC.

SECRETARY OF STATE

General Fund appropriations approved by the 2005 Legislature for the Secretary of State's operating budget total \$15.6 million, which represents a \$3.6 million increase over the \$12.0 million approved by the 2003 Legislature, or a 29.6 percent increase.

The 2005 Legislature approved \$1.5 million, not included in The Executive Budget, for the 2005-07 biennium for maintenance and enhancement costs of the Secretary of State's E-SoS system allowing the electronic filing of UCC and commercial recordings transactions. Including this \$1.5 million, overall General Fund appropriations were approximately \$522,000 less than the amount recommended in The Executive Budget. This reduction was due to several technical adjustments and using transfers from the Special Services Account rather than General Fund dollars to fund new technology positions. The Special Services Fund is funded by receipts from the Secretary of State's expedited service fees.

A total of five new positions were approved by the Legislature, compared to the eight new positions recommended in The Executive Budget:

- The Governor recommended six new technology positions to be financed by General Fund dollars. The Legislature approved three new information technology positions to allow the Secretary of State to maintain the E-SoS system and implement the Statewide Voter Registration System required under the federal HAVA legislation. These three positions were funded with transfers from the Special Services Fund.
- The Legislature also approved General Fund support for a new Deputy of Operations position and a Compliance Audit Investigator position for the Securities Division, as recommended in The Executive Budget.

The Legislature approved a General Fund appropriation of \$125,000 in each year of the 2005-07 biennium, compared to \$252,529 per year recommended in The Executive Budget, to fund expenditures for the Securities Division in excess of those funded by the Securities Division's Investigations and Enforcement account, which is not included in The Executive Budget. Based on the allocation of General Fund dollars for operations of the Securities Division, the money committees issued a Letter of Intent that the Investigations and Enforcement account was to be included in The Executive Budget submitted by the Governor for review by the 2007 Legislature.

STATE CONTROLLER

The State Controller maintains the state's accounting system and publishes the state's annual financial statements. The 2005 Legislature approved General Funds totaling \$7.66 million in support of Controller's Office activities, which is \$168,576, or 2.2 percent less than the \$7.83 million approved by the 2003 Legislature. The Executive Budget recommended two-grade increases for eight accounting positions within the Controller's Office—one Chief Accountant and seven Accountant III positions—as well as a one-grade increase for one Management Analyst III and one Management Analyst II. The Controller's Office indicated the accounting positions were recommended for upgrade because they have a broad responsibility for overseeing and developing policies for the statewide use of the Integrated Financial System (IFS) by all state agencies, and for ensuring compliance with Generally Accepted Accounting Principles (GAAP) and the Government Accounting Standards Board (GASB). The 2005 Legislature was in agreement that the ten positions should be upgraded; however, a one-grade increase was approved for the eight accounting positions, rather than the two-grade increase recommended in The Executive Budget. The Legislature also approved the Governor's recommendation to provide salary increases for the Assistant Controller and the Controller's Office's Executive Assistant. Recommended funding for additional IFS storage capacity and additional software licenses for online IFS reporting was also approved in the State Controller's office budget. The Legislature did not approve the Governor's recommendation to provide funding for additional rent and moving costs associated with the Controller's Office's potential acquisition of additional space in the state's Grant Sawyer Building in Las Vegas.

STATE TREASURER

The State Treasurer is responsible for the management of financial transactions conducted on behalf of the state and local governments, including investment, cash, and debt management activities. The State Treasurer is also responsible for the administration of the Millennium Scholarship, Nevada Prepaid Tuition, College Savings programs, and the Unclaimed Property Division. The 2005 Legislature approved General Fund appropriations of \$2.93 million for the 2005-07 biennium, which represents an increase of \$29,901 over the \$2.90 million approved by the 2003 Legislature, or a 1.0 percent increase.

The Executive Budget recommended transferring two positions—the Senior Deputy State Treasurer and one Information Systems Specialist—from other Treasurer’s Office budgets to the Treasurer’s Office main budget account. Further, The Executive Budget recommended an additional \$333,008 in General Funds over the biennium to fund these two positions (the Senior Deputy position has historically been funded with Higher Education Trust Fund dollars and the IS Specialist position with a combination of Higher Education and Millennium Scholarship Trust funds). The Legislature approved the transfer of the two positions to the Treasurer’s main budget account; however, it reduced the General Fund contribution to fund these two positions from \$333,008 over the biennium to \$166,099; the costs are funded with a combination of Higher Education and Millennium Scholarship Trust funds. The 2005 Legislature also approved the recommendation increase the salary of the Assistant Treasurer to \$104,000 and rename the position Chief of Staff.

During the 2005 Legislative Session, the State Treasurer’s Office requested a revision to the Treasurer’s budget that would provide an additional \$161,624 in interest revenue over the biennium, and utilize a portion of this revenue to upgrade six classified positions. The 2005 Legislature approved this revision, which was supported by the Executive Budget Office and the Governor and required the remaining interest revenue be used to offset the Treasurer’s Office’s General Fund appropriation.

HIGHER EDUCATION TUITION ADMINISTRATION (PREPAID TUITION)

The Nevada Higher Education Tuition program (Prepaid Tuition) is a qualified IRS Section 529 plan that provides a method to prepay tuition in advance of enrollment at Nevada institutions of higher education. The program covers the costs of undergraduate studies at a university, state college or community college within the Nevada System of Higher Education. The Prepaid Tuition Administration account includes revenues and costs associated with administration of the program. Prepaid Tuition Trust Fund receipts and expenditures are not reflected in The Executive Budget.

The Higher Education Tuition Administration account was established and maintained with the assistance of General Fund appropriation loans totaling \$4.4 million (FY 1999-98 through FY 2002-03). The Treasurer’s Office testified that \$726,099 has been repaid or reverted to the General Fund through FY 2003-04, and the remaining \$3.67 million is scheduled to be repaid by the end of FY 2012-13. To continue the loan repayment, the 2005 Legislature approved the Governor’s recommendation to utilize funds from the Nevada College Savings Trust budget (BA 1092) to provide General Fund paybacks totaling \$125,000 in FY 2005-06 and \$175,000 in FY 2006-07.

During the 2003 Legislative Session, the money committees expressed concern about the actuarial soundness of the Prepaid Tuition program. However, in the most recent actuarial valuation report (published in May 2005), the Treasurer’s actuary, Milliman USA, reported a FY 2003-04 positive reserve balance of \$1.96 million. In addition, the actuarial valuation indicated the program’s fund balance is estimated to have a 54 percent probability of being adequate to satisfy all program obligations.

These figures have improved significantly from the previous year's actuarial report, which reported a reserve deficit of \$4.3 million, and only a 40 percent probability of being adequate to satisfy all program obligations.

MILLENNIUM SCHOLARSHIP ADMINISTRATION

The Millennium Scholarship program was recommended by the Governor and approved by the 1999 Legislature to increase the number of Nevada students who attend and graduate from Nevada institutions of higher education. Awards range from \$40 per credit for community college lower-division courses, \$60 per credit for community college upper-division and state college courses, and \$80 per credit for university courses. The maximum award is \$10,000. Through the FY 2003-05 biennium, program costs were paid from the Millennium Scholarship Trust Fund, which receives 40 percent of all money collected by the state of Nevada pursuant to the Tobacco Settlement Agreement.

From FY 1999-00 through FY 2001-02, Tobacco Settlement Agreement proceeds distributed to the Millennium Scholarship Trust Fund exceeded Millennium Scholarship program costs, resulting in a growing reserve balance in the Trust Fund. However, in FY 2002-03, Millennium Scholarship program costs exceeded Tobacco Settlement Agreement proceeds, requiring the utilization of Trust Fund reserves to fund Millennium Scholarship program costs. As a result, from FY 2002-03 through FY 2004-05, Trust Fund reserves and annual receipts were utilized to meet Millennium Scholarship program costs. Projections by both the Legislative Counsel Bureau's (LCB) Fiscal Analysis Division and the Treasurer's Office indicated that Millennium Scholarship costs would exceed available revenues in FY 2005-06.

In order to address the long-term viability of the Millennium Scholarship program, The Executive Budget initially recommended the state sell \$100 million in bonds to provide a one-time influx of funds for the Millennium Scholarship Trust Fund, and pledge annual proceeds of \$7.6 million from the Unclaimed Property Trust Fund to retire those bonds. However, prior to the Treasurer's Office budget hearings, the Governor submitted a budget amendment to The Executive Budget that eliminated the proposed bond sale and instead directed annual proceeds of \$7.6 million from the Unclaimed Property Trust Fund directly to the Millennium Scholarship Trust Fund. The amendment also provided General Funds totaling \$13.28 million in FY 2005-06 and \$20.27 million in FY 2006-07 in support of the Millennium Scholarship Trust Fund. The 2005 Legislature approved the Governor's recommendation to provide annual proceeds of \$7.6 million from the Unclaimed Property Trust Fund to the Millennium Scholarship Trust Fund. However, instead of providing General Funds of \$13.28 million in FY 2005-06 and \$20.27 million in FY 2006-07 in support of the Millennium Scholarship Trust Fund, the Legislature provided a one-time General Fund appropriation of \$35 million in FY 2004-05.

During the 2005 Legislative Session, the Treasurer's Office testified that in addition to addressing funding issues related to the Millennium Scholarship program, additional program modifications would be required to address the long-term viability of the program. Accordingly, there were a number of proposals presented to the Legislature that would limit the award-per-semester, as well as affect the eligibility and retention of Millennium Scholars. After considering various proposals, the 2005 Legislature approved a number of changes to the Millennium Scholarship program. Some of the more prominent changes include:

- Limiting scholarship awards to a maximum of 12 credit hours per semester;
- Clarifying that the Millennium Scholarship will not pay for remedial courses;
- Requiring all Millennium Scholars that graduate after May 1, 2003 to maintain a minimum 2.60 grade point average (GPA) during the first year of college, and a 2.75 GPA for each year thereafter;
- Allowing students who do not meet the retention GPA requirement to regain the scholarship if the required GPA is attained during a semester when the student is not eligible (two-strikes);
- Renaming the scholarship to the Governor Guinn Millennium Scholarship; and
- Allowing Millennium Scholars who have a documented physical or mental disability to be exempt from the six-year limitation on the scholarship and the minimum credit requirement to retain the scholarship.

The Treasurer's Office indicated that with the funding and program changes approved by the 2005 Legislature, the Millennium Scholarship program should be stable for at least the next decade.

UNCLAIMED PROPERTY DIVISION

The Unclaimed Property Division was established to ensure that all businesses and government entities report and remit unclaimed or abandoned property to the agency in a timely manner and to reunite the lawful owners or heirs with their property by promoting educational and public awareness programs. Unclaimed property consists of money and other personal assets that are considered lost or abandoned when an owner cannot be located after a specific period of time. The 2005 Legislature approved the Governor's recommendation to provide an annual transfer of \$7.6 million in unclaimed property funds to the Millennium Scholarship program at the end of each fiscal year, beginning in FY 2005-06. In addition, the Legislature approved the recommendation to add a new Auditor III position, with related costs, to conduct unclaimed property audits in northern Nevada. The Treasurer's Office provided testimony that the new auditor position could generate collections of approximately \$800,000 per year.

BOND INTEREST AND REDEMPTION

An operating account of the Bond Interest and Redemption Fund provides the funds necessary to redeem non self-supporting general obligation debt instruments of the state. The Nevada Constitution limits the state’s general obligation debt to two percent of assessed valuation. However, debt issued for the protection and preservation of property or natural resources of the state is not considered for purposes of determining the constitutional debt limit. As determined by the Office of the State Treasurer, the state’s estimated debt capacity after deducting general obligation bonds authorized by the 2005 Legislature is as follows:

DEBT LIMIT

	As of June 30, 2005
2% of Assessed Valuation	\$ 1,743,469,724
Bonds Outstanding	\$ (867,795,000)
UCCSN Bonds Outstanding	\$ (73,010,000)
New Bonds – S.B. 524 (2005 CIP)	\$ (211,841,019)
A.B. 204 (2005 CIP)	\$ (13,080,921)
Planned Cultural Affairs Bonds (2005-07 Biennium)	\$ (6,000,000)
Planned Question 1 Bonds* (2005-07 Biennium)	\$ 0
Subtotal of New and Outstanding Bonds	\$ (1,171,726,940)
Estimated Remaining Capacity**	\$ 571,742,784

* Includes only those bonds subject to the two percent debt limit.

** Does not include long-term lease obligations and energy retrofit project obligations that may be construed as debt.

The table estimates the debt capacity based on the issuance of all bonds approved by the 2005 Legislature during FY 2005-06. However, the 2005 Capital Improvement Program legislation (S.B. 524 and A.B. 204) authorizes the State Board of Finance to sell the general obligation bonds authorized for the 2005 Capital Improvement Program at the time deemed appropriate by the board based on the schedule established for the completion of the Capital Improvement Projects (CIPs). Additionally, bonds will only be sold after debt affordability studies are performed by the State Treasurer indicating that sufficient revenues will be generated from the property tax rates imposed to pay the debt service on the bonds.

The 2005 Legislature established the property tax rate to support the principal and interest payments on the existing and newly approved general obligation bonds for CIPs at \$0.1585 per \$100 of assessed valuation. The Legislature also approved the levy of an additional \$0.0115 per \$100 of assessed valuation to support the debt service associated with the Question 1 Bonds. Two cents of the total 17-cent levy is not subject to the \$3.64 local government property tax cap. This includes the \$0.0115 levy for the Question 1 Bonds.

Because not all of the bonds authorized by the 2005 Legislature will be issued during FY 2005-06, the remaining debt capacity will be larger than indicated above. Additional remaining debt capacity will be generated during the 2005-07 biennium as assessed valuations increase and as outstanding debt is reduced through annual principal payments.

JUDICIAL BRANCH

The budgets of judicial agencies are included in The Executive Budget but are not subject to review by the Governor, pursuant to NRS 353.246. The judiciary budgets include funding for the Supreme Court, the Administrative Office of the Courts (AOC), the Division of Planning and Analysis, and the Uniform System of Judicial Records. The budgets also include funding for the salaries, travel expenses and pension costs of District Court Judges, the continuing education requirements of judges, justices of the peace, municipal court judges and Supreme Court personnel, and the salaries and travel expenses of retired judges and justices who are recalled by the Chief Justice to expedite judicial business. Also included in the judiciary budgets is funding for Specialty Courts throughout the state, the Supreme Court Law Library, the Commission on Judicial Selection, and the Commission on Judicial Discipline. For the 2005-07 biennium, General Fund appropriations for the Judicial Branch total \$44.5 million, which represents an 8.3 percent increase over amounts approved for the 2003-05 biennium.

Pursuant to NRS 176.059, 51 percent of the revenue from court administrative assessments must be distributed by the State Controller to the Administrative Office of the Courts for allocation among the various judicial budgets as follows:

- 60 percent to the Supreme Court;
- 18.5 percent to the Administrative Office of the Courts;
- 9 percent for continuing judicial education;
- 9 percent for a uniform system for judicial records; and
- 3.5 percent for retired justices and judges recalled to service.

The Legislature did not approve the Judicial Branch's request to remove 16 professional senior management positions from the unclassified pay bill and to change those positions to "non-classified." The budgets included a request to pool the personnel expenditures for 8 of the 16 positions in the Supreme Court account (BA 1494) and to authorize the court to establish the salary of the positions without Legislative approval and to eliminate and create new positions with the funding available within the Supreme Court account.

JUSTICES', JUDGES' AND SURVIVORS' PENSIONS

The 2003 Legislature approved funding for the first annual payment to the Public Employees' Retirement System to amortize the unfunded actuarial accrued liability for the Judicial Retirement System over 34 years, which began January 1, 2003. Based on actuarial projections, the 2005 Legislature approved a General Fund request totaling \$1,554,600 in FY 2005-06 and \$1,608,800 for FY 2006-07. Payment of benefits to retired Justices and Judges was made from the Judicial Retirement Trust Fund beginning in January 2003. Previously, retirement benefits were supported from General Fund appropriations on a pay-as-you-go basis.

SUPREME COURT

The 2005 Legislature approved the Supreme Court's request for three new positions, including a Court Document Specialist, a Facility Manager and an Attorney for the Court's Civil Division. The Legislature did not approve a request for a new Electronics Technician position based on the Court's indication that if the Facility Manager position was approved, the request for the Electronics Technician position could be withdrawn. The Legislature approved General Fund support of \$169,562 in FY 2005-06 and \$181,167 in FY 2006-07 for the new positions. The expenditures for the new Court Document Specialist position were offset by anticipated reduced printing expenditures.

The 2005 Legislature also approved the Court's request for funding for phase II of the Court's E-Court Initiative. Phase II of the initiative will consist of an integrated electronic filing and public access system that will allow for the filing of documents and the viewing of case information via the Internet. Through the use of an intranet, the system will allow the Court to distribute, edit, sign and file orders and opinions electronically. The Legislature approved General Fund support totaling \$134,500 in FY 2005-06 and \$138,550 in FY 2006-07 for phase II of the initiative. In addition, the Legislature approved the transfer of \$35,000 in technology fee funds in each year of the biennium to support the expenditures for phase II of the initiative. The 2003 Legislature approved a \$50 technology fee through the enactment of S.B. 106.

Although the Supreme Court had projected it would move into the Regional Justice Center in Las Vegas during the 2003-05 biennium, delays in the construction of the facility have delayed the move until October 1, 2005 at the earliest. Based on the revised move date, the 2005 Legislature reduced FY 2005-06 rental expenditures for the facility and included a separate one-shot appropriation totaling \$194,204 in A.B. 576 for the moving and furnishings expenditures incurred by the Court as a result of moving into the facility. Although the 2003 Legislature had approved \$205,000 for those expenditures, those funds reverted to the state General Fund at the end of FY 2004-05.

PLANNING AND ANALYSIS

The 2005 Legislature approved the Court's request for a new Rural Courts Coordinator position. The request for the position was the result of a recommendation by the Interim Study of the Criminal Justice System in Rural Nevada and Transitional Housing for Released Offenders (SCR 32). The duties of the position will include writing and administering grants, locating sources of funding for local court needs, coordinating circuit-counseling services and coordinating specialty court services. The Legislature approved General Fund support totaling \$72,791 in FY 2005-06 and \$90,301 in FY 2006-07 for the position.

The Legislature denied the Court's request to transfer a Judicial Branch Auditor position from the Administrative Office of the Court account (BA 1483) to the Division of Analysis and Planning account (BA 1484). The position was approved by the 2003 Legislature in the AOC account. The Court requested to fund the position in the Planning and Analysis account with General Fund appropriations rather than the administrative assessment revenues that currently fund the position's costs. The Legislature determined that the position is most appropriately funded with administrative assessment revenues in the AOC account.

DISTRICT JUDGES' SALARY

The state provides funding for the salaries of District Court Judges, while the counties provide funding for support staff, facilities and operating costs. Although the Supreme Court's request for General Fund support for the salaries of District Court Judges was approximately \$11.7 million in FY 2005-06 and \$11.8 million in FY 2006-07, the Legislature was able to reduce expenditures by \$256,791 in FY 2005-06 and by \$277,198 in FY 2006-07 due to adjustments to fringe benefit costs. Most of the reduction in fringe benefit expenditures was attributable to a reduction in the contribution rate for the Judicial Retirement System from 25.6 percent of compensation in the 2003-05 biennium to 22.5 percent during the 2005-07 biennium.

Through the enactment of S.B. 195, the 2005 Legislature approved an additional \$335,105 in General Fund support in FY 2006-07 for the costs of adding four additional District Court Judges in the Eighth Judicial District (Clark County). Because the new judges will not begin serving until January 1, 2007, the funding approved for FY 2006-07 represents less than one-half of the annual costs for the new positions.

SPECIALTY COURTS

Through the enactment of A.B. 29, the 2003 Legislature imposed an additional \$7 assessment against defendants who plead or are found guilty of a misdemeanor to replace General Fund appropriations for the operation of specialty court programs. The funds received from this additional assessment must be used to assist with the funding for or the establishment of specialty court programs. Based on revised projections of the number of assessments that will be received during the 2005-07 biennium and

revised projections of the percentage of those total assessments that will include the \$7 assessment for specialty court programs, the 2005 Legislature increased the administrative assessment revenues projected to be received in the Specialty Court account by \$152,990 in each fiscal year of the 2005-07 biennium. The Legislature also reduced the reserve in the account to 10 percent of the projected administrative revenue for the account by the end of the 2005-07 biennium. The adjustments made by the Legislature increased the funds available for allocation to Specialty Court programs by approximately \$722,000 over the biennium.

RETIRED JUSTICE DUTY FUND

Pursuant to Article 6, Section 19 of the Nevada Constitution, the Chief Justice of the Supreme Court is authorized to recall to active service any retired justice or judge of the court system who consents to such recall, and who has not been removed or retired for cause, and may assign him to appropriate temporary duty within the court system. Historically, the Senior Justice and Senior Judge program has been funded through 3.5 percent of the administrative assessment receipts that are allocated to the Judicial Branch. Through the enactment of S.B. 106, the 2003 Legislature also imposed a \$5 multiparty filing fee to support the Senior Justice and Senior Judge program.

The 2005 Legislature approved the Court's request to expend \$1.4 million in FY 2005-06 and \$1.6 million in FY 2006-07 to enhance the Senior Justice and Senior Judge program. The approved expenditures represent an increase of over three times the amount approved by the 2003 Legislature for the 2003-05 biennium. Although The Executive Budget included General Fund appropriations totaling \$1.2 million in FY 2005-06 and \$1.8 million in FY 2006-07 in addition to the fee revenues already funding the account, the court indicated that its request was to fund the program with \$3.0 million in General Fund support over the 2005-07 biennium and to transfer the assessment and fee revenue to the Specialty Court account (BA 1495). The Court requested S.B. 369 to provide for the transfer of the assessment and fee revenue to the Specialty Court programs.

Although the Legislature approved the expenditure levels requested by the Court for the enhanced Senior Justice and Senior Judge program, the Legislature did not approve the Court's request to transfer the administrative assessment and filing fee revenue currently received in the Retired Justice Duty Fund to the Specialty Court account. Instead, the Legislature used the existing assessment and fee revenue to reduce the General Fund appropriation necessary to fund the enhanced Senior Justice and Senior Judge program to \$1.0 million in FY 2005-06 and to \$1.2 million in FY 2006-07. Senate Bill 369 was amended to eliminate the transfer of administrative assessment and fee revenue to the Specialty Court account.

LEGISLATIVE COUNSEL BUREAU

The Legislative Counsel Bureau (LCB) consists of the Legislative Commission and the Administrative, Audit, Fiscal Analysis, Legal and Research Divisions. The General Appropriations Act (A.B. 576) includes operating appropriations for LCB as well as the Legislative Interim operations budget. Including the cost-of-living salary increases (two percent effective July 1, 2005 and four percent effective July 1, 2006) and the additional step in the classified pay plan approved for state employees, General Fund support for the 2005-07 biennium increased by approximately 20.8 percent over amounts approved for operations during the 2003-05 biennium. In addition, the 2005 Legislature approved S.B. 101, a one-shot appropriation totaling approximately \$1.77 million which will finance technology and building improvements, and for reproducing out-of-print publications. Senate Bill 101 also provided funding for construction of a warehouse adjacent to the State Printing facility through a lease-purchase arrangement.

**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
CONSTITUTIONAL AGENCIES					
ELECTED OFFICIALS					
OFFICE OF THE GOVERNOR	2,426,736	2,342,288	2,319,896	2,404,421	2,379,175
GENERAL FUND	2,244,236	2,311,736	2,289,290	2,342,738	2,317,481
BALANCE FORWARD	182,500				
INTER AGENCY TRANSFER		30,552	30,606	61,683	61,694
MANSION MAINTENANCE	347,840	282,698	276,520	352,301	345,814
GENERAL FUND	347,840	280,169	273,986	347,193	340,706
INTER AGENCY TRANSFER		2,529	2,534	5,108	5,108
WASHINGTON OFFICE	267,079	267,079	267,079	267,079	267,079
INTER AGENCY TRANSFER	267,079	267,079	267,079	267,079	267,079
HIGH LEVEL NUCLEAR WASTE	4,681,046	4,111,790	5,091,013	4,113,207	4,093,234
GENERAL FUND	981,416	1,048,956	2,028,158	1,037,304	1,017,328
BALANCE FORWARD	599,630				
FEDERAL FUND	2,650,000	150,000	150,000	150,000	150,000
INTER AGENCY TRANSFER	450,000	2,912,834	2,912,855	2,925,903	2,925,906
NEVADA PROTECTION ACCOUNT	1,622,853	2,000,000			
GENERAL FUND		2,000,000			
BALANCE FORWARD	522,853				
INTERIM FINANCE	1,100,000				
GOV, OFFICE OF CONSUMER HEALTH ASSIS	840,246	917,585	931,001	949,073	975,821
GENERAL FUND	382,952	505,404	511,159	491,928	497,008
BALANCE FORWARD	112,941	117,838	117,838	156,498	170,705
INTER AGENCY TRANSFER	18,697	99,705	100,106	106,650	106,929
OTHER FUND	325,656	194,638	201,898	193,997	201,179
ENERGY CONSERVATION	1,483,869	992,561	979,127	1,041,677	1,024,685
GENERAL FUND		58,777	46,557	81,203	68,299
FEDERAL FUND	1,125,601	861,363	855,649	888,053	879,465
INTER AGENCY TRANSFER	250,000				
OTHER FUND	108,268	72,421	76,921	72,421	76,921
LIEUTENANT GOVERNOR	512,210	533,853	522,300	562,002	553,708
GENERAL FUND	512,210	527,878	516,317	549,948	541,653
INTER AGENCY TRANSFER		5,975	5,983	12,054	12,055
ATTORNEY GENERAL ADMIN FUND	20,738,833	21,629,831	22,588,284	22,246,298	23,402,237
GENERAL FUND	10,832,555	10,862,981	10,174,764	10,999,611	10,725,872
INTER AGENCY TRANSFER	9,235,821	9,949,208	11,595,878	10,415,581	11,845,259
OTHER FUND	670,457	817,642	817,642	831,106	831,106
SPECIAL FUND	731,301	1,121,168	1,121,176	121,168	121,176
GENERAL FUND	81,301	1,078,620	1,078,628	78,620	78,628
INTERIM FINANCE	650,000				
OTHER FUND		42,548	42,548	42,548	42,548

**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
ELECTED OFFICIALS					
ATTORNEY GENERAL INSURANCE FRAUD	1,260,657				
BALANCE FORWARD	262,080				
INTER AGENCY TRANSFER	980,779				
OTHER FUND	17,798				
AG MEDICAID FRAUD	1,776,699	1,684,127	1,764,673	1,713,045	1,774,133
GENERAL FUND	1,000	31,572	1,000	288,290	1,000
BALANCE FORWARD	359,822	249,649	249,649		
FEDERAL FUND	1,188,145	1,308,357	1,369,473	1,330,206	1,376,674
OTHER FUND	227,732	94,549	144,551	94,549	396,459
ATTORNEY GENERAL-WORKERS' COMP FR	2,480,899	4,030,999	4,304,599	4,113,702	4,324,304
BALANCE FORWARD		420,858	420,858	434,946	430,294
INTER AGENCY TRANSFER	30	1,127,607	1,127,607	1,128,445	1,128,445
OTHER FUND	2,480,869	2,482,534	2,756,134	2,550,311	2,765,565
AG OFFICE OF CONSUMER PROTECTION	4,450,851	4,654,492	4,692,438	4,657,712	4,540,375
GENERAL FUND	1,221,264	1,319,034	1,356,903	1,372,577	1,395,131
BALANCE FORWARD	724,244	778,111	778,111	706,063	566,158
INTER AGENCY TRANSFER		52,004	52,081	73,729	73,743
OTHER FUND	2,505,343	2,505,343	2,505,343	2,505,343	2,505,343
AG CRIME PREVENTION	232,978	256,554	251,405	262,800	257,221
GENERAL FUND	203,927	210,485	205,331	212,332	206,753
INTER AGENCY TRANSFER		4,250	4,255	8,649	8,649
OTHER FUND	29,051	41,819	41,819	41,819	41,819
ATTORNEY GENERAL TORT CLAIM FUND	8,843,127	8,510,158	7,510,158	8,345,986	7,351,221
BALANCE FORWARD	4,526,397	4,540,511	3,540,511	4,118,128	3,123,363
INTER AGENCY TRANSFER	4,311,730	3,909,647	3,909,647	4,167,858	4,167,858
OTHER FUND	5,000	60,000	60,000	60,000	60,000
AG EXTRADITION COORDINATOR	664,165	667,887	664,567	667,079	663,747
GENERAL FUND	550,845	564,965	553,136	561,388	549,547
INTER AGENCY TRANSFER		2,716	2,716	5,485	5,485
OTHER FUND	113,320	100,206	108,715	100,206	108,715
AG COUNCIL FOR PROSECUTING ATTORNE	128,711	189,158	188,244	204,643	194,721
GENERAL FUND	100	100	100	100	100
BALANCE FORWARD	6,429	13,078	13,078	19,724	10,874
INTER AGENCY TRANSFER		40,000	40,000	40,000	40,000
OTHER FUND	122,182	135,980	135,066	144,819	143,747
AG, VICTIMS OF DOMESTIC VIOLENCE	2,103,139	283,481	284,579	310,143	326,502
GENERAL FUND		68,972		70,463	
BALANCE FORWARD	146,910	95,500	95,500	120,183	135,149
FEDERAL FUND	1,890,156	45,172	114,144	45,660	116,123
OTHER FUND	66,073	73,837	74,935	73,837	75,230
VIOLENCE AGAINST WOMEN GRANTS		2,095,269	2,095,296	1,816,166	1,816,193
FEDERAL FUND		2,095,269	2,095,296	1,816,166	1,816,193

**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
ELECTED OFFICIALS					
CONTROLLER'S OFFICE	3,937,896	3,988,951	3,909,449	4,048,525	3,961,920
GENERAL FUND	3,937,896	3,913,767	3,834,222	3,916,389	3,829,779
INTER AGENCY TRANSFER		74,822	74,865	131,774	131,779
OTHER FUND		362	362	362	362
SECRETARY OF STATE	10,762,832	11,577,537	11,881,245	12,333,034	12,044,516
GENERAL FUND	6,231,619	7,750,891	7,843,775	8,341,307	7,726,705
BALANCE FORWARD	985,663				
INTER AGENCY TRANSFER		174,220	174,307	313,058	313,068
OTHER FUND	3,545,550	3,652,426	3,863,163	3,678,669	4,004,743
SoS HAVA ELECTION REFORM	19,088,637	4,822,812	10,035,800	2,801,060	2,522,999
GENERAL FUND	299,820	724		1,325	
BALANCE FORWARD	2,071,452	4,820,026	10,035,800	2,795,411	2,522,999
FEDERAL FUND	16,166,810				
INTER AGENCY TRANSFER	550,555	2,062		4,324	
STATE TREASURER	1,919,094	2,170,915	2,198,695	2,194,972	2,246,190
GENERAL FUND	1,458,169	1,616,868	1,473,467	1,597,147	1,454,858
BALANCE FORWARD	31,197				
INTER AGENCY TRANSFER	306,397	289,185	455,491	336,586	521,370
OTHER FUND	123,331	264,862	269,737	261,239	269,962
TREASURER HIGHER EDUCATION TUITION	677,500	598,864	592,628	643,561	638,207
INTER AGENCY TRANSFER		125,000	125,000	175,000	175,000
OTHER FUND	677,500	473,864	467,628	468,561	463,207
MILLENNIUM SCHOLARSHIP ADMINISTRATI	325,732	372,988	367,285	391,827	385,235
OTHER FUND	325,732	372,988	367,285	391,827	385,235
UNCLAIMED PROPERTY	814,530	1,024,127	1,041,272	1,051,120	1,041,933
OTHER FUND	814,530	1,024,127	1,041,272	1,051,120	1,041,933
NEVADA COLLEGE SAVINGS TRUST	531,921	578,297	581,932	628,232	631,780
BALANCE FORWARD	238,067	238,067	238,067	238,067	238,067
OTHER FUND	293,854	340,230	343,865	390,165	393,713
BOND INTEREST & REDEMPTION	182,202,498	206,282,068	206,282,068	226,446,485	226,446,485
BALANCE FORWARD	54,199,818	43,672,787	43,672,787	54,227,499	54,227,499
INTER AGENCY TRANSFER	6,760,241	4,763,664	4,763,664	4,970,239	4,970,239
OTHER FUND	121,242,439	157,845,617	157,845,617	167,248,747	167,248,747
MUNICIPAL BOND BANK REVENUE	87,521,429	92,283,055	92,283,055	87,035,547	87,035,547
BALANCE FORWARD	16,122				
OTHER FUND	87,505,307	92,283,055	92,283,055	87,035,547	87,035,547
MUNICIPAL BOND BANK DEBT SERVICE	87,540,370	92,408,819	92,408,819	87,162,415	87,162,415
INTER AGENCY TRANSFER	87,490,370	92,228,296	92,228,296	86,981,892	86,981,892
OTHER FUND	50,000	180,523	180,523	180,523	180,523

**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
ELECTED OFFICIALS					
ETHICS COMMISSION	419,329	602,078	588,523	609,398	592,289
GENERAL FUND	141,814	202,295	193,579	202,828	192,615
INTER AGENCY TRANSFER		10,671	10,687	12,965	12,967
INTERIM FINANCE	37,532				
OTHER FUND	239,983	389,112	384,257	393,605	386,707
SUB-FUNCTION RECAP					
ELECTED OFFICIALS	451,335,007	473,281,489	478,023,126	479,494,678	479,120,862
GENERAL FUND	29,428,964	34,354,194	32,380,372	32,492,691	30,943,463
BALANCE FORWARD	64,986,125	54,946,425	59,162,199	62,816,519	61,425,108
FEDERAL FUND	23,020,712	4,460,161	4,584,562	4,230,085	4,338,455
INTER AGENCY TRANSFER	110,621,699	116,072,026	117,883,657	112,144,062	113,754,525
INTERIM FINANCE	1,787,532				
OTHER FUND	221,489,975	263,448,683	264,012,336	267,811,321	268,659,311
LEGISLATIVE BRANCH					
LEGISLATIVE COUNSEL BUREAU	26,733,797	27,088,275	28,290,270	26,820,521	28,406,285
GENERAL FUND	22,116,106	25,567,295	26,764,290	26,364,616	27,945,380
BALANCE FORWARD	3,933,075				
HIGHWAY FUND	7,500	2,500	7,500	2,500	7,500
INTER AGENCY TRANSFER	325,000	125,000	125,000	115,000	115,000
OTHER FUND	352,116	1,393,480	1,393,480	338,405	338,405
NEVADA LEGISLATURE INTERIM	473,530	503,927	528,030	515,062	563,744
GENERAL FUND	473,530	503,927	528,030	515,062	563,744
PRINTING OFFICE	5,443,495	3,345,002	3,345,002	3,934,404	3,934,404
BALANCE FORWARD	2,029,514				
INTER AGENCY TRANSFER	3,413,981	3,337,002	3,337,002	3,572,404	3,572,404
OTHER FUND		8,000	8,000	362,000	362,000
PRINTING OFFICE EQUIPMENT PURCHASE	85,142				
BALANCE FORWARD	85,142				
INTERIM FINANCE COMMITTEE	24,639,191				
GENERAL FUND	15,806,488				
BALANCE FORWARD	8,670,753				
HIGHWAY FUND	161,950				
SUB-FUNCTION RECAP					
LEGISLATIVE BRANCH	57,375,155	30,937,204	32,163,302	31,269,987	32,904,433
GENERAL FUND	38,396,124	26,071,222	27,292,320	26,879,678	28,509,124
BALANCE FORWARD	14,718,484				
HIGHWAY FUND	169,450	2,500	7,500	2,500	7,500
INTER AGENCY TRANSFER	3,738,981	3,462,002	3,462,002	3,687,404	3,687,404
OTHER FUND	352,116	1,401,480	1,401,480	700,405	700,405

**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
CONSTITUTIONAL AGENCIES					
JUDICIAL BRANCH					
DISTRICT JUDGE/SURVIVING SPOUSE PENS	1,503,700	1,554,600	1,554,600	1,608,800	1,608,800
GENERAL FUND	1,503,700	1,554,600	1,554,600	1,608,800	1,608,800
SUPREME COURT	10,448,465	11,541,295	11,544,706	11,586,252	11,704,376
GENERAL FUND	5,241,966	6,065,500	5,388,788	5,960,312	5,381,559
INTER AGENCY TRANSFER		146,606	688,465	296,751	812,112
OTHER FUND	5,206,499	5,329,189	5,467,453	5,329,189	5,510,705
ADMINISTRATIVE OFFICE OF THE COURTS	2,075,888	1,929,861	2,027,818	1,902,032	2,032,105
BALANCE FORWARD	480,696	305,468	360,794	277,639	351,745
OTHER FUND	1,595,192	1,624,393	1,667,024	1,624,393	1,680,360
DIVISION OF PLANNING & ANALYSIS	736,921	776,104	661,272	816,688	699,337
GENERAL FUND	500,414	654,272	526,781	686,670	556,426
FEDERAL FUND	236,507	113,994	113,994	113,994	113,994
INTER AGENCY TRANSFER		7,838	20,497	16,024	28,917
UNIFORM SYSTEM OF JUDICIAL RECORDS	2,103,394	1,831,161	1,851,901	1,716,711	1,717,647
BALANCE FORWARD	641,771	607,338	607,338	487,888	461,597
INTER AGENCY TRANSFER	115,964	80,000	80,000	40,000	40,000
OTHER FUND	1,345,659	1,143,823	1,164,563	1,188,823	1,216,050
JUDICIAL EDUCATION	1,268,613	1,185,592	1,206,332	1,142,035	1,186,544
BALANCE FORWARD	492,574	395,347	395,347	351,790	369,072
OTHER FUND	776,039	790,245	810,985	790,245	817,472
DISTRICT JUDGES' SALARY	11,661,641	11,664,365	11,407,574	11,829,529	11,887,436
GENERAL FUND	11,661,641	11,664,365	11,407,574	11,829,529	11,887,436
SPECIALTY COURT	4,427,073	2,964,931	3,117,921	3,307,118	3,080,914
BALANCE FORWARD	821,655	342,189	342,189	684,376	305,182
FEDERAL FUND	159,663				
OTHER FUND	3,445,755	2,622,742	2,775,732	2,622,742	2,775,732
JUDICIAL TRAVEL AND SUPPORT	496,506	568,765	568,765	661,246	615,229
BALANCE FORWARD	220,306	292,575	292,575	385,056	339,039
OTHER FUND	276,200	276,190	276,190	276,190	276,190
RETIRED JUSTICE DUTY FUND	650,698	1,728,199	1,403,441	2,288,826	1,603,441
GENERAL FUND		1,200,000	1,014,748	1,800,000	1,232,225
BALANCE FORWARD	172,120	167,572	20,000	128,199	
OTHER FUND	478,578	360,627	368,693	360,627	371,216
JUDICIAL SELECTION	4,998	8,859	8,871	8,859	8,871
GENERAL FUND	4,998	8,859	8,871	8,859	8,871
LAW LIBRARY	1,455,866	1,457,805	1,452,007	1,505,750	1,499,279
GENERAL FUND	1,449,819	1,444,867	1,435,036	1,484,229	1,473,675
INTER AGENCY TRANSFER		8,163	12,196	16,746	20,829
OTHER FUND	6,047	4,775	4,775	4,775	4,775

**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
JUDICIAL BRANCH					
JUDICIAL DISCIPLINE	488,363	499,137	496,480	500,008	495,151
GENERAL FUND	488,363	494,292	491,617	490,235	485,402
INTER AGENCY TRANSFER		4,845	4,863	9,773	9,749
SUB-FUNCTION RECAP					
JUDICIAL BRANCH	37,322,126	37,710,674	37,301,688	38,873,854	38,139,130
GENERAL FUND	20,850,901	23,086,755	21,828,015	23,868,634	22,634,394
BALANCE FORWARD	2,829,122	2,110,489	2,018,243	2,314,948	1,826,635
FEDERAL FUND	396,170	113,994	113,994	113,994	113,994
INTER AGENCY TRANSFER	115,964	247,452	806,021	379,294	911,607
OTHER FUND	13,129,969	12,151,984	12,535,415	12,196,984	12,652,500
FUNCTION RECAP					
TOTAL CONSTITUTIONAL AGENCIES	546,032,288	541,929,367	547,488,116	549,638,519	550,164,425
GENERAL FUND	88,675,989	83,512,171	81,500,707	83,241,003	82,086,981
HIGHWAY FUND	169,450	2,500	7,500	2,500	7,500
INTER AGENCY TRANSFER	114,476,644	119,781,480	122,151,680	116,210,760	118,353,536
INTERIM FINANCE	1,787,532				
OTHER FUND	234,972,060	277,002,147	277,949,231	280,708,710	282,012,216
BALANCE FORWARD	82,533,731	57,056,914	61,180,442	65,131,467	63,251,743
FEDERAL FUND	23,416,882	4,574,155	4,698,556	4,344,079	4,452,449
TOTAL CONSTITUTIONAL AGENCIES	546,032,288	541,929,367	547,488,116	549,638,519	550,164,425
LESS: INTER AGENCY TRANSFER	114,476,644	119,781,480	122,151,680	116,210,760	118,353,536
NET: CONSTITUTIONAL AGENCIES	431,555,644	422,147,887	425,336,436	433,427,759	431,810,889

FINANCE AND ADMINISTRATION



FINANCE AND ADMINISTRATION

The Finance and Administration function includes those Executive Branch agencies that generally control, coordinate, assist and provide services to other agencies and programs in state government. It includes the Department of Administration, Department of Personnel, Department of Information Technology and Department of Taxation. For the 2005-07 biennium, General Fund appropriations for the Finance and Administration function as approved by the 2005 Legislature total \$172.7 million. If funding allocated to the Board of Examiners for state employee salary increases is not included, state agencies within the Finance and Administration function were approved for \$98.9 million in General Fund appropriations over the 2005-07 biennium. This represents a 98 percent increase from the General Fund appropriations approved for the 2003-05 biennium, exclusive of salary adjustments funds in both biennia. Included in the 98 percent increase is approximately \$16.2 million (\$7.8 million in other funding was also approved) for information technology projects and technology improvement plans approved during the 2005-07 biennium.

DEPARTMENT OF ADMINISTRATION

BUDGET AND PLANNING DIVISION

The Budget and Planning Division provides budgetary oversight and coordinated planning for state agencies. The division's primary duties are preparation and presentation of The Executive Budget, as well as providing staff support to the State Board of Examiners and the Economic Forum. Funding for this budget is provided by an appropriation from the General Fund.

The 2005 Legislature approved the addition of two classified positions to this budget. The first position is a grade 41 Chief Assistant for Policy and Training. This position will be responsible for planning and directing external and internal training related to budget processes. The second position is a Public Service Intern, which was reinstated by the 2005 Legislature after having been eliminated during the 2003 Legislature as a cost saving measure. Finally, the 2005 Legislature approved gubernatorial transition expenses in the amount of \$30,000. Other constitutional officers within the Executive Branch were appropriated \$4,000 each for transition expenses. This is the first time funding has been provided for other constitutional officers. Total General Fund support of this account is approximately \$2.8 million in FY 2005-06 and \$3.2 million in FY 2006-07. This represents a 3.3 percent increase in General Fund support from the amount approved for the 2003-05 biennium.

STATE EMPLOYEE SALARY INCREASES

Assembly Bill 577, as passed by the 2005 Legislature, grants state employees across-the-board salary increases of two percent effective July 1, 2005 and four percent effective July 1, 2006. Additionally, one step was added to the state's compensation schedule for classified employees. General Fund appropriations totaling \$16.8 million in FY 2005-06 and \$36.2 million in FY 2006-07 were provided to the Board of Examiners for allocation to state agencies and the Nevada System of Higher Education (NSHE) for classified employees' salary increases and step increases. For NSHE professional employees, General Fund appropriations were provided to the Board of Examiners in the amount of \$5.6 million in FY 2005-06 and \$17.5 million in FY 2006-07. A Highway Fund appropriation of \$6.3 million in FY 2005-06 and \$13.0 million in FY 2006-07 was also provided to the Board of Examiners to support the annual salary increases and the cost of providing an additional step in the compensation schedule for the highway-funded agencies.

In addition to across-the-board salary increases, the 2005 Legislature appropriated \$12 million in FY 2005-06 and \$12.4 million in FY 2006-07 to provide two-grade salary increases for certain law enforcement, correctional officer, nursing, dispatch and youth correctional personnel.

STATE UNCLASSIFIED POSITIONS

The Governor submitted a proposal to the 2005 Legislature with the intent of providing consistency in determining whether positions in state service should be placed in the unclassified service, and if so, their salary level. The proposal, as recommended, attempted to establish an equitable compensation level for various positions within their respective departments and across departmental lines based on program size, complexity and diversity of programs. The proposal was developed by a special Personnel Task Force comprised primarily of cabinet members appointed by the Governor. The proposal, as submitted by the Governor in The Executive Budget, did not include positions in the following agencies: Offices of elected officials, Economic Development, Gaming Control Board, Public Utilities Commission, Colorado River Commission, Commission on Minerals, and the Public Employees' Benefits Program. The Department of Personnel advised that these offices and departments traditionally had positions staffed primarily by employees in the unclassified service and therefore were not included in the scope of the task force's review.

Based on the recommendations of the task force, the Department of Personnel developed criteria to place positions into 11 salary tiers. Information provided to the Legislature indicated the creation of the 11 salary tiers was designed to create equity between similar positions and limit the financial impact to the state. The recommended position groupings were as follows: Department Directors, Deputy Directors, Division Administrators, Deputy Administrators, Bureau Chiefs, Executive Assistants, Public Information Officers, Attorneys, Hearings Officers, Administrative Law Judges, Doctoral Professionals (mainly physicians, dentists and veterinarians), Highly Skilled

Professionals (included approximately 20 professional positions including pharmacists, biostatisticians, actuaries and several financial positions) and Board or Commission Members. The maximum salary for the salary tiers was established at a level where the majority of the positions were compensated. Due to salary compaction at higher levels, some positions received salary increases and others were recommended to have their maximum salaries reduced. The Governor recommended that any employee that was recommended to have their salary reduced be held "harmless." The employee's salary would be frozen at the current level and the employee would be eligible for cost of living adjustments until the current employee vacated the position. Once the position became vacant, the salary of the position would be adjusted to the recommended tier.

The Governor's proposal included placing three types of positions in the unclassified service that had been composed primarily of classified positions. These included Executive Assistants, Public Information Officers and Doctoral Professionals. Information supplied to the Legislature indicated employee associations did not oppose the Governor's proposal but requested current employees be given the choice of remaining in the classified service until they vacated the position.

The Legislature approved the Governor's proposal to establish salary tiers and to place into the unclassified service Department Directors, Deputy Directors, Division Administrators, Executive Assistants, Attorneys, Hearings Officers, Administrative Law Judges, Doctoral Professionals and Highly Skilled Professionals. The Legislature did not approve the Governor's recommendation to transfer Deputy Administrators currently in the classified service into the unclassified service. In addition, the Legislature did not approve transferring Bureau Chiefs and Public Information Officers into the unclassified service. The Legislature also concurred with the Governor's recommendation to permit personnel that are currently in classified positions the option to remain in the classified service or to transfer to the unclassified service. Pursuant to A.B. 577, if a person elects to remain in the classified service they do so at their current grade with eligibility for cost of living increases approved for other classified positions. Once a person transfers to the unclassified service, they cannot transfer back to the classified service within the same position. Similarly, once a position that is retained by the incumbent in the classified service becomes vacant, the position transfers to the unclassified service.

ADMINISTRATIVE SERVICES DIVISION

The Administrative Services Division provides services to the divisions within the Department of Administration, including accounts payable, revenue collection, billing, financial reporting, budgeting, contract and grant administration and management analysis. The division also provides fiscal services to the Governor's Office, the Board of Examiners, the Deferred Compensation Committee, the Civil Air Patrol, and the Ethics Commission. The division is funded through administrative assessments to other divisions within the Department of Administration.

The 2005 Legislature concurred with the Governor's recommendation to add two classified positions: an Administrative Services Officer II and an Accounting Assistant II.

Furthermore, within the department's Information Technology Projects budget, a Technology Investment Request (TIR) was approved to develop and implement a web-based application to track financial information for multi-year projects related to the Capital Improvement Plan. The Administrative Services Division would be the chief users of this new tracking application. Total funding for the division is \$3.3 million over the 2005-07 biennium.

INFORMATION TECHNOLOGY DIVISION

The Information Technology Division provides budgetary oversight of designated large information technology projects for state agencies as well as a budgetary perspective to statewide information technology issues. In addition, the division provides operational oversight of the Integrated Financial System (IFS), the Nevada Executive Budget System (NEBS), the Enterprise Electronic Payment System and direct project management of Department of Administration information technology projects.

As recommended by the Governor, the 2005 Legislature approved the addition of a new Information Systems Manager position for budgetary oversight and project management of information technology projects to accommodate the increase in the number of projects approved for funding in the 2005-07 biennium. The Legislature also approved funding of \$45,371 for additional database administration of IFS and NEBS to ensure stability of the systems and to allow implementation of additional security initiatives.

INFORMATION TECHNOLOGY PROJECTS

The 2005 Legislature approved funding of approximately \$18.9 million in FY 2005-06 and \$5.1 million in FY 2006-07 for 19 information technology projects for state agencies. The projects include an offender tracking information system for the Department of Corrections, phase IV of the digital microwave upgrade project for the Department of Information Technology, a project accounting and management application for the Department of Administration, a pharmacy automation system for the Division of Mental Health and Developmental Services, and phase III of the AVATAR client information and billing system for the Department of Health and Human Services. Additional funding totaling \$933,916 was appropriated to the IFC for allocation to implement four of the information technology projects upon submission and approval of a detail project plan and cost estimate for each of those projects.

DIVISION OF INTERNAL AUDIT

The Division of Internal Audit consists of three sections:

- Internal Audits, which provides innovative solutions to improve the efficiency and effectiveness of executive branch agencies;
- Financial Management, which reviews executive branch agencies' internal controls and provides training to ensure effective financial administration; and
- Post Review, which statistically samples Executive Branch agency transactions for compliance with laws, regulations, guidelines, and contract stipulations.

The Internal Audit section also independently reports to the Executive Branch Audit Committee, which the Governor chairs, and includes the Lieutenant Governor, Secretary of State, State Treasurer, State Controller, Attorney General, and a representative of the public. This budget is funded entirely by an appropriation from the General Fund.

With only minor technical adjustments, the 2005 Legislature concurred with the Governor's recommendation to provide General Fund support of \$2.1 million in FY 2005-06 and \$2.0 million in FY 2006-07. This is approximately 3.9 percent more than the amount of General Fund support approved for the 2003-05 biennium.

STATE MOTOR POOL

The Motor Pool Division is responsible for administration of the state's vehicle fleet. State agencies have access to vehicles in Carson City, Reno and Las Vegas. Service and maintenance of the vehicles is provided at the three facilities. Funding for the division is generated primarily from vehicle rental charges. The 2005 Legislature concurred with the Governor's recommendation to increase various daily and monthly vehicle rental rates. Monthly vehicle rental rates increased by \$13 per month over the 2003-05 biennium for all types of vehicles, and daily rental rates increased by \$2 per day for each type of vehicle. Per mile surcharges that apply to rentals increased by two cents per mile.

The 2005 Legislature approved The Executive Budget recommendation to fund the cost of demolishing the existing Las Vegas Motor Pool building, which is located on McCarran Airport/Clark County Aviation Department property. The demolition is part of the process of relocating the Las Vegas Motor Pool. At the time of budget closings, it was not known which of the possible new sites would be chosen for the new facility, so no other relocation costs were built into the Motor Pool budget. The Motor Pool facility will continue to be located at the airport location at least through the end of FY 2005-06.

The Legislature issued a Letter of Intent for the Motor Pool to report to the IFC on the status of the intended relocation and any additional expenditure authority from reserve that would be necessary for the move.

The 2005 Legislature also approved the Governor's recommendation to replace 74 Motor Pool vehicles in FY 2005-06 and 77 vehicles in FY 2006-07. The total cost of the 151 replacement vehicles is approximately \$2.7 million for the 2005-07 biennium. The Legislature also approved funding of \$746,214 to purchase 42 additional vehicles in FY 2005-06. Funding for the replacement and additional vehicles is provided through accumulated depreciation, which is included in the rates charged to agencies using Motor Pool vehicles. Total budgeted funding for the Motor Pool division is \$9.5 million over the 2005-07 biennium. Finally, A.B. 98 appropriated \$1.2 million for one-shot vehicle purchases; specifically, 60 vehicles will be purchased in FY 2005-06 and 3 vehicles will be purchased in FY 2006-07.

STATE PURCHASING DIVISION

The Purchasing Division's primary responsibility is to assist state agencies and political subdivisions in the efficient procurement of quality supplies, equipment and services at reasonable costs. Services provided include: provision of master contracts for open-market commodity purchases; writing, bidding and evaluating Requests for Proposals for state agencies; contract negotiation and drafting assistance; maintenance of fixed assets inventory; administration of federal surplus property; disposal of excess state property; and distribution of USDA food stocks. The Purchasing Division is funded primarily through assessments to state agencies utilizing the division's services. With minor adjustments, the 2005 Legislature approved the Governor's recommended budget for the division. Total funding for the division is approximately \$2.8 million in both years of the 2005-07 biennium.

DIVISION OF BUILDINGS AND GROUNDS

The Division of Buildings and Grounds provides physical maintenance and housekeeping for most state-owned and leased buildings. The division also funds security services provided by the Capitol Police Division of the Department of Public Safety. The primary source of funding for the division is rent charged to state agencies for the use of state-owned building space. The Executive Budget recommended and the 2005 Legislature approved charging for building rent based on building gross square-footage versus net square-footage occupied by state agencies. With the change in billing methodology, total billable square footage increased; therefore, the building rent rate was recommended and approved to decrease from \$1.15 per square foot in FY 2004-05 to \$0.91 per square foot in each year of the 2005-07 biennium. The legislatively-approved budget includes rent revenue totaling approximately \$28.8 million for the 2005-07 biennium, an increase of 2.5 percent from the approximately \$28.1 million approved for the 2003-05 biennium.

As recommended by the Governor, the 2005 Legislature approved a new Management Analyst position to provide additional support for the negotiation and administration of contracts and leases. In addition, the Legislature approved the addition of three new grounds maintenance positions and one new building maintenance position to accommodate growth in the number of facilities the division is responsible for maintaining.

The Governor recommended approximately \$1.8 million over the 2005-07 biennium for building maintenance and renovation projects funded through building rent revenue. The Executive Budget also recommended General Fund and Highway Fund appropriations totaling \$5.1 million for deferred building maintenance projects. The Legislature modified the Governor's recommendation by funding \$280,250 in deferred maintenance projects through reserves in the Buildings and Grounds Division account and by not funding \$995,000 in maintenance projects that the State Public Works Board determined could be deferred to a subsequent biennium. In addition, the \$3.1 million in General Fund appropriations recommended by the Governor for deferred building maintenance at the Stewart Complex was approved by the Legislature, but was included in the 2005 Capital Improvement Program to be administered by the State Public Works Board.

MAIL SERVICES

The state Mail Services section provides mail service to most state agencies in Carson City, Reno, and Las Vegas. Services include processing incoming and outgoing mail, certified mail, United Parcel Service (UPS), express overnight mail, and interoffice mail delivery and pick-up. The Mail Services section provides a folding and inserting service in the Reno/Carson City area. An administrative assessment is charged to agencies using the division's services.

The 2005 Legislature eliminated a classified part-time Student Worker position and concurred with the Governor's recommendation to transfer a Mail Services Clerk II position to the DoIT Computing budget. Total funding for the Mail Services section is approximately \$13.9 million over the 2005-07 biennium compared to \$14.4 million approved for the 2003-05 biennium. This amount excludes the depreciation transfer funds in the Mail Services–Equipment Purchase budget, which are used to purchase new major equipment for the division. In addition, after the 2005 Legislature, the Department of Administration increased the monthly mail stop charge from \$60 per month to \$134.75 per month for both years of the 2005-07 biennium.

CLEAR CREEK YOUTH CENTER

The Clear Creek Youth Center near Carson City was built by the federal government as a Job Corps Center. In 1970, the state of Nevada obtained a special use permit to operate the center as a state facility. In February 1988, transfer of the center to state ownership was completed. The center historically has provided meeting space for community groups and organizations; however, in FY 2003-04 the facility was placed in mothball status due to the physical condition of the infrastructure.

The 2005 Legislature approved the Governor's recommended budget for the center, which included the elimination of the one full-time position that had been vacant for two years and the addition of two seasonal positions to provide maintenance of the buildings and grounds at the center. The approved budget also includes continuation of the receipt of revenue from the rental properties on the site. As indicated during the 2005 Legislative Session, the Buildings and Grounds Division plans to issue a Request for Proposal (RFP) for the long-term lease of the facility. In an effort to assist the division in obtaining satisfactory responses to the RFP, the Legislature approved an extension of the reversion date of the funding for the 2001 CIP (01-M05) to address deferred maintenance and general improvements at the facility. The Legislature approved the extension of the reversion date contingent on the issuance of the RFP and directed the agency that any decision regarding responses to the RFP is to be subject to confirmation by the Legislature or IFC.

MARLETTE LAKE

The Division of Buildings and Grounds is responsible for administration of the Marlette Lake Water System. The objectives of the system are to preserve and protect the sources of water, to provide adequate supplies of water, to maintain the system in a condition that will assure dependable supplies of water, and to sell water under equitable and fiscally sound contractual agreements. The system is funded through water sales to Carson City and Storey County.

The 2005 Legislature approved the Governor's recommendation for the addition of a full-time position to support the operation of the water system and the Stewart Facility water treatment plant which run on a 24-hour, 7-day-a-week basis. Funding for the position was approved to be split between the Marlette Lake account and the Buildings and Grounds Division account. The Legislature also concurred with the Governor's recommendation to eliminate the existing seasonal position.

To address needed infrastructure repairs and renovations to the water delivery system, the 2005 Legislature approved A.B. 49, which authorizes the sale of revenue or general obligation bonds not to exceed \$25 million to fund CIPs for the water system. Repayment of the bonds would be through revenue collected in the Marlette Lake Water System Fund.

STATE PUBLIC WORKS BOARD

The State Public Works Board consists of seven members, including the Director of the Department of Administration and six other members appointed by the Governor to terms of four years. The chairman of the board is elected from the appointed members of the board. The board is responsible for developing the recommended Capital Improvement Program, the advance planning, design, and construction of the projects included in the Capital Improvement Program, the provision of architectural and engineering services to all state agencies, and the periodic inspection of state buildings.

The 2005 Legislature approved a Capital Improvement Program of approximately \$419.4 million for the board to administer, a 92 percent increase over the \$218.5 million approved for the 2003 Capital Improvement Program. A detailed explanation of the recommended and approved Capital Improvement Program for the 2005-07 biennium is included in the General Fund Appropriations section of this report.

The legislatively-approved budget for the State Public Works Board for the 2005-07 biennium continues the operation of the agency through two budget accounts: Public Works Administration (funded through a General Fund appropriation) and Public Works Inspection (funded primarily through assessments against the various CIP projects).

In the Administration account, the 2005 Legislature approved funding to continue the Facility Condition Analysis program, but directed the manager of the board to develop additional performance indicators to measure the effectiveness of the program and to periodically report to the IFC on the progress of developing the performance indicators. The 2005 Legislature also approved the Governor's recommendation to provide \$80,000 in each year of the 2005-07 biennium for the external hosting of electronically stored building plans and specification documents for the board.

To accommodate the increase in the size of the CIP, the 2005 Legislature approved three additional project management positions and four additional Inspector positions in the Inspection account. In addition, the Legislature concurred with the Governor's recommendation to increase the funding for staff training in the 2005-07 biennium by \$43,502 to maintain and improve the skills and knowledge level of staff in the areas of project management and construction inspection.

HEARINGS AND APPEALS DIVISION

The Hearings and Appeals Division is responsible for adjudicating contested workers' compensation claims for privately and publicly insured employees, and establishing a bi-level appeal system utilizing administrative hearings officers at the first administrative level of appeal. Attorney-trained Appeals Officers, appointed by the Governor, process the second administrative level of appeal, which is "trial de novo." The decision of the

Appeals Officer is the final and binding administrative determination of a workers' compensation claim, and is limited to judicial review by the district court. The division also conducts hearings in Victims of Crime cases and for various state agencies pursuant to interagency agreements. Funding for the division comes primarily from the Workers Compensation and Safety Fund.

The 2005 Legislature approved the Governor's recommendation to add a Legal Secretary II position in the Appeals office. In addition, the Legislature approved the hiring of a contract security guard to patrol the non state-owned building where the division is located. The cost of this improvement (\$38,080 in each year of the biennium) will be shared with the Victims of Crime (VOC) program and Nevada Attorneys for Injured Workers, both of which are also located in the building.

VICTIMS OF CRIME PROGRAM

The Victims of Crime (VOC) program is responsible for assisting innocent victims of violent crimes with compensation for costs incurred by the victim such as medical, counseling, lost wages, and funeral and burial expenses. Victims have one year from the date of the crime to file an application, except in cases of minors who are victims of sexual abuse or pornography, who have until age 21 to apply. The VOC is funded by a variety of sources including a federal grant under the U.S. Victims of Crime Act, court-levied administrative assessments, forfeited property proceeds, undistributed court-ordered restitution, inmate wage assessments, penalties, and interest.

The 2005 Legislature approved funding to pay the costs of hiring a contract security guard for the office in Las Vegas. As described above, the cost of this enhancement is shared among the state agencies renting in the same building.

DEPARTMENT OF TAXATION

The Department of Taxation is responsible for administration of most of the tax laws of the state of Nevada, as well as the Local Government Budget Act. In FY 2003-04, gross revenue collected by the Department of Taxation was \$3.64 billion, an increase of \$713.95 million or 24.4 percent above FY 2002-03 revenue collections. This increase is related primarily to the collection of new/enhanced taxes as approved by the 20th Special Session of the Nevada Legislature and collections of existing taxes at levels that exceeded the projections provided by the Economic Forum in May 2003.

The legislatively-approved budget for the 2005-07 biennium provides General Fund support in the amount of approximately \$67.1 million, a decrease of approximately \$2.2 million from the \$69.3 million recommended by the Governor. The General Fund support approved by the 2005 Legislature represents an increase of approximately \$34.3 million over the \$32.8 million approved by the 2003 Legislature for the operation of the department over the 2003-05 biennium. Not included in the \$32.8 million General

Fund appropriation for the 2003-05 biennium is approximately \$22.9 million allocated by the IFC over the 2003-05 biennium for costs associated with adding 98.49 new positions (and related costs) for the implementation and collection of the new/enhanced taxes approved by the 20th Special Session and costs associated with the implementation of the department's Unified Tax System (UTS).

The Executive Budget recommended and the 2005 Legislature approved the continuation of 323.51 positions for the department (includes the 98.49 positions approved by the IFC during the 2003-05 biennium). Also included in The Executive Budget was \$23.7 million General Fund support to continue the development and implementation of the UTS as begun during the 2003-05 biennium. The estimated cost for the development and implementation of the UTS totals \$40.5 million over five fiscal years (2004-08).

In reviewing and approving the department's budget, the 2005 Legislature adjusted the base budget, which resulted in General Fund savings of \$473,940 over the 2005-07 biennium. Additional adjustments to the Governor's recommended General Fund support over the 2005-07 biennium were \$1.7 million in reduced funding for the UTS; \$582,073 in additional funding for new and replacement equipment that was not included in the Governor's recommended budget; and \$81,864 in additional funding for office space for the department's Carson City Office.

In addition to actions taken by the 2005 Legislature that were specific to the Governor's recommended budget, the 2005 Legislature also approved legislation increasing the salary of the Chairman of the Tax Commission to \$27,500 per year and the members of the Tax Commission to \$20,000 per year. Funding for the additional costs associated with the increased salaries and the additional costs associated with printing of the Taxpayers' Bill of Rights was included in S.B. 3 of the 22nd Special Session.

DEPARTMENT OF INFORMATION TECHNOLOGY

The Department of Information Technology (DoIT) consists of the Director's Office and the Planning and Research; Application Design and Development; and Computing and Communications Divisions. For the 2005-07 biennium, total funding approved for the department is \$65.1 million, which is an approximate 19 percent decrease from the amount approved for the 2003-05 biennium. In addition, the 2005 Legislature approved funding of approximately \$9.2 million within the Department of Administration, Information Technology Projects account for phase IV of the digital microwave upgrade project and for virtual tape storage equipment for (DoIT). The budget reductions reflected in the legislatively-approved budget represent the transfer out of programming, database administration and technical services staff dedicated to specific applications within the Department of Health and Human Services, reductions in reserve funds to ensure compliance with federal cost allocation principles, and reductions in computer software costs due to vendor negotiations and elimination of obsolete programs.

DIRECTOR'S OFFICE

The Director's Office of (DoIT) provides administrative, financial management, billing and clerical support to the functional divisions in the department. In addition, the Director's Office contains the Contract Administration Unit and the Security Unit. The Contract Administration Unit is responsible for developing and issuing requests for proposals for information technology projects and for coordinating and monitoring the utilization of information technology consultants through master service agreements. The Security Unit assists state agencies in planning and developing information technology security programs and addressing security issues.

The 2005 Legislature approved an expansion of the Security Unit established by the 2003 Legislature by approving five of the nine new positions recommended by the Governor. The positions will allow for staffing in the areas of disaster recovery planning, security awareness training, security program assessments and security accreditation program development, thereby assisting in mitigating vulnerabilities with the state's technology utilization. The Legislature did not concur with the Governor's recommendation to add a new Management Analyst position in the department's Rate Development Unit as documentation provided by the department did not indicate an increase in workload to justify additional staffing. The Legislature did approve continued funding for an annual review of the rate model by an outside contractor.

PLANNING AND RESEARCH DIVISION

The Planning and Research Division is responsible for assisting state agencies in planning for information technology projects, including assisting in acquiring and evaluating cost estimates for information technology alternatives and developing budget requests. In addition, the division is responsible for developing the department's strategic information technology plan and capacity plan and supporting the statewide information technology policy committees.

The Executive Budget recommended the reallocation of three existing project management positions and the transfer of an existing database management position from the Application Design and Development Division to staff a new unit to provide oversight of information technology projects of state agencies. Due to concerns regarding the unspecified amount of savings that would be realized by the state by establishing the oversight function, the Legislature approved the unit with only three positions and directed the department to substantiate the amount of savings realized by the unit to the 2007 Legislature. The 2005 Legislature approved the elimination of an existing project management position as federal funds were no longer available to support the position. The Governor recommended funding for the project oversight unit through an assessment to information technology projects. As an alternative to approving this recommendation, the Legislature approved funding of the unit through direct billings for actual hours of service provided to the individual information technology projects.

The 2005 Legislature concurred with the Governor's recommendation to add a new Management Analyst position to provide research and administrative support for the division and to support the statewide information technology policy committees.

APPLICATION DESIGN AND DEVELOPMENT DIVISION

The Application Design and Development Division is responsible for application development and maintenance programming, production support, web page support, database development and administration and information technology project management services.

The 2005 Legislature approved the recommendation of the Governor to transfer 35 programming and database administration positions to the Division of Welfare and Supportive Services and the Child and Family Services Division for continued support of the NOMADS and UNITY systems. This recommendation was included in the report of the information technology optimization study that was performed by the Department of Administration during the 2003-05 biennium, which recommended decentralization of programming and database administration staff that are dedicated to applications for specific agencies.

As recommended by the Governor, the Legislature approved an increase in funding for staff training to a level of \$1,450 per position in each year of the 2005-07 biennium. Due to revenue shortfalls in this agency during the 2003-05 biennium, expenditures for staff training were curtailed. In addition, the Legislature approved the reclassification of four positions, as recommended by the Governor, as a result of reassignment of duties related to the restructuring of the division.

COMPUTING AND COMMUNICATIONS DIVISIONS

The Computing and Communications Divisions consist of the department's Computing, Data Communications and Technical Services, Telecommunications, and Network Transport Services functions. The Computing Division manages and operates the state's mainframe, Internet and application servers in a secure environment. The Data Communications and Technical Services function manages and supports the statewide data communication infrastructure and provides personal computer and local area network support to state agencies. The Telecommunications and Network Transport Services functions provide telephone and microwave communication services to state agencies.

The 2005 Legislature approved the addition of 1.5 FTE Computer Systems Programmer positions to support the Internet Services section and to address workload in mainframe performance monitoring and systems programming. Although the Governor recommended an additional Computer Systems Programmer position to support the new LINUX operating system environment on the mainframe computer, the Legislature

did not approve the position due to the uncertainty of the degree that state agencies would utilize the service. The Legislature directed the department to request approval for the position from the IFC during the 2005-07 biennium if needed once a customer base has been developed for this service.

The Legislature concurred with the Governor's recommendation to provide total funding of approximately \$2.4 million for virtual tape storage equipment to be utilized for establishing an in-state disaster recovery site for the department's computing resources. In approving funding for the equipment, the Legislature reduced the period for the department's payback of the approximate \$1.9 million General Fund portion of the project funding from eight years to four years. The Legislature also approved funding of \$528,584 over the 2005-07 biennium to expand mainframe computer capacity. The department's capacity planning indicated that mainframe utilization is projected to reach 85 percent of current capacity in March 2006. The Legislature did not concur with the Governor's recommendation for funding of \$437,500 for a single sign-on/authentication program for users of multiple state computer systems. The Legislature expressed concerns regarding the lack of information on the actual number of users and systems applications that would utilize the program and the degree of analysis performed of other authentication technologies that may be available.

The 2005 Legislature approved the recommendation of the Governor to transfer ten technical services positions dedicated to the UNITY system to the Child and Family Services Division. This recommendation was included in the report of the information technology optimization study that was performed by the Department of Administration during the 2003-05 biennium which recommended decentralization of technical services staff that are dedicated to applications for specific agencies. The Legislature did not concur with the Governor's recommendation to add a new position for implementing and maintaining service level agreements with state agencies and for providing financial and management analysis of computing and communications operations. Based on an apparent duplication of functions performed by other staff and lack of a sufficient increase in workload, the Legislature did not consider the position adequately justified.

The 2005 Legislature approved new and replacement equipment totaling \$917,500 to keep the state telecommunications system operational and to allow for increases in the number of users and for new technologies. In addition, the Legislature approved funding of \$687,897 for new and replacement equipment for continued operation and maintenance of the state's microwave communication system.

DEPARTMENT OF PERSONNEL

For the 2005-07 biennium, total departmental funding of \$29.5 million was approved (includes unemployment compensation account) which represents an increase of 19.7 percent over amounts approved for the 2003-05 biennium. This budget is funded by uniform assessments to all state agencies for personnel and payroll services. The 2005 Legislature approved an increase in the personnel assessment from the FY 2004-05 rate of .97 percent of employee gross salaries to 1.03 percent in FY 2005-06 and 1.0 percent in FY 2006-07. The Legislature approved a payroll assessment decrease from the FY 2004-05 rate of .35 percent of employee gross salaries to .33 percent in FY 2005-06 and .31 percent in FY 2006-07.

The 2005 Legislature approved the Governor's recommendation to make various enhancements to the Nevada Employee Action and Timekeeping System (NEATS). The additions to NEATS are:

- Replacing the current applicant tracking system in three phases — phases I and II would be completed during the 2005-07 biennium, and include electronic filing of employment applications and preliminary design and specification for the new tracking system;
- Adding another level of approval to timesheet processing to allow for pay clerk review so as to ensure compliance with employment laws and regulations and reduce post-payroll timesheet corrections;
- Tracking employee incident reports (i.e., grievances, appeals and discrimination claims); and
- Tracking employee overtime and leave approvals to ensure compliance with pre-authorization requirements.

The total cost of all the NEATS enhancements is \$488,325.

The 2005 Legislature concurred with the Governor's recommendation for a new Program Officer I to help staff the IFS-HR Help Desk, which assists agencies with NEATS rollout and personnel actions. The cost of adding this position is \$79,095 over the 2005-07 biennium.

The 2005 Legislature approved continuation of the Certified Public Manager program approved during the 2003 Legislature, subject to reports to the IFC about the cost savings and effectiveness of the program, as well as the materials and delivery cost of training. Over the 2005-07 biennium, the cost of maintaining the program is approximately \$187,000.

**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
FINANCE & ADMINISTRATION					
DEPARTMENT OF ADMINISTRATION					
BUDGET AND PLANNING	3,250,722	3,194,860	3,162,178	3,656,428	3,619,763
GENERAL FUND	2,949,933	2,803,530	2,770,898	3,218,922	3,182,365
INTER AGENCY TRANSFER	300,643	391,330	391,280	437,360	437,252
OTHER FUND	146			146	146
JUDICIAL COLL & COLL OF JUVENILE & FAI		375,000	375,000	375,000	375,000
GENERAL FUND		375,000	375,000	375,000	375,000
GENERAL FUND SALARY ADJUSTMENTS	5,725,502	21,068,139	27,851,073	29,865,705	45,998,555
GENERAL FUND	5,725,502	21,068,139	27,851,073	29,865,705	45,998,555
HIGHWAY FUND SALARY ADJUSTMENT	1,621,717	5,772,148	9,066,734	9,000,253	15,963,082
HIGHWAY FUND	1,621,717	5,772,148	9,066,734	9,000,253	15,963,082
ADMIN - ADMINISTRATIVE SERVICES	1,659,149	1,753,272	1,566,986	1,896,536	1,724,614
BALANCE FORWARD	232,130	234,618	234,618	222,262	241,038
INTER AGENCY TRANSFER	1,427,019	1,518,654	1,332,368	1,674,274	1,483,576
DEFERRED COMPENSATION COMMITTEE	249,423	240,374	240,374	252,986	278,528
BALANCE FORWARD	95,580	97,890	97,890	110,502	136,044
OTHER FUND	153,843	142,484	142,484	142,484	142,484
MERIT AWARD BOARD	5,000	5,000	5,000	5,000	5,000
GENERAL FUND	5,000	5,000	5,000	5,000	5,000
INFORMATION TECHNOLOGY DIVISION	890,990	931,254	935,076	948,539	933,563
GENERAL FUND	890,990	928,149	931,971	942,148	927,172
INTER AGENCY TRANSFER		3,105	3,105	6,391	6,391
INFORMATION TECHNOLOGY PROJECTS	7,728,593	21,218,749	18,874,375	5,784,998	5,106,922
GENERAL FUND	2,005,482	17,990,323	15,316,282	2,196,642	913,004
BALANCE FORWARD	348,760				
FEDERAL FUND		627,429		294,601	
HIGHWAY FUND	4,998,445	2,455,378	3,147,920	3,254,802	4,172,823
INTER AGENCY TRANSFER	375,906	21,501	364,903	2,102	21,095
OTHER FUND		124,118	45,270	36,851	
INSURANCE & LOSS PREVENTION	22,769,040	24,322,443	24,027,049	25,530,959	24,773,592
GENERAL FUND			61,845		6,042
BALANCE FORWARD	4,103,842	4,986,328	4,986,328	5,785,543	5,463,645
HIGHWAY FUND			13,680		1,026
INTER AGENCY TRANSFER	18,658,869	19,273,421	18,902,502	19,682,722	19,240,185
OTHER FUND	6,329	62,694	62,694	62,694	62,694
INDIGENT SUPPLEMENTAL ACCOUNT	7,220,181	7,525,407	7,525,407	9,524,846	9,525,109
BALANCE FORWARD	202,154			1,312,360	1,312,623
OTHER FUND	7,018,027	7,525,407	7,525,407	8,212,486	8,212,486
INDIGENT ACCIDENT ACCOUNT	17,500,974	22,637,344	22,637,344	31,937,987	31,938,324
BALANCE FORWARD	8,965,880	11,310,488	11,310,488	19,599,778	19,600,115
OTHER FUND	8,535,094	11,326,856	11,326,856	12,338,209	12,338,209

**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 ADMINISTRATION					
DIVISION OF INTERNAL AUDIT	2,013,536	2,118,929	2,093,700	2,323,909	2,119,705
GENERAL FUND	2,013,536	2,083,081	2,057,852	2,251,177	2,046,973
INTER AGENCY TRANSFER		35,848	35,848	72,732	72,732
MOTOR POOL	4,142,411	4,646,225	4,646,225	4,962,136	4,874,416
BALANCE FORWARD	339,116	260,071	260,071	270,769	183,049
INTER AGENCY TRANSFER	3,759,289	4,353,155	4,353,155	4,658,368	4,658,368
OTHER FUND	44,006	32,999	32,999	32,999	32,999
MOTOR POOL VEHICLE PURCHASE	1,950,928	2,809,889	2,824,120	2,298,516	2,306,716
BALANCE FORWARD	702,256	1,296,534	1,296,534	733,610	715,808
INTER AGENCY TRANSFER	1,207,969	1,412,510	1,426,741	1,464,061	1,490,063
OTHER FUND	40,703	100,845	100,845	100,845	100,845
PURCHASING	2,469,727	2,708,529	2,776,189	2,765,022	2,804,450
BALANCE FORWARD	301,713	158,054	158,054	213,455	255,123
INTER AGENCY TRANSFER	2,074,422	2,471,733	2,539,393	2,472,825	2,470,585
OTHER FUND	93,592	78,742	78,742	78,742	78,742
COMMODITY FOOD PROGRAM	7,231,987	8,079,711	8,067,433	8,337,469	8,410,349
BALANCE FORWARD	1,463,330	1,442,368	1,442,368	1,684,733	1,770,472
FEDERAL FUND	1,188,460	1,486,667	1,486,667	1,486,667	1,486,667
INTER AGENCY TRANSFER	103,014	127,026	115,238	127,017	115,238
OTHER FUND	4,477,183	5,023,650	5,023,160	5,039,052	5,037,972
BUILDINGS & GROUNDS	18,012,593	23,458,355	19,136,759	17,460,925	17,598,124
GENERAL FUND		4,978,607	597,807		254,000
BALANCE FORWARD	2,825,026	2,702,309	2,702,309	2,024,259	1,744,616
HIGHWAY FUND		150,000	150,000		
INTER AGENCY TRANSFER	15,180,028	15,620,909	15,680,113	15,430,136	15,592,978
OTHER FUND	7,539	6,530	6,530	6,530	6,530
MAIL SERVICES	7,126,933	6,851,824	6,852,843	6,953,996	7,009,979
BALANCE FORWARD	355,246	375,399	375,399	249,543	304,445
INTER AGENCY TRANSFER	6,771,687	6,476,425	6,477,444	6,704,453	6,705,534
MAIL SERVICES - EQUIPMENT PURCHASE	337,107	387,942	387,942	155,898	156,346
BALANCE FORWARD	238,540	310,745	310,745	30,386	30,834
INTER AGENCY TRANSFER	98,567	77,197	77,197	125,512	125,512
CLEAR CREEK YOUTH CENTER	236,496	99,470	98,048	101,777	100,354
GENERAL FUND	62,339	63,246	61,824	64,643	63,220
INTER AGENCY TRANSFER		824	824	1,734	1,734
OTHER FUND	174,157	35,400	35,400	35,400	35,400
MARLETTE LAKE	853,731	776,939	776,939	949,225	957,383
BALANCE FORWARD	157,233	298,181	298,181	470,467	478,625
INTER AGENCY TRANSFER	206,860				
OTHER FUND	489,638	478,758	478,758	478,758	478,758

**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 ADMINISTRATION					
PUBLIC WORKS ADMINISTRATION	832,402	948,667	939,155	968,108	956,753
GENERAL FUND	832,402	925,889	906,583	931,788	910,473
INTER AGENCY TRANSFER		22,778	32,572	36,320	46,280
PUBLIC WORKS INSPECTION	4,784,712	5,281,225	5,773,814	5,402,248	6,016,628
BALANCE FORWARD	348,159				
INTER AGENCY TRANSFER	35,000	35,000	35,000	35,000	35,000
OTHER FUND	4,401,553	5,246,225	5,738,814	5,367,248	5,981,628
DEPT OF ADMINISTRATION - HEARINGS DIV	4,159,397	4,551,760	4,346,311	4,668,665	4,482,793
INTER AGENCY TRANSFER	1,605	2,232	2,232	2,232	2,232
OTHER FUND	4,157,792	4,549,528	4,344,079	4,666,433	4,480,561
VICTIMS OF CRIME	6,283,381	5,801,963	5,801,963	5,689,063	5,759,917
BALANCE FORWARD	271,583	285,506	285,506	258,455	329,309
FEDERAL FUND	1,995,000	1,561,101	1,561,101	1,561,101	1,561,101
OTHER FUND	4,016,798	3,955,356	3,955,356	3,869,507	3,869,507
SUB-FUNCTION RECAP					
DEPARTMENT OF ADMINISTRATION	129,056,632	177,565,418	180,788,037	181,816,194	203,795,965
GENERAL FUND	14,485,184	51,220,964	50,936,135	39,851,025	54,681,804
BALANCE FORWARD	20,950,548	23,758,491	23,758,491	32,966,122	32,565,746
FEDERAL FUND	3,183,460	3,675,197	3,047,768	3,342,369	3,047,768
HIGHWAY FUND	6,620,162	8,377,526	12,378,334	12,255,055	20,136,931
INTER AGENCY TRANSFER	50,200,878	51,843,648	51,769,915	52,933,239	52,504,755
OTHER FUND	33,616,400	38,689,592	38,897,394	40,468,384	40,858,961
DEPARTMENT OF TAXATION					
DEPARTMENT OF TAXATION	36,745,403	38,213,117	38,605,377	33,845,150	31,285,118
GENERAL FUND	16,692,636	36,991,939	37,384,011	32,291,350	29,731,300
BALANCE FORWARD	649,804				
INTER AGENCY TRANSFER	18,601,399	584,261	584,449	960,343	960,361
OTHER FUND	801,564	636,917	636,917	593,457	593,457
SUB-FUNCTION RECAP					
DEPARTMENT OF TAXATION	36,745,403	38,213,117	38,605,377	33,845,150	31,285,118
GENERAL FUND	16,692,636	36,991,939	37,384,011	32,291,350	29,731,300
BALANCE FORWARD	649,804				
INTER AGENCY TRANSFER	18,601,399	584,261	584,449	960,343	960,361
OTHER FUND	801,564	636,917	636,917	593,457	593,457

**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
FINANCE & ADMINISTRATION					
DEPARTMENT OF INFORMATION TECHNOLOGY					
DoIT DIRECTOR'S OFFICE	3,038,729	3,305,617	3,476,534	3,932,938	3,415,405
BALANCE FORWARD	245,680	205,650	205,650	428,249	505,309
INTER AGENCY TRANSFER	2,793,049	3,099,967	3,270,884	3,504,689	2,910,096
DoIT PLANNING & RESEARCH UNIT	2,085,181	2,755,370	2,050,121	3,172,350	2,095,566
BALANCE FORWARD	505,577	508,939	508,939	884,093	290,078
INTER AGENCY TRANSFER	1,579,604	2,246,431	1,541,182	2,288,257	1,805,488
DoIT APPLICATION DESIGN & DEVELOPME	6,684,798	3,405,385	2,847,286	3,288,138	2,945,521
BALANCE FORWARD	803,275	907,437	907,437	940,896	402,399
INTER AGENCY TRANSFER	5,881,523	2,497,948	1,939,849	2,347,242	2,543,122
DoIT COMPUTING DIVISION	14,040,279	13,379,001	13,626,644	13,641,431	13,346,393
BALANCE FORWARD	2,473,641	1,367,208	1,367,208	1,306,063	1,800,718
INTER AGENCY TRANSFER	11,566,638	12,011,793	12,259,436	12,335,368	11,545,675
DoIT DATA COMMUNICATIONS & TECHNICA	4,516,717	3,752,895	3,635,922	3,462,302	3,371,550
BALANCE FORWARD	600,347	901,885	901,885	530,434	447,395
INTER AGENCY TRANSFER	3,916,370	2,851,010	2,734,037	2,931,868	2,924,155
DoIT TELECOMMUNICATIONS	4,918,234	5,458,327	5,150,559	5,040,878	4,669,850
BALANCE FORWARD	1,040,000	908,959	908,959	926,795	626,537
INTER AGENCY TRANSFER	3,878,234	4,549,368	4,241,600	4,114,083	4,043,313
DoIT COMMUNICATIONS	2,234,272	2,571,253	2,284,710	2,696,290	2,195,401
BALANCE FORWARD	490,004	422,213	422,213	537,585	281,012
INTER AGENCY TRANSFER	1,744,268	2,149,040	1,862,497	2,158,705	1,914,389
SUB-FUNCTION RECAP					
DEPARTMENT OF INFORMATION TECHNO	37,518,210	34,627,848	33,071,776	35,234,327	32,039,686
BALANCE FORWARD	6,158,524	5,222,291	5,222,291	5,554,115	4,353,448
INTER AGENCY TRANSFER	31,359,686	29,405,557	27,849,485	29,680,212	27,686,238
DEPARTMENT OF PERSONNEL					
PERSONNEL	11,117,821	12,604,713	12,603,760	13,267,813	13,260,530
BALANCE FORWARD	1,313,103	1,198,312	1,198,312	1,468,716	1,462,704
INTER AGENCY TRANSFER	9,780,718	11,378,228	11,377,275	11,770,924	11,769,653
OTHER FUND	24,000	28,173	28,173	28,173	28,173
STATE UNEMPLOYMENT COMPENSATION	1,534,998	1,700,821	1,700,821	1,970,371	1,970,371
BALANCE FORWARD	317,293	403,698	403,698	605,177	605,177
INTER AGENCY TRANSFER	1,217,705	1,297,123	1,297,123	1,365,194	1,365,194
SUB-FUNCTION RECAP					
DEPARTMENT OF PERSONNEL	12,652,819	14,305,534	14,304,581	15,238,184	15,230,901
BALANCE FORWARD	1,630,396	1,602,010	1,602,010	2,073,893	2,067,881
INTER AGENCY TRANSFER	10,998,423	12,675,351	12,674,398	13,136,118	13,134,847
OTHER FUND	24,000	28,173	28,173	28,173	28,173

**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
FUNCTION RECAP					
TOTAL FINANCE & ADMINISTRATION	215,973,064	264,711,917	266,769,771	266,133,855	282,351,670
GENERAL FUND	31,177,820	88,212,903	88,320,146	72,142,375	84,413,104
HIGHWAY FUND	6,620,162	8,377,526	12,378,334	12,255,055	20,136,931
INTER AGENCY TRANSFER	111,160,386	94,508,817	92,878,247	96,709,912	94,286,201
OTHER FUND	34,441,964	39,354,682	39,562,484	41,090,014	41,480,591
BALANCE FORWARD	29,389,272	30,582,792	30,582,792	40,594,130	38,987,075
FEDERAL FUND	3,183,460	3,675,197	3,047,768	3,342,369	3,047,768
TOTAL FINANCE & ADMINISTRATION	215,973,064	264,711,917	266,769,771	266,133,855	282,351,670
LESS: INTER AGENCY TRANSFER	111,160,386	94,508,817	92,878,247	96,709,912	94,286,201
NET: FINANCE & ADMINISTRATION	104,812,678	170,203,100	173,891,524	169,423,943	188,065,469

EDUCATION



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

**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
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

**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
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
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 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

**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 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

**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
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

COMMERCE AND INDUSTRY



COMMERCE AND INDUSTRY

The Commerce and Industry function of state government includes those agencies responsible for licensing or regulating various businesses and financial activities operating within the state, as well as agencies responsible for the promotion of commerce and industry within Nevada. These agencies include the Department of Business and Industry, Department of Agriculture, Gaming Control Board, Public Utilities Commission, Commission on Economic Development, Commission on Tourism and the Division of Minerals. For the 2005-07 biennium, General Fund appropriations for the Commerce and Industry function total \$99.8 million, which is 16.9 percent greater than the amount approved for the 2003-05 biennium.

DEPARTMENT OF AGRICULTURE

The Department of Agriculture is responsible for encouraging, advancing and protecting the livestock and agricultural industries of the state. The department attempts to encourage sound resource management through progressive and innovative agricultural practices. The Department of Agriculture consists of the following divisions: Administration, Plant Industry, Livestock Identification, Animal Industry, Measurement Standards and Resource Protection. For the 2005-07 biennium, total funding for the Department of Agriculture is \$27.9 million, which is 29.4 percent greater than the amount approved in the 2003-05 biennium. General Fund support totals \$8.0 million, which represents an increase of 5.6 percent over the amounts approved for the 2003-05 biennium.

The 2005 Legislature approved A.B. 413, which created a new budget account for the control of weeds, and provided a General Fund appropriation of \$100,000 to be used for the abatement of weeds. The new account is administered by the Director of the Department of Agriculture. The General Fund appropriation, and any gifts, grants and donations that may be received, do not revert to the General Fund. The Legislature also approved S.B. 1 of the 22nd Special Session, which provides \$50,000 to develop and provide technical assistance to farmers' markets in Nevada.

DIVISION OF ADMINISTRATION

The Division of Administration is responsible for providing administrative and budgetary oversight to the various divisions, bureaus and programs administered by the Department of Agriculture. As represented in The Executive Budget, the Department of Agriculture's cost allocation plan did not conform to standard cost allocation principles. Accordingly, the 2005 Legislature and LCB Fiscal Analysis Division staff worked with the department to completely revise the department's cost allocation plan using standard cost allocation principles. The revised cost allocation plan, which is based on both FTE counts and transfers of indirect costs from budget accounts that are funded

with federal funds, was approved by the money committees. The revised cost allocation plan required the addition of \$2,835 in General Funds in FY 2005-06, and a reduction in General Funds totaling \$6,730 in FY 2006-07, compared to the General Fund requirement recommended by the Governor.

The 2005 Legislature approved the Governor's recommendation to provide cost allocation funds totaling \$1,000 in each year of the biennium to establish a host fund for the department. However, prior to the department utilizing any of these funds, the money committees directed the department to develop written guidelines detailing appropriate use of the host fund, and to have those guidelines approved by the Executive Budget Office and LCB Fiscal staff. The Legislature also approved General Funds totaling \$1,307 in each year of the biennium to continue a pilot program approved by the 2003 Legislature to provide job-related awards to employees for more efficient operations.

DIVISION OF PLANT INDUSTRY

The Division of Plant Industry is responsible for various regulatory programs, including licensing and regulating nursery sales outlets and proclaiming and enforcing interstate and intrastate quarantines against agricultural commodities and packing materials that may be infected with disease or may have been exposed to infestation with parasites, weed seeds, or insect pests. The activities of the division are funded primarily through a state General Fund appropriation, fees and federal grants.

At the money committees' direction, the Department of Agriculture worked with LCB Fiscal staff to re-project fee revenues in the department's Plant Industry budget because the revenues stated in The Executive Budget were based on a three-year average of collected revenues, rather than on the growth trend of collected revenues. The 2005 Legislature approved the new projections, which provide additional fee revenues totaling \$91,162 in FY 2005-06 and \$112,288 in FY 2006-07, with corresponding General Fund reductions.

DIVISION OF LIVESTOCK IDENTIFICATION

The Division of Livestock Identification is responsible for protecting livestock owners from the loss of their animals. The division is responsible for recording all livestock brands and handling the transfer of recorded brands, inspecting livestock brands when livestock are moved from a livestock district, and investigating all reports of theft and other livestock crimes. Additionally, the division is responsible for administering the stray horse management program, including the adoption and processing facility in Carson City.

The Governor recommended the elimination of 5.03 FTE seasonal positions from the position control portion of The Executive Budget. Within The Executive Budget, the loss of seasonal positions and resulting savings was offset somewhat with the addition of seasonal salary expenditure authority totaling \$157,581 in each year of the 2005-07 biennium. The net result was a reduction to personnel costs of \$131,671 over the biennium, and a corresponding increase in reserves. However, during budget hearings, the money committees noted that the increase in seasonal costs in The Executive Budget was improperly placed in the adjusted base portion of the budget, rather than in a decision module for the Legislature's consideration. Accordingly, the 2005 Legislature approved the elimination of the 5.03 FTE positions as recommended by the Governor; however, the money committees requested that the seasonal salary costs from the adjusted base budget be moved to a separate decision module where they could be properly considered. The money committees cautioned the department not to repeat this practice in the future. The Legislature also approved reserve reductions totaling \$27,493 over the biennium to convert two seasonal positions to full-time positions.

DIVISION OF ANIMAL INDUSTRY

The Division of Animal Industry provides diagnostic services to protect domestic and wild animals from communicable, infectious, nutritional and parasitic diseases and to protect people from animal diseases that are transmissible to humans. Services are provided through the division's diagnostic laboratories in Reno and Elko. The employees of the division evaluate specimens to determine the cause, effect and a method for control of animal diseases that may have an adverse economic or public health impact.

The 2005 Legislature did not approve the Governor's recommended transfer of \$46,762 over the biennium from the Nevada Department of Wildlife (NDOW) to fund training for the Senior Diagnostician in the department's Elko office to attend training courses related to wildlife issues. The Executive Budget Office, with concurrence from NDOW and the Department of Agriculture, requested that this decision module be removed from the budget due to funding concerns within NDOW. The Legislature approved the base budget recommendation to provide General Funds totaling \$80,397 in each year of the biennium to continue funding for the management of wild horses on the Virginia Range.

DIVISION OF MEASUREMENT STANDARDS

The Bureau of Weights and Measures is responsible for annual inspection and/or testing of all commercial devices used for buying, selling and shipping of commodities.

Duties of the bureau include:

- Annual inspection and/or testing of all commercial devices used for buying, selling and shipping of commodities, including supermarket scales, gas pumps, truck scales, concrete plants, liquefied petroleum gas meters, large capacity petroleum meters, etc.;
- Regulation of petroleum quality, product advertising and labeling;
- Licensing, auditing and inspection of Public Weighmaster truck and platform scales;
- Registration of weighing and measuring device sales and repair personnel; and
- Certification of trade standards used to calibrate scales and petroleum delivery devices and repair technicians.

The 2005 Legislature approved the Governor's recommendation to provide General Funds totaling \$209,443 over the biennium to fund the purchase of replacement equipment, including seven specially equipped 2WD pickup trucks used for Weights and Measures activities, and the replacement of two metrology balances. In addition to the Governor's recommendation, the Legislature approved A.B. 105, which provides General Funds totaling \$290,000 in FY 2005-06 for the purchase of replacement equipment for the Weights and Measures program. The replacement equipment includes two specially equipped large trucks and one large tank to measure volumes of liquefied petroleum gas (LPG). The Legislature also approved General Funds totaling \$56,000 over the 2005-07 biennium to fund deferred maintenance for the department's Sparks and Las Vegas facilities.

Historically, 0.005 cents of the 0.055-cent-per-gallon motor vehicle fuel and lubricating oil inspection fee has been transferred to the Department of Agriculture, with the balance (0.050 cents per gallon) being deposited to the state General Fund. Senate Bill 165 requires the entire 0.055-cent-per-gallon inspection fee be transferred to the Department of Agriculture's Weights and Measures account starting in FY 2007-08. As a result, the Weights and Measures budget will no longer contain a General Fund appropriation beginning in FY 2007-08, and will become a self-supporting account with the ability to balance forward unspent revenue.

DIVISION OF RESOURCE PROTECTION

The Division of Resource Protection is responsible for cooperating with the United States Department of Agriculture to control predatory animals, crop-destroying birds and rodents. The agency is responsible for providing the public with assistance in the control and prevention of damages and diseases caused by wildlife.

During the 2005 Legislative Session, the department received notification from the U.S. Government concerning additional costs related to the department's Predatory Animal and Rodent Control activities. The department was notified that a fuel surcharge will be added to the mileage driven by vehicles leased by the federal government (11 field staff in the division use these leased vehicles). In addition, the U.S. Government notified the department that the federal position contractually supported by the department received a 3.26 percent cost-of-living adjustment on January 1, 2005. Accordingly, the 2005 Legislature approved General Funds totaling \$14,383 in each year of the biennium to fund these items, which were not originally included in The Executive Budget.

COMMISSION ON MINERAL RESOURCES

DIVISION OF MINERALS

The Division of Minerals is responsible for the regulation of the drilling and construction of oil, gas and geothermal wells. The agency also administers the Mine Reclamation Bond Pool and the Abandoned Mine program. The division is funded primarily through the collection of fees imposed on the mining industry. The 1999 Legislature removed the Division of Minerals from the Department of Business and Industry and placed it under the exclusive authority of the Commission on Mineral Resources.

The 2005 Legislature approved the addition of a new Field Inspector position to be funded through reserve reductions totaling \$158,387 over the biennium. This position was not originally included in The Executive Budget; however, during the budget hearings the division made a compelling case for the position, indicating it would allow for more field inspections, an area in which the division had been falling short due to the increase in oil, gas and geothermal exploration.

GAMING CONTROL BOARD

Gaming activities are administered through three individual budgets, which include the Gaming Control Board (three members), the Gaming Commission (five members), and the Gaming Control Board Investigation Fund. The regulation of Nevada's gaming industry is conducted through a tiered system comprised of the Nevada Gaming Commission, the Gaming Control Board and the Gaming Policy Committee (nine members). The Gaming Commission has final authority on all gaming matters. The Gaming Control Board functions as the enforcement, investigative and regulatory agency. The Gaming Policy Committee functions as an advisory body, meeting when

required to examine and make recommendations on gaming policy. The Gaming Control Board is organized into the following divisions: Audit, Tax and License, Investigations, Corporate Securities, Enforcement, Electronic Services, and Administration.

For the 2005-07 biennium, General Fund support for the Gaming Control Board and Gaming Commission totaled \$57.5 million, which is a 4.8 percent increase over the amounts approved for the 2003-05 biennium.

The Executive Budget recommended approximately \$1.6 million during the 2005-07 biennium, representing primarily investigative fees and transfers from the Investigative Fund to add nine new positions. The recommended increase in funding includes the elimination of an Administrative Aid position, which reduces General Funds by \$28,241 in FY 2005-06 and \$24,533 in FY 2006-07. The 2005 Legislature approved the new positions, including the continuation of two Senior Audit Agents, approved by the IFC in January 2005, to assist with processing equipment applications to improve the turnaround time for evaluating cashless wagering devices, one Agent and two Administrative Assistants to support the Gaming Employees Registration program, and four new Investigative Agents to support workloads involving investigations of independent agents and non-restricted licensees.

The Governor recommended funding of \$565,723 over the 2005-07 biennium, including General Funds of \$457,268, primarily to replace computer hardware and software. The 2005 Legislature approved the Governor's recommendation and increased General Funds by approximately \$182,000 to expand the replacement of outdated computer hardware and software.

The 2005 Legislature approved the continuation of credential pay to qualified staff totaling \$487,500 in FY 2005-06 and \$490,000 in FY 2006-07. The credential pay plan pays up to \$5,000 annually to employees of the board who are CPAs, attorneys licensed to practice in Nevada or individuals who have a college degree in engineering. Funding from the General Fund to support the credential pay plan was included in A.B. 577.

PUBLIC UTILITIES COMMISSION

The Public Utilities Commission (PUC) is responsible for overseeing the regulation of public utilities in Nevada, including railroad, telecommunication, electric, natural gas, water and sewer services. The operations of the PUC are funded through the regulatory assessment (or mill tax), which allows the PUC to assess and collect up to a maximum of 3.5 mills (1 mill = 1/10 of a cent) on gross utility operating revenues. The PUC also assesses and collects up to a maximum of 0.75 mills from regulated utilities, which is transferred to the Attorney General's Office to fund the operations of the Office of Consumer Protection.

For the 2005-07 biennium, the Legislature approved total funding of \$25.7 million for the PUC's budget, a decrease from the \$30.0 million approved during the 2003-05 biennium. However, the 2003-05 biennial funding included \$4.9 million that was transferred from the Attorney General's Office to fund the operations of the Office of Consumer Protection. For the 2005-07 biennium, the mill assessments collected on behalf of the Office for Consumer Protection will be deposited directly to the Account for the Consumer's Advocate. The approved budget is based upon collecting 2.60 mills of gross utility operating revenues from regulated utilities for the PUC and 0.70 mills for the Office of Consumer Protection. The PUC's budgeted FY 2006-07 ending reserve of \$2.3 million will be reduced through additional transfers of \$125,000 each year to the Trust Fund for Renewable Energy and Energy Conservation pursuant to A.B. 385.

The 2005 Legislature approved the Governor's recommendation to add three new Gas Pipeline Safety Engineer positions based upon increased workload, increased gas utility customers and pipeline miles, and regulations promulgated by the Federal Office of Pipeline Safety for operator qualifications and integrity management program inspections. The 2005 Legislature also approved the Governor's recommendation to utilize \$1.3 million in reserve funding for the PUC to establish a new electronic filing and records management system. The new system is envisioned to allow the agency to accept and manage documents and records, along with associated filing fees, electronically over-the-counter and via the Internet. The PUC also intends to utilize the system to electronically warehouse all agency documents that would be available to the regulated community and the public over the Internet.

DEPARTMENT OF BUSINESS AND INDUSTRY

The Department of Business and Industry consists of eight divisions, one board, three commissions and five other agencies with a wide range of responsibilities that promote and regulate businesses within the state. The department oversees the activities of the Consumer Affairs Division, Manufactured Housing Division, Division of Insurance, Real Estate Division, Division of Financial Institutions, Mortgage Lending Division, Housing Division and Division of Industrial Relations. The department also includes the Dairy Commission, the Office of Labor Commissioner, the Employee Management Relations Board, the Taxicab Authority, the Transportation Services Authority, the Athletic Commission and the Office of the Attorney for Injured Workers. The department is responsible for regulating business enterprises, the promotion of worker safety, educating the public and businesses regarding their legal rights and responsibilities, and promoting the legal operation of businesses in Nevada. The department is funded through a combination of state General Funds, federal funds and business licenses and fees. For the 2005-07 biennium, total legislatively-approved funding for the department is \$246.5 million, which is 35.7 percent greater than the amount approved for the 2003-05 biennium. The largest single increase in funding is within the Low-Income Housing Trust Fund budget, which is financed through

real estate transfer revenues. Funding in this account increases by \$36.7 million over the 2005-07 biennium compared to funding approved by the 2003 Legislature. General Fund support for the department totals \$16.7 million, which represents an increase of 9.0 percent from the amount approved for the 2003-05 biennium.

DIRECTOR'S OFFICE

The Director's Office of the Department of Business and Industry is responsible for providing administrative and budgetary oversight to the divisions, agencies and commissions that constitute the department. The office includes the Office for Business Finance and Planning, which is responsible for administering the Industrial Development Revenue Bond program. The Director's Office is funded through a General Fund appropriation, a transfer from the Industrial Development Revenue Bond program and assessments paid by non-General Fund agencies within the department.

The Executive Budget recommended approximately \$700,000 over the 2005-07 biennium to centralize the department's personnel function. The Governor proposed to staff the office with six existing positions from agencies within the department (Dairy Commission—three positions, Division of Industrial Relations—two positions, and Taxicab Authority—one position). The Legislature did not approve this recommendation and reversed all recommended decision units. The Governor also recommended \$16,081 in FY 2005-06 to purchase new portable videoconferencing equipment for the Director's Office conference rooms in both Carson City and Las Vegas. Based upon information obtained from the Department of Administration, Information Technology Division, the Legislature reduced the recommended funding for this project from \$16,081 to \$8,219.

DIVISION OF INSURANCE

The Division of Insurance is charged with protecting the rights of consumers and the public in transactions with the insurance industry. The division regulates and licenses insurance agents, brokers and other professionals to ensure the insurance market is free of misleading, unfair and monopolistic business practices. The operations of the Division of Insurance are administered through the Insurance Regulation account. The account is funded in large part through an appropriation from the General Fund and through a transfer from the Examination Fund, which includes examiner fees charged to insurers to cover the costs of conducting financial examinations. The 2005 Legislature approved General Funds totaling \$7.10 million for the 2005-07 biennium in support of the Insurance Division, which is \$1.29 million more than the \$5.81 million approved by the 2003 Legislature.

The 2005 Legislature approved the Governor's recommendation to fund 3.0 FTE new positions within the Division of Insurance. The new positions consist of a Compliance/Audit Investigator I to assist with growing concerns about Internet, fax and telephone insurance fraud; a Computer Network Technician II to manage the division's computer systems in Las Vegas; and an Administrative Assistant I to provide

records management for the entire division. In addition, in order to align title and salary with job duties and responsibilities, the Legislature approved the Governor's recommendation to reclassify three positions—two Administrative Assistant IIIs to Administrative Assistant IVs and a Program Officer III to an Insurance Examiner II.

During the 2005 Legislative Session, the money committees expressed concern with the projected reserve balance in the Insurance Education and Research budget, which was budgeted to be \$626,420 at the end of FY 2006-07. This reserve level is over 100 percent of the budget's annual operating costs. The Insurance Education and Research budget has historically been funded through a statutorily set \$15 recovery fee charged to licensees. However, in order to alleviate the issue of a large reserve balance in this budget, the money committees proposed an amendment to A.B. 338 that would allow the Insurance Commissioner to reduce the recovery fee (still with a maximum of \$15) as needed to keep the reserve balance at a reasonable level. The 2005 Legislature approved A.B. 338, which contained the amendment proposed by the money committees.

REAL ESTATE DIVISION

The Real Estate Division is responsible for regulating real estate brokers and salesmen, property managers, appraisers, qualified intermediaries and building inspectors. The division also administers continuing education programs for real estate licensees in Nevada and is responsible for the enforcement of the statutory and regulatory provisions regarding the sale of subdivided lands, time-shares and campground memberships. The division is funded through a combination of fees, inter-agency transfers and General Fund.

The Governor recommended and the Legislature approved a new Administrative Assistant I to support the Las Vegas Licensing section, a new Administrative Assistant II to support the division's three commissions (Real Estate Commission, Commission on Appraisers and the Commission on Common-Interest Communities), and increasing a part-time Administrative Assistant I to full-time status to support an increased workload in the division's Projects section. In addition to the Governor-recommended new positions, the Legislature approved two new Administrative Assistant II positions to support the customer service counter for the Licensing section in Las Vegas. The decision to add the two positions was based upon testimony indicating frequent long waiting times experienced by licensees.

The Real Estate Division administers the Real Estate Education & Research program, which is responsible for the review and approval of continuing education courses for Nevada's real estate licensees and the licensing of course instructors. Based upon a review of workload of existing staff, the Governor recommended and the Legislature approved a new Publications Writer position to write and design brochures, articles,

advertisements and other informational publications. In addition, the Legislature approved the Governor's recommendation to add an Administrative Assistant II position to be responsible for the clerical work related to the auditing of continuing education courses and evaluations.

The Real Estate Division also includes the Office of the Ombudsman for Owners in Common-Interest Communities. The Ombudsman provides assistance to homeowner associations and their members/owners. The agency is self-funded, primarily through fees imposed on common-interest communities of \$3 per unit, per year.

The Governor recommended and the Legislature authorized reserve funding for a full-time Training Officer II position and associated costs to conduct educational training for unit owners and association board members and officers. In addition, the Legislature authorized the office to utilize \$48,156 from reserve to restore funding for Commission expenses to the legislatively-approved amounts for FY 2003-04. This action was taken due to the Commission not being operational during FY 2003-04 and the authorized funding was not utilized.

FINANCIAL INSTITUTIONS DIVISION

The Financial Institutions Division is responsible for the licensure and regulation of all state-chartered financial institutions, including banks, savings and loans, credit unions and check-cashing companies.

With the exception of financial institutions fees, The Executive Budget reflected fee revenue growth being primarily flat for the 2005-07 biennium. The 2005 Legislature requested the agency to provide revised revenue projections that would correlate with the agency's projected growth in the number of licensees. Based on information provided by the division, the Legislature increased the base budget revenue by \$285,986 in FY 2005-06 and \$347,499 in FY 2006-07 to reflect projected revenue growth, primarily in examination fees. In addition, the Legislature approved the Governor's recommendation to continue a General Fund appropriation in this account in each year of the biennium to allow the agency to have access to the IFC Contingency Fund to maintain stable operations should a funding deficit occur. In approving this recommendation, the Legislature reduced the amount of the General Fund appropriation from \$1,000 to \$100 in each year of the biennium. The 2005 Legislature also approved S.B. 431, which increases the maximum amount of various fees and fines imposed on financial institutions and authorized the division to establish the specific amount of certain fees by regulation.

The 2005 Legislature concurred with the Governor's recommendation to add five new Examiner II positions to facilitate the agency's ability to meet its statutory requirement to conduct annual licensee examinations and to address an existing backlog of examinations. In addition, the Legislature approved the Governor's recommendation to transfer two positions to the Mortgage Lending Division. The department director assigned these positions to that agency when it was established in September 2003.

MORTGAGE LENDING DIVISION

The Mortgage Lending Division is responsible for the licensure and regulation of mortgage brokers, mortgage bankers, escrow companies and individuals as mortgage agents and escrow agents. The division was created through the passage of A.B. 490 of the 2003 Legislative Session. Previously, the Financial Institutions Division provided mortgage industry oversight.

As recommended by the Governor, the 2005 Legislature approved four new positions, including an Examiner II, a Certified Public Accountant and two clerical positions, to address increased workload related to growth in the number of mortgage licensees. In approving the positions, the Legislature adjusted the start date for the Certified Public Accountant position from October 2005 to July 2005 to coincide with the termination date of the existing contracted position that reviews financial statements submitted by new and existing licensees.

The Executive Budget recommended a reserve level of \$3.8 million at the end of the 2005-07 biennium. Due to concerns regarding the large amount of reserve recommended, the Legislature issued a Letter of Intent directing the agency to submit quarterly reports to the IFC on actual revenues received and expenditures incurred during the 2005-07 biennium and the impact on the budgeted reserve level. The agency was also directed to submit proposals to the IFC to reduce the reserve level through reductions in revenue.

The 2005 Legislature approved funding of \$207,245 for the agency to purchase user rights to the Real Estate Division's integrated licensing database system and to implement the system within the Mortgage Lending Division. The database system will be used by the agency for the licensing of mortgage industry professionals, including the tracking of renewals and complaints and the monitoring of investigations.

DIVISION OF INDUSTRIAL RELATIONS

The Division of Industrial Relations regulates workers' compensation insurance to ensure injured workers receive the benefits to which they are entitled, enforces federal and state health and safety standards, assists employers with workplace safety programs, and provides safety training and inspections for all active mines in the state. The programs of the division are funded primarily from assessments of workers' compensation insurers. The division also receives federal grants from the U.S. Department of Labor, Occupational Safety and Health Administration and the Mine Safety and Health Administration.

The Governor recommended transferring two positions to the B&I Director's office to support the department's proposal to centralize its personnel function. The Legislature did not approve the department's proposal and restored the two positions and associated costs back to this budget account. The Legislature also increased the Labor

Statistics grant by \$1,000 each year based on the latest grant award to \$59,500, with a corresponding decrease in Workers' Compensation Assessment revenue. The Legislature also approved \$107,577 recommended in the budget over the 2005-07 biennium for replacement equipment, including one vehicle, a database server, a file print server, printers, software maintenance, software upgrades, office chairs, fax machines and projectors, as well as \$7,948 in FY 2005-06 for new file cabinets and network software.

The Division of Industrial Relations includes the Occupational Safety and Health Enforcement Section (OSHES), which enforces Nevada's occupational safety and health standards. The Executive Budget recommended and the Legislature approved a total of \$226,585 in workers' compensation assessment funding over the 2005-07 biennium to implement a database system to issue operating permits, track inspections, generate invoices and track payments related to inspections of boilers, elevators and other like equipment. The Legislature created a separate expenditure category for the project to facilitate tracking of all project-related expenditures. A total of \$259,003 was approved over the 2005-07 biennium for replacement vehicles, two-way radios, specialized air sampling equipment (such as gas sensors), office furniture, printers and fax machines.

NEVADA ATTORNEY FOR INJURED WORKERS

The Nevada Attorney for Injured Workers (NAIW), created in 1977, represents injured workers without charge in their appeal of workers' compensation benefit decisions through the state's administrative appeals level, District Court, or the State Supreme Court in their efforts to obtain workers' compensation benefits. The agency is funded through a transfer from the Workers' Compensation and Safety Fund. Funding for the Workers' Compensation Fund is derived from an assessment on workers' compensation insurers. The assessment is based on a formula that funds 100 percent of budgeted expenditures of several state agencies, including the NAIW.

The Governor recommended and the Legislature authorized funding for two new positions, a Legal Research Assistant I and a Legal Secretary II. In addition, the Legislature authorized funding for the agency to support one-half of the costs for a contract security guard at the agency's Las Vegas office. The Hearings Division and Victims of Crime are located in the same office building and received approval from the Legislature to fund the other half of the costs.

A new case management system was recommended by the Governor and approved by the Legislature to replace the existing system at a cost of \$324,994 to be funded through the Workers' Compensation Fund. The project funds will be placed in the Department of Administration's Information Technology budget account for project oversight. The funds will be utilized to purchase a commercial off-the-shelf product designed for law office case management.

DAIRY COMMISSION

The Dairy Commission is responsible for licensing and regulating product distributors and enforcing price stabilization and marketing plans for various dairy products. The 2001 Legislature transferred authority for Nevada's dairy inspection program from the State Health Division to the State Dairy Commission (S.B. 505). The commission inspects, licenses and regulates all segments involved in the production and sale of dairy products to Nevada consumers, from farm-level production through sale to the customer. The agency is funded through license fees and assessments on regulated dairy products.

The Governor's budget inadvertently recommended both the elimination and transfer of 3.0 FTE positions which would have netted a 6.0 FTE reduction in the Dairy Commission account. The affected positions consisted of an Administrative Assistant, an Auditor and a Compliance/Audit Investigator. In an amended proposal, the Governor restored the eliminated positions and recommended the transfer of the positions to the B&I Director's Office to support the department's proposed personnel function. Since the agency indicated the positions are no longer needed, and the corresponding decision unit in the Director's Office was not approved by the Legislature, the transfer was denied and the positions were eliminated, resulting in a net reduction of 3.0 FTE positions in the Dairy Commission account.

ATHLETIC COMMISSION

The Nevada Athletic Commission and the Medical Advisory Board are funded by General Fund appropriations through the commission's budget account. The commission is responsible for supervising and regulating all contests and exhibitions of unarmed combat, including boxing, wrestling and kickboxing. Additionally, the commission licenses and regulates persons who conduct, hold, or give contests and exhibitions for unarmed combat where an admission fee is charged. The Medical Advisory Board is responsible for preparing the standards for the physical and mental examination of contestants and advising the commission regarding the physical or mental fitness of a contestant when requested to do so by the commission. A surcharge for each ticket sold for admission to a professional boxing or wrestling contest, match, or exhibition is deposited to the account to be used to award grants to organizations that promote amateur boxing contests or exhibitions in Nevada. All other fees collected by the commission are deposited to the state General Fund.

As recommended by the Governor, the Legislature approved a new Administrative Assistant position to assist in reviewing and processing contestants' medical records as part of state licensing requirements. The agency indicated that increased medical test requirements have resulted in additional workload. The Legislature also approved a supplemental appropriation totaling \$15,204 for the 2003-05 biennium to cover unanticipated shortfalls resulting from the reclassification of positions in the commission.

TAXICAB AUTHORITY

The Taxicab Authority regulates safe and reliable taxicab service in counties with populations exceeding 400,000 (currently only in Clark County). The agency's investigative staff conducts both administrative and criminal investigations independently and in conjunction with other law enforcement agencies. The agency is funded through fees; primarily through a \$0.20 trip charge assessed on every taxicab ride, as well as through various other fee revenues.

The Governor recommended additional funding of \$728,719 in FY 2005-06 and \$60,132 in FY 2006-07 to fund an off-the-shelf system to integrate separate databases maintained by the Taxicab Authority. In considering this recommendation, the Legislature was concerned about uncertainty regarding the database platform that should be utilized and whether project costs need to be adjusted since project funding was based on information obtained in calendar year 2002. Based on these concerns, the Legislature approved funding of \$45,000 in FY 2005-06 and removed funding in FY 2006-07. Approved funding will allow the Taxicab Authority to engage in preliminary activities such as developing a request for proposal and selecting a vendor. The Taxicab Authority may approach the IFC or request funding in the 2007-09 biennial budget if necessary.

TRANSPORTATION SERVICES AUTHORITY

The Transportation Services Authority (TSA) has statewide regulatory responsibility for the intra-state transportation of passengers, household goods, tow cars, and taxicabs (except taxicabs in Clark County). The Highway Fund currently provides approximately 96 percent of the funding requirements for the TSA, along with license and fee revenue.

The 2005 Legislature approved Highway Funds of approximately \$4.3 million over the biennium, which represents an increase of 0.2 percent over the amounts approved by the 2003 Legislature.

The 2005 Legislature considered and passed A.B. 505, which, in addition to other measures, abolishes the TSA and transfers its powers and duties to the Public Utilities Commission of Nevada (PUCN). Assembly Bill 505 was vetoed by the Governor on June 14, 2005 and will be returned to the 2007 Legislature to be sustained or overridden.

COMMISSION ON ECONOMIC DEVELOPMENT

The Commission on Economic Development is organized to promote Nevada's business opportunities and to assist companies interested in relocating and expanding their operations in Nevada. In addition to the Economic Development budget, the commission administers the Nevada Film Office, the Rural Community Development program and the Procurement Outreach program. For the 2005-07 biennium, total funding approved for all budgets within the commission is nearly \$27.9 million, which is

a 64.2 percent increase over the amount approved for the 2003-05 biennium. This significant increase is primarily due to the increase in grant support to the regional economic development authorities (RDAs) located in each county. Total General Fund support for RDAs is \$10.99 million over the 2005-07 biennium. Over the 2003-05 biennium, total General Fund support of RDAs was \$1.99 million. Furthermore, in each year of the 2005-07 biennium, \$500,000 has been set aside for economic development efforts in blighted and inner-city areas of southern Nevada. Therefore, total General Fund support of economic development efforts for the 2005-07 biennium is \$11.99 million.

The budget continues funding for the Train Employees Now program (TEN) in the amount of \$500,000 each year of the 2005-07 biennium. The TEN program provides training dollars as an incentive to qualified companies to relocate or expand their business in the state.

The budget also continues funding for the commission's advertising campaign to attract new businesses from California. During the 2003-05 biennium, the commission combined a portion of its advertising budget with outside contributions totaling \$337,500 (\$165,000 in FY 2003-04 and \$172,500 in FY 2004-05) to develop and purchase the advertisements. The outside contributions came from three economic development authorities and one business. The 2005-07 budget increases the amount of contributions from outside organizations to approximately \$211,000 in each year of the biennium, for a total of approximately \$422,000 over the 2005-07 biennium. The General Fund support of the commission's advertising budget remained unchanged from the 2003-05 level.

The commission's budget continues its annual \$20,000 General Fund support per year for the operation of the Governor's Washington D.C. office, as well as its \$25,000 annual support of the Nevada Small Business Development Center.

NEVADA FILM OFFICE

The Nevada Film Office was created to promote and support the use of Nevada cities and locales in the production of motion pictures, television shows and other video products. Funding for the budget is primarily provided by room tax collections transferred from the Commission on Tourism. The funding provides ongoing support for seven positions in Carson City and Las Vegas. Total funding for the Film Office for the 2005-07 biennium is \$1.8 million, which is an increase of 5.6 percent over the total amount approved for the 2003-05 biennium.

RURAL COMMUNITY DEVELOPMENT

The Rural Community Development program's mission is to assist rural Nevada communities through the administration of the state's Community Development Block Grant (CDBG) funding. The program also provides training and technical assistance. The Rural Community Development program is funded with federal HUD funds, as well as state General Funds. The federal allowance for administrative costs is two percent of the total grant award from HUD, plus \$100,000. The grant also provides for one percent of the grant award to be used for training and technical assistance. The state is required to provide a match to the HUD award equal to two percent of the grant amount.

Total funding for the Rural Community Development program for the 2005-07 biennium is approximately \$7.4 million, which is a 6.3 percent increase over the total funding approved for the 2003-05 biennium.

COMMISSION ON TOURISM

The Commission on Tourism is responsible for developing and implementing a domestic and international marketing and advertising campaign to promote Nevada as a tourism and business travel destination. Tourism is funded by a three-eighths share of the one percent statewide room tax established by the 1983 Legislature. The 2005 Legislature approved an increase in projected room tax receipts based on higher-than-anticipated receipts in FY 2004-05. Room tax receipts are projected to increase by 12 percent in FY 2005-06 (\$15.9 million) and an additional 8.0 percent in FY 2006-07 (\$17.1 million).

The Governor recommended \$3.9 million in FY 2005-06 and \$4.4 million in FY 2006-07 for the Commission to expand and further develop advertising and promotion programs that, according to the agency, would generate the best return on investment for the state as a whole. The 2005 Legislature approved \$2.8 million in FY 2005-06 and \$3.3 million in FY 2006-07 for these purposes. In approving these funds, the Legislature requested that a portion of the funds be placed in separate reserve categories for monitoring the implementation of a new interactive marketing system and for monitoring the use of outside postage.

The 2005 Legislature approved funding for a new Project Analyst II position to assist the agency with media relations and a new Accounting position as recommended by the Governor.

The Legislature approved the continuation of transfers of room tax revenues to support the Motion Pictures budget and to Nevada Magazine for the design and production of the Commission's publications, as well as transfers to the Washington, D.C. office to support activities related to the promotion of tourism in Nevada. The Legislature increased the Governor's recommended transfer of room tax revenues to the Division of Museums and History within the Department of Cultural Affairs to provide funding for the

operation of the state's railroad museums from \$126,195 to \$734,866 in FY 2005-06; the Legislature approved the Governor's recommended amount of \$128,742 in FY 2006-07. In addition, the Legislature approved an increase in the transfer of funds for the Division of State Parks from the Governor-recommended \$465,000 in each FY to \$1.5 million in FY 2005-06 and \$965,045 in FY 2006-07. The 2005 Legislature also approved the transfer of room tax revenues of \$400,000 in each fiscal year of the biennium for the Department of Wildlife; this transfer was not included in the Governor's budget. Finally, through the passage of S.B. 314, the 2005 Legislature approved the following additional transfers of funds: \$100,000 in each fiscal year for support of the National Cowboy Poetry Gathering in Elko, Nevada; \$125,000 in FY 2005-06 and \$95,000 in FY 2006-07 for educational programs at the Atomic Testing Museum in Las Vegas; \$600,000 in FY 2005-06 and \$50,000 in FY 2006-07 for the Reno-Sparks Convention and Visitors Authority to implement the Truckee River Recreational Master Plan; and \$300,000 in FY 2006-07 to the Division of State Parks for interpretive signs for the California Trail Wayside sites.

NEVADA MAGAZINE

Nevada Magazine is the major publication of the Commission on Tourism and is financed through subscriptions, advertising revenue, newsstand, calendar and other merchandise sales, as well as a transfer of funds from the Commission on Tourism. The 2005 Legislature approved the expenditures for the magazine as recommended by the Governor; however, the revenue projections were modified based upon more recent information received by the agency. The modifications resulted in a decrease in projected revenues of \$111,213 in FY 2005-06 and \$110,919 in FY 2006-07.

**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
COMMERCE & INDUSTRY					
DEPARTMENT OF AGRICULTURE					
AGRI, ADMINISTRATION	1,122,930	1,183,021	1,173,240	1,191,114	1,179,363
GENERAL FUND	389,243	498,995	488,487	494,300	472,204
FEDERAL FUND	33,398	32,282	35,005	32,279	35,552
INTER AGENCY TRANSFER	580,931	650,119	648,123	662,910	669,982
OTHER FUND	119,358	1,625	1,625	1,625	1,625
AGRI, GAS POLLUTION STANDARDS	473,884	744,496	662,125	733,006	579,245
BALANCE FORWARD	101,778	81,269	81,269	257,169	197,810
INTER AGENCY TRANSFER	372,106	663,227	580,856	475,837	381,435
AGRI, PLANT INDUSTRY	2,018,343	2,337,156	2,305,721	2,291,096	2,257,014
GENERAL FUND	1,477,625	1,621,906	1,499,070	1,544,415	1,397,841
FEDERAL FUND	35,000	118,184	118,184	118,184	118,184
INTER AGENCY TRANSFER	113,156	157,823	157,854	184,267	184,270
OTHER FUND	392,562	439,243	530,613	444,230	556,719
AGRI GRADE & ID OF AGRICULTURAL PROI	496,927	245,969	245,969	168,053	180,535
BALANCE FORWARD	134,306	105,755	105,755	27,839	40,321
FEDERAL FUND	62,006	15,652	15,652	15,652	15,652
OTHER FUND	300,615	124,562	124,562	124,562	124,562
AGRI, AGRICULTURE REGISTRATION/ENFOI	1,532,600	1,464,788	1,464,788	1,364,999	1,385,600
BALANCE FORWARD	523,565	398,881	398,881	318,109	338,710
FEDERAL FUND	392,049	418,026	418,026	418,026	418,026
INTER AGENCY TRANSFER	19,905				
OTHER FUND	597,081	647,881	647,881	628,864	628,864
AGRI, LIVESTOCK INSPECTION	1,436,178	1,156,782	1,156,782	1,067,700	1,104,849
BALANCE FORWARD	433,489	271,071	271,071	178,976	216,125
INTER AGENCY TRANSFER	124,669				
OTHER FUND	878,020	885,711	885,711	888,724	888,724
AGRI, VETERINARY MEDICAL SERVICES	1,407,450	1,433,791	1,396,068	1,447,987	1,412,342
GENERAL FUND	865,756	941,821	929,392	946,537	932,342
FEDERAL FUND	346,990	277,380	277,381	277,380	277,381
INTER AGENCY TRANSFER	153,205	188,367	163,072	197,847	176,396
OTHER FUND	41,499	26,223	26,223	26,223	26,223
AGRI WEIGHTS & MEASURES	1,340,977	1,659,259	1,616,547	1,516,810	1,471,770
GENERAL FUND	275,674	503,381	440,362	354,124	288,049
INTER AGENCY TRANSFER	240,370	357,046	357,056	390,311	390,312
OTHER FUND	824,933	798,832	819,129	772,375	793,409
AGRI, NOXIOUS WEED & INSECT CONTROL	869,625	768,321	768,321	722,695	731,001
BALANCE FORWARD	34,379	37,313	37,313	2,547	10,853
FEDERAL FUND	622,394	530,109	530,109	519,249	519,249
OTHER FUND	212,852	200,899	200,899	200,899	200,899
MORMON CRICKET & GRASSHOPPERS	5,118,186	3,310,139	3,310,139	1,745,620	1,747,640
BALANCE FORWARD	196,863	3,310,139	3,310,139	1,745,620	1,747,640
FEDERAL FUND	4,921,323				

**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 AGRICULTURE					
AGRI, PREDATORY ANIMAL & RODENT CON	969,471	823,430	825,568	843,650	844,577
GENERAL FUND	731,546	600,417	740,602	610,032	749,006
INTER AGENCY TRANSFER	188,139	187,687	49,640	197,682	59,635
OTHER FUND	49,786	35,326	35,326	35,936	35,936
AGRI, NEVADA JUNIOR LIVESTOCK SHOW E	35,067	35,872	35,872	35,832	35,832
GENERAL FUND	35,067	35,843	35,843	35,803	35,803
INTER AGENCY TRANSFER		29	29	29	29
SUB-FUNCTION RECAP					
DEPARTMENT OF AGRICULTURE	16,821,638	15,163,024	14,961,140	13,128,562	12,929,768
GENERAL FUND	3,774,911	4,202,363	4,133,756	3,985,211	3,875,245
BALANCE FORWARD	1,424,380	4,204,428	4,204,428	2,530,260	2,551,459
FEDERAL FUND	6,413,160	1,391,633	1,394,357	1,380,770	1,384,044
INTER AGENCY TRANSFER	1,792,481	2,204,298	1,956,630	2,108,883	1,862,059
OTHER FUND	3,416,706	3,160,302	3,271,969	3,123,438	3,256,961
MINERALS					
MINERALS	1,332,105	1,476,037	1,476,037	1,520,161	1,488,060
BALANCE FORWARD	447,206	404,660	404,660	448,784	416,683
FEDERAL FUND	69,500	60,000	60,000	60,000	60,000
INTER AGENCY TRANSFER	50,720	17,364	17,364	17,364	17,364
OTHER FUND	764,679	994,013	994,013	994,013	994,013
SUB-FUNCTION RECAP					
MINERALS	1,332,105	1,476,037	1,476,037	1,520,161	1,488,060
BALANCE FORWARD	447,206	404,660	404,660	448,784	416,683
FEDERAL FUND	69,500	60,000	60,000	60,000	60,000
INTER AGENCY TRANSFER	50,720	17,364	17,364	17,364	17,364
OTHER FUND	764,679	994,013	994,013	994,013	994,013

**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
COMMERCE & INDUSTRY					
GAMING CONTROL BOARD					
GAMING CONTROL BOARD	36,533,808	39,653,791	39,200,831	39,984,355	39,471,953
GENERAL FUND	26,966,282	28,991,391	28,552,147	28,686,641	28,185,624
INTER AGENCY TRANSFER	7,528,169	8,253,980	8,242,603	8,889,294	8,882,550
OTHER FUND	2,039,357	2,408,420	2,406,081	2,408,420	2,403,779
GAMING COMMISSION	408,151	407,802	406,848	409,410	408,188
GENERAL FUND	408,151	405,990	405,032	405,746	404,523
INTER AGENCY TRANSFER		1,812	1,816	3,664	3,665
GAMING CONTROL BOARD INVESTIGATION	10,165,972	10,694,909	10,695,064	10,724,919	10,725,074
BALANCE FORWARD	2,000	2,000	2,000	2,000	2,000
OTHER FUND	10,163,972	10,692,909	10,693,064	10,722,919	10,723,074
SUB-FUNCTION RECAP					
GAMING CONTROL BOARD	47,107,931	50,756,502	50,302,743	51,118,684	50,605,215
GENERAL FUND	27,374,433	29,397,381	28,957,179	29,092,387	28,590,147
BALANCE FORWARD	2,000	2,000	2,000	2,000	2,000
INTER AGENCY TRANSFER	7,528,169	8,255,792	8,244,419	8,892,958	8,886,215
OTHER FUND	12,203,329	13,101,329	13,099,145	13,131,339	13,126,853
PUBLIC UTILITIES COMMISSION					
PUBLIC UTILITIES COMMISSION	12,000,946	12,842,404	12,842,404	12,721,341	12,887,324
BALANCE FORWARD	4,377,335	2,815,746	2,815,746	2,532,033	2,698,443
FEDERAL FUND	174,731	203,338	203,338	309,645	309,218
INTER AGENCY TRANSFER	70,245	105,374	105,374	105,374	105,374
OTHER FUND	7,378,635	9,717,946	9,717,946	9,774,289	9,774,289
SUB-FUNCTION RECAP					
PUBLIC UTILITIES COMMISSION	12,000,946	12,842,404	12,842,404	12,721,341	12,887,324
BALANCE FORWARD	4,377,335	2,815,746	2,815,746	2,532,033	2,698,443
FEDERAL FUND	174,731	203,338	203,338	309,645	309,218
INTER AGENCY TRANSFER	70,245	105,374	105,374	105,374	105,374
OTHER FUND	7,378,635	9,717,946	9,717,946	9,774,289	9,774,289

**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
COMMERCE & INDUSTRY					
DEPT OF BUSINESS & INDUSTRY					
B&I, INSURANCE REGULATION	5,745,403	6,547,043	6,488,301	6,568,011	6,498,692
GENERAL FUND	2,904,709	3,677,874	3,608,891	3,572,390	3,489,519
BALANCE FORWARD	52,140	44,351	44,351	44,351	44,351
INTER AGENCY TRANSFER	1,306,996	1,142,933	1,129,617	1,245,836	1,234,086
OTHER FUND	1,481,558	1,681,885	1,705,442	1,705,434	1,730,736
B&I, INSURANCE EXAMINERS	3,200,750	3,693,046	3,693,046	4,062,846	3,944,502
BALANCE FORWARD	125,984	92,552	92,552	478,903	360,559
OTHER FUND	3,074,766	3,600,494	3,600,494	3,583,943	3,583,943
B&I, CAPTIVE INSURERS	198,679	218,538	218,538	228,639	223,781
BALANCE FORWARD	97,417	81,531	81,531	73,032	68,174
OTHER FUND	101,262	137,007	137,007	155,607	155,607
B&I, TRANSPORTATION SERVICES AUTHOR	2,345,696	2,478,218	2,406,538	2,563,689	2,569,220
HIGHWAY FUND	2,136,959	2,201,799	2,105,265	2,249,138	2,229,396
INTER AGENCY TRANSFER		72,352	72,446	107,984	107,997
OTHER FUND	208,737	204,067	228,827	206,567	231,827
B&I, BUSINESS AND INDUSTRY ADMINISTR	1,035,139	1,500,216	1,172,011	1,546,275	1,195,558
GENERAL FUND	190,611	277,076	214,607	282,721	216,002
INTER AGENCY TRANSFER	844,528	1,223,140	957,404	1,263,554	979,556
B&I, INDUSTRIAL DEVELOPMENT BONDS	1,251,055	1,311,516	1,311,016	1,362,902	1,369,615
BALANCE FORWARD	1,045,663	1,127,513	1,127,513	1,178,899	1,184,612
INTER AGENCY TRANSFER	62,500	62,500	62,000	62,500	63,500
OTHER FUND	142,892	121,503	121,503	121,503	121,503
B&I, MANUFACTURED HOUSING	1,577,633	1,837,946	1,837,946	2,038,138	2,225,219
BALANCE FORWARD	484,064	476,614	476,614	676,806	863,887
FEDERAL FUND	16,749	22,383	22,383	22,383	22,383
OTHER FUND	1,076,820	1,338,949	1,338,949	1,338,949	1,338,949
B&I, MOBILE HOME LOT RENT SUBSIDY	414,299	393,428	393,428	400,183	404,555
BALANCE FORWARD	30,350	22,814	22,814	29,569	33,941
OTHER FUND	383,949	370,614	370,614	370,614	370,614
B&I, MOBILE HOME PARKS	323,409	338,031	338,031	342,734	352,714
BALANCE FORWARD	161,701	180,817	180,817	185,520	195,500
OTHER FUND	161,708	157,214	157,214	157,214	157,214
B&I, MFG HOUSING EDUCATION/RECOVERY	511,081	528,799	528,799	545,753	549,096
BALANCE FORWARD	416,681	384,199	384,199	401,153	404,496
OTHER FUND	94,400	144,600	144,600	144,600	144,600
B&I, CONSUMER AFFAIRS	1,337,563	1,375,949	1,371,738	1,400,665	1,386,417
GENERAL FUND	1,324,063	1,328,677	1,324,438	1,333,267	1,319,016
INTER AGENCY TRANSFER		33,772	33,800	53,898	53,901
OTHER FUND	13,500	13,500	13,500	13,500	13,500
B&I, CONSUMER AFFAIRS RECOVERY FUND	58,819	113,571	113,571	173,660	173,656
BALANCE FORWARD	33,114	55,268	55,268	108,176	108,172
OTHER FUND	25,705	58,303	58,303	65,484	65,484

**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
DEPT OF BUSINESS & INDUSTRY					
B&I, REAL ESTATE ADMINISTRATION	2,832,871	4,148,862	4,179,770	4,248,305	4,258,201
GENERAL FUND	1,212,070	1,198,446	1,229,281	1,271,084	1,280,973
INTER AGENCY TRANSFER	59,227	297,958	298,031	335,720	335,727
OTHER FUND	1,561,574	2,652,458	2,652,458	2,641,501	2,641,501
B&I, REAL ESTATE EDUCATION AND RESEA	1,111,674	1,306,959	1,306,959	1,305,616	1,440,435
BALANCE FORWARD	751,303	657,819	657,819	656,221	791,040
INTER AGENCY TRANSFER	354,571	640,915	640,915	641,170	641,170
OTHER FUND	5,800	8,225	8,225	8,225	8,225
B&I, REAL ESTATE RECOVERY ACCOUNT	470,920	705,440	705,440	705,440	705,440
BALANCE FORWARD	50,000	50,000	50,000	50,000	50,000
OTHER FUND	420,920	655,440	655,440	655,440	655,440
B&I COMMON INTEREST COMMUNITIES	2,988,983	2,813,194	3,010,191	2,583,251	2,974,455
BALANCE FORWARD	2,172,112	1,935,618	1,935,618	1,626,932	1,817,517
OTHER FUND	816,871	877,576	1,074,573	956,319	1,156,938
B&I, FINANCIAL INSTITUTIONS	2,865,986	3,240,488	3,514,241	3,297,425	4,154,765
GENERAL FUND	4,429	1,000	100	1,000	100
BALANCE FORWARD	184,633	954,301	954,301	484,723	1,012,179
OTHER FUND	2,676,924	2,285,187	2,559,840	2,811,702	3,142,486
B&I, FINANCIAL INSTITUTIONS INVESTIGATI	899,025	897,400	897,400	906,296	908,058
BALANCE FORWARD	506,047	786,360	786,360	795,256	797,018
OTHER FUND	392,978	111,040	111,040	111,040	111,040
B&I, FINANCIAL INSTITUTIONS AUDIT	104,228	98,928	98,928	87,353	89,725
BALANCE FORWARD	11,832	22,248	22,248	10,673	13,045
INTER AGENCY TRANSFER	15,716				
OTHER FUND	76,680	76,680	76,680	76,680	76,680
B&I, HOUSING DIVISION	10,051,393	9,543,296	9,541,484	12,483,920	12,528,993
BALANCE FORWARD	187,958	368,795	368,795	1,472,200	1,518,942
FEDERAL FUND	3,000,905	2,211,463	2,211,463	2,211,463	2,211,463
OTHER FUND	6,862,530	6,963,038	6,961,226	8,800,257	8,798,588
DIVISION OF MORTGAGE LENDING	4,307,977	5,143,750	5,149,361	5,864,251	5,262,293
BALANCE FORWARD	2,052,346	2,468,485	2,468,485	3,064,498	2,457,078
OTHER FUND	2,255,631	2,675,265	2,680,876	2,799,753	2,805,215
B&I, LOW INCOME HOUSING TRUST FUND	22,054,140	25,732,841	29,149,537	28,913,240	36,470,822
BALANCE FORWARD	17,103,502	17,543,462	17,543,462	21,734,003	25,155,633
FEDERAL FUND	283,915	293,288	293,288	293,288	293,288
OTHER FUND	4,666,723	7,896,091	11,312,787	6,885,949	11,021,901
B&I, WEATHERIZATION	4,538,576	4,645,956	4,645,956	4,609,395	4,627,735
BALANCE FORWARD	935,477	908,084	908,084	871,523	889,863
FEDERAL FUND	849,452	849,452	849,452	849,452	849,452
OTHER FUND	2,753,647	2,888,420	2,888,420	2,888,420	2,888,420
B&I, INSURANCE RECOVERY	455,170	606,645	606,645	606,645	606,645
BALANCE FORWARD	40,000	40,000	40,000	40,000	40,000
OTHER FUND	415,170	566,645	566,645	566,645	566,645

**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
DEPT OF BUSINESS & INDUSTRY					
B&I, INSURANCE EDUCATION & RESEARCH	1,224,905	1,341,964	1,341,964	1,240,213	1,248,234
BALANCE FORWARD	759,735	725,319	725,319	623,568	631,589
INTER AGENCY TRANSFER	465,170	616,645	616,645	616,645	616,645
B&I, NAT. ASSOC. OF INSURANCE COMMISS	63,848	62,642	62,642	59,729	59,720
BALANCE FORWARD	29,528	29,563	29,563	26,650	26,641
OTHER FUND	34,320	33,079	33,079	33,079	33,079
B&I, INSURANCE COST STABILIZATION	258,595	244,515	244,515	242,221	244,237
BALANCE FORWARD	96,200	70,775	70,775	68,481	70,497
OTHER FUND	162,395	173,740	173,740	173,740	173,740
B&I, SELF INSURED - WORKERS COMPENS/	518,520	531,042	546,133	529,466	549,834
OTHER FUND	518,520	531,042	546,133	529,466	549,834
B&I, INDUSTRIAL RELATIONS	6,507,904	6,573,070	6,673,566	6,658,108	6,742,894
FEDERAL FUND		64,250	65,250	64,250	65,250
OTHER FUND	6,507,904	6,508,820	6,608,316	6,593,858	6,677,644
B&I, OCCUPATIONAL SAFETY & HEALTH EN	6,413,408	6,988,313	6,803,912	7,131,109	6,940,952
FEDERAL FUND	1,184,498	545,898	946,766	545,898	946,766
OTHER FUND	5,228,910	6,442,415	5,857,146	6,585,211	5,994,186
B&I, SAFETY CONSULTATION AND TRAININ	2,234,401	2,416,751	2,364,650	2,438,489	2,381,495
FEDERAL FUND	833,162	746,700	746,700	746,700	746,700
OTHER FUND	1,401,239	1,670,051	1,617,950	1,691,789	1,634,795
B&I, MINE SAFETY & TRAINING	1,221,620	1,304,195	1,274,076	1,218,155	1,186,226
FEDERAL FUND	299,046	222,590	222,590	222,590	222,590
OTHER FUND	922,574	1,081,605	1,051,486	995,565	963,636
B&I, NV ATTORNEY FOR INJURED WORKER	2,905,944	3,561,768	3,269,189	3,281,781	3,250,169
OTHER FUND	2,905,944	3,561,768	3,269,189	3,281,781	3,250,169
B&I TRANSPORTATION SERVICES AUTHOR	390,505	331,275	331,275	271,535	270,686
BALANCE FORWARD	209,505	184,557	184,557	127,282	126,433
OTHER FUND	181,000	146,718	146,718	144,253	144,253
B&I, DAIRY COMMISSION	1,995,761	2,133,600	2,133,600	2,600,645	2,413,380
BALANCE FORWARD	567,879	578,887	578,887	1,045,932	858,667
OTHER FUND	1,427,882	1,554,713	1,554,713	1,554,713	1,554,713
B&I, ATHLETIC COMMISSION	531,453	518,949	513,978	516,366	510,792
GENERAL FUND	379,336	439,149	434,174	431,552	425,978
BALANCE FORWARD	66,957				
INTER AGENCY TRANSFER		4,956	4,960	9,970	9,970
INTERIM FINANCE	35,160				
OTHER FUND	50,000	74,844	74,844	74,844	74,844
B&I, LABOR COMMISSIONER	1,357,459	1,462,802	1,438,701	1,503,074	1,478,469
GENERAL FUND	1,357,459	1,418,170	1,394,022	1,435,978	1,411,367
INTER AGENCY TRANSFER		44,632	44,679	67,096	67,102

**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
DEPT OF BUSINESS & INDUSTRY					
B&I, EMPLOYEES MANAGEMENT RELATION	166,713	205,815	206,355	208,612	206,403
GENERAL FUND	162,359	171,515	172,005	171,500	169,286
INTER AGENCY TRANSFER		29,818	29,868	32,630	32,635
OTHER FUND	4,354	4,482	4,482	4,482	4,482
B&I, TAXICAB AUTHORITY	6,354,111	6,942,738	6,942,738	6,682,311	7,299,182
BALANCE FORWARD	1,132,806	1,246,641	1,246,641	838,587	1,455,458
OTHER FUND	5,221,305	5,696,097	5,696,097	5,843,724	5,843,724
SUB-FUNCTION RECAP					
DEPT OF BUSINESS & INDUSTRY	102,825,616	113,839,499	116,826,169	121,426,446	129,703,265
GENERAL FUND	7,535,036	8,511,907	8,377,518	8,499,492	8,312,241
BALANCE FORWARD	29,304,934	31,036,573	31,036,573	36,712,938	40,975,292
FEDERAL FUND	6,467,727	4,956,024	5,357,892	4,956,024	5,357,892
HIGHWAY FUND	2,136,959	2,201,799	2,105,265	2,249,138	2,229,396
INTER AGENCY TRANSFER	3,108,708	4,169,621	3,890,365	4,437,003	4,142,289
INTERIM FINANCE	35,160				
OTHER FUND	54,237,092	62,963,575	66,058,556	64,571,851	68,686,155

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

2005 Legislature

	2004 - 05	2005 - 06	2005 - 06	2006 - 07	2006 - 07
	Work Program	Governor Recommended	Legislature Approved	Governor Recommended	Legislature Approved
COMMERCE & INDUSTRY					
ECONOMIC DEVELOPMENT & TOURISM					
COMMISSION ON ECONOMIC DEVELOPMENT	3,739,620	8,942,041	8,905,188	8,865,405	8,822,662
GENERAL FUND	3,511,322	8,558,689	8,476,079	8,562,489	8,473,270
BALANCE FORWARD	63,298				
FEDERAL FUND		100,001	100,001	1	1
INTER AGENCY TRANSFER		19,138	19,161	38,702	38,705
OTHER FUND	165,000	264,213	309,947	264,213	310,686
NEVADA FILM OFFICE	889,237	885,942	898,786	891,466	906,569
BALANCE FORWARD	28,271				
INTER AGENCY TRANSFER	750,868	798,744	786,786	804,268	791,569
OTHER FUND	110,098	87,198	112,000	87,198	115,000
RURAL COMMUNITY DEVELOPMENT	3,469,557	3,690,591	3,682,007	3,696,346	3,689,118
GENERAL FUND	208,557	215,442	207,169	214,688	208,119
FEDERAL FUND	3,040,000	3,249,526	3,249,211	3,251,347	3,250,686
INTER AGENCY TRANSFER		4,623	4,627	9,311	9,313
OTHER FUND	221,000	221,000	221,000	221,000	221,000
PROCUREMENT OUTREACH PROGRAM	507,960	525,214	509,898	534,650	516,021
GENERAL FUND	201,960	79,366	76,949	80,817	81,805
BALANCE FORWARD		2,165		2,165	
FEDERAL FUND	300,000	436,458	425,724	443,176	425,724
INTER AGENCY TRANSFER		1,160	1,160	2,340	2,340
OTHER FUND	6,000	6,065	6,065	6,152	6,152
COMMISSION ON TOURISM	16,780,740	18,147,011	20,066,261	17,193,056	20,700,300
BALANCE FORWARD	2,505,626	3,344,338	3,997,442	1,753,565	3,309,029
OTHER FUND	14,275,114	14,802,673	16,068,819	15,439,491	17,391,271
NEVADA MAGAZINE	2,631,404	2,555,304	2,437,613	2,576,483	2,370,608
BALANCE FORWARD	70,057	271,017	271,017	286,385	204,012
INTER AGENCY TRANSFER	125,000	131,478	125,000	137,583	125,000
OTHER FUND	2,436,347	2,152,809	2,041,596	2,152,515	2,041,596
TOURISM DEVELOPMENT	873,741	224,937	224,937	17,217	17,217
BALANCE FORWARD	838,741				
INTER AGENCY TRANSFER		200,000	200,000		
OTHER FUND	35,000	24,937	24,937	17,217	17,217
SUB-FUNCTION RECAP					
ECONOMIC DEVELOPMENT & TOURISM	28,892,259	34,971,040	36,724,690	33,774,623	37,022,495
GENERAL FUND	3,921,839	8,853,497	8,760,197	8,857,994	8,763,194
BALANCE FORWARD	3,505,993	3,617,520	4,268,459	2,042,115	3,513,041
FEDERAL FUND	3,340,000	3,785,985	3,774,936	3,694,524	3,676,411
INTER AGENCY TRANSFER	875,868	1,155,143	1,136,734	992,204	966,927
OTHER FUND	17,248,559	17,558,895	18,784,364	18,187,786	20,102,922

**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
FUNCTION RECAP					
TOTAL COMMERCE & INDUSTRY	208,980,495	229,048,506	233,133,183	233,689,817	244,636,127
GENERAL FUND	42,606,219	50,965,148	50,228,650	50,435,084	49,540,827
HIGHWAY FUND	2,136,959	2,201,799	2,105,265	2,249,138	2,229,396
INTER AGENCY TRANSFER	13,426,191	15,907,592	15,350,886	16,553,786	15,980,228
INTERIM FINANCE	35,160				
OTHER FUND	95,249,000	107,496,060	111,925,993	109,782,716	115,941,193
BALANCE FORWARD	39,061,848	42,080,927	42,731,866	44,268,130	50,156,918
FEDERAL FUND	16,465,118	10,396,980	10,790,523	10,400,963	10,787,565
TOTAL COMMERCE & INDUSTRY	208,980,495	229,048,506	233,133,183	233,689,817	244,636,127
LESS: INTER AGENCY TRANSFER	13,426,191	15,907,592	15,350,886	16,553,786	15,980,228
NET: COMMERCE & INDUSTRY	195,554,304	213,140,914	217,782,297	217,136,031	228,655,899

HUMAN SERVICES



HUMAN SERVICES

The Human Services function provides services directly to members of the public. Human Services includes the Department of Health and Human Services (DHHS), consisting of the Aging Services Division, the Division of Welfare and Supportive Services, the Division of Mental Health and Developmental Services, the Health Division, the Division of Child and Family Services, the Division of Health Care Financing and Policy; and the Department of Employment, Training and Rehabilitation, consisting of the Rehabilitation Division, the Employment Security Division, the Information Development and Processing Division and the Nevada Equal Rights Commission. Human Services also includes the Office of the Public Defender and the Indian Affairs Commission. In the 2005-07 biennium, General Fund appropriations approved by the Legislature for the Human Services function total \$1.64 billion, a 22.5 percent increase over the \$1.34 billion appropriated for the 2003-05 biennium (includes supplemental appropriations approved by the 2005 Legislature).

DEPARTMENT OF HEALTH AND HUMAN SERVICES

DIRECTOR'S OFFICE

The Director's Office is responsible for coordinating all departmental programs, the oversight of the department's budgets, and for providing technical assistance to the various divisions. Currently, seven budget accounts are directly administered by the office, including: DHR Administration; Developmental Disabilities; Community Based Services; Healthy Nevada Fund Administration; the Blue Cross/Blue Shield Settlement budget; the Grants Management Unit that was approved by the 2003 Legislature; and the Children's Trust Account.

For the 2005-07 biennium, The Executive Budget recommended that the Director's budget be funded primarily with General Fund support. The 2005 Legislature reduced total recommended appropriations by \$64,624 and approved a total of \$2.4 million for the 2005-07 biennium, which is a 36.7 percent increase over the legislatively-approved amount for the 2003-05 biennium. The budget for the 2005-07 biennium does not include any MAXIMUS revenue, which was realized in past biennia through an independent contract to assist the department in identifying and maximizing federal revenue. Although the 2003 Legislature approved MAXIMUS revenue authority of \$3.4 million for the 2003-05 biennium, actual receipts totaled only \$350,322.

The Executive Budget recommended and the Legislature approved a new Public Information Officer position for the department to address high profile issues of interest to the public and the media. The new position will be funded entirely through a General Fund appropriation. The position was approved to ensure that requests from the public and the press are handled in a complete and timely manner and to ensure that program positions can focus on their assigned duties rather than responding to such requests.

The 2005 Legislature also approved the Governor's recommendation to provide General Fund support for the establishment of a statewide suicide prevention program. The budget includes funding for two new positions, including a Statewide Suicide Prevention Coordinator and a Suicide Prevention Trainer/Networking Facilitator. The program was established in the Director's office by the 2003 Legislature pursuant to S.B. 49, and MAXIMUS funds totaling \$142,910 in FY 2003-04 and \$172,160 in FY 2004-05 were approved to fund the office and its two positions. Because the MAXIMUS funds did not materialize during the 2003-05 biennium, the program did not become operational. Although the 2005 Legislature approved General Fund appropriations for the program totaling \$334,119 over the 2005-07 biennium, the Legislature did not approve \$18,600 recommended by the Governor in each year of the biennium to provide contract clerical support for the program. Instead, the department was directed to absorb the additional workload with its current staff.

DEVELOPMENTAL DISABILITIES

The Developmental Disabilities account provides conditional demonstration grants to the community, conducts analyses of various services and provider systems, and works to identify and fill gaps in service delivery through a matching grant from the federal Administration on Developmental Disabilities. General Funds provided to this program are used to manage housing development and home ownership opportunities for low-income people with disabilities. The Executive Budget recommended and the 2005 Legislature approved additional General Fund support of approximately \$45,000 each fiscal year as match for the annual federal developmental disabilities grant, which is anticipated to increase during the 2005-07 biennium. The federal developmental disabilities grant requires a 25 percent cash or in-kind match. The 2005 Legislature also approved the Governor's recommendation to transfer a Rehabilitation Program Specialist II position from the Community Based Services account to the Developmental Disabilities account.

COMMUNITY BASED SERVICES

The Office of Community Based Services (OCBS) provides community-based resources to people with severe disabilities who are ineligible for services through public entitlement programs or for whom services do not exist. During the 2003-05 Interim, the Legislative Committee on Persons with Disabilities made a number of recommendations concerning services provided to disabled persons, including support for OCBS to deal with increasing waiting lists for services. Based on the Legislative Committee's recommendations, The Executive Budget included an increase in General Fund support of approximately \$1.9 million in FY 2005-06 and approximately \$2.2 million in FY 2006-07 to address the waiting lists for Personal Assistance, Traumatic Brain Injury and Independent Living services.

As recommended by the Governor, the 2005 Legislature approved \$1.1 million in FY 2005-06 and \$1.5 million in FY 2006-07 to serve 44 eligible new Personal Assistance Services clients at the beginning of FY 2005-06 and 59 new eligible clients at the beginning of FY 2006-07, with an additional 15 clients becoming eligible during each of the two years. Based on revised estimates of the number of people requiring Traumatic Brain Injury and Independent Living Services, and a revised estimate of the costs to provide services to Traumatic Brain Injury clients, the 2005 Legislature reduced the appropriation included in The Executive Budget by \$458,507 over the 2005-07 biennium. The Legislature approved \$277,844 in each year of the biennium to provide Traumatic Brain Injury services for 67 additional persons and approved \$242,422 in each year of the biennium to reduce the waiting list for Independent Living Services to not more than 90 days.

Although The Executive Budget recommended General Fund appropriations of \$198,375 each year of the 2005-07 biennium to increase the hourly rate for personal assistance services from \$17 to \$18.50 as recommended by the Legislative Committee on Persons with Disabilities, the Governor's original budget did not include funding to increase the rate through the Medicaid or Aging Services Division budgets. Through a budget amendment, the Executive Branch requested approximately \$3.2 million in additional General Fund appropriations over the biennium to increase the rate for personal assistance services to \$18.50 per hour for those budgets as well. To reduce the additional General Fund appropriation needed to fund the budget amendment, the 2005 Legislature voted to phase-in the increase over the biennium by providing an increase of \$0.75 per hour in FY 2005-06 and an additional \$0.75 per hour in FY 2006-07. Phasing in the rate increase reduced the General Fund support in FY 2006-07 by \$99,187 in the Community Based Services account and by approximately \$980,000 in the Medicaid and Senior Services program accounts.

HEALTHY NEVADA FUND

Funding for the Healthy Nevada Fund is provided through a transfer from the Treasurer's Office of Tobacco Settlement Agreement funds received by the state of Nevada. Pursuant to NRS 439.620 and 439.630, the Healthy Nevada Fund receives 50 percent of the Tobacco Settlement Agreement funds received by the state. Of this amount, 20 percent is allocated for grants to reduce tobacco use, 10 percent is allocated for grants to improve the health of children, 7.5 percent is allocated for programs that improve the health and well-being of persons with disabilities, 2.5 percent is allocated for a program to extend coverage for prescription drugs and other related services to certain persons with disabilities, and 30 percent is allocated to support the senior prescription drug program (Senior Rx). The programs are administered by the Director's Office with direction from the Task Force for the Fund for a Healthy Nevada. The remaining 30 percent is allocated to the Division of Aging Services for programs that assist senior citizens with independent living.

Although The Executive Budget recommended the addition of \$4.3 million of General Fund support over the 2005-07 biennium to supplement Tobacco Settlement Agreement funding for the Senior Rx program, the 2005 Legislature reduced the General Fund support for the program to \$1.6 million over the biennium. This decrease was based on significant reductions in expenditures resulting from the transition of the program from a fully insured program to a self-insured program during FY 2004-05. Although the General Fund support for the program is reduced, the total funding for the program is sufficient to serve an average of 9,560 individuals during FY 2005-06 and 10,067 individuals during FY 2006-07. The 2005 Legislature approved the Governor's recommendation for a new Management Analyst position for the Senior Rx program. The new position will assist the department with its increased workload resulting from the change from a fully insured program to a self-insured program and will be financed through General Fund appropriations.

Due to the prescription drug benefit covered by Medicare Part D beginning January 1, 2006, the Senior Rx program will be reconfigured during the 2005-07 biennium to provide wraparound coverage for Medicare Part D beneficiaries. Through the enactment of A.B. 524, the 2005 Legislature required the department to coordinate the Senior Rx program with the Medicare Part D benefit so that each Medicare beneficiary eligible for or enrolled in such a state program maintains his present coverage for prescription drugs. The bill also requires the department to submit its plan for coordinating Senior Rx and Medicare Part D benefits to the IFC prior to its implementation.

The 2005 Legislature approved the Governor's recommendation to expend Tobacco Settlement Agreement funds totaling \$468,156 in FY 2005-06 and \$465,227 in FY 2006-07 to provide disabled persons with a prescription drug benefit. The Disability Rx program was created by the 2003 Legislature using 2.5 percent of the Tobacco Settlement Agreement funds allocated to the Healthy Nevada Fund, but the Title XIX waiver required for the program was not obtained from the federal government. Assembly Bill 495, which was enacted by the 2005 Legislature, eliminated the requirement for the waiver and allows the program to commence during FY 2005-06. The program will be initiated to provide wraparound prescription drug benefits not covered under Medicare Part D.

BLUE CROSS/BLUE SHIELD

In November 2001, the Attorney General's Office and Rocky Mountain Hospital and Medical Services, Inc. (RMHMS) agreed to a settlement of all claims regarding the merger of RMHMS with Nevada Blue Cross/Blue Shield and Colorado Blue Cross/Blue Shield and the subsequent conversion of RMHMS to a for-profit corporation. As part of the settlement, RMHMS agreed to pay the state \$3 million through a one-time payment of \$2.25 million and five annual payments of \$150,000. The 2005 Legislature approved

the Governor's recommendation to transfer the annual settlement payment of \$150,000 to the Check-Up budget, which reduced the General Fund appropriations approved for that budget by a like amount for each year of the 2005-07 biennium. Under the terms of the settlement agreement, no further settlement payments will be received after the 2005-07 biennium.

GRANTS MANAGEMENT UNIT

The Grants Management Unit was approved by the 2003 Legislature to consolidate six existing grant programs into one account. The six grant programs include: Title XX Purchase of Social Services, Family-to-Family Connection, Family Resource Centers, Community Services Block Grant, Children's Trust Account and Healthy Nevada Grants.

TITLE XX PURCHASE OF SOCIAL SERVICES

This program, established in 1974 under Title XX of the Social Security Act, provides states with funds for a wide variety of social service programs. The funds are sub-granted to state and non-state agencies for social programs. The 2005 Legislature approved the Governor's recommended federal allocation of Social Services Block Grant funds to Nevada of \$13.0 million in each year of the 2005-07 biennium, which is an increase of \$400,000 from the \$12.6 million approved for FY 2004-05. The Legislature also approved the transfer in of \$654,534 in Temporary Assistance to Needy Families (TANF) Block Grant funding for each year of the biennium for Title XX programs as recommended in The Executive Budget.

The 2005 Legislature determined that \$943,976 of the budgeted Title XX funds for the 2005-07 biennium were not allocated for expenditure in The Executive Budget. In addition, the department notified the Legislature that an additional \$1.4 million in Title XX funds would be balanced-forward from the 2003-05 biennium to the 2005-07 biennium. The Legislature approved using one-half of the \$2.3 million in unallocated Title XX funds to increase funding for grants to non-state community-based organizations over the next four years. The remaining half will be used to offset General Fund support in the Aging Services Division EPS/Homemaker account, the Division of Child and Family Services Washoe County Child Welfare Integration account and the Mental Health and Developmental Services Southern Nevada Adult Mental Health Services account during the 2005-07 biennium.

FAMILY-TO-FAMILY CONNECTION PROGRAM AND FAMILY RESOURCE CENTERS

The Family Resource Centers program was established during the 1995-97 biennium through the passage of S.B. 405 by the 1995 Legislature. The program's intent is to develop neighborhood centers, which provide a wide array of services or referrals to services for at-risk families that will promote individual and family well-being. The Family-to-Family program was initially recommended in The Executive Budget for the 1997-99 biennium and was approved by the 1997 Legislature to provide assistance to

families with newborns with positive parenting, optimal child development, healthy family structures and community support. The programs are funded primarily with General Fund revenue. The 2005 Legislature approved expenditures for the programs totaling approximately \$2.6 million in each year of the 2005-07 biennium, which is a slight reduction from the amount approved for FY 2004-05. With administrative expenditures, the funding approved by the Legislature totals approximately \$2.9 million in each year of the 2005-07 biennium.

HEALTHY NEVADA GRANTS

The Tobacco Settlement Agreement funding for grants to improve the health of children and disabled persons and grants to prevent or reduce the use of tobacco products is transferred from the Healthy Nevada Fund account to the Grants Management Unit account for allocation by the Task Force for the Fund for a Healthy Nevada. Due to the reduced availability of Tobacco Settlement Agreement funding, the budget recommended by the Governor reduced the funding available for grants to improve the health of children and disabled persons and grants to prevent or reduce the use of tobacco products from approximately \$9.6 million that was expended in FY 2003-04 to approximately \$7.3 million in each year of the 2005-07 biennium. Based on actual Tobacco Settlement Agreement collections during FY 2004-05 and unused funding remaining from previous fiscal years, the 2005 Legislature was able to increase the funding available for those grant programs by \$717,393 in FY 2005-06 and by \$94,389 in FY 2006-07.

PROBLEM GAMBLING PROGRAM

The 2005 Legislature approved the Governor's recommendation for a General Fund appropriation of \$100,000 and to authorize \$100,000 in gifts and donations revenue in each year of the biennium for the establishment of a statewide problem gambling program. The Legislature also approved S.B. 357, which creates the Revolving Account to Support Programs for the Prevention and Treatment of Problem Gambling in the state General Fund. Not more than one percent of the money in the account may be used by the department to administer the account. The remaining money in the account must be expended only to award grants of money or contracts for services to provide programs for the prevention and treatment of problem gambling.

The original funding for the account will be provided in FY 2005-06 through a transfer of an amount equal to \$1 for each slot machine that is subject to the quarterly slot license fee for restricted and nonrestricted gaming licensees and in FY 2006-07 through a transfer of an amount equal to \$2 for each slot machine that is subject to those quarterly slot license fees. The bill creates within the department an Advisory Committee on Problem Gambling, which is required to review requests for grants to provide programs for the prevention and treatment of problem gambling, to make recommendations to the director of the department regarding which applicants should receive a grant and to monitor the grants awarded by the department.

CHILDREN'S TRUST ACCOUNT

The Children's Trust Account funds organizations and agencies that provide child abuse and neglect prevention services. Revenues for the account are derived from a \$3 fee for Nevada birth and death certificates and from a federal Child Abuse Prevention and Treatment Act grant. Funds are awarded and administered by the Committee for the Protection of Children. The trust account was combined with the Grants Management Unit when it was created by the 2003 Legislature. The 2005 Legislature approved the Governor's recommendation to re-establish the account to facilitate the payment of interest on revenue in the fund as required pursuant to NRS 432.131.

DIVISION OF HEALTH CARE, FINANCING AND POLICY

The Division of Health Care Financing and Policy is responsible for administering the Medicaid and Nevada Check-Up programs, the Disproportionate Share and Intergovernmental Transfer (IGT) programs, the long-term care provider tax program, federal maximization efforts and the state's health care cost containment and data collection activities. The division's mission is to purchase and ensure the provision of quality health care services to low-income Nevadans in the most efficient manner; to promote access to health care at an affordable cost; to restrain the growth of health care costs; to review Medicaid and other state health care programs to determine potential revenue maximization; and to evaluate alternative methods of providing Medicaid services.

The 2005 Legislature approved approximately \$2.81 billion in total funding for the division over the 2005-07 biennium, an increase of approximately \$44 million when compared to the total funding recommended by the Governor. The funding includes General Fund support in the amount of approximately \$843.6 million over the 2005-07 biennium, an increase of approximately \$6.7 million when compared to the General Fund support recommended by the Governor. When compared to the 2003-05 biennium, the 2005 Legislature approved an increase of approximately \$167.3 million in General Funds to operate the division, which represents an increase of approximately 24.7 percent (includes \$23.5 million in supplemental appropriations approved for the division by the 2005 Legislature).

The increase in General Fund support approved by the 2005 Legislature for the upcoming biennium compared to the amount recommended by the Governor is a result of projected shortfalls in the Medicaid budget. The shortfalls are discussed in the Medicaid portion of this report. The increase in General Fund support for the 2005-07 biennium compared to the 2003-05 biennium is primarily related to growth in the Medicaid program. The following summarizes the primary factors that have caused growth in the Medicaid budget and the new enhancements and services approved by the Legislature for the 2005-07 biennium:

1. Caseload increases approved for the Medicaid budget required increased General Fund support of approximately \$113.6 million over the 2005-07 biennium.
2. Mandatory and discretionary rate enhancements increased General Fund support by approximately \$64.9 million over the 2005-07 biennium.
3. Expansion of health care coverage for certain uninsured individuals and employed low-income persons who do not currently qualify for Medicaid or the Check-Up programs increased General Fund support by approximately \$4.4 million over the 2005-07 biennium.
4. Re-design of the current delivery system for behavioral health services increased General Fund support by approximately \$3.4 million over the 2005-07 biennium.
5. Additional new slots to address population growth and waiting lists for the Waiver for Independent Nevadans (WIN) program, the Community Home-based Initiatives Program (CHIP) and the Adult Group Care Waiver increased General Fund support by approximately \$6.7 million over the 2005-07 biennium.

MEDICAID

Medicaid is the state-administered program for medical assistance established in 1965 with passage of Title XIX of the Social Security Act. The Medicaid program purchases or provides medical services for persons who meet certain eligibility criteria. Medicaid covers three main groups of low-income people: parents and children, the elderly and the disabled. Under federal Medicaid law, there are certain eligible groups and benefits that must be covered by states. However, states are given discretion and flexibility to determine the various categories of benefits and the eligible groups their Medicaid program will cover. Nevada has adopted both optional eligibility groups and optional benefit packages to be covered under its Medicaid plan.

The 2005 Legislature approved total funding for the Medicaid program in the amount of approximately \$2.47 billion for the 2005-07 biennium, an increase of approximately \$49.5 million when compared to the total funding recommended by the Governor. The funding includes General Fund support in the amount of approximately \$813.5 million for the 2005-07 biennium, an increase of approximately \$10.8 million when compared to the General Fund support recommended by the Governor.

During the budget review process, the division presented information to the money committees that projected a General Fund shortfall in the Medicaid budget of approximately \$28.7 million over the 2005-07 biennium when compared to General Fund support recommended by the Governor. The projected shortfall was comprised of three primary components: the projected increase in Medicaid expenditures for the 2005-07 biennium based on more recent information on caseloads and cost per eligible assumptions estimated at approximately \$8.8 million; the reduction in the Federal

Medical Assistance Percentage or FMAP (from 54.97 percent to 54.26 percent) that increased the state's match requirement by approximately \$6.2 million in FY 2006-07; and the revised estimate for the "clawback provision" of the Medicare Prescription Drug, Improvement and Modernization Act (MMA) that reduced the projected General Fund savings compared to savings included in The Executive Budget by approximately \$13.7 million.

To offset a significant portion of the shortfall, the Legislature approved numerous modifications to the Medicaid budget that reduced the projected General Fund shortfall from \$28.7 million to approximately \$9.7 million. These modifications are discussed in detail within the body of this report, and, include inflation adjustments for HMO provider rate increases, increases in drug rebate collections, additional transfers from the Intergovernmental Transfer budget and the elimination of waiver slots. The table below displays the shortfall issues discussed during the budget review process and the adjustments approved by the 2005 Legislature to mitigate the projected shortfall.

Shortfall Issue	FY 2005-06 (in millions)	FY 2006-07 (in millions)	2005-07 Total (in millions)
New MPP Projections	\$ 6.1	\$ 2.7	\$ 8.8
FMAP Change*	\$ 0.0	\$ 6.2	\$ 6.2
Clawback Re-calculation	\$ 4.4	\$ 9.3	\$ 13.7
Total Shortfall	\$ 10.5	\$ 18.2	\$ 28.7
Adjustments			
HMO Inflation	\$ (5.6)	\$ (7.4)	\$ (13.0)
IGT Transfer		\$ (1.0)	\$ (1.0)
Drug Rebates	\$ (1.6)	\$ (1.9)	\$ (3.5)
Eliminate Waiver Slots	\$ (0.5)	\$ (1.0)	\$ (1.5)
Total Adjustments	\$ (7.7)	\$ (11.3)	\$ (19.0)
Net Shortfall	\$ 2.8	\$ 6.9	\$ 9.7

*Note: Reflects the re-estimated General Fund impact of the FMAP change for FY 2006-07.

Additionally, the division presented information during the budget review process that the Medicaid and Check-Up programs would need supplemental appropriations for FY 2004-05. The shortfall in the Medicaid budget consisted of three primary components: projected Medicaid expenditures for the remainder of the fiscal year that were higher than budgeted; disputed hospital trauma claims; and estimated claims catch-up due to the problems with the implementation of the MMIS system. The shortfall in the Check-Up budget was attributed to an increase in the cost per eligible, which was higher than the budgeted cost per eligible as approved by the 2003 Legislature. To offset the projected shortfalls, the 2005 Legislature through passage of S.B. 512 approved a supplemental appropriation in the amount of \$22,771,148 for the Medicaid program and \$773,871 for the Check-Up program.

MEDICAID CASELOADS

The 2005 Legislature approved approximately \$262.5 million (\$113.6 million in General Funds) over the 2005-07 biennium for increased costs associated with caseload growth. As is customary during the legislative session, Medicaid caseloads were re-projected in March 2005. The March projections indicated overall caseloads for the 2005-07 biennium were lower than those recommended in The Executive Budget; however, caseload costs were projected to increase. The General Fund portion of the projected increase in caseload costs was estimated at approximately \$6.1 million for FY 2005-06 and \$2.7 million for FY 2006-07, for a total of \$8.8 million over the 2005-07 biennium. The projected increase in caseload costs was primarily the result of increases in the cost per eligible (CPE) assumptions, a key factor for projecting Medicaid expenditures, for a majority of the caseload categories compared to the CPE assumptions used in The Executive Budget. The projected increases in Medicaid expenditures would have been significantly greater if not for caseload reductions primarily with the TANF population and, to a lesser degree, reductions in the aged, blind and disabled non-institutional caseload.

The money committees were concerned with the division's projections since many of the increases in the CPE assumptions could not be completely supported or explained when compared to historical CPE cost trends. Additionally, it was unclear but likely the claims processing problems experienced with the implementation of the Medicaid Management Information System had to some degree impacted the CPE assumptions, as did adjustments made during the interim with the reimbursement methodology for certain providers.

In light of these uncertainties and in consideration of the significant supplemental appropriation approved to cover Medicaid expenditures for FY 2004-05, the money committees did not modify the division's March caseload projections and CPE assumptions used to project caseload costs for the 2005-07 biennium. The table below compares the Medicaid caseloads that were legislatively approved for the 2005-07 biennium to the caseloads recommended in The Executive Budget.

Gov Rec vs Leg Apprvd	FY 2006 Gov Rec	FY 2006 Leg Apprvd	Diff +/-	% Change	FY 2007 Gov Rec	FY 2007 Leg Apprvd	Diff +/-	% Change
*Recipient Total	205,372	184,024	(21,348)	(10.4%)	222,737	193,339	(29,398)	(13.2%)

*Average monthly caseload.

The Executive Budget recommended 20 new positions (15 new positions in FY 2005-06 and 5 new positions in FY 2006-07) to address caseload growth. A majority of the new positions recommended are staff for the district offices. After taking into consideration the revised caseload projections which were significantly lower than those included in The Executive Budget and additional supporting justification provided by the division, the Legislature approved 15 and eliminated five of the 20 new positions recommended by the Governor. The 15 new positions approved are as follows:

- Four Health Care Coordinator positions to serve as case managers for the Waiver for Independent Nevadans (WIN) program;
- One Health Care Coordinator to address more onerous requirements imposed by the Centers for Medicare and Medicaid (CMS) for quality management of the division's various waiver programs;
- Three Health Care Coordinators to serve as case managers for the Katie Beckett program. The Katie Beckett program enables children with disabilities to utilize Medicaid services and remain at home, rather than placement in an institutional setting;
- Two Health Care Coordinators to serve as case managers for the Facility Outreach and Community Integration Services (FOCIS) program. The FOCIS program is intended to provide Medicaid clients with a choice to seek alternative placement in a community setting. The FOCIS program assists clients to either divert or discharge from institutional placement;
- Two Health Care Coordinators for the Care Coordination program. The Care Coordination program is primarily offered to Medicaid clients in the community, and is designed to assure the client utilizes available services with the intent of preventing institutionalization;
- One Health Care Coordinator to serve as a unit manager and maintain a supervisor to worker ratio of 1:8; and
- Two clerical positions.

RATE INCREASES

The 2005 Legislature approved approximately \$127.5 million (\$57.9 million General Funds) over the 2005-07 biennium for mandatory rate increases, a reduction in General Fund of approximately \$12.5 million when compared to the funding recommended in The Executive Budget. The mandatory rate increases are for hospice, pharmacy, federal qualified health centers, Indian Health Services, and tribal clinic providers pursuant to federal regulations. Rate increases were also approved for health maintenance organizations (HMOs) and emergency transportation providers since regular rate increases based on an actuarial determination for utilization and inflation must be provided in compliance with federal requirements.

The increases for pharmacy and HMO providers make up the largest portion of the total cost for rate increases that were legislatively approved. Pharmacy providers were approved to receive inflation rate increases of 11.6 percent for FY 2005-06 and 10.7 percent for FY 2006-07 and were based on projected inflation rates for prescription drugs published by CMS.

The Executive Budget recommended rate increases for HMO providers in the amount of 7.35 percent for FY 2005-06 and 7.75 percent for FY 2006-07. In reviewing how the rate increases recommended for HMO providers were calculated, the Legislature determined that the inflation increases for FY 2004-05, which serve as the basis for calculating the rate adjustments for FY 2005-06 and FY 2006-07, were factored in twice. Applying the inflation increases in this manner overstated the cost for the recommended

increase in rates for each FY of the 2005-07 biennium. Additionally, it was determined the inflation assumptions used in The Executive Budget to calculate the recommended rate increases for HMO providers included components such as demographics, which are not related to inflation or utilization, which when applied also overstated the cost for the recommended increases.

The Legislature approved adjustments that corrected the inflation calculation that was overstated and approved an inflation rate increase for HMO providers of 6.3 percent for each fiscal year of the 2005-07 biennium. The inflation rate increases that were approved were based on per capita expenditure data (which includes inflation and utilization factors) published by CMS for Medicaid and SCHIP programs. These two adjustments provided for the General Fund savings of approximately \$12.5 million over the 2005-07 biennium.

The 2005 Legislature approved discretionary rate increases of approximately \$15.2 million (\$6.9 million General Fund) over the 2005-07 biennium for providers of air ambulance, mental health rehabilitative services and personal care assistance services and established an all-inclusive per diem rate for home infusion therapy. Although not initially recommended in The Executive Budget, the Governor submitted a budget amendment to increase rates for personal care assistance services from \$17.00 per hour to \$18.50 per hour. The Legislature approved the Governor's request, however split the recommended rate increase incrementally over the 2005-07 biennium to reduce the impact on the budget. The additional cost was approximately \$2.4 million in General Fund over the 2005-07 biennium.

MEDICARE PRESCRIPTION DRUG, IMPROVEMENT AND MODERNIZATION ACT

With passage of the Medicare Prescription Drug, Improvement and Modernization Act (MMA), Congress established a prescription drug benefit for Medicare beneficiaries. Beginning January 1, 2006, prescription drug benefits will be available to Medicare beneficiaries under Part D. The implementation of MMA will affect states in a variety of ways, the most significant of which is that Medicaid will no longer be responsible for providing pharmacy coverage for Medicare beneficiaries also known as dual eligibles (Medicaid recipients who are also eligible for Medicare). However, MMA requires state Medicaid programs to refund a portion of their savings since states no longer have to provide pharmacy coverage back to Medicare in what is called the "clawback provision." The clawback provision is intended to help the federal government fund Part D coverage. The clawback provision requires states to refund their savings on a decreasing scale over a 10-year period, starting with 90 percent for calendar year 2006 and 88.3 percent for calendar year 2007 to 75 percent by year 2014. The clawback provision will remain at 75 percent in year 2015 and thereafter. Effective January 2006, there will no longer be federal match available for pharmacy coverage for dual eligibles, except for drugs not included in the Part D plan.

As originally submitted, The Executive Budget estimated a General Fund savings for the Medicaid program of approximately \$17.8 million over the 2005-07 biennium as a result of no longer having to provide pharmacy coverage for dual eligibles. However, during the budget review process, the division acknowledged the savings estimate was overstated and reduced the General Fund savings from \$17.8 million to approximately \$4.1 million, a reduction of \$13.7 million. In light of the significant budget impact, the Governor submitted a budget amendment requesting the Legislature's consideration to modify the Medicaid budget based on the revised clawback projections. The Legislature concurred with the division's more recent projections and the Governor's request and approved the necessary budget modifications to reduce the General Fund savings by \$13.7 million.

BEHAVIORAL HEALTH REDESIGN

The Legislature approved the Governor's recommendation for approximately \$8.1 million (\$3.4 million General Fund) over the 2005-07 biennium for the additional costs associated with modifying the current delivery system for behavioral health services. The intent of the re-design is to allow for earlier interventions for children, adults and families to avoid the escalation of undiagnosed and untreated mental illnesses. To increase access to meet unmet behavioral health needs, the redesign allows non-public providers to provide behavioral health services, establishes service levels based on the intensity of need and allows licensed clinical social workers and marriage and family therapists to provide behavioral health services under a specialty clinic model. The services that will be covered through the specialty clinic model include case management, group, individual and family therapy, psychiatric evaluations and medication management.

In addition to expanding access, the funding approved provides for two new services under the mental health rehabilitation option: peer support and family support. Peer and family support services are designed to provide client-centered treatment for individuals with mental health disorders, but also to expand preventive wrap-around services to decrease the need for inpatient and institutional care. Peer support services assist clients with accessing rehabilitative mental health or community support services for needed stabilization, preventive care or crisis intervention. The services include empathic personal encouragement, self-advocacy, self-direction training and peer mentoring. Family support services will be provided to the family if determined appropriate from the treatment planning process.

The division estimates there is an unserved population of clients equal to 20 percent of the current client caseload who are in need of behavioral health services but do not access services. The funding approved increases the utilization review of the services offered under the mental health rehab option. Utilization review for children needing services will continue to be performed by the Division of Child and Family Services (DCFS). Utilization review for adults needing services will be performed by a private contractor.

The funding approved provides for one new Health Care Coordinator position to allow the division to provide oversight to both the utilization review contractor for adults and DCFS. The new delivery system and services will begin January 2006.

MEDICAID WAIVERS

The 2005 Legislature approved approximately \$3.1 million (\$1.4 million General Fund) over the 2005-07 biennium to add a total of 80 new slots for the Waiver for Independent Nevadans (WIN) program. Additionally, the funding approved supports two new positions to provide case management services, which will address the projected waiting list for the WIN waiver and meet the requirements of S.B. 174. Senate Bill 174 was approved by the 2001 Legislature and requires state agencies that administer personal care assistance programs to immediately place and provide minimum essential personal assistance to individuals with severe disabilities. The new slots are in addition to 144 slots approved for the WIN waiver to address the projected population growth.

The funding approved by the 2005 Legislature for the new slots for the WIN waiver is approximately \$1.2 million (approximately \$515,000 General Fund) less than the amounts recommended by the Governor over the 2005-07 biennium. The reduction was based on information provided by the division during the budget review process, which indicated the projected waiting list for the upcoming biennium was overstated by 17 waiver slots.

The 2005 Legislature approved approximately \$5.3 million over the 2005-07 biennium in General Fund for new waiver slots primarily for the Community Home-Based Initiatives Program (CHIP) to address projected caseload and demographic increases and to reduce the waiting list. The amounts approved represent a General Fund reduction of approximately \$605,000 when compared to the amounts recommended by the Governor. The reduction was based on a revised caseload management plan developed by the Division for Aging Services.

The Governor recommended and the Legislature approved eliminating patient liability from the CHIP program. Currently, patient liability is assessed on recipients in the CHIP program earning over 200 percent of the Social Security Income (SSI) level. The CHIP program is the only Medicaid waiver that requires the assessment and collection of patient liability. The Legislature's approval to eliminate patient liability will establish eligibility consistency for all waiver programs.

OTHER ISSUES

The Legislature approved increasing the amount of drug rebates collected from pharmaceutical companies by \$1.6 million for FY 2005-06 and by \$1.9 million for FY 2006-07, for a total of \$3.5 million over the 2005-07 biennium. The projected increase in collections allowed for a reduction in General Fund costs by the same amount. The projected increase was based on new estimates for drug rebate collections provided by the division for FY 2004-05 that supported an increase for each fiscal year of the 2005-07 biennium.

HEALTH CARE FINANCING AND POLICY ADMINISTRATION

The Administration budget provides for the administrative staff and the support services for the Division of Health Care Financing and Policy, which includes administration, accounting, budgeting, personnel, rates, compliance, surveillance, utilization review, provider enrollment and information technology.

The Executive Budget recommended a total of 12 new positions to support the division's administrative infrastructure and to meet the federal requirements of the Payment Error Rate Measurement (PERM) program as stipulated with passage of the Improper Payments Information Act of 2002. The PERM program, which must be implemented by October 1, 2006, addresses erroneous payments and establishes more rigorous standards for the review and validation of medical and eligibility records for the Medicaid and State Children's Health Insurance Program (SCHIP) programs. The intent of PERM is to establish nationwide standards for acceptable error rates to which states will be held accountable.

The new positions recommended by the Governor include seven new positions to support the division's cost containment, information systems, budget, and, accounting units; four new positions to meet the requirements of the PERM program; and one new position to develop, prepare and manage the Health Insurance Flexibility and Accountability (HIFA) waiver, which will allow for the expansion of health care coverage using Medicaid and SCHIP funding (see HIFA Medical).

After reviewing the division's justification and prioritization for the new positions, the Legislature approved ten and eliminated two of the twelve new positions recommended in The Executive Budget. The two positions that were not approved include one management analyst for the accounting unit and a clerical position for the PERM program. The management analyst for the accounting unit was eliminated because a defined need for the position could not be demonstrated at this time. The clerical position for the PERM program was eliminated because a review of the projected workload assumptions to administer the PERM program supported three, but not four new positions.

The Legislature approved the recommendation to budget and account for federal Title XIX and Title XXI funds transferred to the Division of Welfare and Supportive Services in the administration budget versus the Medicaid budget for cost allocation purposes. This change will increase expenditures accounted for in the administration budget by approximately \$9 million each fiscal year of the 2005-07 biennium and will decrease, by a like amount, expenditures in the Medicaid budget.

HIFA MEDICAL

With passage of A.B. 493, the 2005 Legislature approved a significant expansion of health care coverage for low-income Nevadans. The expansion is based on recommendations developed during the interim by the Legislative Subcommittee to Study Health Insurance Expansion Options and was supported and funded by the Governor in The Executive Budget. The expansion requires the division to apply for a Health Insurance Flexibility and Accountability (HIFA) waiver from the Centers for Medicare and Medicaid (CMS). A HIFA waiver provides states flexibility to expand health care coverage while limiting financial risk. Under HIFA, states are allowed to cap enrollment, reduce benefits, increase cost-sharing for optional Medicaid beneficiaries and to redirect federal Title XIX and Title XXI funding to pay for services that benefit the population targeted for the expansion. The expansion will cover the following three low-income populations:

Pregnant women – Medicaid coverage will be extended to pregnant women with income levels from 133 percent of the federal poverty level (FPL) up to 185 percent of FPL. The services covered will include full Medicaid benefits for pregnancy-related costs and two months of postpartum care. The expansion, as funded, will cover approximately 2,000 pregnant women per month once the expansion is fully implemented and is capped at that level over the next five years.

Employees of Small Employers – the expansion provides a premium subsidy for health insurance coverage in an amount up to \$100 per person, per month, to employees and their spouses who work for small employers (2-50 employees) and who have household incomes less than 200 percent of FPL. The cost of coverage will be shared by the employee, the employer and the state. The employer will be responsible for at least 50 percent of the premium cost and a full benefit insurance package will be required to be eligible for the premium subsidy. Enrollment will be phased in over several years, beginning with 2,000 covered lives during the first year and increasing to 8,000 covered lives by the fourth year of the program. The Division of Welfare and Supportive Services will be responsible for determining financial eligibility and funding was approved to retain a contract vendor to evaluate and determine if the insurance package for the employee meets minimum coverage criteria, to distribute the monthly premium reimbursement check to the employee, to make eligibility re-determinations and to verify continued employment and employer participation.

Catastrophic Event Coverage – the option to provide catastrophic event coverage will allow the state to extend Medicaid eligibility to additional qualified persons with incomes up to 150 percent of FPL who have too much income to qualify for Medicaid coverage under other mandatory or optional programs. This option allows a person to spend down excess income, thereby reducing it to a level below the maximum allowed by the state's Medicaid plan. Coverage for this option will allow for a single catastrophic event (primarily hospital care from time of admission to the time of discharge) and is intended to cover as many medical situations as possible currently funded by the counties through the Indigent Accident and Indigent Supplement programs. Many details of this coverage group and the design of the program will be developed during the interim prior to the scheduled implementation date of July 2006. The Nevada Association of Counties (NACO) will determine eligibility for catastrophic event coverage. Expenditures for catastrophic coverage are capped at \$9 million per fiscal year.

To finance the expansion, the 2005 Legislature approved the Governor's recommendation to use a combination of state General Funds, proceeds received from property tax levies that currently fund the indigent supplement account, and federal Title XIX and Title XXI funds. The state General Funds and the property tax proceeds will be used in equal proportions and are accounted for in a separate budget, the HIFA Holding Account, and will only be drawn when needed. In total, the Legislature approved funding in the amount of \$62,500 for FY 2005-06 and approximately \$22.4 million for FY 2006-07 to expand health care coverage to the aforementioned groups. The Legislature also approved delaying the implementation of the pregnant women portion of the HIFA waiver until July 2006 to coincide with the implementation date for the other two coverage groups. The delay generated a General Fund savings of approximately \$2 million over the 2005-07 biennium.

NEVADA CHECK-UP

The Balanced Budget Act of 1997 created the State Children's Health Insurance Program (SCHIP) under Title XXI of the Social Security Act to enable states to initiate and expand health care coverage targeted for low-income and uninsured children. The Check-Up program was approved as a stand-alone program that covers children from birth through 18 years of age from families with income up to 200 percent of the FPL. Eligibles pay quarterly premiums ranging from \$15 to \$70 based on their income level. Services are provided under a managed care arrangement with participating HMOs in Clark and Washoe counties and on a fee-for-service basis in areas of the state where an HMO network does not exist. Enrollment in the program began in October 1998.

As originally submitted, The Executive Budget recommended capping enrollment in the Check-Up program at 30,000 children for FY 2006-07. During the budget review process it became clear the Governor's recommendation to cap enrollment needed to be lifted to address caseload increases which were projected to easily exceed the cap and in order for the proposed HIFA waiver to be considered favorably by the Centers for Medicare and Medicaid (CMS). In recognition of this concern, the Executive Budget Office submitted several budget amendments requesting the money committee's consideration to eliminate the proposed enrollment cap.

The money committees concurred with the Executive Budget Office's request to lift the enrollment cap. However, the money committees were concerned the revised caseload projections submitted by the division for consideration were overstated and were inconsistent with past and present trends when comparing the Check-Up programs caseload growth to the population of 0 to 19-year-olds in the state. In light of this concern, the Legislature approved and funded an alternative caseload projection, which allows enrollment in the Check-Up program to increase to 29,332 children per month for FY 2005-06 and 31,229 children per month for FY 2006-07. The table below displays the actual caseloads for FY 2003-04 and FY 2004-05 compared to the legislatively authorized caseloads for both fiscal years of the 2005-07 biennium.

FY 2003-04	FY 2004-05	% Diff	FY 2005-06 (Leg Apprvd)	% Diff	FY 2006-07 (Leg Apprvd)	% Diff
25,025	26,750	6.9%	29,332	9.7%	31,229	6.5%

The Legislature approved three new Family Service Specialist positions and their support costs to address current and projected caseload increases. The new positions will be located in Las Vegas, Reno and Carson City.

The Executive Budget recommended approximately \$9.4 million (approximately \$3 million in General Funds) for rate increases for HMO capitation payments and projected pharmaceutical costs with a majority of the increase attributed to rate increases recommended for HMO providers. Similar to the Medicaid budget, the inflation increases used for HMO providers for FY 2004-05, which serve as the basis for calculating the rate adjustments for FYs 2005-06 and 2006-07, were factored in twice. Applying the recommended inflation increases in this manner overstated the cost for the recommended increase in rates for each fiscal year of the 2005-07 biennium. Additionally, it was determined the inflation assumptions used in The Executive Budget to calculate the recommended rate increases for HMO providers included components such as demographics, which are not related to inflation or utilization, which when applied also overstated the cost for the recommended increases.

The 2005 Legislature approved budget modifications that corrected the inflation calculation that was overstated and approved an inflation rate increase for HMO providers of 6.3 percent for each fiscal year of the 2005-07 biennium. The inflation rate increases that were approved were based on per capita expenditure data (which includes inflation and utilization factors) published by CMS for Medicaid and SCHIP programs. The adjustments that were approved provided for a General Fund savings of approximately \$1.7 million over the 2005-07 biennium.

INCREASED QUALITY OF NURSING CARE

This budget account was created in accordance with A.B. 395 approved by the 2003 Legislature, which instituted a methodology that requires the division to establish a provider tax program encompassing all free-standing, long-term care nursing facilities (except those owned by the state). The intent of the legislation is to increase reimbursement rates for the nursing facilities that are assessed the tax. This budget accounts for the provider tax assessments received from the industry.

Per the legislation, the provider tax is a six percent assessment on total annual accrual basis gross revenues. The provider taxes received via the assessments are used as match to obtain federal Title XIX funds that are distributed back to the nursing facilities (including the tax) in the form of enhanced reimbursement rates. Assembly Bill 395 stipulates that funding received via the provider tax and matching federal Title XIX funds must be used to increase reimbursement rates only and cannot be used to replace existing state expenditures paid for nursing facilities. The average per-bed day payment is currently \$157 compared to \$121.66 per-bed day prior to the implementation of the provider tax program, an increase of \$35.34 per-bed day. The net increase (net of the tax) realized by nursing facilities is \$19.67 per-bed day. The legislation allows the division to use no more than one percent of the taxes collected to administer the provider tax program which currently supports one position.

The Legislature approved continuing the provider tax program as originally implemented with a budget modification that increased funding for the division to administer the program up to the one percent cap as allowed by A.B. 395. The budget modification increased the transfer of funding to the division's Administration budget by approximately \$206,000 over the 2005-07 biennium and offset General Fund in that budget by a like amount.

During the budget hearing process, the division indicated it is in the process of developing a rate enhancement to encourage in-state nursing home providers to care for behaviorally challenged patients. Patients with this type of disorder historically have been placed in out-of-state facilities due to the lack of willing in-state providers. The proposed rate enhancement will be developed during the interim and will be funded within the existing resources generated by the nursing home provider tax program.

INTERGOVERNMENTAL TRANSFER PROGRAM

The Intergovernmental Transfer (IGT) program collects monies primarily from public hospitals and counties pursuant to NRS 422.380 through NRS 422.390. The monies collected are utilized to help fund medical expenditures in the Medicaid program. Additionally the IGT program, in conjunction with funding approved in the Medicaid program, helps to fund hospitals that treat a disproportionate share of Medicaid recipients, indigent patients and other low-income patients.

This budget also collects intergovernmental transfers received from non-state government-owned hospitals to support the Upper Payment Limit (UPL) program which was implemented in September 2002 retroactive to January 2002. Federal Medicaid law allows states the option of making supplemental payments to qualifying hospitals (county or municipal hospitals) up to the Medicare upper payment limit. The intent is to preserve access to inpatient hospitals for needy individuals by reimbursing hospitals that qualify for uncompensated or under-compensated care.

The 2005 Legislature approved continuing the UPL program. However, modifications were approved that increased the supplemental payments made to qualifying hospitals and the net benefit to the state compared to the amounts recommended in The Executive Budget. The modifications approved were based on revisions to the methodology used for the UPL program developed by the division during the budget review process in consultation with their rate-setting consultant. The division also received verbal assurances from CMS that the revised methodology complies with federal regulations regarding the UPL program. Based on the revised methodology, qualifying hospitals will receive an increase in the estimated net benefit compared to the amounts recommended in The Executive Budget of approximately \$11 million for FY 2005-06 compared to \$6.3 million and \$12 million for FY 2006-07 compared to \$6.9 million. The estimated net benefit to the state will increase compared to the amounts recommended in The Executive Budget to \$4.1 million for FY 2005-06 compared to \$2.4 million and \$4.3 million compared to \$2.5 million for FY 2006-07.

The modifications approved by the Legislature increased the reserve in the IGT budget by approximately \$1.1 million. The increase to the reserve allowed the Legislature to transfer an additional \$1 million to the Medicaid budget for FY 2006-07, which offset the General Fund appropriation in the Medicaid budget by a like amount. The reserve in the IGT budget will remain at approximately \$6.6 million for each fiscal year of the 2005-07 biennium which is reasonable level for cash flow and as a contingency for unforeseen expenditures in the Medicaid budget.

DIVISION OF MENTAL HEALTH AND DEVELOPMENTAL SERVICES

The Division of Mental Health and Developmental Services (MHDS) is responsible for the development, administration, coordination and evaluation of state treatment and training programs for mentally ill and mentally retarded citizens. The division consists of the following programs and facilities: Northern Nevada Adult Mental Health Services; Southern Nevada Adult Mental Health Services; Lake's Crossing Facility for Mentally Disordered Offenders; Rural Clinics; Desert Regional Center; Sierra Regional Center; Rural Regional Center; and the Family Preservation Program.

The 2005 Legislature approved funding for the MHDS totaling \$516.6 million over the 2005-07 biennium, an increase of approximately \$4.2 million when compared to total funding recommended by the Governor. General Fund support for the 2005-07 biennium totals \$359.7 million, which represents an increase of 45.2 percent compared to appropriations of \$247.7 million provided during the 2003-05 biennium (includes supplemental appropriations approved by the 2005 Legislature).

The increased funding approved by the 2005 Legislature is projected to provide resources to serve an estimated 33,213 individuals at the end of FY 2006-07, an increase of 4,667 individuals or 16.3 percent from the 28,546 individuals served in FY 2004-05. The developmental services caseload is projected to increase to 4,533 individuals at the end of FY 2006-07, an increase of 604 individuals or 15.4 percent over the 3,929 individuals served in FY 2004-05. The 2005 Legislature also increased medication funding for the division to \$54.8 million over the 2005-07 biennium, an increase of 48.5 percent over the \$36.9 million approved in the 2003-05 biennium.

The 2005 Legislature also approved A.B. 175, which appropriates a total of \$14.9 million in support of mental health services as follows:

- \$1.7 million for an additional 90 community residential placements in Clark County;
- \$7.1 million for the division to purchase additional acute psychiatric placements in Clark County if the agency's inpatient capacity is fully exhausted;
- \$1.9 million in support of a Mental Health Court in Clark County, including supported living arrangements for an additional 75 persons;
- \$1.2 million for additional staff and supported living arrangements to expand the Mental Health Court in Washoe County;
- \$200,000 for staff and supported living arrangements for the recently established Mental Health Court in Carson City;
- \$1.8 million as one-third support for a community triage center in Clark County; and
- \$1.0 million as one-third support of a community triage center in Washoe County.

The 2005 Legislature concurred with the Governor's recommendation to fund a two-grade salary increase for the division's nursing staff in order to reduce the compensation gap between public and private sector nursing professionals. The Legislature also agreed with the Governor's recommendation to increase rates paid to supported living arrangement (SLA's) and community training center (CTC's) service providers by three percent effective July 1, 2005 and an additional five percent effective July 1, 2006. These rate increases supplement increases approved by the 2003 Legislature of seven percent in FY 2003-04 and eight percent in FY 2004-05 that resulted from studies undertaken during the 2001-03 Interim as directed by the 2001 Legislature in A.B. 513. The Legislature approved a total of \$6.9 million (\$4.3 million General Fund) to support the rate increases.

ADMINISTRATION

The 2005 Legislature approved the Governor's recommendation to continue General Fund appropriations of \$143,969 each year of the biennium for the psychiatric residency program at Northern Nevada Adult Mental Health Services. The Legislature approved General Fund appropriations totaling \$430,622 over the 2005-07 biennium to establish a similar psychiatric residency program in southern Nevada.

As recommended by the Governor, General Fund appropriations of \$1.1 million were approved for the third phase of the new client information and billing system (Avatar) that replaced the Advanced Institutional Management Software (AIMS) during the 2003-05 biennium. The Legislature approved a Budget Office amendment authorizing a new full-time Management Analyst II position to manage the billing and revenue function of the new system.

NORTHERN NEVADA ADULT MENTAL HEALTH SERVICES

The 2005 Legislature approved funding to support an additional 168 clients in the medication clinics; 43 community residential placements; 53 clients in outpatient services; and 684 clients in psychiatric ambulatory services as recommended by the Governor at a cost of \$5.1 million (\$4.7 million General Fund). A total of 29.1 FTE positions were approved supporting the projected caseload growth. The Legislature approved a Budget Office amendment to replace the existing Project Restart contract supporting the Washoe County Mental Health Court with two full-time Psychiatric Caseworkers and a 0.51 FTE Administrative Assistant in order to improve the continuity of work assignments with the district court including the ability to work directly with confidential client information. The Legislature approved the Governor's recommendation to eliminate a vacant Health Service Coordinator position and utilize the funding to add two new Consumer Services Assistants who are typically former clients that assist other clients in accessing services and enhance the agency's drop-in center/clubhouse program.

Funding was recommended by the Governor and approved by the Legislature to renovate the central kitchen (CIP 05-C07; \$1.05 million) that was deferred from the 2003-05 Interim. The Legislature also approved funding of \$1.6 million for asbestos/lead abatement and demolition of six abandoned buildings on the NNAMHS campus (CIP 05-M-42).

FACILITY FOR THE MENTAL OFFENDER

The Facility for the Mental Offender (Lake's Crossing) is Nevada's only forensic facility, whose mission is to provide statewide forensic mental health services in a secure facility to mentally disordered offenders who are referred from the court system. The agency also provides evaluation and assistance to some city and county jail facilities in the state through a contractual arrangement.

The 2005 Legislature approved a two-grade salary increase for the agency's 5 correctional officer positions and 38 forensic specialist positions; the salary increases were not included in the Governor's budget. The increase for the correctional officers was consistent with those approved for the Department of Corrections, while the increase for the forensic specialist positions is intended to keep pace with the correctional officers for similar duties performed.

RURAL CLINICS

Rural Clinics provides community-based mental health services to persons of all age groups with serious and persistent mental illnesses and mild to moderate mental health problems. The division operates 16 clinics in the 15 rural counties and northern Clark County (Mesquite).

The 2005 Legislature approved funding to support an additional 526 clients in the medication clinics; 14 community residential placements; 804 clients in outpatient counseling services; 32 clients in service coordination; and 9 clients in psychosocial rehabilitation services as recommended by the Governor at a cost of \$4.1 million (\$3.7 million General Fund). A total of 33.59 FTE positions were approved supporting the projected caseload growth. A supplemental appropriation of \$483,315 was approved by the Legislature to fund Medicaid, Insurance Recoveries and Client Charge revenue shortfalls in FY 2004-05. The 2005 Legislature also approved the Governor's recommendation to establish a new clinic in Laughlin, Nevada, including 7.51 new FTE positions, to provide mental health service to approximately 300 clients. A new tele-mental health videoconferencing system was approved in order to enhance existing services for clients in rural Nevada. However, the Legislature did not approve the Governor's recommendation to reduce psychiatrists travel costs by \$79,200 each year, which was initially contemplated to occur as a result of installing the new system.

The Governor recommended 23.01 new FTE positions in order to implement the first phase of reduced staffing ratios for outpatient counseling services (from 75:1 to 35:1) and service coordination for 616 severely emotionally disturbed (SED) youth and adolescents with General Fund appropriations of \$626,685 in FY 2005-06 and \$1.3 million in FY 2006-07. An additional 21.42 FTE positions are anticipated to be funded in the 2007-09 biennial budget. However, the 2005 Legislature approved 22.51 new FTE positions, which achieves the desired staffing ratio reductions in the 2005-07 biennium for outpatient counseling services (from 75:1 to 30:1) and service coordination for the agency's SED caseload with additional General Fund appropriations of \$26,693 in FY 2005-06 and \$36,771 in FY 2006-07 over the amounts recommended by the Governor.

SOUTHERN NEVADA ADULT MENTAL HEALTH SERVICES

The 2005 Legislature approved General Fund support totaling \$143.1 million over the 2005-07 biennium, which represents a 65.7 percent increase compared to amounts appropriated for the 2003-05 biennium (includes supplemental appropriations approved by the 2005 Legislature). A total of 256.33 new FTE positions were approved to increase the acute inpatient capacity from 131 beds to 217 beds during the 2005-07 biennium, which includes:

- 150 beds (30 psychiatric observation unit beds and 120 inpatient beds) to be located in the new Rawson-Neal Hospital currently under construction and anticipated to open in May 2006;
- 28 beds located in Building 1300 on the Desert Regional Center Campus adjacent to the current inpatient facility; and
- 39 beds in the existing inpatient facility until the scheduled completion of the final fourth "pod" of the new hospital is available for occupancy in December 2006.

General Fund appropriations totaling \$18.5 million over the 2005-07 biennium support the additional bed capacity. The 2005 Legislature also approved A.B. 204, which provides combined General Fund and general obligation bond support of \$11.3 million to construct the fourth pod to the new hospital (CIP 05-C14). Lastly, the Legislature approved a supplemental appropriation of \$2.4 million in FY 2004-05, which supports the 28 inpatient beds in Building 1300 that were approved by the IFC in August 2004.

The Legislature approved the Governor's recommendation to fund an additional 823 clients in the agency's four medication clinics; 90 residential community support placements; 139 clients in outpatient counseling services; 6,008 additional clients for psychiatric ambulatory services; and 22 clients for psychosocial rehabilitation services at a cost of \$17.3 million (\$16.8 million General Fund). A total of 96.18 new FTE positions were approved to support the increased caseloads. A new full-time Pharmacist position was approved as recommended by the Governor to fill client

prescriptions in-house at the East Las Vegas clinic in lieu of utilizing contract services; approval of the new position reduces General Fund need by \$687,861 over the 2005-07 biennium. The 2005 Legislature also approved a new Medical Director position at SNAMHS that was not included in The Executive Budget. This new position is intended to relieve the current Statewide Medical Director of the dual duties currently performed for both positions.

DEVELOPMENTAL SERVICES

The 2005 Legislature approved additional funding to support caseload increases and waiting list demands in the three regional developmental budgets: Sierra Regional Center (SRC) in the north, Desert Regional Center (DRC) in the south and the Rural Regional Center (RRC). Total funding increases \$51.3 million (\$29.6 million General Fund), or 31.2 percent, from \$164.8 million (\$88.0 million General Fund) in the 2003-05 biennium to \$216.1 million (\$117.6 million General Fund) in the 2005-07 biennium. The additional funding will support an increase in the number of mentally retarded clients served from 3,929 in FY 2004-05 to 4,533 in FY 2006-07 for service coordination, residential placements, family respite and community job and day training programs. An additional 26.61 new FTE positions will support the increased number of clients served.

In a continuing effort to place clients in a less restricted, community-supported environment, the 2005 Legislature concurred with the Governor's recommendation to eliminate ten ICF/MR beds at SRC and six ICF/MR beds at DRC. A total of 20.53 FTE positions were eliminated as a result of the bed reductions. According to the division, the individuals displaced from the eliminated beds will be transitioned into community residential placements along with jobs and day training programs. In addition, a total of 60 individuals currently residing in privately-owned institutional care facilities with funding support provided through the Medicaid budget will transition to community residential placements supported by the three regional center budgets. These actions continue the state's efforts to comply with the U.S. Supreme Court's *Olmstead* Decision.

FAMILY PRESERVATION PROGRAM

The Family Preservation Program (FPP) is a statewide program providing monthly cash assistance to low-income families who provide care in their homes for relatives with profound or severe mental retardation or children under six years of age who have developmental delays. FPP aims to strengthen and support families so that they may remain intact and limit or avoid the need for institutional care. The 2005 Legislature approved the Governor's recommendation to increase the number of families served by the program from 324 to 354 by the end of the 2005-07 biennium, and increase the monthly payment \$310 to \$350 per month. An additional 112 families currently receive

monthly cash assistance through the Temporary Aid to Needy Families (TANF) program administered by the Division of Welfare and Supportive Services. The Legislature concurred with the Governor's recommendation to support these 112 families with General Fund appropriations, and utilize the TANF funds to support community placements in the three regional center budgets.

HEALTH DIVISION

The State Health Division administers seven bureaus to protect the health of Nevadans and visitors to the state. The division operates under the guidance of a seven-member, Governor-appointed State Board of Health that enforces health laws and regulations, promotes public health education, investigates the causes of disease, and provides direct public health services in Nevada's rural counties.

In total, the 2005 Legislature approved \$345.9 million in funding for the 2005-07 biennium for the Health Division, which represents an increase of 23.6 percent over the amount approved by the 2003 Legislature. A combination of revenue sources was approved to fund the division's biennial budget, including \$51.8 million in General Fund appropriations, a 27 percent increase, \$197.6 million in federal funds, and \$96.5 million in other revenue sources.

OFFICE OF HEALTH ADMINISTRATION

The Office of Health Administration provides support functions for the entire Health Division, including the State Board of Health. Programs include administration, central business management, accounting and personnel and the division's health planning function. The 2005 Legislature approved nine new FTE positions for the Office of Health Administration to be funded entirely through the division's cost allocation plan. These positions were approved to provide support for the administration of the entire division. The positions include a Personnel Analyst, a Personnel Technician, Accounting Assistant, Management Analyst, two Information System Specialists and three Computer Network Technicians. Due to recent complications with indirect cost methodology, the Health Division requested, and the Legislature approved, four of these positions (Management Analyst, the two Information System Specialists and the Computer Network Technician) be delayed until FY 2006-07; with the understanding that the positions will not be filled unless sufficient indirect cost revenue exists to fund those positions.

The 2005 Legislature approved the Governor's recommendation for the continuation of a \$100,000 General Fund appropriation in each year of the 2005-07 biennium to support a rural mammography program intended to make mammography screenings more accessible in the rural areas.

VITAL STATISTICS

The Office of Vital Statistics serves as the official, permanent custodian of original documents, which encompasses: filing, maintaining and protecting birth and death certificates and related vital records; providing legal corrections and amendments to vital records; and maintaining an official database of vital statistics information for use in a wide variety of private and public programs both statewide and nationally.

The Executive Budget recommended state General Funds for a new Administrative Services Officer position to provide financial management support for the Bureau of Health Planning and Statistics. During the budget review process, it was determined the Bureau of Health Planning and Statistics is one of the smallest bureaus within the division and does not have the financial diversity and complexity of other division bureaus and programs. Additionally, the 2003 and 2005 Legislatures approved new fiscal positions for the administrative office to provide financial and budget support for the entire division. Based on these factors, the 2005 Legislature did not approve the new position, which provided a General Fund savings of approximately \$114,000 over the 2005-07 biennium.

CONSUMER HEALTH PROTECTION

Organizationally, the Bureau of Consumer Health Protection consists of two sections: Public Health Engineering and Environmental Health. The Public Health Engineering section is responsible for implementing the Public Water System Supervision Program authorized under the federal Safe Drinking Water Act (SDWA). It ensures that Nevada's public water systems comply with state and federal drinking water standards and enforces the requirements for surface water treatment and corrosion control.

The Environmental Health section issues permits and inspects food establishments and a wide variety of other facilities and businesses to ensure sanitary standards to protect public health are maintained in the state, excluding Clark and Washoe counties and Carson City, which have their own health departments. This section is also responsible for investigating incidents of vector transmission of disease such as the plague and hanta virus.

The Executive Budget recommended and the Legislature approved with passage of S.B. 385 the transfer of the remaining portions of the Safe Drinking Water Program and related components of the Public Health Engineering section to the Division of Environmental Protection (DEP). The transfer includes 17.5 existing positions and completes the transition to DEP of total responsibility for the Safe Drinking Water Program. The Legislature also approved a new position not included in The Executive Budget to oversee the Las Vegas office and to provide supervisory support for the branch offices located in Ely and Tonopah. The new position will be supported by fees and will improve the quality and timeliness of regulatory services provided in the southern part of the state.

HEALTH FACILITIES HOSPITAL LICENSING

The primary function of the Health Facilities budget is to license and regulate health facilities in accordance with NRS and NAC regulations and to certify health facilities that participate in Medicare/Medicaid reimbursement programs are in accordance with the federal agreements with the Centers for Medicare and Medicaid service. The Health Facilities program has the responsibility to inspect, monitor and evaluate the care and treatment services received by individuals residing in medical and group care facilities.

The 2005 Legislature approved the following four new positions for the Health Facilities Hospital Licensing program: a Health Facilities Surveyor and an Administrative Assistant to replace contractual personnel performing medical laboratory inspection and certification activities, and a new Administrative Assistant for the Carson City office and one for the Las Vegas office to provide clerical and administrative assistance.

SEXUALLY TRANSMITTED DISEASE CONTROL PROGRAM

The major function of the Sexually Transmitted Disease Control Program is to reduce the incidence and prevalence of sexually transmitted diseases in Nevada. The program emphasizes the importance of education and screening through a comprehensive program of case identification and locating, counseling, testing, treatment, referral and education. The program focuses on five principal elements: HIV prevention; HIV/AIDS surveillance and sero-prevalence monitoring; HIV/AIDS comprehensive care services, which includes drug treatment and community-based services; tracking of other reportable sexually transmitted diseases; and planning and community organization for HIV prevention and care services.

Since the 1997-99 biennium, the Legislature has appropriated approximately \$1.3 million each fiscal year to supplement federal funds to support the purchase of AIDS medications, including protease inhibitors, for the AIDS Drug Assistance Program (ADAP). Since the 1997-99 biennium, the increased availability of federal funds, other resources and the stabilization of AIDS medication costs have been sufficient to keep pace with ADAP caseload growth; therefore, the need for additional state support has not been necessary.

For the 2005-07 biennium, The Executive Budget recommended that General Fund support for the AIDS Drug Assistance Program (ADAP) be maintained at approximately \$1.3 million for each fiscal year. During the budget hearing process, the money committees determined that a waiting list for the ADAP program was likely to occur sometime during FY 2005-06 because additional federal funds were not projected to keep pace with ADAP caseload growth and the Governor did not recommend additional state support.

The money committees reviewed a number of options (including the Governor's recommendation to maintain a status quo budget) but did not consider establishing a waiting list for AIDS medications a viable option. To address the concern of establishing a waiting list, the Legislature approved additional General Fund support in the amount of \$284,549 for FY 2005-06 and \$461,783 for FY 2006-07, for a total of \$746,332 over the 2005-07 biennium. The increase in General Fund support will serve an additional 38 clients per month for FY 2005-06 and an additional 65 clients per month for FY 2006-07.

Additionally, to provide the Health Division with flexibility to manage the ADAP caseload, the Legislature approved language in the General Appropriations Act to allow the Health Division to transfer the General Fund appropriation for ADAP medications between fiscal years, with the approval of the IFC. Also, as a precautionary measure, the money committees approved a Letter of Intent encouraging the Health Division to approach the IFC to request a Contingency Fund appropriation if the various sources of funds used to purchase ADAP medications are not sufficient to meet caseload demands and a waiting list for services becomes necessary.

IMMUNIZATION PROGRAM

The purpose of the Immunization Program is to prevent the occurrence of vaccine-preventable diseases in Nevada by promoting immunizations and by providing vaccines to prevent the occurrence and transmission of diseases. State-supplied vaccines are provided free of charge to all physicians, hospitals, or clinics that agree to meet the requirements of the program.

The 2005 Legislature approved state General Funds in the amount of approximately \$1.5 million and transfers of federal Title XXI funds from the Nevada Check-Up program in the amount of approximately \$3 million for each fiscal year of the 2005-07 biennium to supplement direct federal assistance for the purchase of vaccines. The use of federal Title XXI funds in this manner reduces the need for General Fund support for vaccines to immunize this population of children. The state General Funds and Title XXI funds, in conjunction with the federal direct assistance, are projected to cover the annual vaccine needs for each fiscal year of the 2005-07 biennium.

As a precautionary measure, the money committees approved the Letter of Intent that encourages the Health Division to approach the IFC for a Contingency Fund allocation in the event vaccine usage increases or if the annual federal direct assistance grant is not sufficient to provide for the existing childhood series of immunizations. Additionally, the Letter of Intent requires the division to approach the IFC prior to implementing any modifications to the existing immunization program. The Health Division presented information during the budget hearing process that a new vaccine, Menactra, which protects against invasive meningococcal disease, may be introduced during the interim.

EARLY INTERVENTION SERVICES

The Early Intervention Services account was formerly known as the Special Children's Clinics. The clinics located in Las Vegas and Reno serve as regional centers providing comprehensive family-centered, community-based, multi-disciplinary early intervention treatment and follow-up services. The clinics provide services to families with children, from birth to age three, who have been diagnosed as developmentally delayed in the areas of cognition, communication, physical development, social/emotional development and adaptive skills. In addition, the clinics provide services to children who are at risk of becoming developmentally delayed, or may be suspected as developmentally delayed.

The 2005 Legislature approved additional General Fund support in the amount of \$2.8 million in FY 2005-06 and \$3.3 million in FY 2006-07 to address caseload issues at the clinics. The Health Division estimated that the increased funding would enable the clinics to serve an additional 360 children and reduce the waiting time for initial appointments to near the federally required 45-day limit.

In addition, the 2005 Legislature approved additional General Fund support in the amount of \$2.0 million in FY 2005-06 and \$2.2 million in FY 2006-07 to provide services to youngsters referred through the Child Abuse and Prevention Treatment Act. This funding is intended to provide services to the estimated 628 additional youngsters each year that will be referred to the clinics through this act.

Lastly, the Legislature approved the Governor's recommendation to merge the State and Community Collaborations budget account into this account.

WOMEN, INFANTS AND CHILDREN PROGRAM

The purpose of the Women, Infants and Children (WIC) program is to improve the nutritional health status of pregnant or breastfeeding women, infants or children up to age five who are low-income and a nutritional risk. The WIC program is 100 percent federally funded and provides nutrition education, supplemental foods and referral to other community-based health and social service providers.

The 2005 Legislature authorized funding to serve approximately 56,000 participants per month for FY 2005-06 and 60,000 participants per month for FY 2006-07. Additionally, the Legislature approved \$600,000 for each fiscal year of the 2005-07 biennium to continue implementation of the Electronic Benefit Transfer (EBT) card system statewide. Implementation of the EBT card system started as a pilot project in Washoe County and rollout is currently underway in Clark County. Once Washoe and Clark Counties are operational, rollout will proceed to Carson City and the remaining rural areas of the state.

BUREAU OF ALCOHOL AND DRUG ABUSE

The Bureau of Alcohol and Drug Abuse (BADA) is the designated single state agency for purposes of applying for and expending the federal Substance Abuse Prevention and Treatment Block Grant issued through the Substance Abuse and Mental Health Services Administration. The bureau plans and coordinates statewide substance abuse services delivery and provides technical assistance to programs and other state agencies, but does not provide direct substance abuse prevention or treatment services. The BADA receives nearly 75 percent of the total budgeted revenue from the federal Substance Abuse Prevention and Treatment Block Grant. The grant requires the Health Division to maintain a spending level of state funds, which is at least equal to the average of the past two years. In order to meet this Maintenance of Effort (MOE) requirement for FY 2004-05, the Legislature approved a supplemental appropriation of \$361,620 along with the transfer of \$160,000 in MAXIMUS funding. In addition, the Legislature approved additional General Fund support in the amount of \$424,178 for FY 2005-06 and \$434,189 for FY 2006-07 to meet this MOE requirement throughout the 2005-07 biennium.

DIVISION OF WELFARE AND SUPPORTIVE SERVICES

The Division of Welfare and Supportive Services is responsible for administering the delivery of cash grants and food stamps, enforcing child support, administering employment and training programs for welfare recipients, distributing child care funding and determining eligibility for Nevada's Medicaid program.

The 2005 Legislature approved approximately \$467.7 million in total funding for the division over the 2005-07 biennium, a decrease of \$10.7 million compared to the total funding recommended by the Governor. The funding approved for the division includes General Fund support in the amount of \$138.9 million over the 2005-07 biennium, a decrease of approximately \$5.5 million when compared to the General Fund support recommended by the Governor. A majority of the decrease is based on budget adjustments approved by the Legislature that reduced TANF caseload assumptions.

DIVISION OF WELFARE AND SUPPORTIVE SERVICES ADMINISTRATION

The Division of Welfare and Supportive Services Administration budget supports the administrative staff that provides oversight to the various programs administered by the division. The budget also includes support resources utilized by and provided to the division's field staff for the operation of the various programs under the division's jurisdiction.

The Medicare Modernization Act of 2003 established a prescription drug benefit that will begin in January 2006. The Division of Welfare and Supportive Services is required to establish and determine eligibility for two new categories of Medicare Part D. Those categories include a full premium subsidy program for people with incomes below 135 percent of poverty who meet a certain resource test and a partial premium subsidy for Medicare-eligible individuals with incomes between 135 and 150 percent of federal poverty levels. To support the establishment of policies and procedures and to manage these new categories, the Governor recommended and the Legislature approved one new Program Specialist position.

In response to a federal requirement under the Improper Payments Information Act of 2002, which requires Medicaid agencies to perform reviews of Medicaid claims, services and eligibility beginning October 1, 2005, the Governor recommended two new positions for the Division of Welfare and Supportive Services to perform Medicaid eligibility reviews. The division indicated during testimony that upon the release of final regulations in August 2005, as many as 30 positions may be required to comply with the mandate. The Legislature supported the Governor's recommendation to add 2 positions to comply with the mandate but was concerned over the potential to add 30 positions once final regulations are released. The money committees approved a Letter of Intent to express that implementation of this mandate should be limited to resources approved in the Division of Welfare and Supportive Services Administration budget during the 2005-07 biennium.

The 2005 Legislature approved A.B. 493, which requires the Department of Health and Human Services to apply for a Medicaid waiver pursuant to the Health Insurance Flexibility and Accountability (HIFA) demonstration project. Under the HIFA waiver, the Division of Welfare and Supportive Services will be responsible for determining eligibility for expanded Medicaid coverage for pregnant women and children up to 185 percent of FPL and determining eligibility for health insurance for employees of small employers. To assist with meeting the requirements of the HIFA waiver beginning July 2006, the Legislature approved the Governor's recommendation to increase funding by \$425,039 in FY 2005-06 and \$37,634 in FY 2006-07 to provide for contract programming and support costs to make required system changes.

The 2003 Legislature approved funding of \$125,000 in the Department of Administration, Budget and Planning Division to contract for an external study to restructure the state's information technology services. The study included the recommendation to transfer positions directly responsible for supporting the Nevada Operations of Multi-Automated Data System (NOMADS) from the Department of Information Technology to the Division of Welfare and Supportive Services. The 2005 Legislature approved the Governor's recommendation to transfer 33 positions along with associated funding from the Department of Information Technology, which directly support NOMADS.

DIVISION OF WELFARE AND SUPPORTIVE SERVICES FIELD SERVICES

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

To determine eligibility for pregnant women and children up to 185 percent of FPL and health insurance for employees of small employers under the HIFA waiver, the Governor-recommended 11 new positions over the 2005-07 biennium. The Legislature was supportive in successfully implementing the HIFA waiver, but was concerned over the need for new positions given the approval of 135.5 new positions by the 2003 Legislature to address increased caseloads compared with the drop in TANF caseloads experienced during the 2003-05 biennium. In light of this concern, the 2005 Legislature reduced the Governor's recommendation by eight positions and approved three positions solely to support eligibility determinations for health insurance for employees of small employers.

The Governor recommended 11 new positions based on requirements placed on the division, through the Medicare Modernization Act of 2003, to determine eligibility for two new categories of Medicare Part D. Review of regulations released by the federal government during the 2005 Legislative Session indicated the impact of the Medicare Modernization Act would be much less onerous than anticipated. Based on this information, the Legislature did not approve the Governor's recommendation to add 11 new positions during the 2005-07 biennium.

The Legislature approved the Governor's recommendation to relocate the Charleston Avenue and Henderson field offices in southern Nevada. The Legislature did not support the addition of new modular furniture totaling \$160,000 for the Henderson office.

TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

The Temporary Assistance for Needy Families (TANF) budget provides funding for cash assistance for eligible recipients, which is time limited; supports the employment and training programs and services administered by the division designed to help clients prepare for and find work; and provides a wide variety of services for families and individuals to support and maintain self-sufficiency.

The Personal Responsibility Work Opportunity Reconciliation Act (PRWORA) of 1996 replaced the Aid to Families with Dependent Children (AFDC) program, an open-ended federal entitlement, with the TANF program. Federal funding to support the TANF program is now allocated to states in the form of a capped block grant that covers cash assistance, welfare employment and training and the administrative costs associated with providing these services. TANF has provided states the flexibility to design their own self-sufficiency programs for welfare recipients in conformance with the capped

funding, time limitations on program eligibility and work requirements. The 1997 Legislature, with passage of A.B. 401 and S.B. 356, enacted legislation to conform state law with the PRWORA requirements and authorized a number of welfare reform initiatives unique to Nevada. The TANF program requires work in exchange for time-limited assistance. TANF is intended to provide assistance to needy families so dependent children can be cared for in their own home or in the home of a relative by furnishing financial assistance on a temporary basis.

TANF FUNDING

The federal block grant that is allocated to Nevada is approximately \$44 million each fiscal year of the 2005-07 biennium. In addition, Nevada has been designated as a high population-growth state and will receive supplemental funding of approximately \$3.7 million in each year of the 2005-07 biennium. The total amount of federal TANF funding available in each fiscal year of the 2003-05 biennium is approximately \$47.7 million. The TANF Block Grant is allocated between the Division of Welfare and Supportive Services' TANF, Division of Welfare and Supportive Services Administration and Field Services budgets. The TANF Block Grant funds are also allocated to other divisions within the Department of Health and Human Services to support TANF-eligible programs.

The 2005 Legislature approved total funding (state and federal) to support the TANF budget in the amount of \$45 million (\$24.6 million General Fund) for FY 2005-06 and \$46.3 million (\$24.6 million General Fund) for FY 2006-07, a reduction of \$8.7 million compared to the funding recommended by the Governor over the 2005-07 biennium. The amount of state General Funds approved for the 2005-07 biennium was reduced by approximately \$2.8 million when compared to the General Fund support recommended by the Governor. The reductions were primarily based on adjustments made for TANF caseloads for each fiscal year of the 2005-07 biennium.

The 2003 Legislature approved General Fund appropriations in excess of funding received from the TANF Block Grant and the required Maintenance of Effort (MOE) of \$8.3 million in FY 2003-04 and \$23.2 million in FY 2004-05. As a result of lower-than-budgeted TANF caseloads experienced in FY 2003-04, the division was able to revert the majority of its General Fund appropriation and carry forward \$12 million in unspent TANF funding into FY 2004-05. The Governor recommended expenditure of the estimated balance of TANF carry forward funds of \$8.0 million during the 2005-07 biennium. Based on decreases in TANF caseload projections and corresponding revisions to the division's cost allocation, the division estimates a balance of approximately \$11.0 million in unspent TANF funding to be available by the end of the 2005-07 biennium.

TANF CASELOADS

The money committees, during the 72nd Session and the 20th Special Session, approved funding that would support TANF caseloads at 31,021 average monthly recipients for FY 2003-04 and 33,249 average monthly recipients for FY 2004-05. For FY 2003-04, actual average monthly TANF recipients totaled 24,675, which was lower than the approved caseload level by 6,346 average monthly recipients. The 2005 Legislature approved funding that would support TANF caseloads at 21,006 average monthly recipients in FY 2005-06 for a decrease of 3,238 average monthly recipients compared to totals included in The Executive Budget and 21,770 average monthly recipients in FY 2006-07 for a decrease of 3,421 cases compared with totals included in The Executive Budget. The table below displays the TANF caseloads used in constructing The Executive Budget compared to the TANF caseloads approved by the Legislature over the 2005-07 biennium.

Fiscal Year	Governor Recommended*	Legislature Approved*	Difference+/-*
2005-06	24,244	21,006	(3,238)
2006-07	25,191	21,770	(3,421)

* Average monthly recipients.

TANF CASH GRANTS

The Executive Budget recommended and the 2005 Legislature approved retaining cash assistance grants at their existing levels over the 2005-07 biennium. The monthly cash assistance grant for a three-person household is currently \$348 for a TANF recipient without public housing, \$272 for a TANF recipient with a public housing allowance, and \$535 for non-needy caretakers. The cash assistance grant for recipients in the Kinship Care program was restored to their previous levels on July 1, 2004 to \$534 per month for a single child under age 12 and \$616 per month for a single child over 13 years of age.

NEW EMPLOYEES OF NEVADA

The 2005 Legislature approved a total of approximately \$4.0 million over the 2003-05 biennium to meet stricter work participation rates mandated by the Personal Responsibility and Work Opportunity Act of 1996 (PRWORA). The PRWORA requires adults in families receiving assistance (unless exempted) to participate in countable work activities that are federally defined. States must achieve minimum work participation rates for both TANF and TANF two-parent families. The New Employees of Nevada (NEON) program provides assessments, testing, education, training, treatment, counseling and employment referral services to TANF parents and non-custodial parents of TANF children. The Legislature concurred with the Governor's recommendation to add TANF funding of \$346,426 in each year of the 2005-07 biennium to provide vocational skills and development for NEON participants

through community colleges in Nevada to provide skills to function primarily in office and retail settings and the Culinary Academy to provide training in the hotel and tourism industry. The money committees issued a Letter of Intent for the division to report to the IFC on performance indicators reflecting the effectiveness of funding provided for vocational and skills development services.

CHILD SUPPORT ENFORCEMENT

The Child Support Enforcement program provides five basic services: location of absent parents, establishment of parentage, establishment of child support orders, collection of support payments and enforcement of private medical insurance. In Nevada, the Child Support Enforcement program is administered by the Division of Welfare and Supportive Services and jointly operated by the division and county district attorneys. The Child Support enforcement budget is funded with a portion of the child support collections the state is allowed to retain, which are used to match federal Title IV-D funds. The state share of collections supports all non-federal expenditures and no state General Fund support is provided to in the Child Support Enforcement budget.

The Legislature did not concur with the Governor's recommendation to decrease funding to reflect the realignment of Child Support Enforcement Specialist positions to Family Services Specialist positions. Since this recommendation resulted in decreases in position grade and salary for a number of positions, the Legislature directed that an occupational study be conducted by the Department of Personnel prior to consideration by the Legislature.

ASSISTANCE TO AGED AND BLIND

The Supplemental Security Income (SSI) program was created by Congress effective January 1, 1974, and is administered by the Social Security Administration (SSA). States were given the option to make payments in addition to the amount paid by the federal government. Nevada has paid state supplements to the aged and blind since the beginning of the program, but has never supplemented payments to the disabled. The purpose of the program is to provide supplemental income to low-income aged and blind individuals and provide adult group care facilities with supplements that enable individuals to avoid institutionalization. The state supplement for the aged is \$32.52 per month and the supplement for the blind is \$109.97 per month. The Division of Welfare and Supportive Services contracts with the SSA for the determination of eligibility and the issuance of the state supplement. The federal and state supplemental payments for the aged and blind are combined into one benefit check and are issued on a monthly basis by the SSA.

The 2005 Legislature approved General Fund support for the aged and blind budget in the amount of \$13.6 million over the 2005-07 biennium, an increase of \$740,133 when compared to the 2003-05 biennium. The increase is approximately \$200,000 more than recommended by the Governor and will cover the additional costs for projected

caseload and the additional processing fee assessed by the SSA for determining eligibility and administering the issuance of state supplemental payments. The Legislature approved a state-funded increase of \$41 per month to the supplement paid to group care operators based on annual increases in the consumer price index since 1987. This increase resulted in additional General Fund appropriations of approximately \$205,000 in each year of the biennium. The money committees, through a Letter of Intent, requested the Division of Welfare and Supportive Services report to the IFC prior to implementing the annual federal SSI cost-of-living increase. This will allow the IFC an opportunity to review and fully understand the criteria the division uses when determining how to best implement the annual SSI cost-of-living increase.

CHILD ASSISTANCE AND DEVELOPMENT

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

The 2005 Legislature concurred with the Governor's recommendation to fund the development and implementation of the Nevada Child Care System to replace the private child care management system currently used by program contractors with increased federal funds of approximately \$2.5 million in FY 2005-06 and \$400,000 in FY 2006-07.

ENERGY ASSISTANCE

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

The Governor recommended an increase in the percentage of administrative expenses allowed on Universal Energy Charges distributed from the Fund for Energy Assistance and Conservation from three percent to seven percent to meet administrative expenses associated with projected increases in caseload. Much discussion occurred during committee hearings regarding the effectiveness of the Energy Assistance program and possible modifications in the distribution of Universal Energy Charges between the Division of Welfare and Supportive Services and Housing Division, as well as allowable uses of funds by the Division of Welfare and Supportive Services. Ultimately, the 2005 Legislature approved the Energy Assistance budget as recommended by the Governor with proposed increases in administrative expenses in excess of the three percent allowance provided for in statute and increases in Universal Energy Charge funding of \$6.3 million in FY 2005-06 and \$6.4 million in FY 2006-07 to address projected increases in households receiving assistance. The money committees also

issued a Letter of Intent directing the division to report on the number of households receiving state assistance through the Energy Assistance program. The 22nd Special Session of the Legislature approved an increase in the administrative percentage from three percent to five percent through passage of A.B. 3.

DIVISION FOR AGING SERVICES

The Division for Aging Services serves as the primary advocate for Nevadans aged 60 years and older. The division administers five budget accounts: Aging Older Americans Act; Senior Services Program; Elder Protective Services/Homemaker Programs; Aging Services Grants; and Senior Citizens' Property Tax Assistance. Funding is a combination of state, federal and Tobacco Settlement Agreement funds for independent living grants that support statewide senior programs.

The 2005 Legislature approved approximately \$76.8 million in total funding for the division during the 2005-07 biennium, an increase of 3.7 percent when compared to the total funding approved for the 2003-05 biennium. The General Fund support approved for the 2005-07 biennium totals \$19.9 million, an increase of 16.9 percent when compared to the funding approved for the 2003-05 biennium.

AGING SERVICES GRANTS

The Aging Services Grants budget supports the Independent Living Grants program. All funding is provided from Tobacco Settlement Agreement monies. This program enhances the independent living of older Nevadans through respite care and relief for care giving, transportation options and care in the home to enable older persons to remain at home rather than in institutional placement.

The 2005 Legislature approved increases in Tobacco Settlement Agreement funds of \$136,061 in FY 2005-06 over amounts recommended by the Governor, based on revised revenue estimates by the State Treasurer's office.

The Legislature recommended reductions in the transfer of Tobacco Settlement Agreement funds to the Senior Services Program by \$311,631 in FY 2005-06 and \$315,228 in FY 2006-07, which represents one-half of the amount recommended by the Governor. Decreases in Tobacco Settlement Agreement transfers correspond with the intent of the 2003 Legislature to look to revenue sources other than Tobacco Settlement Agreement funds to fund ongoing programs of the Aging Services Division.

AGING OLDER AMERICANS ACT

The Aging Older Americans Act budget is the primary administrative account and provides for grants and resource development, elder rights and fiscal services for the division.

The 2005 Legislature approved General Fund support in the amount of \$666,997 in each year of the 2005-07 biennium to provide social services and nutrition services for seniors. The Executive Budget recommended and the 2005 Legislature approved funding at this level to continue state support of rural senior centers at the 1989 “hold harmless” level.

The Legislature also approved increases in transfers from the Taxicab Authority of \$57,738 in FY 2005-06 and \$49,338 in FY 2006-07 to support the Senior Ride program, which subsidizes taxicab rides for senior citizens and permanently disabled persons.

SENIOR SERVICES PROGRAM

The 2005 Legislature supported the Governor’s recommendation to add Medicaid Title XIX funding of \$822,561 in FY 2005-06 and approximately \$1.1 million in FY 2006-07 to add four new positions (one Administrative Assistant, two Social Workers and one Social Work Supervisor) to address 144 additional Community Home Based Care Initiative Program (CHIP) cases per month in FY 2005-06 and an additional 41 cases per month in FY 2006-07. The Governor originally recommended seven additional positions to provide additional CHIP waiver slots to serve 160 clients that were on a waiting list. However, based on revised caseload projections provided by the Division for Aging Services, the Legislature reduced the number of CHIP waiver slots, which in turn reduced the number of new positions needed to administer the additional waiver slots from seven to four.

The Legislature concurred with the Governor’s recommendation to add General Funds of \$97,920 in FY 2005-06 and \$127,296 in FY 2006-07 to provide for personal assistance services for state-only CHIP clients. The Legislature also approved the Governor’s recommendation to eliminate patient liability co-payments from the CHIP Medicaid waiver, which reduced General Fund support by approximately \$168,000 in each year of the 2005-07 biennium.

An increase in the rate for personal assistance services contractors from \$17 to \$18.50 per hour was approved by the Legislature. In approving the increase, the Legislature adopted a phased-in approach by implementing a 75-cent per hour increase in FY 2005-06 and a 75-cent per hour increase in FY 2006-07.

EPS/HOMEMAKER PROGRAMS

The Elder Protective Services (EPS) program provides protective services to prevent and remedy abuse, neglect, exploitation and isolation of elderly persons 60 years and older. Services may include investigation, evaluation, counseling, arrangement and referral for other services and assistance. EPS provides alternative solutions for seniors at risk of neglect who otherwise may have to be institutionalized.

The 2005 Legislature approved the Governor's recommendation to add two Social Work Supervisor positions, one in Reno and one in Las Vegas, to reduce the supervisor-to-staff ratio for the Social Services Managers in those offices. The Legislature's approval was based on an understanding that the new supervisors would not carry caseloads and that the Social Workers currently serving as lead staff would return to carrying full caseloads and associated duties.

Two additional EPS Social Worker positions recommended by the Governor were also approved by the Legislature to reduce caseload ratios from 30:1 to 25:1 to improve the quality and availability of services for at-risk adults and elderly persons who are abused, neglected or exploited. The 25:1 ratio is the caseload recommended by the National Association of Adult Protective Services Administrators.

The Legislature approved the addition of \$475,335 in FY 2005-06 and \$468,477 in FY 2006-07 in unallocated Title XX monies to reduce General Fund appropriations recommended in the Governor's budget. The Homemaker program has historically been funded with Title XX monies and Elder Protective Services is also eligible for Title XX funding.

SENIOR CITIZENS PROPERTY TAX ASSISTANCE

The Senior Citizens Property Tax Assistance program provides relief to eligible senior citizens who are carrying an excessive residential property tax burden in relation to their income and through rent payments, pay a disproportionate amount of their income for property taxes.

The 2005 Legislature approved General Fund amounts of \$85,943 in FY 2005-06 and \$23,512 in FY 2006-07 in excess of the amounts recommended by the Governor based on revised estimates for projected growth in eligible claimants and average refund amounts anticipated for eligible seniors.

DIVISION OF CHILD AND FAMILY SERVICES

The Division of Child and Family Services (DCFS) provides a wide array of services to children and adolescents and is organized into three major program areas: Child Welfare Services; Children's Mental/Behavioral Health Services; and Juvenile Justice Services. The division is responsible for child protective and child welfare service delivery in rural Nevada and oversight of urban county-operated child protective and child welfare services programs; children's mental/behavioral health treatment and residential services in urban Nevada; and statewide juvenile justice services including state-operated youth training centers and youth parole.

The money committees made numerous adjustments to the budgets within the DCFS, which resulted in a decrease of \$4.2 million in General Fund support over the 2005-07 biennium to \$192.9 million compared to the Governor's recommendation of \$197.1 million. General Fund support as approved by the 2005 Legislature for the 2005-07 biennium reflects a 15.9 percent increase from the level as approved by the 2003 Legislature for the 2003-05 biennium (\$166.4 million).

CHILD AND FAMILY SERVICES ADMINISTRATION

This account is the central administrative account of DCFS and contains the unclassified Administrator, the division's four unclassified Deputy Administrators, central fiscal, accounting and personnel staff, and, until FY 2005-06, the caseworker staff for Child Welfare, Foster Care and Adoption programs. The 2005 Legislature approved major changes in this budget, which include the transfer out of 85.57 FTE existing child welfare positions and associated costs to the Youth Community Services budget, which was renamed Rural Child Welfare. The division's reorganization, also referred to as the division's budget realignment process, was recommended to align positions, programs and expenditures with the appropriate regional budget account. The Legislature approved numerous decision units recommended in The Executive Budget, which transferred existing positions and expenditures between various budget accounts.

The Governor recommended and the Legislature approved a total of 23 new positions in this budget. Included in the 23 new positions are 15 new positions to reduce the child welfare staff-to-client ratio in the Rural Region from 1:28 to 1:22 in FY 2005-06 and to 1:19 in FY 2006-07. The Executive Budget recommended and the Legislature approved the transfer out of the 15 new positions to the division's Rural Child Welfare budget.

The Legislature also approved six new positions recommended in the budget for a performance-based contracting and monitoring unit. The positions are proposed to establish a strategic plan and use performance measures to improve services. The Performance Based Contracting Unit is a component of the department's proposal to restructure higher levels of care by the redesign of mental health residential treatment services. The department and division submitted this concept during the Legislative Session and indicated that no formal budgetary adjustments were required, but requested flexibility during the 2005-07 biennium to potentially move positions and funds between agencies and budgets within the department. The Legislature approved this concept, which resulted in specific language in the General Appropriations Act (A.B. 576) and also approved a Letter of Intent to the division requiring quarterly progress reports to the IFC on the status of the redesign effort.

The Legislature also approved two new FTE positions recommended in the budget to develop in-house expertise in cost allocation issues. A new Administrative Services Officer III and Management Analyst III will allow the division to amend its cost allocation plan as needed and optimize federal revenue. The Legislature eliminated General Fund support for the positions and substituted federal funds for their cost based on the

assumption that additional federal Title IV-E revenue could be earned through the efforts of the new positions. As part of the division's reorganization and budget realignment process, the Governor recommended and the Legislature approved the transfer in of 11 FTE existing regulatory oversight positions from the Clark County Integration budget and one existing position from Southern Nevada Child and Adolescent Services. The total net positions approved in this budget account are reduced from 160.61 FTE in FY 2004-05 to 86.51 FTE in both years of the 2005-07 biennium.

The 2005 Legislature also approved A.B. 580, which provides a \$200,000 General Fund appropriation to the Legislative Commission to contract with an independent consultant to study and evaluate the health, safety, welfare and civil or other rights of children who are under the care of certain governmental entities or private facilities. Foster homes are not included as a governmental entity or private facility. The consultant is required to: review and evaluate complaints filed by or on behalf of a child; review guidelines, policies and procedures used by governmental entities and private facilities concerning the treatment of children; and perform unannounced site visits and on-site inspections.

The Legislative Commission is required to appoint a Subcommittee to oversee the consultant, who shall provide, at a minimum, quarterly activity reports and a final written report to the Subcommittee by December 15, 2006. Upon acceptance of the final report, the Subcommittee shall forward a copy to the Legislative Commission, who on or before February 5, 2007, shall submit a copy to the 74th Session of the Nevada Legislature.

CLARK COUNTY INTEGRATION

This budget was established during the 2001-03 biennium, solely for the costs related to the integration of child welfare services. The Executive Budget recommended and the Legislature approved the renaming of this budget account from Child Welfare Integration to Clark County Integration. The approved budget contains cost estimates for the continuation of child welfare integration for Clark County and totals \$37.1 million in FY 2005-06 and \$40.8 million in FY 2006-07. The General Fund portion of the approved budget in FY 2005-06 is \$21.7 million, a decrease of 36.7 percent compared to FY 2004-05. In FY 2006-07, the General Fund total of \$23.9 million is a 10.6 percent increase over FY 2005-06. The approved expenditures consist of salary costs, including those for DCFS positions that have been transferred to Clark County, related operating costs, and placement costs for foster care and adoption services.

The Executive Budget recommended and the Legislature approved a total of 52 new FTE positions in this budget account. For Clark County, the Legislature approved 34 new FTE positions including: 24 new positions to reduce the foster care caseload staff-to-client ratio from 1:28 to 1:25 in FY 2005-06 and to 1:22 in FY 2006-07; 9 new FTE for projected caseload increases in Foster Care Licensing; and 1 new FTE for

projected caseload increases in the Interstate Compact on the Placement of Children unit. The Legislature also approved the Governor's recommendation of approximately \$3.7 million over the biennium for projected caseload increases for foster care placements and for adoption subsidies in Clark County.

For Washoe County, the Legislature approved 18 new FTE positions, including 6 new FTE for projected foster care caseload increases and 12 new FTE to reduce the foster care caseload staff-to-client ratio to the same ratios as those approved for Clark County. The Executive Budget also recommended the transfer out of the 18 new positions for Washoe County as well as all related ongoing costs associated with integration to a new budget account to isolate those costs. The Legislature approved that transfer.

In approving the new positions for both Clark and Washoe Counties, the Legislature implemented a phase-in schedule, which reflects slight two to three-month delays in the start dates for approximately one-half of the new staff. The phase-in schedule was adopted since caseload projections will likely gradually increase over the biennium, and to match the recommendation in the budget for new staff for DCFS for the rural region, which similarly were recommended to be phased in.

Several recommendations to transfer out existing staff to other DCFS accounts as part of the division's budget realignment process were also approved. A total of 11 existing FTE Regulatory Oversight staff were transferred to the division's Administration budget, 10 FTE existing Rural Match-up positions and associated costs were transferred to the division's Rural Child Welfare budget and two FTE existing positions were transferred to UNITY, the division's information systems budget.

WASHOE COUNTY INTEGRATION

This is a new account recommended by the Governor and approved by the 2005 Legislature to isolate the costs of child welfare integration for Washoe County into a separate budget account. Approved costs reflect the transfer in of expenditures from other division budgets as part of the division's reorganization and budget realignment process. Legislatively-approved General Fund support totals \$9.1 million in FY 2005-06 and \$10.1 million in FY 2006-07.

The Executive Budget recommended and the Legislature approved a total of \$3.47 million over the biennium for projected caseload increases in Foster Care Placement and Adoption Subsidies costs. The projected caseload increases are based upon population estimates from the State Demographer. A total of \$783,588 was also approved over the biennium for six new FTE staff to accommodate the projected caseload increases. The new staff were recommended by the Governor with an October 1, 2005 start date and include one supervisor, four caseworkers and one clerical position. Similar to closing actions in the Clark County Integration budget, the Legislature implemented a phase-in schedule, which reflects a two-month delay in the start dates for three of the new staff.

The Legislature also approved 12 new positions to reduce the foster care staffing ratio. A total of \$1.19 million was approved over the biennium for six new FTE in FY 2005-06 and six additional FTE in FY 2006-07 to reduce the foster care staffing ratio from 1:28 to 1:25 in FY 2005-06 and from 1:25 to 1:22 in FY 2006-07. In FY 2005-06, the Legislature delayed three of the six new staff recommended for two months until December 1, 2005. In FY 2006-07, the six additional new staff were recommended for a July 1, 2006 start date; however, the Legislature delayed the positions for three months until October 1, 2006, to mirror similar recommendations and closing actions in the budget.

The Governor recommended and the Legislature approved the transfer in of adjusted base budget costs from the Clark County Integration budget. The recommended amounts total \$12.12 million in FY 2005-06 and \$12.40 million in FY 2006-07 and represent ongoing child welfare integration costs for Washoe County. The Legislature modified the revenue to support the adjusted base expenditures by approving additional Title XX Purchase of Social Services funding in the amount of \$54,348 in FY 2005-06 and \$57,776 in FY 2006-07, resulting in a corresponding decrease in General Fund appropriations.

UNITY/SACWIS

The UNITY/SACWIS budget represents the division's compliance with a federal mandate to automate foster care and adoption information systems. The Statewide Adoption and Child Welfare Information System (SACWIS) project, now referred to as Unified Nevada Information Technology for Youth (UNITY), began in FY 1994-95 with business process re-engineering (BPR) and became fully operational statewide in September 2003. The Legislature approved this budget primarily as recommended by the Governor with minimal technical adjustments to the statewide cost allocation and computer hardware amounts. The approved budget funds 43 FTE positions and provides for the continuing operation of the system during the 2005-07 biennium.

The approved General Fund amount of \$3.05 million in FY 2005-06 is a 6.8 percent increase over FY 2004-05. In FY 2006-07, the approved amount is \$3.0 million. The Governor recommended and the Legislature approved the transfer in of a total of 12 FTE positions and associated costs from the Department of Information Technology based on a recommendation from the Information Technology Optimization Study Oversight Committee. The positions were assigned to UNITY during the 2003-05 biennium. The Legislature also approved the transfer in of 2 FTE positions and mainframe costs associated with Clark County utilization of UNITY from the Clark County Integration budget as part of the division's budget realignment process. Also approved is a total of \$791,215 over the 2005-07 biennium for replacement of the division's network hardware and for software upgrades.

CHILD CARE SERVICES BUREAU

The Child Care Services Bureau is responsible for licensing and monitoring child care facilities caring for five or more children not licensed by local entities. Facilities include child care centers, pre-schools, group care homes, institutions and outdoor youth programs. The bureau is also responsible for licensing, monitoring and providing technical assistance to family foster and group foster care homes to reduce the risk of harm to children placed in care.

The 2005 Legislature approved this budget primarily as recommended by the Governor, which includes the transfer out of four FTE Foster Care Social Worker positions and associated costs to the Rural Child Welfare budget as part of the division's budget realignment process. General Fund support for the budget was eliminated for the 2005-07 biennium, primarily due to the transfer out of the existing Social Worker positions and additional federal Child Care Development Block Grant funds approved for this budget. The Legislature also approved one new Child Care Surveyor II position to assume the child care licensing caseload for Carson City.

RURAL CHILD WELFARE

The Executive Budget recommended and the Legislature approved a title change for this account from Youth Community Services to Rural Child Welfare. Historically, this budget had contained only funding for the placement costs of children in the division's care because of abuse, neglect or behavioral/emotional problems. Adoption subsidies for the Rural Region are also paid from this account to adoptive parents of special needs children. The approved budget reflects major changes through the division's reorganization and budget realignment process. In addition to placement related expenses, the budget for the 2005-07 biennium now contains all positions and associated costs for Rural Child Welfare responsibilities. The approved budget continues to reflect foster care placement costs and subsidized adoption costs for the Rural Region, as well as the cost of all higher level placements statewide. The 2005 Legislature approved the budget substantially as recommended by the Governor, which includes General Fund support for FY 2005-06 of \$12.7 million, which represents a 40 percent increase over FY 2004-05. For FY 2006-07, the General Fund amount of \$13.9 million represents a 10 percent increase when compared to the FY 2005-06 amount.

The Legislature approved funding recommended in the budget for provider rate increases for higher levels of care, residential group care and non-residential services. The increases total \$4.6 million over the biennium, and affect Level I through Level III group care, therapeutic foster care and wraparound service providers. The Legislature also approved projected caseload increases in higher level group care placements statewide. In FY 2005-06, the approved budget totals nearly \$1.3 million to accommodate an additional 45 cases over the ending FY 2003-04 total monthly caseload of 437. In FY 2006-07, an additional 24 cases are projected for a total of 69 new cases over the biennium totaling \$2.0 million.

The caseload distribution for higher levels of care group placement is 73 percent Clark County, 16 percent Washoe County and 11 percent rural Nevada. The average cost per case is \$2,350 per month. As noted earlier in the discussion of the division's administration budget, higher levels of care placement expenditures may also be affected by the division's proposal to redesign mental health residential treatment services. The Legislature approved a total of \$355,669 over the biennium for a projected 12 percent annual increase in rural adoption subsidy cases. The increase will provide for 15 new cases in FY 2005-06, for a total of 140 subsidies, with an additional 17 subsidies in FY 2006-07, for a total of 157 subsidies. The average monthly subsidy for the rural region is \$510 per month.

The Legislature also approved 15 new FTE positions (13 in FY 2005-06 and 2 additional in FY 2006-07) to reduce the child welfare staff-to-client ratio in the Rural Region from 1:28 to 1:22 in FY 2005-06 and to 1:19 in FY 2006-07. Legislative approval included a revised phase-in schedule requested by the division designed to assist in the recruitment and retention of Social Workers in the Rural Region. The Legislature further approved issuing a Letter of Intent to the division requesting semi-annual reports to IFC on the progress of hiring the new Social Worker positions and also on the status of Social Worker vacancies in the rural region. Additionally, the division must seek and receive IFC approval prior to utilizing alternative position classifications or downgrading Social Worker positions.

In addition, The Executive Budget recommended and the Legislature approved the transfer in of 100.57 FTE existing staff from several of the division's budgets, including: 4 FTE positions from the Child Care Licensing budget; 10 FTE Rural Match-up positions from the Clark County Integration budget; 85.57 FTE from the division's Administration budget; and 1 FTE position from Northern Nevada Child and Adolescent Services. All transfers are related to the division's budget realignment process.

The Legislature also approved A.B. 580 (Section 51), which, among other things, extends Medicaid coverage for independent foster youth. Prior to this legislation, children who were discharged from foster care at 18 years of age or "aging out" of the foster care system were not eligible for Medicaid health care benefits. This legislation requires the Director of the Department of Human Services to include in the State Plan for Medicaid a requirement that certain former foster children who were in foster care on their 18th birthdays retain eligibility for Medicaid until they reach 21 years of age.

TRANSITION FROM FOSTER CARE

This budget account was established to administer funds for assisting youth transitioning out of foster care at 18 years of age. Assembly Bill 94, passed by the 2001 Legislature, authorized county recorders to charge and collect additional fees, a portion of which is deposited to this account. The funds may be used to provide assistance to youth with training costs, housing assistance and medical insurance and can also be granted to non-profit organizations or used to match federal funds.

The 2005 Legislature approved the budget as recommended by the Governor, which estimates collecting slightly over \$1.3 million in each year of the biennium and expending approximately \$1.8 million each year by utilizing a portion of the reserve balance. Of the \$1.8 million, approximately 53 percent is recommended for Clark County, 25 percent for Washoe County, 13 percent for rural Nevada, and 9 percent for Indian tribes.

WRAPAROUND IN NEVADA

The 2005 Legislature created a new budget account to track the costs of the Wraparound in Nevada Program (WIN) separately. The WIN Program was approved by the 17th Special Session as part of child welfare integration and was designed to serve children in the foster care system with Severe Emotional Disturbance (SED). It is an alternative to traditional mental health services and is an intensive intervention program that provides a high-risk child experiencing emotional or behavioral challenges with a “wrap” of support designed to stabilize the child and family. The Governor recommended the transfer of costs related to the WIN program from the Clark County Integration budget to the Northern Nevada and Southern Nevada Child and Adolescent Services’ budgets as part of the division’s budget realignment process and also recommended the continuation of the program with contract employees. Total continuation costs for the program were recommended at \$1.54 million for Northern Nevada Child and Adolescent Services in each year of the biennium, and \$2.98 million for Southern Nevada Child and Adolescent Services in each year of the biennium.

The Legislature did not approve the Governor’s recommendation and instead created a separate new budget account for the WIN Program. Additionally, the Legislature approved the conversion of the program from contract employees to state employees and added a total of 66 new FTE state positions to support the program. For the Northern and Rural Regions, 26 new positions were added, while 40 new positions were added for the Southern Region. The Legislature added a total of \$482,350 in additional General Fund support over the 2005-07 biennium to support the conversion of the program from contract to state employees. The Legislature felt that the high turnover of contract employees, which averaged 34 percent statewide and as high as 44 percent in the rural region, was adversely affecting the effectiveness of the program. Division representatives indicated that the approved funding would support WIN services for an ongoing caseload of 500 foster children in each year of the 2005-07 biennium.

REVIEW OF DEATH OF CHILDREN

This is a new budget account created as a result of the passage of A.B. 381 of the 2003 Legislative Session. The budget is funded with a \$1 increase (from \$8 to \$9) for a certified copy of a certificate of death. The legislation revised provisions governing multi-disciplinary teams, which review selected cases of death of children under 18 years of age and make recommendations for improvements to policies, practices and laws, which support the safety of children and prevent future deaths of children. The Administrator of DCFS is required to establish an Executive Committee that is charged with developing statewide protocols and distributing an annual report, which must include statistics and recommendations on improving laws, regulatory or policy changes.

The Executive Budget recommended collecting and expending \$150,105 in FY 2005-06 and \$147,705 in FY 2006-07 in revenue from the sale of certified copies of a certificate of death. The Legislature increased revenue and expenditure authority in FY 2006-07 by \$2,400 to match the estimated amount of \$150,105 in FY 2005-06. The approved budget supports a spending plan for multi-disciplinary team and Executive Committee activities including: operating costs; equipment; travel; support activities, including meeting coordination, minutes and report compilation; analysis and data entry; public education, including media campaigns, TV and radio advertisements; and training.

VICTIMS OF DOMESTIC VIOLENCE

The Victims of Domestic Violence budget is primarily funded by the collection of \$20 on each marriage license sold in the state by county clerks. The budget is also funded through an assessment of a \$5 fee for Justices of the Peace celebrating a marriage and Commissioners of Civil Marriages solemnizing a marriage. The program provides grants to non-profit agencies on a statewide basis to provide direct services to victims of domestic violence including shelter, crisis phone access, emergency assistance, advocacy, hospital accompaniment and counseling. There are no positions in this budget.

The Governor recommended a decrease in grant expenditures from \$3.25 million expended in FY 2003-04 to \$2.93 million in each year of the 2005-07 biennium. The Legislature did not approve the Governor's recommendation and instead closed this budget by increasing the amount available for grants to \$3.25 million in each year of the biennium, the same level as the actual expenditures in FY 2003-04. The increase to grants of \$322,603 each year was offset by a reduction in the reserve category. Based on the adjustments, the reserve category balance is \$505,104 each year, approximately the same amount authorized in each year of the 2003-05 biennium.

COMMUNITY JUVENILE JUSTICE PROGRAMS

This budget serves as a pass-through account for federal Office of Juvenile Justice and Delinquency Prevention (OJJDP) funds that are allocated to judicial districts for community-based delinquency prevention programs. The budget also contains the Community Corrections Block Grant program (primarily supported by General Fund) added by the 1997 Legislature, which provides funding to the nine judicial districts to implement programs that reduce or limit commitments to the state. The 2005 Legislature approved this budget as recommended by the Governor, with the exception of several technical adjustments, which reduced General Fund support by \$1,381 over the 2005-07 biennium. The approved budget continues the Community Corrections Partnership Block Grant program at \$666,195 (\$626,195 General Fund and \$40,000 federal OJJDP) in each year of the 2005-07 biennium, the same amount approved in each year of the 2003-05 biennium.

JUVENILE ACCOUNTABILITY BLOCK GRANT

The Juvenile Accountability Block Grant account was established in FY 1998-99 to accept grant funds from the federal OJJDP. With the exception of minor technical adjustments, the 2005 Legislature approved this budget as recommended by the Governor. The grant requires that 75 percent of the funds be passed through to Nevada's judicial districts for programs that reduce juvenile delinquency. A total of 20 percent of the grant is discretionary and is transferred to the Summit View Youth Correctional Center budget to assist in the cost of operations. The amount approved for Summit View support is \$99,140 in each year of the 2005-07 biennium, a reduction from the \$292,365 approved for each year of the 2003-05 biennium. The remaining five percent of the grant is retained in this budget to fund salary and related costs. The approved budget reflects a reduced grant award of \$495,700 (federal FY 2004) and results in the reduction of positions from 2.51 FTE in FY 2004-05 to 1.51 FTE in FY 2005-06 and no FTE positions in FY 2006-07. The budget for the 2003-05 biennium reflected an annual grant award of \$1.95 million (federal FY 2002).

YOUTH ALTERNATIVE PLACEMENT

The Youth Alternative Placement budget primarily contains funding payments to the China Spring Youth Camp in Douglas County and the Spring Mountain Youth Camp in Clark County. County Participation Fee revenue collection authority is also contained in this account and represents fees assessed to and collected from all counties except Clark for the operation of the China Spring Youth Camp. The Governor recommended a flat budget of approximately \$2.7 million in each year of the 2005-07 biennium. The recommended amount continued funding support at FY 2004-05 levels for the China Spring Youth Camp, the Aurora Pines Girls Facility and the Spring Mountain Youth Camp in each year of the 2005-07 biennium. The Legislature approved the Governor's recommendation of \$341,809 each year in General Fund support for the Spring Mountain Youth Camp.

Regarding the budget for the China Spring Youth Camp and the Aurora Pines Girls Facility, the Legislature approved the Governor's recommendation to continue expenditure levels in each year of the 2005-07 biennium at the FY 2004-05 approved level of approximately \$2.4 million. However, the Legislature modified the Governor's recommendation by restoring the historical funding ratio of 36.8 percent General Fund and 63.2 percent county funds to the revenue mix that supports those expenditures. The historical funding ratio had been in effect from FY 1989-90 through FY 2002-03. The ratio changed in the 2003-05 biennium due to a request by China Spring representatives to fund program increases with 100 percent county funds. That request was ultimately recommended by the Governor and approved by the 2003 Legislature. The Governor had recommended continuation of the FY 2004-05 ratio of 29.6 percent state funds and 70.4 percent county funds in each year of the 2005-07 biennium. The cost for the Legislature to restore the historical ratio to the Governor's recommended budget was \$169,341 in each year of the 2005-07 biennium in additional General Fund support, for a total of \$338,682 over the biennium. County Participation Funds were reduced by the same amounts.

Additionally, the 22nd Special Session of the Nevada Legislature passed S.B. 1, which provided funding for enhancements requested by Douglas County representatives for the China Spring and Aurora Pines Girls Facility budgets. The requested enhancements totaled \$461,502 in FY 2005-06 and \$527,563 in FY 2006-07 and will provide for merit salary increases, holiday pay, utility and food cost increases, and the addition of six new FTE staff. The new positions were requested to achieve a 1:10 staffing ratio during waking hours and to maintain a 1:20 ratio during sleeping hours.

Senate Bill 1 provides for the General Fund portion of the enhancement request, which by utilizing the historical ratio of 36.8 percent state General Funds, totals \$169,833 in FY 2005-06 and \$194,143 in FY 2006-07 or \$363,976 over the biennium. The remainder of costs over the biennium totaling \$625,089 will be supported with county funds.

JUVENILE CORRECTIONAL FACILITY

The Juvenile Correctional Facility budget funds the operation of the Summit View Youth Correctional Center, a secure male juvenile correctional facility for serious and chronic offenders, located near Nellis Air Force Base. The 96-bed facility opened on June 1, 2000. The private contractor who was retained to operate the facility chose to cease operating the facility in March 2002. The facility was essentially "mothballed" from March 2002 until January 2004 when the state resumed operation of the facility with state employees. The legislatively-approved budget for the 2005-07 biennium is primarily a continuation budget reflecting full operation with 86 FTE existing employees; no new positions were recommended by the Governor or added by the Legislature.

The Executive Budget recommended approximately \$1.3 million in each year of the biennium for debt retirement on the construction costs of the facility. Due to savings realized from refinancing, the Legislature reduced the entire recommended amount of \$1.27 million in FY 2005-06 with the exception of \$500 for required trust fee expenses. In FY 2006-07, the recommended amount of \$1.28 million was reduced, leaving \$178,711 for the balance of the debt retirement payment, plus \$500 for the trust fee. The actions resulted in corresponding General Fund savings of \$2.37 million over the 2005-07 biennium.

Based upon a recalculation of projected overtime costs for the 2005-07 biennium, the Legislature increased General Fund support for overtime pay by a total of \$90,537 over the amounts recommended in the budget. Additionally, the amount recommended for Private Contractor Placements was reduced from \$109,500 each year to \$54,750 each year, resulting in a General Fund reduction. The adjusted amount will provide for one placement for 365 days in each year of the biennium. The Legislature also approved a two-grade salary increase recommended in the budget for all classified correctional personnel, including the Assistant Superintendent, Head Group Supervisors, Assistant Head Group Supervisors, Group Supervisor II, III, and IVs and Correctional Nurses. A total of \$151,446 in General Fund support recommended by the Governor in each year of the 2005-07 biennium for additional psychiatric and prescription medication services for the youth population was also approved.

CALIENTE YOUTH CENTER

The Caliente Youth Center is a co-educational juvenile residential correctional facility that serves youth between the ages of 12 and 18 and has a capacity of 140 youth. Currently, four of the seven housing units are for males, with the remaining three housing units dedicated to females. The Governor recommended and the 2005 Legislature approved, 12 new FTE staff (10 Group Supervisor II positions, a Training Officer I and an Administrative Assistant II) to enhance the direct care staff-to-client ratio from 1:10 during waking hours to 1:8. The current 1:16 sleeping hours ratio remains in effect. The United States Department of Justice recommended the approved ratio as a follow-up to a Civil Rights for Institutionalized Persons Act (CRIPA) investigation at the Nevada Youth Training Center (NYTC) in Elko in early February 2002. The new positions are in addition to 19 new FTE staff approved by the 2003 Legislature which were similarly recommended by the Governor to enhance the direct care staff-to-client ratio and to provide health care coverage for evenings, weekends and holidays.

The Legislature also approved a two-grade salary increase recommended in the budget for all classified correctional personnel, including the Assistant Superintendent, Head Group Supervisors, Assistant Head Group Supervisors, Group Supervisor II, III, and IVs and Correctional Nurses. The Governor recommended \$209,071 in FY 2005-06 for facility maintenance, which was approved by the Legislature and includes the replacement of carpet and lighting fixtures. The Legislature also reduced overtime pay

from the recommended amount of \$168,719 in each year of the biennium to \$101,201 in FY 2005-06 and to \$103,214 in FY 2006-07 for a total reduction of \$133,023 over the biennium. The adjustment was based upon a recalculation of projected overtime costs and resulted in a reduction of General Fund support.

NEVADA YOUTH TRAINING CENTER

The Nevada Youth Training Center at Elko is a 24-hour residential treatment facility for male youth between 12 and 18 years of age. At capacity, the center can accommodate 160 youth and provides educational and remedial programs, counseling services, rehabilitative training and recreational activities. The center operates an accredited junior/senior high school. The Governor recommended, and the 2005 Legislature approved, 15 new FTE staff (13 Group Supervisor II positions, a Training Officer I and a Personnel Technician III) to enhance the direct care staff-to-client ratio from 1:10 during waking hours to 1:8 and to provide necessary staff support. The United States Department of Justice recommended the approved ratio as a follow-up to a Civil Rights for Institutionalized Persons Act (CRIPA) investigation conducted at the Training Center in Elko in early February 2002. The new positions are in addition to 23 new FTE staff approved by the 2003 Legislature that were also recommended by the Governor to enhance the direct care staff-to-student ratio and to provide health care coverage for evenings, weekends and holidays. The Governor recommended one new Academic Teacher for the center's accredited Junior/Senior High School for students with disabilities, which was similarly approved by the Legislature.

The Legislature also approved a two-grade salary increase recommended in The Executive Budget for all classified correctional personnel, including the Assistant Superintendent, Head Group Supervisors, Assistant Head Group Supervisors, Group Supervisor II, III, and IVs and Correctional Nurses. The Governor recommended \$500,000 in FY 2005-06 for deferred facility maintenance, which was approved by the Legislature and will provide for sidewalk renovation on the facility's campus. The Legislature approved \$135,868 in General Fund support recommended for equipment replacement including two vans, a sedan, washers, dryers, kitchen equipment and lawn and grounds maintenance equipment. The Legislature also reduced overtime pay from the recommended amount of \$428,849 for the biennium to \$209,452 for a total reduction of \$219,397 over the biennium. The adjustment was based on a recalculation of projected overtime costs and resulted in a reduction in General Fund support. The Legislature also approved CIP C-35, which provides \$3.83 million in state funding for the completion of remodeling of the gymnasium and multi-purpose building.

YOUTH PAROLE SERVICES

Youth Parole Services provides supervision, counseling, residential and aftercare services to youth (male and female) released from the Summit View Youth Correctional Center, the Nevada Youth Training Center at Elko, the Caliente Youth Center, the China Spring Youth Camp (state commitments), youth committed to out-of-state programs, and delinquent youth who require inpatient mental health treatment. Offices are

maintained in Las Vegas, Reno, Fallon and Elko. The 2005 Legislature approved this budget substantially as recommended by the Governor, which included the elimination of three FTE positions in FY 2006-07, from 39.02 to 36.02 FTE, based on the expiration of the federal Going Home grant. No new positions were recommended in the budget. The Legislature also approved the transfer in of Youth Parole placement costs from the Rural Child Welfare budget as part of the division's budget realignment process. The approved funding totals \$1.2 million in each year of the 2005-07 biennium, with \$905,265 consisting of General Fund each year. The funding provides for out-of-home care or alternative placements for paroled youth or youth who have been committed to the division's custody and cannot return to their caretakers.

The Executive Budget also recommended and the Legislature approved, the continuation of contract services funding for the Transitional Community Reintegration (TCR) program at \$833,887 in each year of the 2005-07 biennium. This program was added by the 1997 Legislature as an alternative program to assist in relieving overcrowding in both local juvenile detention facilities and state operated training centers and provides day treatment and residential services. The Legislature also passed S.B. 43, which adopts a revised Interstate Compact on Juveniles. The new compact retains cooperation among states in tracking and supervising juveniles who move across state borders. It also establishes an Interstate Commission to administer the compact and the Nevada State Council for Interstate Juvenile Supervision, which has policymaking and oversight authority concerning operation of the compact in Nevada. The Senate Committee on Finance issued a Letter of Intent to the division authorizing them to approach the IFC for funding for a required new position at the time the compact is enacted by 35 states. The legislation becomes effective on July 1, 2006 or upon enactment of the Interstate Compact for Juveniles into law by the 35th jurisdiction, whichever is later.

NORTHERN NEVADA CHILD AND ADOLESCENT SERVICES

Northern Nevada Child and Adolescent Services (NNCAS) provides a continuum of mental health services to emotionally disturbed children, adolescents and their families. Programs for Washoe County, Carson City and northern Nevada rural counties include outpatient counseling, day treatment, intensive treatment homes and inpatient services. General Fund support increases from \$2.2 million in FY 2004-05 to \$3.1 million in FY 2005-06, a 43.5 percent increase. In FY 2006-07, the approved amount is \$3.04 million. The 2005 Legislature approved the Governor's recommendation to add 9.04 FTE staff to address waiting lists for Outpatient and Early Childhood caseloads. For Outpatient Services (between 6 and 17 years of age) four new positions were approved and for Early Childhood Services (between birth and 6 years of age) three new positions were approved. Two .51 FTE Accounting Assistant positions and two .51 FTE Administrative Assistant positions were also approved to provide support to the clinical positions. The Legislature approved three new FTE staff recommended in the budget to provide utilization review for the Medicaid Rehabilitation Mental Health Services Program, as well as a two-grade salary increase for Psychiatric Nurse positions.

The Executive Budget recommended the transfer in of \$1.5 million in each year of the 2005-07 biennium in WIN expenses from the Clark County Integration budget as part of the division's budget realignment process. The recommendation proposed continuing the WIN Program with contract employees. The Legislature did not approve this recommendation and instead approved the conversion of the WIN Program from contract employees to state employees. The approved budget adds 26 FTE new state employees (compared to 23 contract employees) and associated operating and non-residential treatment services costs. The Legislature approved a separate budget account to identify more clearly the costs of the WIN Program. The Legislature also approved the transfer in of \$212,880 in General Fund in each year of the biennium in Mental Health Placement expenditures from the Rural Child Welfare budget for children that are ineligible for Medicaid or the Nevada Checkup Program. Additionally, the Legislature approved a total of \$263,087 in General Fund support over the biennium as recommended by the Governor for deferred facilities maintenance including building envelope (exterior) sealing and weatherproofing and carpet replacement.

SOUTHERN NEVADA CHILD AND ADOLESCENT SERVICES

Southern Nevada Child and Adolescent Services (SNCAS) provides a comprehensive continuum of behavioral health care services for emotionally disturbed children and adolescents from birth through 18 years of age. Programs include outpatient counseling, day treatment, intensive treatment homes and inpatient services. Legislatively-approved General Fund support increases from \$8.0 million in FY 2004-05 to \$8.8 million in FY 2005-06, a 10.6 percent increase. In FY 2006-07, a total of \$9.4 million was approved in state funding, which represents an additional 6.6 percent increase over FY 2005-06. The increase is primarily due to the transfer in of programs and expenses from other division budget accounts as part of the division's budget realignment process and from a large transfer in of General Fund from the Division of Health Care, Financing and Policy.

The Executive Budget recommended and the Legislature approved 11.51 FTE new positions for projected waiting lists for Children's Clinical Services and Early Childhood Services. For Children's Clinical Services (children and adolescents 6 through 17 years of age) six FTE clinical staff were approved, and for Early Childhood Services (birth to 6 years of age), four FTE positions were approved. An Accounting Assistant III and a .51 FTE Program Assistant II were also approved to provide support to the clinical positions.

Additionally, five new FTE positions recommended by the Governor were approved to provide utilization review for the Medicaid Rehabilitation Mental Health Services Program. The Legislature also approved a two-grade salary increase for Psychiatric Nurse positions and the restoration of a .51 FTE Psychiatric Caseworker II position that

was transferred to Clark County through child welfare integration. The Budget Division submitted an amendment requesting the restoration of the position. The Legislature also approved the transfer in of 7.51 FTE existing positions from the division's Administration budget recommended by the Governor as part of the division's budget realignment process.

The Executive Budget recommended the transfer in of nearly \$3 million annually for WIN expenses from the Clark County Integration budget as part of the division's budget realignment process. The recommendation proposed continuing the WIN Program with contract employees. The Legislature did not approve this recommendation and instead approved the conversion of the WIN Program from contract employees to state employees. The approved budget adds 40 FTE new state employees (compared to 40 contract employees) and associated operating and non-residential treatment services costs. The Legislature approved a separate budget account to identify more clearly the costs of the WIN Program. The Legislature also approved the transfer in of \$2.1 million in FY 2005-06 and \$2.3 million in FY 2006-07 in General Fund support from the Division of Health Care, Financing and Policy recommended by the Governor to provide the match for Medicaid funds for eligible services provided to children and adolescents. The Legislature also approved the transfer in of \$261,600 in General Funds in each year of the biennium in Mental Health Placement expenditures from the Rural Child Welfare budget for children that are ineligible for Medicaid or the Nevada Checkup Program.

The Legislature concurred with the Governor's recommendation to provide \$279,173 in General Fund support over the 2005-07 biennium for projected inflationary increases in prescription drug prices for patients at the 56-bed Desert Willow Treatment Center and \$225,629 in General Fund support over the 2005-07 biennium for deferred facilities maintenance including carpet replacement and HVAC maintenance. The Governor also recommended and the Legislature approved a total of \$906,584 in General Fund support over the biennium to continue the implementation of the new AVATAR billing system, which was approved during the 2003 Session. The approved funding is included in the Department of Administration's Information Technology Project budget. Approximately one-half of the approved amount (\$457,300) is for the implementation of the Clinician Workstation component of AVATAR for SNCAS. This component is scheduled to be implemented at NNCAS in FY 2004-05. The remainder of costs consists of software licensing costs and interface programming costs with the UNITY system. The Legislature also approved CIP-M21, which provides \$446,626 in state funding for a back-up generator for the HVAC system at the Desert Willow Treatment Center.

STATE PUBLIC DEFENDER

The Office of the State Public Defender represents indigent criminal defendants when a court appoints the office as counsel. The office currently provides services for Carson City, Storey County, Humboldt County, Pershing County, Eureka County, Lincoln County and White Pine County. The ten remaining counties provide their own public defender services through a county public defender or by contracting with a private attorney to provide those services. The office also handles appeals for state prison inmates whose habeas corpus post-conviction petitions have been denied. The office is funded through a combination of General Funds and reimbursements from the counties that use the services of the office. Each county's share of the costs for the office is based on the services rendered to that county and the state share is based on the costs of prison cases, post-conviction cases, and appellate and administrative functions of the office.

Due to an oversight in The Executive Budget, post-conviction relief expenditures, which are required to be funded with General Fund appropriations, were funded partially with county fee revenues. Although a budget amendment was submitted to increase the General Fund appropriation for the budget by \$397,029 in each year of the biennium, the Legislature determined that the state has been subsidizing services provided by the office that should be paid by the counties. Time records provided by the office indicate that on average, the office has spent approximately 80 percent of its time on duties that should be funded by the counties and approximately 20 percent of its time on duties that should be funded by the state.

Because the Public Defender was statutorily required, not later than December 1, 2004, to provide the counties participating in the office's services with an estimate of the cost for those services during the 2005-07 biennium, the Legislature decided to fund non post-conviction relief expenditures for FY 2005-06 using an allocation percentage of 53 percent county fees and 47 percent General Funds. For FY 2006-07 the Legislature applied an allocation percentage of 65 percent county fees and 35 percent General Funds. The money committees issued a Letter of Intent notifying the counties using the services of the office that they will be expected to fund fully the services they receive from the office during the 2007-09 biennium.

DEPARTMENT OF EMPLOYMENT, TRAINING AND REHABILITATION

The Department of Employment, Training and Rehabilitation (DETR) is comprised of the Director's Office and four divisions: Employment Security, Equal Rights, Information Development and Processing and Rehabilitation. The department is responsible for providing employment, training and rehabilitation services that meet the needs of Nevada's citizens, employers, employees and job seekers, to maximize independence, self-sufficiency and participation in the workforce. The primary funding sources for the

department are federal funds from the U.S. Departments of Labor, Education, and Health and Human Services; the Social Security Administration; a .05 percent surcharge on wages paid by Nevada employers; and interest and forfeitures of employer unemployment taxes.

For the 2005-07 biennium, total funding approved for the department is \$254.7 million, which represents an approximate 2.3 percent decrease from the amount approved for the 2003-05 biennium. General Fund support for the department totals \$10.1 million, an increase of 5.4 percent when compared to the funding approved for the 2003-05 biennium. The budget reductions are primarily related to expected reductions in federal funding for the administration of the Unemployment Insurance Program and to align expected revenue and expenditure authority for the other federally funded programs administered by the Employment Security Division.

ADMINISTRATION

The department's administrative account consists of the Director's Office, Human Resources, Financial Management, Office Services, Public Information and Auditing and provides management and support services to the other agencies within the department. The 2005 Legislature approved funding in this account for two new positions, a Maintenance Repair Worker and a Supply Technician, to support the southern Nevada operations of the department, including servicing the new Las Vegas administrative building that is projected to be completed in FY 2005-06. The 2005 Legislature approved the department's recommendation for the elimination of nine vacant positions to reduce the administrative cost allocation to the Employment Security Division due to the projected reduction in federal funding for the division.

INFORMATION DEVELOPMENT AND PROCESSING DIVISION

The Information Development and Processing Division consists of two units: the Research and Analysis Bureau and the Information Technology Bureau. The Research and Analysis Bureau is the primary source of labor market and economic information for the department, including state and local labor force, employment, occupational, career, general economic and demographic information. The Information Technology Bureau is responsible for the department's mainframe and server-based application development, system administration and operation, personal computer and network operations and maintenance, and information technology planning for the department.

The 2005 Legislature approved the department's recommendation for the elimination of seven vacant positions to reduce the administrative cost allocation to the Employment Security Division due to the projected reduction in federal funding for the division. Funding of approximately \$2.0 million over the biennium was approved by the 2005 Legislature for computer hardware, software and network infrastructure for the division. In approving the funding, the Legislature reduced the Governor's recommended funding level by \$206,600 for duplicative software license costs and network infrastructure costs. In addition, the Legislature concurred with the Governor's

recommendation to provide funding of \$138,315 for an additional computer server and software licensing costs to accommodate growth in data warehousing applications within the department. The computer server will also serve as a test and backup host machine for the unemployment insurance data verification system and the one-stop operation system applications.

EQUAL RIGHTS COMMISSION

The Nevada Equal Rights Commission investigates and resolves complaints of discrimination in employment, housing and public accommodations related to race, religion, age, gender, disability, national origin or ancestry. Funding for this account is primarily from a General Fund appropriation with additional funding provided through a contract with the federal Equal Employment Opportunity Commission (EEOC) for a specific number of intakes and case closures for employment discrimination cases.

The Executive Budget recommended authorizing funding of \$201,250 over the 2005-07 biennium from the federal Department of Housing and Urban Development (HUD) for the Nevada Equal Rights Commission to accept and investigate HUD housing discrimination complaints. The Legislature expressed concerns regarding the reallocation of existing staff currently responsible for investigation of employment discrimination complaints and the potential impact on the timeliness of processing those complaints. The Legislature was also concerned about the adequacy of the resources that the federal government would provide if the state entered into a contract to assume the responsibility for investigating housing discrimination complaints. As a result, the Legislature approved replacing the federal HUD revenues with federal EEOC revenues with the existing staff continuing to be dedicated to investigating employment discrimination cases. The Legislature did approve A.B. 5 in the 22nd Special Session, which requires legislative approval for the commission to enter into contracts or memorandums of understanding with the federal government to investigate and enforce laws relating to fair housing.

REHABILITATION ADMINISTRATION

The Rehabilitation Division is comprised of three bureaus: Vocational Rehabilitation, Services to the Blind and Visually Impaired, and Disability Adjudication. The division also includes the Client Assistance Program and the Office of Disability Employment Policy, which was established by the 2003 Legislature from the former Governor's Committee on Employment of People with Disabilities.

The 2005 Legislature approved the reclassification of the bureau chiefs of the Bureau of Services to the Blind and Visually Impaired and the Bureau of Vocational Rehabilitation to Deputy Administrators for the Rehabilitation Division as recommended in an occupational group study performed by the Department of Personnel and reflected in The Executive Budget. Although not recommended by the Governor, the Legislature approved the transfer of these two positions to the Rehabilitation Administration account to recognize the responsibilities each of the Deputy Administrators would have for

managing the program services and operations functions within both bureaus. In addition, the 2005 Legislature approved A.B. 28, which transferred the statutorily defined powers and duties of the two former bureau chiefs to the Rehabilitation Division Administrator position.

BUREAU OF DISABILITY ADJUDICATION

The Bureau of Disability Adjudication is responsible for providing medical disability decisions to individuals in Nevada who file claims for disability benefits under the federal Social Security Administration's Disability Insurance and Supplemental Security Income Disability programs. The bureau also conducts evidentiary hearings for those disability beneficiaries who are recommended for benefits termination.

The 2005 Legislature concurred with the Governor's budget recommendation to add 17 new positions, funded by the federal Social Security Administration, to address projected growth in caseloads for disability determinations. In approving the recommendation, the Legislature eliminated an existing Administrative Aid position that had been vacant since it was established in September 2002. In addition, the Legislature approved an increase of approximately \$1.4 million in funding for contract medical consultants and medical examinations related to the projected increase in the disability determination caseload. In approving this funding, the Legislature modified the Governor's budget recommendation to reflect an average caseload for the new adjudicator positions of 560 cases per year, thereby aligning with the actual average caseload experienced in FY 2003-04. The Legislature also approved the Governor's recommendation for additional funding for inflationary increases in medical consultants and medical examinations but did not approve the recommended increase in client medical travel costs.

BUREAU OF VOCATIONAL REHABILITATION

The Bureau of Vocational Rehabilitation provides rehabilitation services to eligible individuals with disabilities to assist them in preparing for and obtaining employment and self-sufficiency. In considering additional funding for the Bureau of Vocational Rehabilitation, the 2005 Legislature expressed concerns relative to the agency's inability during previous fiscal years to fully utilize federal funds awarded. Based on these concerns, the Legislature approved increasing the authorization for receipt of federal funds by approximately \$1.6 million as recommended by the Governor, but appropriated the required General Fund matching funds of \$427,510 to the IFC. The Legislature included language in the General Appropriations Act that authorizes the IFC to allocate these funds only upon expenditure of all matching funds within the Bureau of Vocational Rehabilitation account that are included in the base budget.

In order to fully fund the position reclassifications included in the occupational group study of rehabilitation positions performed by the Department of Personnel, the Legislature approved additional funds in the amount of \$227,251 over amounts recommended in The Executive Budget.

BUREAU OF SERVICES TO THE BLIND AND VISUALLY IMPAIRED

The Bureau of Services to the Blind and Visually Impaired provides services to persons who are blind, deaf/blind and/or severely visually impaired to assist them in achieving employment, independent living and self-sufficiency. The Bureau also administers the Blind Business Enterprise program statewide. Similar to the Bureau of Vocational Rehabilitation, the 2005 Legislature expressed concerns about the agency's ability to utilize fully the federal funds awarded. Therefore, the Legislature appropriated the \$154,802 in General Fund matching monies over the base budget amount that was recommended by the Governor to the IFC for allocation during the biennium as needed.

In order to fully fund the position reclassifications included in the occupational group study of rehabilitation positions performed by the Department of Personnel, the Legislature approved additional funds in the amount of \$42,229 over the Governor's budget recommendation for this item. The Legislature concurred with the Governor's recommendation to approve funding of \$703,350 in FY 2005-06 and \$484,125 in FY 2006-07 for expansion of the Blind Business Enterprise program. The funding will provide for additional training for blind vendors, the remodel of three existing blind vendor facilities, and the addition of four new blind vendor facilities during the 2005-07 biennium.

EMPLOYMENT SECURITY DIVISION

The Employment Security Division (ESD) is responsible for programs that pay unemployment insurance (UI) benefits, collect UI premiums, and provide job placement services and labor market information to employers and job seekers. In the division's administrative account, the 2005 Legislature authorized funding of approximately \$106 million for the 2005-07 biennium consisting primarily of federal funds. The Legislature reduced the Governor's budget recommendations for the division's administrative account by approximately \$9.2 million for the 2005-07 biennium primarily as a result of information provided by the department addressing the expected reductions in federal funds for programs administered by the division. The budget reductions include the elimination of 33.53 vacant positions and the reduction of funding in the amount of \$1.25 million for each year of the biennium for hiring intermittent positions. The division is budgeted \$150,000 in each year of the biennium to hire intermittent positions as needed to accommodate short-term increases in workload. In addition, due to the projected decrease in federal funds the Legislature approved the transfer of approximately \$1.1 million over the biennium from the ESD Special Fund for the purchase of recommended replacement equipment, in lieu of additional budget reductions.

CAREER ENHANCEMENT PROGRAM

The Career Enhancement Program is funded through a .05 percent surcharge on wages paid by Nevada employers and provides re-employment services and training programs to enhance the skills of both employed and unemployed individuals in the state. To address projected increases in the number of skilled workers needed in Nevada, the Legislature concurred with the Governor's recommendation to add ten new positions phased-in over the 2005-07 biennium to provide employment and training services. In addition, the Legislature approved an additional \$1 million annually to expand the amount of funding available for employed and unemployed workers for skills enhancement training. Due to the savings generated for the Unemployment Trust Fund, the Legislature approved the Governor's recommendation to provide funding from reserves of \$400,000 in each year of the biennium for ten intermittent positions to continue the re-employment services program. Federal funds previously available for this program were set to expire at the end of FY 2004-05.

EMPLOYMENT SECURITY SPECIAL FUND

As recommended by the Governor, the 2005 Legislature approved funding of approximately \$1.3 million for furnishings and equipment for the new Las Vegas administrative building for the department and funding of \$150,475 for moving staff, communications and equipment into the new building. In addition, the Legislature approved \$919,000 for building maintenance of agency-owned buildings, reducing the Governor's recommendation by \$35,600 for projects related to the Incline Village building that the department proposed to sell.

The 2005 Legislature did not approve funding of approximately \$1.5 million for completion of the second phase of the rewrite of the Unemployment Insurance Contributions Automated Reporting System. The department indicated it would suspend the remainder of the project until after deployment of the Internet employer registration and tax and wage reporting modules in July 2005 and review options for completion of the system with submittal to the 2007 Legislature of any proposal for enhancements to the system.

**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
HUMAN SERVICES				
DHHS - DIRECTORS OFFICE				
DHHS ADMINISTRATION	3,016,326	1,663,216	1,746,814	1,692,145
GENERAL FUND	888,852	1,239,187	1,199,704	1,259,685
BALANCE FORWARD	42,159			
FEDERAL FUND		20,000	145,000	125,000
INTER AGENCY TRANSFER	2,085,315	404,029	402,110	432,460
DEVELOPMENTAL DISABILITIES	560,588	706,099	712,001	686,053
GENERAL FUND	108,561	163,567	169,469	163,766
BALANCE FORWARD	5,653			
FEDERAL FUND	446,374	462,340	462,340	462,356
INTER AGENCY TRANSFER		80,192	80,192	59,931
COMMUNITY BASED SERVICES	9,032,964	9,567,072	9,199,731	8,906,891
GENERAL FUND	2,906,951	4,809,509	4,445,758	5,149,749
BALANCE FORWARD	3,130,088	2,938,406	2,938,406	2,091,960
FEDERAL FUND	1,324,124	555,341	553,527	372,789
INTER AGENCY TRANSFER	366,288	364,973	364,096	393,622
OTHER FUND	1,305,513	898,843	897,944	898,771
HEALTHY NEVADA FUND	19,105,364	18,194,814	16,971,646	20,877,277
GENERAL FUND	2,128,180	2,130,424	782,302	2,132,050
INTER AGENCY TRANSFER		979	979	1,986
OTHER FUND	16,977,184	16,063,411	16,188,365	18,743,241
DHHS BCBS SETTLEMENT	225,000	150,000	150,000	150,000
BALANCE FORWARD	75,000			
OTHER FUND	150,000	150,000	150,000	150,000
DHHS, GRANTS MANAGEMENT UNIT	30,310,382	28,372,500	30,506,369	28,385,290
GENERAL FUND	2,859,663	2,975,857	2,991,242	2,977,966
BALANCE FORWARD	194,049		1,392,305	985,207
FEDERAL FUND	16,505,561	16,628,066	16,627,899	16,627,972
INTER AGENCY TRANSFER	10,751,109	8,668,577	9,394,923	8,679,352
OTHER FUND		100,000	100,000	100,000
DHHS, CHILDREN'S TRUST ACCOUNT	1,623,758	845,625	943,761	746,209
BALANCE FORWARD	918,259	225,880	319,064	109,332
OTHER FUND	705,499	619,745	624,697	636,877
SUB-FUNCTION RECAP				
DHHS - DIRECTORS OFFICE	63,874,382	59,499,326	60,230,322	61,443,865
GENERAL FUND	8,892,207	11,318,544	9,588,475	11,683,216
BALANCE FORWARD	4,365,208	3,164,286	4,649,775	2,201,292
FEDERAL FUND	18,276,059	17,665,747	17,788,766	17,463,117
INTER AGENCY TRANSFER	13,202,712	9,518,750	10,242,300	9,567,351
OTHER FUND	19,138,196	17,831,999	17,961,006	20,528,889

**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
HUMAN SERVICES					
HEALTH CARE FINANCING & POLICY					
HEALTH CARE FINANCING & POLICY	6,914,359	19,050,061	19,486,425	19,496,964	19,650,929
GENERAL FUND	1,818,670	2,012,925	1,841,115	2,057,555	1,875,589
BALANCE FORWARD	51,557				
FEDERAL FUND	3,125,364	14,985,588	15,268,282	15,462,817	15,591,694
INTER AGENCY TRANSFER	64,952	399,308	589,454	459,818	534,850
OTHER FUND	1,853,816	1,652,240	1,787,574	1,516,774	1,648,796
HCF&P, NEVADA MEDICAID, TITLE XIX	1,151,085,687	1,171,821,358	1,198,868,270	1,248,934,303	1,271,404,643
GENERAL FUND	344,402,930	382,802,612	384,919,350	419,842,446	428,556,825
BALANCE FORWARD	3,914,951	2,382	2,382	2,382	2,382
FEDERAL FUND	688,862,952	687,326,996	700,968,808	725,936,306	729,973,889
INTER AGENCY TRANSFER	88,791,632	78,631,280	89,320,463	79,707,559	89,072,835
OTHER FUND	25,113,222	23,058,088	23,657,267	23,445,610	23,798,712
HCF&P, HIFA MEDICAL		1,021,109	62,500	32,258,646	22,402,699
FEDERAL FUND		619,732	31,250	20,519,812	14,333,023
INTER AGENCY TRANSFER		401,377	31,250	11,738,834	8,069,676
INCREASED QUALITY OF NURSING CARE	16,590,847	17,763,009	17,763,009	17,867,262	17,763,488
BALANCE FORWARD	2,803,730	1,372,787	1,372,787	1,400,000	1,296,226
OTHER FUND	13,787,117	16,390,222	16,390,222	16,467,262	16,467,262
HCF&P, NEVADA CHECK-UP PROGRAM	35,112,016	40,580,181	37,905,925	45,412,963	42,856,762
GENERAL FUND	10,407,391	11,154,833	10,255,282	12,653,439	11,804,595
BALANCE FORWARD	5,198				
FEDERAL FUND	22,813,066	27,995,786	26,159,405	31,323,242	29,443,308
INTER AGENCY TRANSFER	225,000	157,116	156,189	163,836	162,762
OTHER FUND	1,661,361	1,272,446	1,335,049	1,272,446	1,446,097
HCF&P, HIFA HOLDING ACCOUNT		695,237	413,677	12,053,411	8,359,944
GENERAL FUND		347,619	206,839	6,026,706	4,179,972
INTER AGENCY TRANSFER			206,838		4,179,972
OTHER FUND		347,618		6,026,705	
HCF&P INTERGOVERNMENTAL TRANSFER	81,362,120	71,292,556	78,339,106	72,448,972	79,374,544
BALANCE FORWARD	5,186,142	5,807,865	5,807,865	6,084,812	5,238,618
OTHER FUND	76,175,978	65,484,691	72,531,241	66,364,160	74,135,926
SUB-FUNCTION RECAP					
HEALTH CARE FINANCING & POLICY	1,291,065,029	1,322,223,511	1,352,838,912	1,448,472,521	1,461,813,009
GENERAL FUND	356,628,991	396,317,989	397,222,586	440,580,146	446,416,981
BALANCE FORWARD	11,961,578	7,183,034	7,183,034	7,487,194	6,537,226
FEDERAL FUND	714,801,382	730,928,102	742,427,745	793,242,177	789,341,914
INTER AGENCY TRANSFER	89,081,584	79,589,081	90,304,194	92,070,047	102,020,095
OTHER FUND	118,591,494	108,205,305	115,701,353	115,092,957	117,496,793

**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
HUMAN SERVICES					
MENTAL HEALTH AND DEVELOPMENTAL SERVICES					
MHDS ADMINISTRATION	6,151,564	6,293,008	6,516,805	6,334,744	6,813,555
GENERAL FUND	2,328,910	2,417,962	2,643,158	2,406,642	2,878,864
FEDERAL FUND	3,353,488	3,353,364	3,345,807	3,363,080	3,354,603
INTER AGENCY TRANSFER	469,166	521,682	527,840	565,022	580,088
NORTHERN NV ADULT MENTAL HEALTH SE	25,245,376	30,982,927	30,635,952	33,428,468	32,976,008
GENERAL FUND	20,949,266	25,593,010	25,278,073	27,470,108	27,071,862
FEDERAL FUND	859,146	1,432,074	1,432,074	1,445,678	1,445,678
INTER AGENCY TRANSFER	2,837,556	3,495,882	3,463,844	4,047,281	3,993,067
OTHER FUND	599,408	461,961	461,961	465,401	465,401
LAKES CROSSING CENTER	5,676,007	6,117,022	6,233,903	6,596,973	6,706,927
GENERAL FUND	5,574,740	5,852,083	5,773,903	6,237,355	6,145,661
INTER AGENCY TRANSFER		169,244	364,305	263,923	465,571
OTHER FUND	101,267	95,695	95,695	95,695	95,695
RURAL CLINICS	11,232,454	14,824,983	14,597,197	17,167,518	16,899,633
GENERAL FUND	7,701,585	11,349,786	11,179,017	13,383,748	13,171,568
FEDERAL FUND	531,177	398,142	398,142	425,184	425,184
INTER AGENCY TRANSFER	2,260,193	2,536,933	2,479,916	2,756,881	2,701,634
INTERIM FINANCE	20,000				
OTHER FUND	719,499	540,122	540,122	601,705	601,247
SOUTHERN NEVADA ADULT MENTAL HEAL'	61,261,631	74,624,387	73,207,839	98,905,298	97,200,933
GENERAL FUND	47,034,444	61,951,996	60,489,757	84,309,875	82,653,712
FEDERAL FUND	2,486,383	2,516,297	2,516,297	3,570,277	3,570,277
INTER AGENCY TRANSFER	11,063,286	10,075,812	10,121,503	10,926,089	10,877,887
INTERIM FINANCE	500,000				
OTHER FUND	177,518	80,282	80,282	99,057	99,057
DHHS, SOUTHERN FOOD SERVICE	1,301,062	1,492,968	1,490,251	1,893,723	1,890,644
INTER AGENCY TRANSFER	1,301,062	1,492,968	1,490,251	1,893,723	1,890,644
SIERRA REGIONAL CENTER	25,776,923	29,152,064	29,771,911	32,211,363	33,339,460
GENERAL FUND	14,106,365	16,258,823	16,653,684	17,879,851	18,759,781
INTER AGENCY TRANSFER	11,523,037	12,742,349	12,967,335	14,180,633	14,428,800
OTHER FUND	147,521	150,892	150,892	150,879	150,879
DESERT REGIONAL CENTER	53,490,951	57,893,096	58,906,219	62,618,205	66,148,714
GENERAL FUND	27,866,635	30,248,541	30,905,933	32,811,430	35,351,553
INTER AGENCY TRANSFER	25,174,770	27,343,172	27,698,903	29,505,392	30,495,778
OTHER FUND	449,546	301,383	301,383	301,383	301,383
FAMILY PRESERVATION PROGRAM	1,104,396	1,799,351	1,799,351	1,907,149	1,907,149
GENERAL FUND	1,104,396	1,799,351	1,799,351	1,907,149	1,907,149
RURAL REGIONAL CENTER	9,974,489	12,097,281	12,800,318	14,307,543	15,147,875
GENERAL FUND	5,556,937	6,862,146	7,253,576	8,114,365	8,656,819
INTER AGENCY TRANSFER	4,377,990	5,235,135	5,546,742	6,193,178	6,491,056
OTHER FUND	39,562				

**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
MENTAL HEALTH AND DEVELOPMENTAL SERVICES					
MENTAL HEALTH INFORMATION SYSTEM	668,427	896,995	829,814	894,878	814,354
GENERAL FUND	422,722	656,106	590,871	646,921	569,125
BALANCE FORWARD	607				
FEDERAL FUND	167,200	142,000	142,000	142,000	142,000
INTER AGENCY TRANSFER	77,898	98,889	96,943	105,957	103,229
SUB-FUNCTION RECAP					
MENTAL HEALTH AND DEVELOPMENTAL	201,883,280	236,174,082	236,789,560	276,265,862	279,845,252
GENERAL FUND	132,646,000	162,989,804	162,567,323	195,167,444	197,166,094
BALANCE FORWARD	607				
FEDERAL FUND	7,397,394	7,841,877	7,834,320	8,946,219	8,937,742
INTER AGENCY TRANSFER	59,084,958	63,712,066	64,757,582	70,438,079	72,027,754
INTERIM FINANCE	520,000				
OTHER FUND	2,234,321	1,630,335	1,630,335	1,714,120	1,713,662

**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
HUMAN SERVICES					
HEALTH DIVISION					
OFFICE OF HEALTH ADMINISTRATION	3,383,749	5,450,697	5,221,569	5,575,452	5,484,138
GENERAL FUND	594,472	607,303	603,726	611,104	606,826
BALANCE FORWARD	78,928	78,928	78,928	228,928	276,974
FEDERAL FUND	473,186	744,181	722,615	744,181	722,615
INTER AGENCY TRANSFER	2,218,132	4,020,254	3,816,269	3,991,208	3,877,692
OTHER FUND	19,031	31	31	31	31
VITAL STATISTICS	1,201,993	1,297,593	1,227,594	1,342,538	1,258,945
GENERAL FUND	700,371	757,258	687,565	784,147	700,886
FEDERAL FUND	501,622	526,972	526,666	530,966	530,634
INTER AGENCY TRANSFER		13,363	13,363	27,425	27,425
CANCER CONTROL REGISTRY	1,268,872	932,866	932,866	914,620	914,650
BALANCE FORWARD	159,109	155,490	155,490	135,244	135,274
FEDERAL FUND	1,013,999	662,376	662,376	662,376	662,376
OTHER FUND	95,764	115,000	115,000	117,000	117,000
ENVIRONMENTAL PUBLIC HEALTH TRACKII	539,780	514,939	514,939	510,427	510,427
FEDERAL FUND	539,780	514,939	514,939	510,427	510,427
HEALTH AID TO COUNTIES	100				
GENERAL FUND	100				
CONSUMER HEALTH PROTECTION	4,334,971	1,862,864	1,879,042	1,912,239	1,949,937
GENERAL FUND	1,284,277	915,923	873,968	934,947	895,012
BALANCE FORWARD	740				
FEDERAL FUND	1,019,844				
INTER AGENCY TRANSFER	781,378	62,510	50,015	92,861	82,958
OTHER FUND	1,248,732	884,431	955,059	884,431	971,967
RADIOLOGICAL HEALTH	2,042,727	2,130,266	2,130,266	2,055,056	2,076,566
GENERAL FUND	100				
BALANCE FORWARD	282,077	530,097	530,097	454,241	475,751
FEDERAL FUND	294,752	322,222	322,222	322,220	322,220
INTER AGENCY TRANSFER	224,051	53,032	53,032	53,680	53,680
OTHER FUND	1,241,747	1,224,915	1,224,915	1,224,915	1,224,915
HEALTH RADIOACTIVE & HAZARDOUS WAS	11,861,150	11,398,383	11,398,383	11,324,079	11,324,075
BALANCE FORWARD	11,349,664	11,058,155	11,058,155	10,983,851	10,983,847
OTHER FUND	511,486	340,228	340,228	340,228	340,228
HEALTH FACILITIES HOSPITAL LICENSING	7,582,178	7,950,918	9,118,316	7,995,528	8,828,507
BALANCE FORWARD	2,635,521	2,810,681	2,810,681	2,719,987	2,832,999
FEDERAL FUND	1,577,978	1,589,701	2,757,099	1,588,573	2,307,960
INTER AGENCY TRANSFER	1,043,960	1,043,962	1,043,962	1,043,960	1,044,540
OTHER FUND	2,324,719	2,506,574	2,506,574	2,643,008	2,643,008

**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
HEALTH DIVISION					
COMMUNITY HEALTH SERVICES	3,569,115	3,756,910	3,721,390	3,711,182	3,676,969
GENERAL FUND	225,735	285,472	260,161	264,990	237,153
BALANCE FORWARD	198,802	148,802	148,802	89,635	94,378
FEDERAL FUND	1,998,572	2,005,516	2,004,385	2,007,343	2,006,101
INTER AGENCY TRANSFER	347,382	411,267	402,189	443,361	433,484
OTHER FUND	798,624	905,853	905,853	905,853	905,853
HEALTH COMMUNICABLE DISEASE CONTR	5,650,967	5,278,700	5,276,319	5,297,133	5,294,448
GENERAL FUND	825,030	801,288	798,779	806,593	803,793
BALANCE FORWARD	3,884				
FEDERAL FUND	4,822,053	4,465,459	4,465,572	4,475,323	4,475,436
INTER AGENCY TRANSFER		11,953	11,968	15,217	15,219
SEXUALLY TRANSMITTED DISEASE CONTR	11,734,893	12,498,818	12,781,897	12,496,189	12,955,634
GENERAL FUND	1,545,215	1,544,251	1,826,629	1,549,887	2,009,235
BALANCE FORWARD	255,661				
FEDERAL FUND	9,934,017	10,852,675	10,853,376	10,841,832	10,841,929
INTER AGENCY TRANSFER		2,444	2,444	5,022	5,022
OTHER FUND		99,448	99,448	99,448	99,448
IMMUNIZATION PROGRAM	5,945,806	7,633,204	7,633,816	7,772,889	7,773,501
GENERAL FUND	1,557,492	1,497,534	1,497,534	1,497,534	1,497,534
BALANCE FORWARD	464				
FEDERAL FUND	3,631,058	3,029,432	3,030,044	3,028,915	3,029,527
INTER AGENCY TRANSFER	756,792	3,106,238	3,106,238	3,246,440	3,246,440
MATERNAL CHILD HEALTH SERVICES	6,579,223	6,883,164	6,851,676	6,957,832	6,924,141
GENERAL FUND	1,283,727	1,312,510	1,290,372	1,315,706	1,291,918
BALANCE FORWARD	55,456				
FEDERAL FUND	2,875,494	3,304,862	3,304,862	3,314,197	3,314,197
INTER AGENCY TRANSFER	100,000	66,466	57,116	74,569	64,666
OTHER FUND	2,264,546	2,199,326	2,199,326	2,253,360	2,253,360
DHHS, EARLY INTERVENTION SERVICES	13,109,597	19,856,310	18,868,184	20,328,807	19,633,410
GENERAL FUND	8,568,135	14,180,962	13,192,827	14,528,244	13,832,844
BALANCE FORWARD	44,832				
FEDERAL FUND	1,436,332	4,820,576	4,820,576	4,828,908	4,828,908
INTER AGENCY TRANSFER	3,047,554	842,083	842,092	958,966	958,969
OTHER FUND	12,744	12,689	12,689	12,689	12,689
DHHS, STATE & COMMUNITY COLLABORAT	3,262,325				
BALANCE FORWARD	9				
FEDERAL FUND	3,260,816				
INTER AGENCY TRANSFER	1,500				
WIC FOOD SUPPLEMENT	35,877,125	44,488,879	44,489,283	46,881,110	46,881,514
BALANCE FORWARD	51,521				
FEDERAL FUND	26,484,371	31,226,795	31,227,199	33,619,026	33,619,430
OTHER FUND	9,341,233	13,262,084	13,262,084	13,262,084	13,262,084

**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
HEALTH DIVISION					
DHHS, EMERGENCY MEDICAL SERVICES	833,509	835,128	848,115	864,302	902,623
GENERAL FUND	758,385	766,082	779,069	785,830	824,151
BALANCE FORWARD	18,552	18,552	18,552	18,552	18,552
INTER AGENCY TRANSFER		9,154	9,154	18,580	18,580
OTHER FUND	56,572	41,340	41,340	41,340	41,340
HEALTH ALCOHOL & DRUG REHABILITATIO	22,179,713	22,761,167	22,761,167	22,537,593	22,537,593
GENERAL FUND	3,530,430	3,650,278	3,650,278	3,674,808	3,674,808
BALANCE FORWARD	21,425				
FEDERAL FUND	18,610,610	19,066,340	19,066,340	18,803,422	18,803,422
INTER AGENCY TRANSFER		22,892	22,892	37,721	37,721
OTHER FUND	17,248	21,657	21,657	21,642	21,642
HEALTH ALCOHOL TAX PROGRAM	1,157,478	1,203,741	1,203,741	1,152,386	1,152,386
BALANCE FORWARD	369,478	369,478	369,478	296,432	296,432
OTHER FUND	788,000	834,263	834,263	855,954	855,954
HEALTH PUBLIC HEALTH TOBACCO FUND	657,986	727,316	727,346	957,510	957,540
OTHER FUND	657,986	727,316	727,346	957,510	957,540
PUBLIC HEALTH PREPAREDNESS PROGRA	21,142,065	13,655,302	13,655,720	13,656,625	13,657,043
BALANCE FORWARD	10,168				
FEDERAL FUND	21,006,513	13,655,302	13,655,720	13,656,625	13,657,043
INTER AGENCY TRANSFER	109,865				
OTHER FUND	15,519				
SUB-FUNCTION RECAP					
HEALTH DIVISION	163,915,322	171,117,165	171,241,629	174,243,497	174,694,047
GENERAL FUND	20,873,469	26,318,861	25,460,908	26,753,790	26,374,160
BALANCE FORWARD	15,536,291	15,170,183	15,170,183	14,926,870	15,114,207
FEDERAL FUND	99,480,997	96,787,348	97,933,991	98,934,334	99,632,225
INTER AGENCY TRANSFER	8,630,614	9,665,618	9,430,734	10,009,010	9,866,396
OTHER FUND	19,393,951	23,175,155	23,245,813	23,619,493	23,707,059

**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
HUMAN SERVICES					
DIVISION OF WELFARE & SUPPORTIVE SERVICES					
DWSS ADMINISTRATION	28,946,285	26,947,769	27,446,359	27,180,320	27,455,074
GENERAL FUND	8,282,894	8,050,583	7,505,399	7,987,812	7,627,690
FEDERAL FUND	17,054,444	16,189,998	16,998,606	16,576,093	17,206,578
INTER AGENCY TRANSFER	3,507,922	2,487,409	2,722,575	2,396,636	2,401,027
OTHER FUND	101,025	219,779	219,779	219,779	219,779
DWSS FIELD SERVICES	58,099,736	61,612,398	60,542,076	64,545,169	62,906,537
GENERAL FUND	22,601,659	19,592,918	21,207,018	25,309,116	21,658,280
BALANCE FORWARD	345,235				
FEDERAL FUND	27,598,158	32,857,248	27,418,627	28,386,815	28,433,779
INTER AGENCY TRANSFER	7,554,684	9,157,995	11,912,194	10,845,001	12,810,241
OTHER FUND		4,237	4,237	4,237	4,237
DWSS TANF	67,355,946	49,155,055	44,996,108	50,879,132	46,290,015
GENERAL FUND	42,668,032	24,607,852	24,607,852	27,383,588	24,607,852
FEDERAL FUND	25,917,621	24,547,203	20,388,256	23,495,544	21,682,163
INTER AGENCY TRANSFER	-1,229,707				
CHILD SUPPORT ENFORCEMENT PROGRAM	10,225,401	10,073,634	10,083,585	10,437,788	10,440,963
BALANCE FORWARD	545,911	925,913	925,913	1,099,224	1,093,960
FEDERAL FUND	5,918,280	5,704,720	5,711,288	5,811,459	5,817,028
INTER AGENCY TRANSFER	1,008,684				
OTHER FUND	2,752,526	3,443,001	3,446,384	3,527,105	3,529,975
CHILD SUPPORT FEDERAL REIMBURSEMENT	23,808,907	25,352,621	25,352,621	26,557,874	26,557,874
BALANCE FORWARD	5,000				
FEDERAL FUND	23,803,907	25,352,621	25,352,621	26,557,874	26,557,874
ASSISTANCE TO AGED AND BLIND	6,565,400	6,582,790	6,693,286	6,809,498	6,916,508
GENERAL FUND	6,565,400	6,582,790	6,693,286	6,809,498	6,916,508
CHILD ASSISTANCE AND DEVELOPMENT	34,357,899	36,280,700	36,153,610	39,131,938	39,010,876
GENERAL FUND	9,033,701	9,033,701	9,033,701	9,033,701	9,033,701
BALANCE FORWARD	1,433,406			2,836,114	2,841,463
FEDERAL FUND	23,890,792	27,246,999	27,119,909	27,262,123	27,135,712
ENERGY ASSISTANCE - DWSS	13,393,815	18,367,210	18,362,193	18,546,585	18,541,077
BALANCE FORWARD	1,807,469				
FEDERAL FUND	3,325,406	5,150,920	5,167,949	5,212,690	5,219,857
OTHER FUND	8,260,940	13,216,290	13,194,244	13,333,895	13,321,220
SUB-FUNCTION RECAP					
DIVISION OF WELFARE & SUPPORTIVE SERVICES	242,753,389	234,372,177	229,629,838	244,088,304	238,118,924
GENERAL FUND	89,151,686	67,867,844	69,047,256	76,523,715	69,844,031
BALANCE FORWARD	4,137,021	925,913	925,913	3,935,338	3,935,423
FEDERAL FUND	127,508,608	137,049,709	128,157,256	133,302,598	132,052,991
INTER AGENCY TRANSFER	10,841,583	11,645,404	14,634,769	13,241,637	15,211,268
OTHER FUND	11,114,491	16,883,307	16,864,644	17,085,016	17,075,211

**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
HUMAN SERVICES					
AGING SERVICES					
AGING SERVICES GRANTS	10,101,530	5,597,845	5,733,906	5,570,570	5,803,494
INTER AGENCY TRANSFER	10,101,530	5,597,845	5,733,906	5,570,570	5,803,494
AGING OLDER AMERICANS ACT	13,174,645	13,740,244	13,692,151	13,962,656	13,919,317
GENERAL FUND	3,002,643	3,122,846	3,073,905	3,141,412	3,106,435
BALANCE FORWARD	175,858				
FEDERAL FUND	8,614,700	9,050,068	9,019,768	9,192,882	9,161,825
INTER AGENCY TRANSFER	1,099,996	1,277,639	1,316,885	1,338,671	1,373,664
OTHER FUND	281,448	289,691	281,593	289,691	277,393
SENIOR SERVICES PROGRAM	11,022,420	10,167,667	10,006,808	11,361,909	10,993,791
GENERAL FUND	1,726,630	1,467,937	1,807,646	1,510,575	1,899,264
INTER AGENCY TRANSFER	9,157,549	8,695,711	8,195,143	9,847,315	9,090,508
OTHER FUND	138,241	4,019	4,019	4,019	4,019
EPS/HOMEMAKER PROGRAMS	2,972,555	3,349,764	3,307,598	3,473,734	3,434,415
GENERAL FUND	157,425	531,485	13,984	622,569	114,773
INTER AGENCY TRANSFER	2,815,130	2,818,279	3,293,614	2,851,165	3,319,642
SENIOR CITIZENS' PROPERTY TAX ASSISTANCE	4,521,504	4,746,156	4,830,041	5,100,293	5,121,471
GENERAL FUND	4,197,507	4,744,271	4,743,619	5,096,442	5,117,620
BALANCE FORWARD	323,997		84,537		
INTER AGENCY TRANSFER		1,885	1,885	3,851	3,851
SUB-FUNCTION RECAP					
AGING SERVICES	41,792,654	37,601,676	37,570,504	39,469,162	39,272,488
GENERAL FUND	9,084,205	9,866,539	9,639,154	10,370,998	10,238,092
BALANCE FORWARD	499,855		84,537		
FEDERAL FUND	8,614,700	9,050,068	9,019,768	9,192,882	9,161,825
INTER AGENCY TRANSFER	23,174,205	18,391,359	18,541,433	19,611,572	19,591,159
OTHER FUND	419,689	293,710	285,612	293,710	281,412

**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
HUMAN SERVICES					
CHILD & FAMILY SERVICES					
CFS JUVENILE JUSTICE PROGRAMS	3,046,315	2,240,353	2,240,353	2,243,789	2,243,789
GENERAL FUND	707,605	708,251	707,605	708,340	707,605
BALANCE FORWARD	5,929				
FEDERAL FUND	2,332,781	1,532,102	1,532,748	1,535,449	1,536,184
CHILD AND FAMILY SERVICES ADMINISTRATION	19,480,409	14,685,203	14,069,661	14,867,345	14,248,080
GENERAL FUND	6,871,462	4,516,494	4,346,423	4,480,483	4,273,381
FEDERAL FUND	10,873,898	9,092,592	8,651,249	9,103,372	8,697,751
INTER AGENCY TRANSFER	1,582,479	1,064,668	1,060,540	1,271,798	1,265,499
OTHER FUND	152,570	11,449	11,449	11,692	11,449
CLARK COUNTY INTEGRATION	57,221,797	37,185,525	37,079,026	40,887,583	40,762,895
GENERAL FUND	34,182,919	21,719,029	21,639,307	23,978,491	23,933,768
FEDERAL FUND	15,725,414	11,730,251	11,703,474	12,998,247	12,918,283
INTER AGENCY TRANSFER	6,482,814	3,120,912	3,120,912	3,291,503	3,291,502
OTHER FUND	830,650	615,333	615,333	619,342	619,342
WASHOE COUNTY INTEGRATION		17,871,266	17,805,638	19,425,296	19,321,834
GENERAL FUND		9,214,623	9,115,923	10,175,724	10,085,729
FEDERAL FUND		7,091,300	7,078,175	7,513,906	7,468,553
INTER AGENCY TRANSFER		1,383,268	1,429,465	1,553,591	1,585,477
OTHER FUND		182,075	182,075	182,075	182,075
UNITY/SACWIS	5,384,335	5,808,064	5,768,276	5,716,043	5,676,957
GENERAL FUND	2,855,834	3,069,230	3,049,869	3,001,074	2,980,404
FEDERAL FUND	2,463,054	2,642,229	2,628,806	2,601,910	2,587,376
INTER AGENCY TRANSFER	65,447	96,605	89,601	113,059	109,177
CHILD CARE SERVICES	1,128,377	945,019	915,712	987,061	956,460
GENERAL FUND	303,036	1,412		49,099	
FEDERAL FUND	185,233				
INTER AGENCY TRANSFER	618,323	918,251	890,356	911,275	929,773
OTHER FUND	21,785	25,356	25,356	26,687	26,687
RURAL CHILD WELFARE	26,057,603	32,732,152	32,566,958	34,588,901	34,533,842
GENERAL FUND	9,049,788	12,834,414	12,672,649	13,867,686	13,934,385
BALANCE FORWARD	102,598	40,127	40,127	40,127	40,127
FEDERAL FUND	5,536,554	6,398,669	6,395,240	6,681,254	6,687,379
INTER AGENCY TRANSFER	11,266,663	13,353,094	13,353,094	13,893,986	13,766,103
OTHER FUND	102,000	105,848	105,848	105,848	105,848
TRANSITION FROM FOSTER CARE	3,579,776	3,420,777	3,420,777	2,993,038	2,993,038
BALANCE FORWARD	2,225,776	2,083,704	2,083,704	1,655,965	1,655,965
OTHER FUND	1,354,000	1,337,073	1,337,073	1,337,073	1,337,073
CHILD DEATHS REVIEW	281,700	150,105	150,105	147,705	150,105
BALANCE FORWARD	131,700				
OTHER FUND	150,000	150,105	150,105	147,705	150,105
CHILD WELFARE TRUST	1,276,547	350,185	350,185	370,919	370,919
BALANCE FORWARD	942,702	183,091	183,091	196,945	196,945
OTHER FUND	333,845	167,094	167,094	173,974	173,974

**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
CHILD & FAMILY SERVICES					
VICTIMS OF DOMESTIC VIOLENCE	4,104,009	3,760,242	3,760,273	4,082,845	3,760,273
BALANCE FORWARD	1,004,009	505,104	505,104	827,707	505,104
OTHER FUND	3,100,000	3,255,138	3,255,169	3,255,138	3,255,169
CHILD ABUSE AND NEGLECT	349,287	234,643	234,643	239,085	239,085
FEDERAL FUND	349,287	234,643	234,643	239,085	239,085
DCFS - JUVENILE ACCOUNTABILITY BLOCK	2,181,667	1,266,471	1,266,465	1,181,604	1,183,630
GENERAL FUND		4			
BALANCE FORWARD	1,662,367	756,138	756,138	673,789	675,792
FEDERAL FUND	495,700	496,661	496,674	495,700	495,700
INTER AGENCY TRANSFER		9			
OTHER FUND	23,600	13,659	13,653	12,115	12,138
YOUTH ALTERNATIVE PLACEMENT	2,697,931	2,697,931	2,697,931	2,697,931	2,697,931
GENERAL FUND	1,039,521	1,039,521	1,208,862	1,039,521	1,208,862
OTHER FUND	1,658,410	1,658,410	1,489,069	1,658,410	1,489,069
C&FS - JUVENILE CORRECTIONAL FACILITY	5,206,289	7,095,379	5,721,524	7,395,396	6,193,803
GENERAL FUND	4,771,541	6,524,572	5,150,314	6,724,549	5,522,904
INTER AGENCY TRANSFER	434,748	570,807	571,210	670,847	670,899
CALIENTE YOUTH CENTER	6,243,483	7,509,971	7,320,896	7,721,396	7,513,058
GENERAL FUND	6,031,929	6,890,687	6,705,209	6,995,928	6,791,668
INTER AGENCY TRANSFER	211,554	619,284	615,687	725,468	721,390
NEVADA YOUTH TRAINING CENTER	8,153,390	9,983,637	9,719,243	9,972,208	9,677,949
GENERAL FUND	7,754,782	9,083,502	8,818,602	8,927,786	8,633,471
BALANCE FORWARD	10,747				
INTER AGENCY TRANSFER	387,861	900,135	900,641	1,044,422	1,044,478
YOUTH PAROLE SERVICES	4,482,900	6,172,114	6,118,963	6,073,597	6,019,001
GENERAL FUND	4,462,541	5,361,274	5,313,316	5,429,575	5,391,313
FEDERAL FUND		229,824	229,029	20,985	
INTER AGENCY TRANSFER		348,369	343,971	390,390	395,041
OTHER FUND	20,359	232,647	232,647	232,647	232,647
NORTHERN NEVADA CHILD & ADOLESCENT	6,346,133	9,361,894	7,688,224	9,445,996	7,792,556
GENERAL FUND	2,162,036	4,181,995	3,101,915	4,084,253	3,042,393
FEDERAL FUND		307		1,283	
INTER AGENCY TRANSFER	4,042,126	5,062,890	4,472,153	5,233,758	4,624,493
OTHER FUND	141,971	116,702	114,156	126,702	125,670
SOUTHERN NEVADA CHILD & ADOLESCENT	18,884,768	24,374,990	20,938,829	25,128,333	21,664,848
GENERAL FUND	7,982,397	11,007,018	8,827,313	11,519,338	9,411,117
BALANCE FORWARD		24,818	24,818	24,818	24,818
FEDERAL FUND	487,852				
INTER AGENCY TRANSFER	9,610,740	12,805,911	11,549,455	13,008,648	11,653,384
OTHER FUND	803,779	537,243	537,243	575,529	575,529
WRAPAROUND IN NEVADA			4,742,445		5,040,033
GENERAL FUND			3,082,590		3,276,022
INTER AGENCY TRANSFER			1,659,855		1,764,011

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

2005 Legislature

	2004 - 05	2005 - 06	2005 - 06	2006 - 07	2006 - 07
	Work Program	Governor Recommended	Legislature Approved	Governor Recommended	Legislature Approved
SUB-FUNCTION RECAP					
CHILD & FAMILY SERVICES	176,106,716	187,845,921	184,576,127	196,166,071	193,040,086
GENERAL FUND	88,175,391	96,152,026	93,739,897	100,981,847	99,193,022
BALANCE FORWARD	6,085,828	3,592,982	3,592,982	3,419,351	3,098,751
FEDERAL FUND	38,449,773	39,448,578	38,950,038	41,191,191	40,630,311
INTER AGENCY TRANSFER	34,702,755	40,244,203	40,056,940	42,108,745	41,821,227
OTHER FUND	8,692,969	8,408,132	8,236,270	8,464,937	8,296,775
PUBLIC DEFENDER					
DHHS, PUBLIC DEFENDER	2,232,840	2,723,992	2,705,862	2,760,185	2,732,672
GENERAL FUND	1,125,707	1,247,434	1,593,255	1,249,140	1,356,751
INTER AGENCY TRANSFER		87,796	78,912	103,367	96,535
OTHER FUND	1,107,133	1,388,762	1,033,695	1,407,678	1,279,386
SUB-FUNCTION RECAP					
PUBLIC DEFENDER	2,232,840	2,723,992	2,705,862	2,760,185	2,732,672
GENERAL FUND	1,125,707	1,247,434	1,593,255	1,249,140	1,356,751
INTER AGENCY TRANSFER		87,796	78,912	103,367	96,535
OTHER FUND	1,107,133	1,388,762	1,033,695	1,407,678	1,279,386
INDIAN COMMISSION					
INDIAN AFFAIRS COMMISSION	133,879	162,469	184,615	166,121	187,888
GENERAL FUND	133,879	157,284	155,458	158,814	156,615
INTER AGENCY TRANSFER		5,185	29,157	7,307	31,273
SUB-FUNCTION RECAP					
INDIAN COMMISSION	133,879	162,469	184,615	166,121	187,888
GENERAL FUND	133,879	157,284	155,458	158,814	156,615
INTER AGENCY TRANSFER		5,185	29,157	7,307	31,273

**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
HUMAN SERVICES					
DETR - DIRETOR'S OFFICE					
DETR, ADMINISTRATION	3,920,110	4,322,626	3,892,263	4,408,523	3,936,646
BALANCE FORWARD	21,722	21,722	21,722	21,722	21,722
INTER AGENCY TRANSFER	3,898,388	4,300,904	3,870,541	4,386,801	3,914,924
DETR, INFORMATION DEVELOPMENT AND F	7,236,263	8,184,409	7,529,889	8,027,395	7,464,746
BALANCE FORWARD	62,633	62,633	62,633	62,633	62,633
FEDERAL FUND	113,005				
INTER AGENCY TRANSFER	7,060,625	8,121,776	7,467,256	7,964,762	7,402,113
DETR, RESEARCH & ANALYSIS	3,329,070	3,669,044	3,630,237	3,725,734	3,685,966
BALANCE FORWARD	144,952	105,358	105,358	105,071	105,071
FEDERAL FUND	2,052,107	2,464,510	2,425,703	2,496,988	2,457,220
INTER AGENCY TRANSFER	1,132,011	1,099,176	1,099,176	1,123,675	1,123,675
DETR, EQUAL RIGHTS COMMISSION	1,718,509	1,943,440	1,883,205	1,966,716	1,908,924
GENERAL FUND	1,148,296	1,202,696	1,177,495	1,156,346	1,132,085
FEDERAL FUND	566,719	711,250	680,201	764,250	734,711
INTER AGENCY TRANSFER		25,728	21,530	41,523	36,930
OTHER FUND	3,494	3,766	3,979	4,597	5,198
SUB-FUNCTION RECAP					
DETR - DIRETOR'S OFFICE	16,203,952	18,119,519	16,935,594	18,128,368	16,996,282
GENERAL FUND	1,148,296	1,202,696	1,177,495	1,156,346	1,132,085
BALANCE FORWARD	229,307	189,713	189,713	189,426	189,426
FEDERAL FUND	2,731,831	3,175,760	3,105,904	3,261,238	3,191,931
INTER AGENCY TRANSFER	12,091,024	13,547,584	12,458,503	13,516,761	12,477,642
OTHER FUND	3,494	3,766	3,979	4,597	5,198

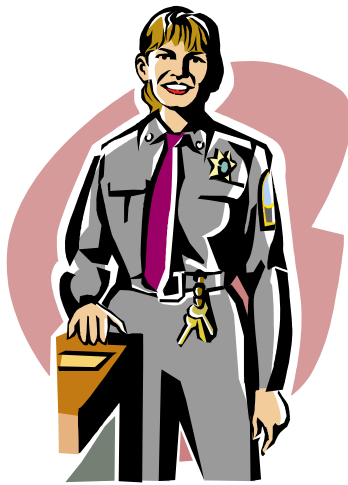
**Nevada Legislative Counsel Bureau
Summary of Appropriations and Authorizations (Detail)
2005 Legislature**

	2004 - 05 Work Program	2005 - 06 Governor Recommended	2005 - 06 Legislature Approved	2006 - 07 Governor Recommended	2006 - 07 Legislature Approved
HUMAN SERVICES					
REHABILITATION DIVISION					
DETR, REHABILITATION ADMINISTRATION	482,631	534,180	654,390	543,899	631,929
BALANCE FORWARD	26,283	26,283	26,283	26,283	26,283
INTER AGENCY TRANSFER	456,348	507,897	628,107	517,616	605,646
DETR, DISABILITY ADJUDICATION	11,275,940	12,384,574	12,102,479	13,788,034	13,306,053
FEDERAL FUND	11,275,940	12,384,574	12,102,479	13,788,034	13,306,053
DETR, VOCATIONAL REHABILITATION	16,245,647	14,691,016	14,484,954	15,563,295	15,336,165
GENERAL FUND	2,616,493	2,859,677	2,764,764	3,023,257	2,923,603
BALANCE FORWARD	165,789	166,334	166,334	166,334	166,334
FEDERAL FUND	13,455,117	11,627,760	11,523,898	12,314,214	12,194,303
INTER AGENCY TRANSFER	8,248	37,245	29,958	59,490	51,925
DETR, OFFICE OF DISABILITY EMPLOYMEN'	269,520	259,142	257,035	260,254	258,271
GENERAL FUND	19,214	21,922	21,742	22,157	21,988
FEDERAL FUND	70,505	104,724	103,877	106,392	105,602
INTER AGENCY TRANSFER	179,801	132,496	131,416	131,705	130,681
DETR, CLIENT ASSISTANCE PROGRAM	162,041	166,997	165,689	156,915	154,524
FEDERAL FUND	162,041	166,997	165,689	156,915	154,524
DETR, SERVICES TO THE BLIND & VISUALL'	4,082,153	4,239,441	4,101,450	4,308,301	4,161,807
GENERAL FUND	1,022,490	1,059,600	1,006,906	1,061,136	1,007,524
BALANCE FORWARD	22,094	22,094	22,094	22,094	22,094
FEDERAL FUND	3,037,569	3,145,100	3,059,803	3,199,121	3,106,239
INTER AGENCY TRANSFER		12,647	12,647	25,950	25,950
DETR, BLIND BUSINESS ENTERPRISE PROC	3,110,848	2,685,522	2,685,522	2,217,384	2,132,396
BALANCE FORWARD	1,799,203	1,303,501	1,303,501	835,363	750,375
OTHER FUND	1,311,645	1,382,021	1,382,021	1,382,021	1,382,021
SUB-FUNCTION RECAP					
REHABILITATION DIVISION	35,628,780	34,960,872	34,451,519	36,838,082	35,981,145
GENERAL FUND	3,658,197	3,941,199	3,793,412	4,106,550	3,953,115
BALANCE FORWARD	2,013,369	1,518,212	1,518,212	1,050,074	965,086
FEDERAL FUND	28,001,172	27,429,155	26,955,746	29,564,676	28,866,721
INTER AGENCY TRANSFER	644,397	690,285	802,128	734,761	814,202
OTHER FUND	1,311,645	1,382,021	1,382,021	1,382,021	1,382,021

**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
HUMAN SERVICES					
EMPLOYMENT SECURITY DIVISION					
DETR, EMPLOYMENT SECURITY	65,361,246	57,536,438	53,065,438	57,743,285	52,975,343
BALANCE FORWARD	233,628	160,129	160,129	160,129	160,129
FEDERAL FUND	62,853,630	55,309,252	50,265,327	55,508,786	50,219,340
INTER AGENCY TRANSFER	1,690,683	1,564,358	2,137,283	1,570,586	2,092,090
OTHER FUND	583,305	502,699	502,699	503,784	503,784
DETR, CAREER ENHANCEMENT PROGRAM	16,153,118	15,187,650	15,187,650	14,725,513	14,665,304
BALANCE FORWARD	5,666,808	4,564,983	4,564,983	3,522,846	3,462,637
OTHER FUND	10,486,310	10,622,667	10,622,667	11,202,667	11,202,667
DETR, EMPLOYMENT SECURITY - SPECIAL I	26,839,332	8,033,889	8,033,889	5,247,422	6,365,777
BALANCE FORWARD	10,470,151	6,693,889	6,693,889	3,807,422	4,925,777
FEDERAL FUND	14,221,181				
OTHER FUND	2,148,000	1,340,000	1,340,000	1,440,000	1,440,000
SUB-FUNCTION RECAP					
EMPLOYMENT SECURITY DIVISION	108,353,696	80,757,977	76,286,977	77,716,220	74,006,424
BALANCE FORWARD	16,370,587	11,419,001	11,419,001	7,490,397	8,548,543
FEDERAL FUND	77,074,811	55,309,252	50,265,327	55,508,786	50,219,340
INTER AGENCY TRANSFER	1,690,683	1,564,358	2,137,283	1,570,586	2,092,090
OTHER FUND	13,217,615	12,465,366	12,465,366	13,146,451	13,146,451
FUNCTION RECAP					
TOTAL HUMAN SERVICES	2,343,943,919	2,385,558,687	2,403,441,459	2,575,758,258	2,576,298,405
GENERAL FUND	711,518,028	777,380,220	773,985,219	868,732,006	865,983,787
INTERIM FINANCE	520,000				
OTHER FUND	195,224,998	191,667,858	198,810,094	202,739,869	203,307,161
BALANCE FORWARD	61,199,651	43,163,324	44,733,350	40,699,942	41,667,507
FEDERAL FUND	1,122,336,727	1,124,685,596	1,122,438,861	1,190,607,218	1,179,620,950
INTER AGENCY TRANSFER	253,144,515	248,661,689	263,473,935	272,979,223	285,719,000
TOTAL HUMAN SERVICES	2,343,943,919	2,385,558,687	2,403,441,459	2,575,758,258	2,576,298,405
LESS: INTER AGENCY TRANSFER	253,144,515	248,661,689	263,473,935	272,979,223	285,719,000
NET: HUMAN SERVICES	2,090,799,404	2,136,896,998	2,139,967,524	2,302,779,035	2,290,579,405

PUBLIC SAFETY



PUBLIC SAFETY

The Public Safety function includes the Department of Corrections, Department of Motor Vehicles, Department of Public Safety and Peace Officers Standards and Training Commission.

The 2005 Legislature approved \$516.3 million in General Fund support for the Public Safety function for the 2005-07 biennium. This is an increase of \$59.7 million from the General Fund support provided for the 2003-05 biennium; an increase of 13.1 percent (includes supplemental appropriations approved by 2005 Legislature). Highway Fund support as approved by the 2005 Legislature totaled \$205.5 million for the 2005-07 biennium, an increase of \$2.5 million from the support provided for the 2003-05 biennium (includes supplemental appropriations approved by the 2005 Legislature). This is an increase of 1.2 percent.

DEPARTMENT OF CORRECTIONS

The 2005 Legislature appropriated approximately \$423.3 million from the General Fund to the Nevada Department of Corrections for the 2005-07 biennium (does not include \$838,200 appropriated to the IFC for electronic security equipment at the Southern Nevada Correctional Center; \$9.6 million appropriated to the Information Technology budget for replacement of the Nevada Correctional Information System [NCIS]; or funding approved by the 2005 Legislature for salary increases). Appropriations approved by the 2005 Legislature represent an approximate \$47.2 million increase over the \$376.1 million (includes \$3.7 million in supplemental appropriations approved by the 2005 Legislature) approved by the 2003 Legislature, a 12.6 percent increase.

INMATE POPULATION PROJECTIONS

The department's budget is primarily driven by the projected number of inmates to be housed. The Executive Budget recommended funding for housing an average of 11,502 inmates in FY 2005-06 and 11,828 in FY 2006-07. The budget, as approved by the 2005 Legislature, provides for housing an average of 11,466 inmates in FY 2005-06 and 11,896 in FY 2006-07. This revision to the inmate population was the result of a re-projection of the inmate population by JFA Associates in March 2005. Inmates from Washington and Wyoming will no longer be housed in Nevada facilities as of June 2005.

The department's biennial plan, as provided to the 2005 Legislature (Model 2005-02, dated May 2, 2005 based on the JFA Associates' March 2005 re-projection), included information indicating where the inmates are to be housed during the 2005-07 biennium. The following schedule summarizes the plan (based on annual averages) as provided by the department and approved by the Legislature, excluding Washington and Wyoming inmates:

INSTITUTION/FACILITY	EMERGENCY THRESHOLD AS OF 6-30-07	ACTUAL FY 2004	APPROVED FY 2004-05	LEG APPROVED	
				FY 2005-06	FY 2006-07
Southern Nevada Correctional Center (a)	612	0	0	0	543
Warm Springs Correctional Center	501	456	550	479	462
Northern Nevada Correctional Center	1,285	1,251	1,249	1,265	1,246
Nevada State Prison	946	685	685	932	917
Southern Desert Correctional Center	1,403	1,330	1,479	1,392	1,362
Ely State Prison	1,042	1,022	997	1,026	1,010
Lovelock Correctional Center (b)	1,535	1,531	1,565	1,669	1,502
High Desert State Prison	2,249	1,693	1,703	2,210	2,183
Southern Nevada Women's (c)	569	447	515	520	537
Stewart Conservation Camp	240	232	240	229	222
Pioche Conservation Camp	194	188	194	186	179
Indian Springs Conservation Camp	248	228	248	236	229
Wells Conservation Camp	150	138	150	147	138
Humboldt Conservation Camp	150	143	150	145	131
Ely Conservation Camp	150	144	150	145	135
Jean Conservation Camp (d)	250	229	240	240	245
Silver Springs Conservation Camp (e)	122	123	112	112	118
Carlin Conservation Camp	150	141	150	145	128
Tonopah Conservation Camp	150	130	150	145	128
Northern Nevada Restitution Center	88	99	88	83	81
Casa Grande Transitional Housing (f)	400	0	150	160	400
Total	12,434	10,210	10,765	11,466	11,896
Change			555	701	430

Assumptions:

- (a) SNCC to reopen August 2006 and house "youthful" offenders.
- (b) LCC to close 156 beds above emergency capacity in August 2006.
- (c) SNWCF to open 23 beds above emergency capacity in November 2006.
- (d) JCC to open 10 beds above emergency capacity in November 2006.
- (e) SSCC to open 10 beds above emergency capacity in November 2006.
- (f) Casa Grande to open in December 2005 with a capacity of 400 beds. Inmates to be relocated to this facility at a phased approach of approximately 50 inmates every two weeks.

SUPPLEMENTAL AND ONE-SHOT APPROPRIATIONS

The Governor recommended and the 2005 Legislature approved the following supplemental and one-shot appropriations for the department:

Bill No.	Purpose	Supplemental	One-Shot
S.B. 91	For expenses in excess of budgeted for utilities (\$1,850,384), operating (\$90,000), inmate-driven (\$532,252) and facility maintenance (\$23,000). The 2005 Legislature increased the funding by \$353,962 over the amount recommended by the Governor.	\$2,495,636	
S.B. 91	For annualized cost of operating the Southern Nevada Women's Correctional Facility. The 2005 Legislature reduced the funding by \$129,277 from the amount recommended by the Governor.	\$1,223,433	
S.B. 104	For the purchase of 48 replacement vehicles. The 2005 Legislature approved the funding as recommended by the Governor.		\$1,012,482
A.B. 576	Funding was appropriated to the Interim Finance Committee for allocation to the Department of Corrections for electronic security equipment to augment the security at the Southern Nevada Correctional Center. No funding was recommended by the Governor for this purpose.		\$838,200
	TOTAL	\$3,719,069	\$1,850,682

SALARY ADJUSTMENTS

In addition to the "step-10" salary increase for classified employees, the two percent salary increase in FY 2005-06 and the four percent salary increase in FY 2006-07, the 2005 Legislature approved a two-grade salary adjustment for correctional officer staff (Correctional Officers to Correctional Lieutenants), Criminal Investigators, Associate Wardens, Nurses, Correctional Classification and Planning Specialists and Correctional Case Workers as employed by the Department of Corrections. The cost of this salary adjustment as provided for the employees of the department is \$20.4 million for the 2005-07 biennium and is not included in the General Fund support, as referenced at the beginning of this section.

OFFENDER MANAGEMENT INFORMATION SYSTEM REPLACEMENT

The 2005 Legislature approved General Fund support of \$9.6 million in the Information Technology budget (Department of Administration) for the replacement of the Department of Correction's Offender Tracking Information System. This system affects the entire department's operations, including intake processing, offender identification, sentencing tracking, security threat group tracking, disciplinary actions and other miscellaneous functions. The existing system was developed in-house over 17 years ago and utilizes an obsolete database platform and operating system. Additional

funding was also approved in the Director's Office for six new positions related to this project: two Information System Specialists, a Database Management Specialist, a Computer Network Technician (FY 2006-07) and two Program Officers for the help desk. The new system is projected to become operational in July 2007.

CAPITAL IMPROVEMENTS

Capital improvements approved by the 2005 Legislature for the department total approximately \$58.6 million. Descriptions of the projects, including the amounts recommended by the Governor and approved by the 2005 Legislature, are provided in the table below:

Project No.	Description	Governor Recommended	Legislature Approved
05-C20b	High Desert State Prison Phase IV, three Housing Units -- Project scope changed to construction of two housing units.	\$58,570,649	\$40,289,099
05-M06	Installation of Generator No. 4 at High Desert State Prison.	\$532,738	\$532,738
05-M13	Install Backflow Preventors at Northern Nevada Correctional Center and Nevada State Prison.	\$188,047	\$188,047
05-M14	Expand Sewage Leachfield at Silver Springs Conservation Camp.	\$598,929	\$598,929
05-M15	Sewage Treatment Upgrades at Ely State Prison -- Revised cost estimate provided by SPWB due to construction cost inflation.	\$3,102,880	\$3,332,880
05-M16	Sewage Disposal Upgrades at Pioche Conservation Camp.	\$234,467	\$234,467
05-M17	Department of Corrections, Indian Springs Sewage Disposal.	\$2,658,136	\$2,658,136
05-M18	Replace Air Handling Units Phase 1 at Ely State Prison -- Project not approved.	\$3,781,902	\$0
05-M19	Phone Cable Replacement at Northern Nevada Correctional Center -- Revised cost estimate provided by SPWB due to construction cost inflation and addition of security allowance.	\$146,649	\$175,839
05-M22	Central Boiler Plant Renovation at Lovelock Correctional Center -- Revised cost estimate provided by SPWB due to construction cost inflation.	\$337,999	\$367,999
05-M24	Repair/Replace Locks, Doors, Control Panel, Intercom at Warm Springs Correctional Center -- Revised cost estimate provided by SPWB due to construction cost inflation.	\$513,173	\$548,173
05-M25	Repair/Replace Doors, Locks, Control Panels at Southern Desert Correctional Center -- Revised cost estimate provided by SPWB due to construction cost inflation.	\$406,599	\$436,599
05-M29	Groundwater Protection at Carlin Conservation Camp -- Revised cost estimate provided by SPWB due to construction cost inflation.	\$599,874	\$639,874

Project No.	Description	Governor Recommended	Legislature Approved
05-M30	Building Structural Remediation at Lovelock Correctional Center -- Revised cost estimate provided by SPWB due to construction cost inflation and addition of security and remote site allowances.	\$313,747	\$452,832
05-M31	Boiler Replacement at Southern Desert Correctional Center -- Revised cost estimate provided by SPWB due to construction cost inflation.	\$397,421	\$427,421
05-M36	Central Chiller Plant Renovation at Lovelock Correctional Center -- Revised cost estimate provided by SPWB due to construction cost inflation.	\$1,122,864	\$1,212,864
05-M37	Replace High Mast Cable System and Operators at Ely State Prison -- Revised cost estimate provided by SPWB due to construction cost inflation.	\$454,465	\$504,465
05-M38	Boiler Replacement at Warm Springs Correctional Center -- Revised cost estimate provided by SPWB due to construction cost inflation. Duplicate prison security allowance eliminated.	\$205,547	\$213,034
05-M40	Repair Perimeter Fence at Lovelock Correctional Center -- Revised cost estimate provided by SPWB due to construction cost inflation.	\$56,056	\$60,056
05-M45	Sewage Treatment Upgrades at Southern Nevada Correctional Center.	\$0	\$500,000
05-P01	Arsenic Reduction in Domestic Water at Silver Springs and Humboldt Conservation Camps.	\$65,599	\$65,599
05-P02	Advance Planning of Water Line Replacement at Southern Desert Correctional Center.	\$488,297	\$488,297
05-P03	Erosion Control at High Desert State Prison.	\$61,718	\$61,718
05-P05	Advance Planning of Women's Reentry Center at Southern Nevada Women's Correctional Facility -- Project scope and cost estimate revised by SPWB to allow for earlier construction timeline.	\$1,246,100	\$2,662,734
05-P07	Advance Planning of New Prison #8 -- Project not approved.	\$1,800,000	\$0
05-P12	Corrections Statewide Utilization Plan -- Project not approved.	\$363,189	\$0
05-P28	Advance Planning of Indian Springs Work Center, Department of Corrections.	\$1,970,385	\$1,970,385
	TOTAL ALL PROJECTS	\$80,217,430	\$58,622,185

The above schedule does not include funding as approved by the 2005 Legislature for Statewide Projects. Funding as approved for Statewide Projects includes new roofs for 10 buildings at ESP; ADA accessible routes at NNCC; fire sprinkler systems and alarms at SDCC, WSCC, LCC, ISCC, and SNWCC; and pavement rehab and upgrade at ESP, LCC, NSP, WSCC, SNCC, SDCC, and NNCC.

DEFERRED MAINTENANCE PROJECTS

The Executive Budget recommended, in the Director's Office budget, a total of \$4.0 million in General Funds for deferred maintenance projects at various Department of Corrections facilities. Amendments received from the Governor modified the recommended amount to \$3.5 million. The primary change in project funding was to transfer \$500,004 to the Capital Improvement Program for renovation of a sewage treatment pond at the Southern Nevada Correctional Center (CIP 05-M45, Sewage Treatment Upgrades-SNCC). Additional revisions to the Governor's recommended funding included an increase of \$202,000 for the Nevada State Prison to include the replacement of four heating lines and water heaters at this facility. This project is in addition to the two heating lines and water heaters that were completed on an emergency basis during FY 2004-05. The 2005 Legislature also concurred with the Governor's recommendation to reduce funding for replacement of the building exterior at the Humboldt Conservation Camp from \$400,004 to \$99,996, which will result in deferral of the building exterior project and provide funding for other minor projects such as window replacement. Finally, the 2005 Legislature approved the Governor's recommendation to reduce the funding for building exterior maintenance at the Lovelock Correctional Center from approximately \$2.3 million to approximately \$2.0 million. Following is a listing of the approved deferred maintenance by facility for the department:

Decision Unit	Facility	FY 2005-06	FY 2006-07	Biennium
M-425	Prison Medical - Various Institutions	\$15,550	\$3,250	\$18,800
M-426	Warm Springs Correctional Center	\$89,338	\$73,582	\$162,920
M-427	Northern Nevada Correctional Center	\$3,600		\$3,600
M-428	Nevada State Prison	\$422,125	\$129,416	\$551,541
M-429	Northern Nevada Restitution Center	\$17,274	\$3,575	\$20,849
M-430	Indian Springs Conservation Camp	\$3,000		\$3,000
M-431	Southern Desert Correctional Center	\$59,775	\$44,775	\$104,550
M-432	Humboldt Conservation Camp	\$99,996		\$99,996
M-433	Ely Conservation Camp	\$15,405		\$15,405
M-434	Silver Springs Conservation Camp	\$79,698	\$26,075	\$105,773
M-435	Ely State Prison	\$11,185	\$11,033	\$22,218
M-436	Carlin Conservation Camp	\$338,500		\$338,500
M-437	Lovelock Correctional Center	\$1,184,749	\$792,627	\$1,977,376
M-438	High Desert State Prison	\$41,000	\$41,000	\$82,000
Total		\$2,381,195	\$1,125,333	\$3,506,528

DIRECTOR'S OFFICE

The 2005 Legislature approved a net amount of \$544,767 in the Director's Office for costs associated with the re-opening of the Southern Nevada Correctional Center (SNCC) to house youthful offenders. This amount reflects a reduction of \$191,886 associated with the transfer of the Warden and an Administrative Assistant from the Director's Office to SNCC in lieu of funding two new positions for that facility. Funding as approved will provide for the following:

- Six new positions effective in FY 2006-07. The positions consist of a Budget Analyst, an Accounting Assistant, a Criminal Investigator, a Correctional Caseworker, an Administrative Assistant for personnel and a Training Officer.
- Equipment which includes office furnishings, a sedan for the Criminal Investigator and computer equipment (this is in addition to the \$1,761,900 approved in the budget for SNCC for equipping the facility). The 2005 Legislature deleted the recommended funding for 17 computers for vocational training since funding for that equipment is provided through the Distributive School Account.
- Employee physicals and drug testing for new employees for the facility.
- New beds and mattresses. The Executive Budget recommended funding for only 550 mattresses which is insufficient to operate the facility at emergency capacity. The 2005 Legislature increased the funding to provide for an additional 62 mattresses, which would permit operation of the facility at emergency capacity if necessary (612 beds).

The 2005 Legislature also approved the following in the Director's Office budget:

- Six new positions associated with the replacement of the Nevada Correctional Information System. Refer to discussion of that issue under separate heading in the NDOC portion of the report.
- Additional funding for drug testing of inmates based on projected inmate population growth. Funding as approved will provide for testing of five percent of the inmate population each month, testing of all participants in treatment programs each month, testing of inmates suspected of being under the influence and saturation testing of ten percent of the inmates on the same day annually.
- \$209,550 for replacement equipment, which includes upgrades to the central office PBX phone system software, replacement of headsets and phone equipment, and replacement of 206 gun holsters and magazine pouches, which completes the department's equipment change-out from 38-caliber to 40-caliber weapons.

MEDICAL DIVISION

The 2005 Legislature approved the Governor's recommendation to add 22.51 FTE new positions effective July 2006 to staff the re-opening of the SNCC, which is scheduled to open in August 2006. The Governor's budget recommended inflationary increases for inmate-driven medical costs (hospital services, prescription drugs, dental supplies,

medical supplies and durable medical equipment) of 14.3 percent in FY 2005-06 and 22.1 percent in FY 2006-07. The inflation rates as utilized by the Governor were based on those projected by the Center for Medicare and Medicaid Services (CMS). In reviewing this issue, the 2005 Legislature determined the cost-per-inmate for medical is impacted more by catastrophic cases than by inflation. Based on this determination, the 2005 Legislature elected to utilize a five-year average medical CPI (applied to each cost category) as the basis for inflationary increases which resulted in reduction of General Fund support of \$344,976 in FY 2005-06 and \$522,595 in FY 2006-07. The 2005 Legislature also reduced the funding as recommended by the Governor for contract medical services to reflect historical usage of contract medical services instead of contract maximums. This action resulted in reduction of General Fund support of \$95,237 in each year of the 2005-07 biennium.

CORRECTIONAL PROGRAMS

The Legislature approved the Governor's recommendation to add \$1.1 million in General Funds over the biennium to replace all federal grant dollars previously allocated to the OASIS (Offenders Acting in Solidarity to Insure Sobriety) program at the Southern Desert Correctional Center. A budget amendment from the Governor was also approved to provide a funding mix of federal grant monies, transfers from the Inmate Welfare Account, and General Funds to continue the WINGS (Willing Inmates in Nevada Gaining Sobriety) program at the Northern Nevada Correctional Center. The General Fund cost for the WINGS program was approved at \$24,050 for the biennium by the Legislature. The Governor's recommendation to continue the Going Home Prepared program at the Southern Desert Correctional Center after the federal grant expires in June 2006 (three-year grant) was also approved by the Legislature. This program provides transitional services for 250 violent offenders. The General Fund cost to continue this program is \$363,605 in FY 2006-07.

Thirteen new positions were also approved as recommended by the Governor to staff the SNCC. Positions as approved include three Psychologists, two Mental Health Counselors, two Social Workers, two Substance Abuse Counselors, a Program Officer, two Administrative Assistants and a Chaplain.

SOUTHERN NEVADA CORRECTIONAL CENTER

The Southern Nevada Correctional Center (SNCC) is a medium-security facility located in Jean, Nevada with a capacity of 612 beds. The institution originally opened in January 1978 and was closed in September 2000 for renovation when the High Desert State Prison (HDSP) was opened. The Legislature approved the Governor's recommendation to reopen this facility in August 2006 for "youthful offenders." These offenders will be up to 23 or 24 years of age but will not include the most seriously violent individuals.

The Executive Budget recommended staffing SNCC with 193 positions, which was a concern to the Legislature since this represented a 34 percent increase over staffing that existed previously at the facility. An alternative staffing pattern, totaling 167 positions, was approved by the Legislature along with \$838,200 appropriated to the IFC for an electronic security system to augment security at the facility. To access the funding for the security system, the department is to develop a detailed cost proposal for approval by the Board of Examiners and submittal to the IFC for consideration. The 2005 Legislature also approved the transfer of the Warden and an Administrative Assistant from the Director's Office in lieu of funding new positions in this budget. Start-up materials and inventory for the armory, vehicles, security radios, video conferencing equipment, bedding, culinary supplies, office supplies, office furniture, cleaning supplies and building maintenance tools totaling \$1.8 million were also approved for SNCC by the Legislature.

In addition to the facility staff, the Legislature approved 45.51 positions for support functions. These include 22.51 FTE for the Medical Services budget, 6.0 FTE in the Director's Office budget, 13.0 FTE for Correctional Programs, 2.0 FTE in the Offender Store Fund and 2.0 FTE in the Inmate Welfare Account budget.

CASA GRANDE TRANSITIONAL HOUSING

In accordance with the department's operating plan approved by the Board of Examiners and the IFC in June 2004, The Executive Budget recommended opening a 400-bed transitional housing facility in southern Nevada for male offenders. Inmates are to be assigned to Casa Grande Transitional Housing facility during the last four to six months of their sentence and receive services to improve their transition back into society. An important program goal is for all inmates to obtain employment within 30 days of being assigned to Casa Grande.

The Executive Budget provided for the facility to open in October 2005 and to house 400 inmates at that time. Updated information provided to the Legislature changed the anticipated opening date to December 2005. In addition, the Legislature was concerned about the practicality of relocating 400 inmates to the facility at one time and meeting the inmate employment goals used to develop the budget. Because of those concerns, the legislatively-approved housing plan provided for a phased approach of relocating approximately 50 inmates every two weeks into Casa Grande until the capacity of 400 inmates was reached. The recommended and approved budget assumes approximately 36 percent of the revenue to support the operation of Casa Grande will be derived from room and board charges assessed to the inmates housed at the facility.

In addition to the project financing of \$491,459, which will fund the cost of facility furniture, the PBX system and computer communications requirements (servers and T1 circuits), the 2005 Legislature approved \$145,232 for acquisition of two 15-passenger vans, medical equipment and furniture, culinary equipment, video-teleconferencing equipment, office equipment and other miscellaneous equipment.

SOUTHERN NEVADA WOMEN'S CORRECTIONAL CENTER

The Southern Nevada Women's Correctional Center is a 546-bed female multiple security facility located in Las Vegas. This facility was privately operated until October 2004 at which time the state of Nevada assumed operation of the facility. The 2005 Legislature approved the Governor's recommendation to add eight new correctional officer positions to this facility to address security concerns in four areas: central control, gatehouse, sally port and the mental health unit. The 2005 Legislature also reduced the funding for debt payments by approximately \$4.2 million based on the State Treasurer's Office bond refinancing activity, which provided savings to facilitate payment of the debt from the savings over the 2005-07 biennium.

The 2005 Legislature approved funding of \$195,000 per year of the biennium to fund re-entry services to female inmates in southern Nevada by the City of Las Vegas' EVOLVE (Education and Vocational Opportunities Leading to Valuable Experience) program. In approving the funding, the Legislature stipulated General Fund support for the program would not be considered a base expenditure when developing the 2007-09 budget and that program objectives be developed with quarterly reports submitted to IFC which measure the actual services provided against the objectives.

HIGH DESERT STATE PRISON

In approving the budget for this facility, the 2005 Legislature supported a budget amendment as submitted by the Governor to add 18 new positions (17 Correctional Officers and a Senior Correctional Officer) to staff housing Unit 8 at a biennial cost to the General Fund of approximately \$1.9 million. These positions were not included in The Executive Budget as submitted to the 2005 Legislature. The 2005 Legislature also approved two new positions as recommended by the Governor to staff a new post on the culinary gun rail and two new positions (Caseworker and Administrative Assistant) as recommended by the Governor to address the backlog in the intake unit at this facility; this facility provides intake for male inmates in southern Nevada. The 2005 Legislature did not approve 17 new positions as recommended by the Governor to implement unit management at this facility. Concern was expressed in the review of the unit management concept that this may establish a precedent for adding positions for this function at other NDOC facilities in the future.

LOVELOCK CORRECTIONAL CENTER

The 2005 Legislature approved the Governor's recommendation to add a Correctional Officer position at this facility to "formalize" the operation of the Structured Living Program (SLP). The SLP is a tiered-level program operated on a military style. As an inmate progresses through the program he is given increased level of responsibility. The Correctional Officer will act as a drill instructor with the primary goal to instill motivation and drive in the inmate's participating in the program to ensure proper discipline and eventual graduation.

Funding of \$145,803 was approved to provide for replacement equipment.

SOUTHERN DESERT CORRECTIONAL CENTER

The 2005 Legislature approved the Governor's recommendation to add three Correctional Officers to augment the staffing at Unit 8 (segregation unit) and to restore a Maintenance Worker that was eliminated during the 2003 Legislative Session.

DEPARTMENT OF MOTOR VEHICLES

The Department of Motor Vehicles (DMV) provides vehicle registration, driver's licensing, motor carrier licensing, motor fuel and special fuel tax reporting, regulatory enforcement, emission control and verification of insurance functions.

For the 2005-07 biennium, total funding approved for the Department of Motor Vehicles is \$243.5 million, which is approximately \$23.2 million more than the amount approved for the 2003-05 biennium. Highway Fund support for the department totals \$88.1 million, which is \$4.1 million less than the amount approved for the 2003-05 biennium. General Fund support for the department is minimal, with approximately \$43,000 being approved for the 2005-07 biennium.

The 2005 Legislature approved a supplemental appropriation of \$1.3 million from the Highway Fund to the Administrative Services Division for unanticipated costs related to service charges imposed on electronic payments made by credit card for payment of vehicle registration and driver's license fees.

Within the Capital Improvement Program, the 2005 Legislature approved \$974,403 for furniture and equipment for the North Las Vegas Office.

ADMINISTRATIVE SERVICES

The Administrative Services Division provides accounting, budgeting, payroll, warehousing, mail services, facilities management, revenue and bad debt services.

The Governor recommended a reduction in Highway Funds of approximately \$2.5 million in FY 2005-06 and \$6.3 million in FY 2006-07 with offsetting revenue reflecting reimbursement from state and local entities for service charges on the use of credit cards for payment of fees and taxes to the department. The Legislature expressed concern over the proposed reimbursement of credit card service charges based on the proposed change in fee payment methodology, which would affect:

- The level of sales taxes deposited to the General Fund;
- Vehicle registration and driver's license fees deposited to the Highway Fund;
- Government Services Tax (GST) distributed to local governments and school districts; and
- Special vehicle plate fees distributed to a multitude of special funds, including collegiate and veterans' plates.

Based on these concerns, the Legislature did not approve the Governor's recommendation and approved the continued use of Highway Funds to pay for merchant fees. This resulted in the Legislature adding Highway Funds back into this account in the amount of \$2.5 million in FY 2005-06 and \$6.3 million in FY 2006-07. Included in the amounts approved by the Legislature are Highway Fund appropriations of \$2.3 million in FY 2005-06 and \$3.5 million in FY 2006-07 for increased credit card service charges due to anticipated increases in usage.

The Legislature approved the Governor's recommendation to appropriate \$60,000 from the Highway Fund to conduct a forensic computer system audit of the department's application. The results of the audit are anticipated to provide direction concerning the weaknesses of the system, if any, along with a profile of changes that may be required.

COMPLIANCE ENFORCEMENT

The 2003 Legislature approved eight positions to enforce instances of title, odometer and identification fraud, with direction that these positions be reconsidered for continuation beyond the 2003-05 biennium by the 2005 Legislature in conjunction with the number of fraud cases reported. Based on actual case experience, the 2005 Legislature approved the Governor's recommendation to continue the Fraud Unit with the reduction of one existing investigative position.

The Legislature approved the Governor's recommendation for one new Supervisory Compliance Investigator in the Reno office to reduce the staff-to-supervisor ratio from 12:1 to 6.5:1. The supervision coverage ratio includes the addition of two new Compliance Investigator positions approved in the Salvage Wreckers/Body Shops budget.

FIELD SERVICES

The 2003 Legislature approved a total of 129 new positions for major metropolitan DMV Field Offices, placing the funding for 81 of those positions into reserve with a requirement the department return to the IFC to request positions as needed. Funding for 51 of those positions was approved by the IFC over the 2003-05 biennium. Funding for 13 of the 81 positions for which funds were originally reserved was recommended in the Governor's budget for the Sahara office. The Legislature did not concur with the Governor's recommendation. In its consideration of the new positions, the money committees reviewed current wait times at the Sahara office and determined those wait times to be well within the 60-minute policy established by the Governor. If necessary, the department may approach the IFC to request a Contingency Fund allocation to fund additional positions based on wait time experience above 60 minutes.

The Legislature approved the Governor's recommendation to add 14 new DMV Services Technician III positions and one DMV Services Supervisor to provide 100 percent staffing of windows added through construction of the new Decatur office in North Las Vegas. Given recent average wait time history at the current North Las Vegas office, which is approximately one hour on average, the Legislature placed funding for the new positions into reserve with a stipulation that the department approach the IFC for release of that funding as needed if wait times exceed the one-hour goal.

The Legislature concurred with the Governor's recommendation to add two new DMV Services Technician III positions in the Fleets section and one new position in the Titles section of the Henderson office to bring it to comparable workload levels with other offices in southern Nevada.

The Governor recommended and the Legislature approved one new Motor Vehicle Appraiser for the Pahrump office based on a 173 percent increase in total Las Vegas area activity in FY 2002-03 over FY 2000-01. The position also will travel to Amargosa Valley, Beatty, Goldfield and Tonopah to handle appraisals at those locations.

The Legislature approved an increase of approximately \$800,000 in Governmental Services Tax Commissions and Penalties in each year of the biennium with corresponding Highway Fund decreases over that recommended by the Governor. Increases are based on revised projections from the department.

CENTRAL SERVICES

The Legislature approved the Governor's recommendation for one new DMV Services Technician II to meet the requirements of A.B. 325 (2003 Legislative Session), mandating the processing of salvage titles within two days. The department is not currently meeting the two-day processing requirement given the growth in salvages. The Legislature approved the additional position to allow the department to meet the required time limit.

The Legislature approved, with slight adjustments, the Governor's recommendation to increase Highway Funds by approximately \$1.7 million in each year of the 2005-07 biennium for growth and associated cost increases in raw materials used to manufacture license plates.

The Legislature approved the Governor's recommendation to eliminate the driver's license mail renewal fee (S.B. 87) of \$1.50 for persons who renew their driver's licenses by mail. Passage of the bill resulted in reserve reductions and increases in Highway Fund appropriations of approximately \$100,000 each year.

MOTOR CARRIER

The Motor Carrier section is responsible for ensuring compliance with Nevada's fuel tax laws for special fuel and motor fuel suppliers and motor carriers and for the collection of special fuel taxes, registration fees and Government Service tax for vehicles in excess of 26,000 pounds. Excise tax collection on gasoline was transferred to the DMV from the Department of Taxation by the 1999 Legislature (A.B. 584). The 2005 Legislature approved S.B. 12 to create a new Motor Carrier Division within the department.

The Governor recommended six new positions in the audit section (four professional audit staff, one supervisor and one clerical position) to increase the frequency of audits of Nevada's fuel suppliers from once every four years to every two years. In considering this request, the money committees noted that the department is not currently meeting the four-year frequency for audits of suppliers and that the request was based largely on the amount of revenue collected. Given this, the Legislature reduced the Governor's recommendation from six positions to three positions (two professional audit staff and one clerical position) to maintain a four-year audit frequency with direction to the department that it look to more frequent audits in the future if warranted.

MOTOR VEHICLE POLLUTION CONTROL

The Compliance Enforcement Division is responsible for assisting with efforts to improve air quality in counties whose population is 100,000 or more through the administration of the Motor Vehicle Emission Control (Inspection and Maintenance, or I/M) program.

Previously, local government agencies in non-attainment or maintenance areas for an air pollutant received grants from the Pollution Control account representing one-sixth of the amount received for each form, which is \$1, and money in the Pollution Control account in excess of \$500,000 remaining at the end of a fiscal year subject to approval by the IFC. The Legislature passed S.B. 26, which provides for quarterly distribution of money in the Pollution Control account to local government agencies in non-attainment or maintenance areas and removed provisions, which established the one-sixth distribution as a grant requiring IFC approval. Senate Bill 26 also increases the amount considered "excess money" in the Pollution Control account from \$500,000 to \$1,000,000 to provide for sufficient cash to continue operations at the beginning of each year.

AUTOMATION UNIT

The Automation Unit provides data processing, programming and technical personal computer support for the DMV.

The Legislature concurred with the Governor's recommendation for one new Computer Network Specialist position to provide technological support at the new North Las Vegas Office. The Legislature also approved the Governor's recommendation to add two Computer Systems Technician positions to provide second-shift operations support in Carson City.

The Legislature did not concur with the Governor's recommendation to add one Information System Specialist position for the North Las Vegas office to provide programming support for the vehicle fleet application. The Legislature indicated that support for the fleet application should come from existing programming staff.

The Governor recommended two Information Systems Specialist positions in the Automation account to provide development and programming necessary for the tracking and reporting requirements associated with electronic filing of fuel tracking by suppliers. The Legislature approved the recommendation to add two positions, noting an offsetting decrease of \$250,000 in each year of the biennium was approved in the Motor Carrier account, reflecting reduced reliance on outside contractors to support this function.

The Governor recommended and the Legislature approved funding to replace and upgrade the Carson City Internet infrastructure, upgrade capacity to the Storage Area Network and replace an impact band printer with a high-speed continuous form laser printer.

DEPARTMENT OF PUBLIC SAFETY

The Department of Public Safety consists of the Nevada Highway Patrol, Nevada Division of Investigations, Capitol Police, Office of Traffic Safety, Fire Marshal, Division of Emergency Management, Division of Parole and Probation and the Parole Board.

For the 2005-07 biennium, total funding approved for the department is \$386.2 million, which is 32.4 percent greater than the amount approved for the 2003-05 biennium. The Highway Fund support for the department totals \$117.4 million, which is 7.2 percent greater than the amount approved for the 2003-05 biennium. The General Fund support for the department totals \$92.9 million, which is 15.7 percent greater than the amount approved for the 2003-05 biennium.

The 2005 Legislature concurred with the Governor's recommendation to implement a unified class series for all sworn positions in the department by grouping positions with similar responsibility levels into a single classification. The cost to implement recommended pay increases for selected positions in the department totals \$332,434 in FY 2005-06 and \$331,292 in FY 2006-07. The unified class series is intended to expand career opportunities by facilitating the transfer of employees between various divisions.

SUPPLEMENTAL AND ONE-SHOT APPROPRIATIONS

The Governor recommended and the 2005 Legislature approved the following supplemental and one-shot appropriations for the department:

Bill No.	Purpose	Supplemental General Fund	One-Shot General Fund
S.B. 92	For unanticipated out-of-state travel, in-state travel and operating costs incurred by Dignitary Protection. Governor recommended \$28,710.	\$35,000	
S.B. 99	For litigation cost incurred by the Interstate Commission for Adult Offender Supervision. Governor recommended \$3,000.		\$3,000
S.B. 521	For expenses related to installation of a closed-circuit security system for the Division of Parole and Probation. No funding recommended by Governor.		\$187,889
S.B. 521	For expenses related to installation of a closed-circuit security system for the Parole Board. No funding recommended by Governor.		\$60,554
TOTAL		\$35,000	\$251,443

The 2005 Legislature approved a number of projects for the department within the Capital Improvement Program. A total of \$1.3 million was approved for advance planning for replacement of the Campos Building in Las Vegas (05-P08), \$577,490 was approved for telephone data switches at the Emergency Operations Center (05-C08) and \$2.0 million in additional funding was added to the Emergency Operations Center project (05-C09a) for additional construction costs.

DIVISION OF EMERGENCY MANAGEMENT

The Legislature supported the Governor's recommendation to establish a new budget account titled Emergency Management Assistance Grants to account for all federal grants received by the state for emergency management purposes.

During the past two years, Nevada has received significant increases in federal homeland security and other emergency preparedness grant funding. The Division of Emergency Management serves as the administrator for the grants including cases when all funding is allocated to local jurisdictions. In response to this increase in responsibility and workload, four positions (two Grants and Project Analysts, one Program Officer and one Accountant Technician) were approved by the IFC on June 24, 2003. To address complexities and workload of the current grants, the Governor recommended and the Legislature approved an additional Administrative Services Officer III position and one Grants and Projects Analyst II position.

The division is recommended to locate to a new 15,845 square foot Emergency Operations Center in early 2006. The Governor recommended that multi-media equipment be provided for the new location to ensure that adequate information can be disseminated throughout the facility during an emergency. The Legislature approved the Governor's recommendation with adjustments for updated equipment prices and equipment included in the capital project budget.

The Governor proposed and the Legislature concurred with the Governor's recommendation to establish a small office in Las Vegas staffed with two positions. The new office will facilitate the division's interaction and coordination of planning and training efforts with local jurisdictions in southern Nevada.

OFFICE OF HOMELAND SECURITY

Assembly Bill 441 of the 2003 Legislative Session created the Nevada Commission on Homeland Security. Through A.B. 441, the Legislature appropriated \$118,750 in FY 2003-04 and \$111,069 in FY 2004-05 for use by the commission in carrying out its duties; the funding was subsequently placed within the Governor's budget account for the 2003-05 biennium. Funding was utilized to hire 2.0 FTE positions during the 2003-05 biennium, a Grants and Projects Analyst II and an Administrative Assistant IV.

Senate Bill 380, as approved by the 2005 Legislature, revised provisions relating to the membership of the Nevada Commission on Homeland Security. Through S.B. 380, the membership of the commission now consists of 14 members appointed by the Governor; previously, there was no limit placed on the number of members the Governor could appoint.

The Governor recommended and the Legislature approved the transfer of the Office of Homeland Security from the Governor's budget to the Department of Public Safety, including the transfer and reclassification of the two positions hired during the 2003-05 biennium. In addition, the Legislature approved 5.0 FTE new positions, as recommended by the Governor. The positions include an unclassified Chief of Homeland Security, a Senior Analyst, an Intelligence Analyst, an Executive Assistant to the Chief, and a Program Assistant for the Senior Analyst and Intelligence Analyst. Funding for all of the new positions, except the Program Assistant, will be split between federal funds from the State Health Division and the Division of Emergency Management. The Program Assistant was approved to be funded with state General Funds.

In making these decisions, the Legislature approved a Letter of Intent requesting the Department of Public Safety to review the duties and staffing of the Division of Emergency Management and the Office of Homeland Security to determine how to improve the efficiency of the combined operations of the two programs. A report of findings and recommendations should be completed on or before July 1, 2006. In addition, the Legislature indicated that no additional positions should be requested in the future to be funded from the state General Fund.

CRIMINAL HISTORY REPOSITORY

The Criminal History Repository maintains a record of all persons arrested in Nevada for crimes that meet the reporting criteria, supports a state wants/warrants system, processes background checks for the sale of handguns in accordance with federal regulations (Brady Bill), performs fingerprint checks and operates a Civil Name Check program. The agency relies on administrative court assessments to fund its criminal background operations. Additional administrative court assessments totaling \$221,402 in FY 2005-06 and \$290,662 in FY 2006-07 resulting from revised projections were approved by the Legislature to increase funding for non-civil functions of the Criminal History Repository.

The 2005 Legislature approved the Governor's recommendation to add six new positions: four to support the Sex Offender Registry program, one to support the Civil Name Check program, and one to provide fiscal support to the Criminal History Repository.

The Governor recommended General Fund appropriations of \$75,000 in each year of the biennium to provide for background checks for volunteers of nonprofit organizations. The Legislature approved decreases in General Funds by \$50,000 each year for a total of \$25,000 in each year of the biennium based on uncertainty over the degree to which non-profit organizations would utilize funding recommended by the Governor. In approving the recommended funding, the Legislature approved appropriations to the Volunteer Background Checks Trust Account with the intent that the account is included in the Appropriations Act and future Executive Budget requests with the ability to carry forward the remaining balance of funds subject to approval by the IFC.

NEVADA HIGHWAY PATROL

The Governor recommended and the Legislature approved an appropriation of \$86,000 from the Highway Fund to contract with an outside consultant to develop a staffing formula/methodology for sworn positions within the Nevada Highway Patrol. The department intends to work in partnership with an external entity adept at statistics and nationwide research to create the formula.

The Legislature supported the Governor's recommendation to replace vehicles each year, with reductions of 32 vehicles and 2 motorcycles in FY 2005-06 and 30 vehicles in FY 2006-07. Reductions approved by the Legislature primarily reflect the removal of vehicles anticipated for replacement based on the assumption that 29 of the division's vacancies would be filled and those new employees would be driving a vehicle in each year of the biennium.

The Legislature concurred with the Governor's recommendation to replace all handguns for sworn positions in the Highway Patrol at a total cost of \$207,000 in FY 2005-06.

DIGNITARY PROTECTION

The 2005 Legislature concurred with the Governor's recommendation to add two Highway Patrol trooper positions to increase security for the Governor and First Lady. In approving the new positions, the Legislature did not concur with the recommended increase in overtime of \$15,294 per year since the new positions should provide relief for the positions providing security to the Governor and First Lady. The 2005 Legislature also approved the Governor's recommendation to transfer five Capitol Police Officer positions providing 24-hour, 7-day per week security at the Governor's Mansion to the Capitol Police account.

NARCOTICS CONTROL TASK FORCES/FORFEITURES

The Narcotics Control Task Forces are funded with federal Byrne Grant funds and matched with forfeiture funds. The purpose of the task forces is to deter and disrupt the trafficking and availability of narcotics and dangerous drugs statewide. The Governor recommended the continuation of federal Byrne Grant funds matched with forfeiture funds for the 2005-07 biennium. During review of the Narcotics Control budget, the Legislature received updated information regarding a significant reduction in FY 2005-06 and the potential elimination in FY 2006-07 of federal Byrne Grant funds previously directed to the Narcotics Control Task Forces. Information provided to the Legislature also indicated that federal forfeiture funds would no longer be eligible to match the federal grants. In response to this information, the Legislature approved additional General Funds of \$3.4 million over the biennium to make up for funding shortfalls and continued all six task forces into the 2005-07 biennium.

DIVISION OF PAROLE AND PROBATION

The mission of the Division of Parole and Probation is to monitor and enforce offender compliance with the conditions of their community supervision, assist offenders in successfully reintegrating into society, and to ensure objective sentencing information and recommendations to the District Courts of Nevada. General Fund appropriations approved for the 2005-07 biennium total \$69.3 million, an increase of 10.7 percent compared to General Funds approved for the 2003-05 biennium.

The Legislature concurred with the Governor's recommendation to add 27 new positions to meet caseload projections developed by JFA Associates based on legislatively-approved caseload-to-officer ratios. Those ratios are: pre-sentence investigations 64:1; general supervision 70:1; intensive supervision and residential confinement 30:1; and sex offenders 45:1. Seven of the positions will be assigned to the Reno District Office with remaining 20 positions to be located in the Las Vegas area.

The Legislature approved the expansion of the Residential Confinement Program as recommended by the Governor, with General Funds of approximately \$623,000 over the 2005-07 biennium. The program expansion will include a change in policy to allow offenders otherwise eligible for the program, except for their ability to pay supervision

fees, to be supported by General Funds for a period of 30 days. At that point, if a job or other financial resources to pay for the program has not been obtained, and if they are following the other program requirements, they will be re-evaluated and continued for another 30 to 60 days. When they are able to pay supervision fees, the division will attempt to recover the General Fund costs paid on their behalf when they first entered the program. To support an estimated increase of 30 residential confinement offenders resulting from the expanded program, the Legislature approved the Governor's recommendation for one additional Parole and Probation Officer.

TRAINING DIVISION

The Training Division was approved by the 1999 Legislature to provide basic academy and continuing education training to law enforcement personnel within the Department of Public Safety. The 2005 Legislature approved the Governor's recommendation to establish a training facility to be located in Las Vegas. The training facility will be staffed with four new positions and will provide basic academy and continuing education training to positions located in southern Nevada. In so doing, the Legislature approved adjustments to amounts recommended by the Governor to reflect occupancy at a National Guard facility through the first six months of the year, occupancy at a state-owned facility from December 2005 until October 2006 and occupancy at leased space through the remainder of the 2005-07 biennium. In response to concerns regarding utilization of both the new southern academy and the existing northern academy, the Legislature issued a Letter of Intent to the department to report on the utilization of the northern and southern academies over the 2005-07 biennium.

The Governor recommended and the Legislature approved funding to add 3.96 FTE and utilize contract services to establish a formal "Background Unit" to perform background checks for prospective recruits of the department.

The Legislature did not concur with the Governor's recommendation to add a new Management Analyst position to provide fiscal support for the Training Division but instead approved the upgrade of an existing Administrative Assistant position to a Management Analyst to provide the necessary fiscal support to the Training Division.

FIRE MARSHAL'S OFFICE

The 2005 Legislature approved the Governor's recommendation to augment the National Fire Incident Reporting system effort including additional funding for travel to conduct training throughout the state and new web-based software to provide immediate information access and update capabilities to all participating entities and ease reporting to the national database.

Based on concerns regarding the proposed scope and potential duplication of efforts with local jurisdictions, the 2005 Legislature did not concur with the Governor's recommendation to appropriate funding of \$301,631 to establish a Fire Prevention Training program supported by a new Training Officer position.

PAROLE BOARD

The Parole Board was established under Chapter 213 of NRS to provide parole hearings and conduct revocation hearings for persons accused of violating parole. The board consists of six members and a chairman, appointed by the Governor. An unclassified secretary and seven classified personnel assist the board with office and administrative functions. To address the board's record-management workload, which has increased since the board was last authorized for new positions in 1997, the Governor recommended and the Legislature approved three new Administrative Assistant positions. The Legislature concurred with the Governor's recommendation to add one new Program Officer position to support the Pardons Board, which does not have dedicated staff support. The Parole Board Chairman indicated that the new positions will allow the board to meet projected workload increases without additional commissioner positions.

**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
PUBLIC SAFETY				
DEPARTMENT OF CORRECTIONS				
NDOC DIRECTOR'S OFFICE	14,867,378	17,666,633	17,241,354	16,800,107
GENERAL FUND	13,043,522	15,879,787	15,473,402	14,813,782
BALANCE FORWARD	14,462	4,158	4,158	
FEDERAL FUND	1,400,601	1,190,843	1,190,843	1,190,843
INTER AGENCY TRANSFER	98,031	542,142	523,248	745,779
OTHER FUND	310,762	49,703	49,703	49,703
PRISON MEDICAL CARE	30,822,626	33,605,920	32,866,804	36,848,091
GENERAL FUND	27,701,702	31,510,310	30,769,831	34,320,179
INTER AGENCY TRANSFER	1,246,904	2,037,262	2,037,896	2,467,928
OTHER FUND	1,874,020	58,348	59,077	59,984
CORRECTIONAL PROGRAMS	6,836,978	6,509,060	6,361,467	7,259,694
GENERAL FUND	3,065,229	4,648,451	4,512,708	5,861,904
BALANCE FORWARD	2,205			
FEDERAL FUND	1,783,480	719,803	719,803	176,523
INTER AGENCY TRANSFER	1,326,732	1,047,308	1,035,458	1,127,769
OTHER FUND	659,332	93,498	93,498	93,498
ELY STATE PRISON	23,147,909	25,373,124	25,046,292	26,215,189
GENERAL FUND	23,086,983	23,404,097	23,075,047	23,796,924
INTER AGENCY TRANSFER	11,523	1,921,599	1,924,000	2,371,570
OTHER FUND	49,403	47,428	47,245	46,695
HIGH DESERT STATE PRISON	35,000,204	28,988,571	29,076,591	30,494,335
GENERAL FUND	26,080,122	26,882,944	26,967,368	27,948,610
INTER AGENCY TRANSFER	279,561	2,023,454	2,025,185	2,467,885
OTHER FUND	8,640,521	82,173	84,038	77,840
NORTHERN NEVADA CORRECTIONAL CENT	19,164,231	21,152,397	20,897,169	21,533,513
GENERAL FUND	18,843,996	19,414,433	19,157,290	19,475,378
INTER AGENCY TRANSFER	129,081	1,589,864	1,593,056	1,912,241
OTHER FUND	191,154	148,100	146,823	145,894
NEVADA STATE PRISON	14,440,491	16,714,097	16,502,940	17,092,589
GENERAL FUND	13,679,990	15,417,938	15,204,987	15,534,723
INTER AGENCY TRANSFER	695,877	1,214,114	1,216,257	1,477,130
OTHER FUND	64,624	82,045	81,696	80,736
SOUTHERN DESERT CORRECTIONAL CENT	17,066,006	18,273,088	18,062,786	18,759,875
GENERAL FUND	16,872,764	16,881,465	16,669,121	17,098,202
INTER AGENCY TRANSFER	16,244	1,173,274	1,174,846	1,446,924
OTHER FUND	176,998	218,349	218,819	214,749
LOVELOCK CORRECTIONAL CENTER	19,936,840	21,892,429	21,734,877	22,447,675
GENERAL FUND	19,825,366	20,303,679	20,135,405	20,502,762
INTER AGENCY TRANSFER	28,289	1,514,201	1,521,642	1,877,133
OTHER FUND	83,185	74,549	77,830	67,780

**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 CORRECTIONS					
SOUTHERN NEVADA CORRECTIONAL CENT	457,668	1,145,888	1,037,967	15,575,166	14,166,332
GENERAL FUND	457,668	1,143,573	1,035,652	15,551,135	14,142,301
INTER AGENCY TRANSFER		2,315	2,315	4,736	4,736
OTHER FUND				19,295	19,295
WARM SPRINGS CORRECTIONAL CENTER	6,287,516	6,585,101	6,520,849	6,770,296	6,675,405
GENERAL FUND	6,474,105	6,086,120	6,020,397	6,165,572	6,071,701
INTER AGENCY TRANSFER	-211,278	433,368	433,530	538,653	537,894
OTHER FUND	24,689	65,613	66,922	66,071	65,810
SOUTHERN NEVADA WOMEN'S CORRECTIC	10,500,868	10,889,859	8,680,726	11,453,076	9,518,127
GENERAL FUND	10,447,838	10,305,765	8,098,869	10,727,120	8,797,076
INTER AGENCY TRANSFER	5,047	545,430	545,697	684,441	683,708
OTHER FUND	47,983	38,664	36,160	41,515	37,343
CASA GRANDE TRANSITIONAL HOUSING	2,163,960	3,105,715	2,490,353	4,404,082	4,187,798
GENERAL FUND	2,163,960	1,897,264	1,794,110	2,607,489	2,423,773
INTER AGENCY TRANSFER		32,167	18,764	32,167	32,167
OTHER FUND		1,176,284	677,479	1,764,426	1,731,858
RESTITUTION CENTER-NORTH	1,046,845	1,034,828	1,021,182	1,051,731	1,033,543
GENERAL FUND	462,005	523,336	514,976	520,004	523,259
INTER AGENCY TRANSFER		61,029	61,105	75,901	75,909
OTHER FUND	584,840	450,463	445,101	455,826	434,375
STEWART CONSERVATION CAMP	1,448,142	1,635,280	1,622,105	1,630,876	1,605,849
GENERAL FUND	1,364,510	1,474,747	1,461,444	1,449,604	1,426,784
INTER AGENCY TRANSFER		103,903	104,031	124,147	124,166
OTHER FUND	83,632	56,630	56,630	57,125	54,899
PIOCHE CONSERVATION CAMP	1,385,517	1,559,920	1,545,159	1,572,002	1,546,196
GENERAL FUND	1,353,715	1,435,339	1,420,367	1,425,686	1,400,482
INTER AGENCY TRANSFER		100,828	100,951	122,475	122,490
OTHER FUND	31,802	23,753	23,841	23,841	23,224
INDIAN SPRINGS CONSERVATION CAMP	1,871,564	2,045,382	2,022,496	2,112,643	2,077,067
GENERAL FUND	1,852,991	1,892,821	1,869,754	1,928,790	1,893,540
INTER AGENCY TRANSFER		143,138	143,319	174,350	174,383
OTHER FUND	18,573	9,423	9,423	9,503	9,144
WELLS CONSERVATION CAMP	1,074,113	1,150,317	1,143,415	1,192,885	1,172,683
GENERAL FUND	1,054,365	1,059,097	1,051,697	1,085,226	1,065,614
INTER AGENCY TRANSFER		76,910	77,007	93,249	93,259
OTHER FUND	19,748	14,310	14,711	14,410	13,810
HUMBOLDT CONSERVATION CAMP	1,100,428	1,223,736	1,209,742	1,238,538	1,205,613
GENERAL FUND	1,077,019	1,134,403	1,120,111	1,132,511	1,100,891
INTER AGENCY TRANSFER		74,919	75,015	91,512	91,518
OTHER FUND	23,409	14,414	14,616	14,515	13,204

**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 CORRECTIONS					
ELY CONSERVATION CAMP	1,129,839	1,229,528	1,229,607	1,216,922	1,203,091
GENERAL FUND	1,111,885	1,137,694	1,137,525	1,109,640	1,096,486
INTER AGENCY TRANSFER		80,822	80,916	96,193	96,209
OTHER FUND	17,954	11,012	11,166	11,089	10,396
JEAN CONSERVATION CAMP	1,416,569	1,597,840	1,582,967	1,632,817	1,621,562
GENERAL FUND	1,385,365	1,489,433	1,474,442	1,504,165	1,492,612
INTER AGENCY TRANSFER		94,748	94,866	114,993	115,006
OTHER FUND	31,204	13,659	13,659	13,659	13,944
SILVER SPRINGS CONSERVATION CAMP	1,122,976	1,222,212	1,209,301	1,208,731	1,201,033
GENERAL FUND	1,112,111	1,128,665	1,115,653	1,097,989	1,089,607
INTER AGENCY TRANSFER	39	81,034	81,135	98,229	98,243
OTHER FUND	10,826	12,513	12,513	12,513	13,183
CARLIN CONSERVATION CAMP	1,098,651	1,241,895	1,238,413	1,217,219	1,186,249
GENERAL FUND	1,072,498	1,146,787	1,142,963	1,106,084	1,077,093
INTER AGENCY TRANSFER		77,309	77,402	93,212	93,224
OTHER FUND	26,153	17,799	18,048	17,923	15,932
TONOPAH CONSERVATION CAMP	1,028,379	1,130,943	1,121,646	1,136,063	1,111,077
GENERAL FUND	1,014,443	1,047,828	1,038,264	1,037,546	1,013,979
INTER AGENCY TRANSFER		70,349	70,438	85,662	85,671
OTHER FUND	13,936	12,766	12,944	12,855	11,427
OFFENDERS' STORE FUND	13,353,640	14,622,918	13,593,828	16,901,115	14,137,134
BALANCE FORWARD	1,594,013	1,390,280	1,390,280	2,377,645	1,476,165
OTHER FUND	11,759,627	13,232,638	12,203,548	14,523,470	12,660,969
INMATE WELFARE ACCOUNT	3,997,189	3,764,039	3,764,039	4,159,378	4,032,913
BALANCE FORWARD	826,579	699,471	699,471	1,084,765	958,300
INTER AGENCY TRANSFER	2,743,093	2,681,306	2,681,306	2,681,306	2,681,306
OTHER FUND	427,517	383,262	383,262	393,307	393,307
PRISON INDUSTRY	7,489,774	5,990,893	6,025,986	5,860,959	6,055,238
BALANCE FORWARD	1,114,973	785,726	785,726	655,792	797,796
INTER AGENCY TRANSFER	50,000	98,000	98,000	98,000	98,000
OTHER FUND	6,324,801	5,107,167	5,142,260	5,107,167	5,159,442
PRISON DAIRY	1,791,167	1,659,740	1,659,740	1,554,187	1,577,291
BALANCE FORWARD	269,729	216,995	216,995	111,442	134,546
OTHER FUND	1,521,438	1,442,745	1,442,745	1,442,745	1,442,745
SUB-FUNCTION RECAP					
DEPARTMENT OF CORRECTIONS	241,047,468	253,011,353	246,509,801	279,339,754	269,667,703
GENERAL FUND	194,604,152	207,245,976	202,261,383	227,801,025	221,039,216
BALANCE FORWARD	3,821,961	3,096,630	3,096,630	4,229,644	3,366,807
FEDERAL FUND	3,184,081	1,910,646	1,910,646	1,367,366	1,367,366
INTER AGENCY TRANSFER	6,419,143	17,820,793	17,797,385	21,103,585	20,924,578
OTHER FUND	33,018,131	22,937,308	21,443,757	24,838,134	22,969,736

**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
PUBLIC SAFETY				
DEPARTMENT OF MOTOR VEHICLES				
DMV, DIRECTOR'S OFFICE	5,391,229	5,095,918	3,817,934	5,127,697
HIGHWAY FUND	5,291,945	4,955,457	3,717,623	4,966,439
INTER AGENCY TRANSFER	99,284	140,461	100,311	161,258
DMV, ADMINISTRATIVE SERVICES	9,106,019	10,690,753	10,628,096	12,711,696
HIGHWAY FUND	3,708,535	1,821,048	4,282,688	1,000
INTER AGENCY TRANSFER	165,628	309,897	321,919	417,193
INTERIM FINANCE	507,533			
OTHER FUND	4,724,323	8,559,808	6,023,489	12,293,503
DMV, COMPLIANCE ENFORCEMENT	3,147,993	3,570,457	3,734,652	3,596,184
HIGHWAY FUND	2,820,979	3,213,879	3,396,146	3,160,835
INTER AGENCY TRANSFER	42,441	143,235	125,163	199,221
OTHER FUND	284,573	213,343	213,343	236,128
DMV, FIELD SERVICES	39,949,202	41,254,819	40,041,099	42,832,200
GENERAL FUND	22,983	21,322	21,322	21,322
HIGHWAY FUND	22,274,705	18,049,731	16,037,073	16,960,582
INTER AGENCY TRANSFER	14,796	620,489	620,515	1,264,291
OTHER FUND	17,636,718	22,563,277	23,362,189	24,586,005
DMV, CENTRAL SERVICES	11,735,989	13,844,130	13,738,411	14,244,905
HIGHWAY FUND	5,490,687	7,777,439	7,209,673	7,770,494
INTER AGENCY TRANSFER	4,485,769	4,384,461	4,803,044	4,637,300
OTHER FUND	1,759,533	1,682,230	1,725,694	1,837,111
DMV - MANAGEMENT SERVICES	2,362,804	2,533,527	2,381,386	2,587,398
HIGHWAY FUND	2,033,733	2,150,590	2,003,298	2,152,972
INTER AGENCY TRANSFER	329,071	382,937	378,088	434,426
DMV, MOTOR CARRIER	4,052,455	4,469,260	4,133,936	4,520,133
FEDERAL FUND	9,562			
HIGHWAY FUND	2,797,707	3,081,680	2,742,105	3,072,183
INTER AGENCY TRANSFER		61,753	61,767	112,584
OTHER FUND	1,245,186	1,325,827	1,330,064	1,335,366
DMV, SALVAGE WRECKERS/BODY SHOPS	750,300	893,082	929,174	767,466
BALANCE FORWARD	496,658	476,907	476,907	351,291
OTHER FUND	253,642	416,175	452,267	416,175
DMV, VERIFICATION OF INSURANCE	10,847,997	11,466,344	11,466,344	11,466,344
BALANCE FORWARD	500,000	500,000	500,000	500,000
OTHER FUND	10,347,997	10,966,344	10,966,344	10,966,344
DMV, MOTOR VEHICLE POLLUTION CONTR	9,935,105	7,980,432	8,780,539	7,859,398
BALANCE FORWARD	2,550,720	778,009	1,013,293	500,000
OTHER FUND	7,384,385	7,202,423	7,767,246	7,359,398
DMV, RECORDS SEARCH	10,257,547	9,345,246	10,451,934	9,614,808
BALANCE FORWARD	50,000	50,000	50,000	50,000
OTHER FUND	10,207,547	9,295,246	10,401,934	9,564,808

**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 MOTOR VEHICLES					
DMV, AUTOMATION	8,461,814	8,832,139	8,549,312	8,816,366	8,483,992
FEDERAL FUND	300,000				
HIGHWAY FUND	3,640,346	4,701,107	3,852,685	4,491,623	3,576,713
INTER AGENCY TRANSFER	4,454,807	4,040,645	4,607,920	4,234,356	4,818,572
OTHER FUND	66,661	90,387	88,707	90,387	88,707
DMV, HEARINGS	972,631	1,133,222	1,111,083	1,127,102	1,102,844
HIGHWAY FUND	969,006	1,018,144	1,005,118	992,331	977,690
INTER AGENCY TRANSFER	1,439	113,436	104,323	133,129	123,512
OTHER FUND	2,186	1,642	1,642	1,642	1,642
SUB-FUNCTION RECAP					
DEPARTMENT OF MOTOR VEHICLES	116,971,085	121,109,329	119,763,900	125,271,697	123,780,965
GENERAL FUND	22,983	21,322	21,322	21,322	21,322
BALANCE FORWARD	3,597,378	1,804,916	2,040,200	1,401,291	2,398,372
FEDERAL FUND	309,562				
HIGHWAY FUND	49,027,643	46,769,075	44,246,409	43,568,459	43,856,244
INTER AGENCY TRANSFER	9,593,235	10,197,314	11,123,050	11,593,758	12,526,628
INTERIM FINANCE	507,533				
OTHER FUND	53,912,751	62,316,702	62,332,919	68,686,867	64,978,399

**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
PUBLIC SAFETY					
DEPARTMENT OF PUBLIC SAFETY					
DIRECTOR'S OFFICE - PUBLIC SAFETY	2,381,125	1,166,213	1,168,768	1,197,007	1,200,146
INTER AGENCY TRANSFER	2,381,125	1,166,213	1,168,768	1,197,007	1,200,146
PUBLIC SAFETY - ADMINISTRATIVE SERVICE	1,491,529	1,617,337	1,592,605	1,667,206	1,641,341
INTER AGENCY TRANSFER	1,491,529	1,617,337	1,592,605	1,667,206	1,641,341
PUBLIC SAFETY - OFFICE OF PROFESSIONAL RESPONSIBILITY	339,888	402,451	421,349	414,846	432,451
INTER AGENCY TRANSFER	339,888	402,451	421,349	414,846	432,451
PUBLIC SAFETY TECHNOLOGY DIVISION	6,515,106	6,105,453	6,030,004	5,880,261	5,829,543
INTER AGENCY TRANSFER	6,515,106	6,105,453	6,030,004	5,880,261	5,829,543
PUBLIC SAFETY, JUSTICE ASSISTANCE ACCOUNTS	25,286,205	18,302,522	20,547,370	18,302,522	20,547,370
FEDERAL FUND	12,158,847	5,702,522	7,947,370	5,702,522	7,947,370
OTHER FUND	13,127,358	12,600,000	12,600,000	12,600,000	12,600,000
PUBLIC SAFETY, JUSTICE GRANT	534,266	572,720	581,523	586,668	593,858
GENERAL FUND	130,119	109,500	106,840	109,912	106,933
BALANCE FORWARD	594				
INTER AGENCY TRANSFER	403,553	463,220	474,683	476,756	486,925
PUBLIC SAFETY, EMERGENCY MANAGEMENT	74,929,988	2,445,192	2,389,900	2,500,270	2,618,598
GENERAL FUND	619,360	712,820	680,073	704,723	697,286
BALANCE FORWARD	13,722				
FEDERAL FUND	74,258,425	1,701,027	1,680,953	1,755,572	1,883,944
INTER AGENCY TRANSFER	38,481	31,345	28,874	39,975	37,368
PS - EMERGENCY MANAGEMENT ASSISTANCE		12,670,472	12,670,472	12,670,472	12,670,472
FEDERAL FUND		12,670,472	12,670,472	12,670,472	12,670,472
PUBLIC SAFETY, HOMELAND SECURITY		523,878	519,913	549,011	544,748
GENERAL FUND		174,635	226,463	176,906	236,308
FEDERAL FUND		134,830		170,450	
INTER AGENCY TRANSFER		214,413	293,450	201,655	308,440
PUBLIC SAFETY, CRIMINAL HISTORY REPORTING	12,369,736	14,972,783	15,119,185	16,515,593	17,170,067
GENERAL FUND	100	75,100	100	75,100	100
BALANCE FORWARD	1,803,789	2,424,902	2,424,902	3,947,844	4,386,656
INTER AGENCY TRANSFER	379,275				
OTHER FUND	10,186,572	12,472,781	12,694,183	12,492,649	12,783,311
PS, DIGNITARY PROTECTION	729,871	1,026,641	1,038,055	1,006,072	948,212
GENERAL FUND	729,871	959,301	970,625	925,957	868,090
INTER AGENCY TRANSFER		67,340	67,430	80,115	80,122
PUBLIC SAFETY, HIGHWAY PATROL	55,902,903	64,595,691	62,636,660	62,791,110	60,849,174
GENERAL FUND	36,388	36,388	30,683	36,388	30,683
BALANCE FORWARD	67,732				
HIGHWAY FUND	53,776,034	59,665,511	57,691,377	57,003,599	55,036,790
INTER AGENCY TRANSFER	1,570,442	4,347,770	4,324,560	5,205,101	5,180,061
OTHER FUND	452,307	546,022	590,040	546,022	601,640

**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 PUBLIC SAFETY					
PUBLIC SAFETY, HIGHWAY SAFETY GRANT	1,742,135	1,740,241	1,558,277	1,454,915	1,332,062
BALANCE FORWARD	18,346				
FEDERAL FUND	1,723,789	1,740,241	1,558,277	1,454,915	1,332,062
PUBLIC SAFETY, FORFEITURES - LAW ENFC	1,601,976	1,652,344	1,652,344	1,844,698	2,317,694
BALANCE FORWARD	914,546	924,240	924,240	1,116,594	1,589,590
OTHER FUND	687,430	728,104	728,104	728,104	728,104
PUBLIC SAFETY, DIVISION OF INVESTIGATI	5,929,668	6,362,931	6,278,637	6,303,524	6,226,737
GENERAL FUND	5,276,335	5,602,911	5,479,668	5,473,104	5,401,466
FEDERAL FUND	43,348	30,401	30,401	30,401	30,401
HIGHWAY FUND	273,474	315,766	354,553	303,581	299,214
INTER AGENCY TRANSFER	327,674	413,853	414,015	496,438	495,656
OTHER FUND	8,837				
PUBLIC SAFETY, NARCOTICS CONTROL	1,835,587	1,923,974	1,882,484	1,972,044	1,913,039
GENERAL FUND			1,386,808		1,887,039
FEDERAL FUND	17,000	26,000	26,000	26,000	26,000
INTER AGENCY TRANSFER	1,804,234	1,897,974	469,676	1,946,044	
OTHER FUND	14,353				
PUBLIC SAFETY, PAROLE AND PROBATION	34,704,140	40,340,178	39,798,618	41,886,429	41,628,636
GENERAL FUND	31,720,691	34,452,743	34,018,451	35,518,050	35,312,274
INTER AGENCY TRANSFER	136,368	2,595,490	2,564,722	3,077,435	3,047,062
OTHER FUND	2,847,081	3,291,945	3,215,445	3,290,944	3,269,300
PUBLIC SAFETY - CAPITOL POLICE	1,952,303	2,724,050	2,648,292	2,816,708	2,716,518
INTER AGENCY TRANSFER	1,952,303	2,724,050	2,648,292	2,816,708	2,716,518
PUBLIC SAFETY, TRAINING DIVISION	996,343	1,644,455	1,615,744	1,830,080	1,851,616
GENERAL FUND	89,295	174,352	163,193	191,631	175,682
HIGHWAY FUND	881,080	1,400,328	1,382,688	1,555,849	1,593,330
INTER AGENCY TRANSFER	17,718	67,195	67,283	79,943	79,947
OTHER FUND	8,250	2,580	2,580	2,657	2,657
PUBLIC SAFETY, TRAFFIC SAFETY	5,093,729	2,120,000	2,302,382	2,090,000	2,090,000
FEDERAL FUND	5,093,729	2,120,000	2,302,382	2,090,000	2,090,000
PUBLIC SAFETY, HIGHWAY SAFETY PLAN 8	2,094,910	1,475,793	1,451,503	1,472,853	1,432,732
BALANCE FORWARD	25,354				
FEDERAL FUND	131,297	74,226	74,726	73,997	75,879
HIGHWAY FUND	177,064	200,734	194,105	203,975	213,662
INTER AGENCY TRANSFER	1,761,195	1,200,833	1,182,672	1,194,881	1,143,191
PUBLIC SAFETY, BICYCLE SAFETY PROGR/	193,242	199,580	199,580	190,211	192,314
BALANCE FORWARD	35,102	44,072	44,072	30,193	32,296
OTHER FUND	158,140	155,508	155,508	160,018	160,018
PUBLIC SAFETY, MOTORCYCLE SAFETY PR	539,485	566,628	566,628	480,097	481,770
BALANCE FORWARD	260,788	228,300	228,300	153,349	155,022
INTER AGENCY TRANSFER	3,171	20,000	20,000		
OTHER FUND	275,526	318,328	318,328	326,748	326,748

**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 PUBLIC SAFETY					
PUBLIC SAFETY, FIRE MARSHAL	3,353,809	3,919,974	3,880,498	3,945,519	3,715,217
GENERAL FUND	925,242	1,159,107	1,112,564	1,115,264	866,444
BALANCE FORWARD	16,572				
FEDERAL FUND	50,497	28,000	28,000	28,000	28,000
INTER AGENCY TRANSFER	467,910	604,693	604,649	657,940	657,172
OTHER FUND	1,893,588	2,128,174	2,135,285	2,144,315	2,163,601
EMERGENCY RESPONSE COMMISSION	2,037,400	1,689,788	1,705,125	1,627,101	1,699,530
BALANCE FORWARD	831,632	510,794	510,794	456,655	510,794
FEDERAL FUND	174,281	103,820	103,820	103,820	103,820
HIGHWAY FUND	283,952	282,134	317,471	270,005	308,295
INTER AGENCY TRANSFER		23,337	3,337	26,918	6,918
OTHER FUND	747,535	769,703	769,703	769,703	769,703
PUBLIC SAFETY, PAROLE BOARD	1,230,103	1,580,349	1,614,156	1,596,757	1,644,913
GENERAL FUND	1,230,103	1,521,243	1,554,958	1,517,141	1,565,289
INTER AGENCY TRANSFER		59,106	59,198	79,616	79,624
CHILD VOLUNTEER BACKGROUND CHECKS			25,000		25,000
GENERAL FUND			25,000		25,000
SUB-FUNCTION RECAP					
DEPARTMENT OF PUBLIC SAFETY	243,785,447	192,341,638	191,895,072	193,591,974	194,313,758
GENERAL FUND	40,757,504	44,978,100	45,755,426	45,844,176	47,172,594
BALANCE FORWARD	3,988,177	4,132,308	4,132,308	5,704,635	6,674,358
FEDERAL FUND	93,651,213	24,331,539	26,422,401	24,106,149	26,187,948
HIGHWAY FUND	55,391,604	61,864,473	59,940,194	59,337,009	57,451,291
INTER AGENCY TRANSFER	19,589,972	24,022,073	22,435,567	25,538,845	23,422,485
OTHER FUND	30,406,977	33,013,145	33,209,176	33,061,160	33,405,082
PEACE OFFICERS STANDARDS & TRAINING					
PEACE OFFICERS STANDARDS & TRAINING	1,627,584	1,941,292	1,839,294	2,117,707	1,990,291
BALANCE FORWARD	231,435	114,323	114,323	176,719	176,719
INTER AGENCY TRANSFER	32,798	32,798	32,798	32,798	32,798
OTHER FUND	1,363,351	1,794,171	1,692,173	1,908,190	1,780,774
POLICE CORPS PROGRAM	694,261	834,898	826,385	846,730	843,049
BALANCE FORWARD	207,817				
FEDERAL FUND	486,444	834,898	826,385	846,730	843,049
SUB-FUNCTION RECAP					
PEACE OFFICERS STANDARDS & TRAINING	2,321,845	2,776,190	2,665,679	2,964,437	2,833,340
BALANCE FORWARD	439,252	114,323	114,323	176,719	176,719
FEDERAL FUND	486,444	834,898	826,385	846,730	843,049
INTER AGENCY TRANSFER	32,798	32,798	32,798	32,798	32,798
OTHER FUND	1,363,351	1,794,171	1,692,173	1,908,190	1,780,774

**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
FUNCTION RECAP					
TOTAL PUBLIC SAFETY	604,125,845	569,238,510	560,834,452	601,167,862	590,595,766
GENERAL FUND	235,384,639	252,245,398	248,038,131	273,666,523	268,233,132
HIGHWAY FUND	104,419,247	108,633,548	104,186,603	102,905,468	101,307,535
INTER AGENCY TRANSFER	35,635,148	52,072,978	51,388,800	58,268,986	56,906,489
INTERIM FINANCE	507,533				
OTHER FUND	118,701,210	120,061,326	118,678,025	128,494,351	123,133,991
BALANCE FORWARD	11,846,768	9,148,177	9,383,461	11,512,289	12,616,256
FEDERAL FUND	97,631,300	27,077,083	29,159,432	26,320,245	28,398,363
TOTAL PUBLIC SAFETY	604,125,845	569,238,510	560,834,452	601,167,862	590,595,766
LESS: INTER AGENCY TRANSFER	35,635,148	52,072,978	51,388,800	58,268,986	56,906,489
NET: PUBLIC SAFETY	568,490,697	517,165,532	509,445,652	542,898,876	533,689,277

INFRASTRUCTURE



INFRASTRUCTURE

The Infrastructure function of state government includes those agencies responsible for capital assets of the state as well as its natural resources. This function includes the Department of Conservation and Natural Resources, the Department of Wildlife, the Department of Transportation and the Colorado River Commission. In the 2005-07 biennium, General Fund appropriations for the Infrastructure function total \$54.5 million, which is 9.5 percent greater than the amount approved for the 2003-05 biennium (includes supplemental appropriations approved by the 2005 Legislature).

DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES

The Department of Conservation and Natural Resources (DCNR) is responsible for ensuring Nevada's natural resources are used, maintained and preserved in a manner that will best serve the citizens of the state. The department comprises the Divisions of Forestry, State Parks, Environmental Protection, State Lands, Conservation Districts and Water Resources. The department includes the Nevada Tahoe Regional Planning Agency, the State Environmental Commission, the Nevada Natural Heritage Program and the Commission for the Preservation of Wild Horses.

For the 2005-07 biennium, total funding approved for DCNR is \$270.5 million, which is 33.4 percent greater than the amount approved for the 2003-05 biennium. The General Fund portion of the department's budget totals \$51.9 million, which is 7.5 percent greater than the amount approved for the 2003-05 biennium.

The 2003 Legislature approved CIP 03-C50 authorizing the lease-purchase of a new building in Carson City to house the department in one location. The 2005 Legislature approved funding of \$82,373 (\$61,491 General Fund) to fund operating, equipment and technology costs for the Director's Office, Environmental Protection, Natural Heritage, Conservation Districts, Lands, Water Resources and Parks associated with the department's move into the new building in July 2005. Assembly Bill 106 provided a one-shot appropriation of \$462,077 to fund equipment and furnishings related to moving into the new building.

The Legislature approved General Fund appropriations of \$1 million to fund several projects identified as deferred maintenance to several Division of Forestry facilities, South Fork Dam and the Winnemucca Facility. This amount is in addition to the \$749,091 approved in the Capital Improvement Program maintenance budget for DCNR divisions. For the Division of State Parks, the Legislature replaced General Fund appropriations of \$1.5 million with increased transfers of lodging tax receipts from the Commission on Tourism for deferred maintenance projects statewide. Examples of deferred maintenance projects include deep cleaning of carpet and upholstery, ADA upgrades, HVAC cleaning and maintenance, water backflow protection and roof repairs.

DIRECTOR'S OFFICE

The Director's Office of the DCNR provides administrative, technical, budgetary and supervisory support to agencies within the department. The Director's Office is funded primarily through General Fund appropriations, along with nominal cost allocation revenues. The 2005 Legislature approved A.B. 94, which provides a supplemental appropriation of \$28,090 to fund terminal leave costs due to the retirement of the previous Director and Administrative Services Officer in July 2004. The Legislature also approved the Governor's recommendation to transfer the responsibility for the Winnemucca Facility along with the associated rental revenue and expenditure authority, to the Division of State Lands.

NEVADA NATURAL HERITAGE PROGRAM

The Nevada Natural Heritage Program collects information on the occurrences, distribution and population status of all sensitive species in Nevada. These data are maintained in a system of computerized databases, topographical maps and manual files. Species data information is provided to state and federal agencies and the private sector for considerations pertaining to development and conservation activities as mandated by federal laws. The program is funded with a mix of General Fund appropriations, federal biodiversity funds, fees for database information and transfers from the Nevada Department of Transportation (NDOT).

The 2005 Legislature approved a Biologist II position with funding split equally between a U.S. Fish and Wildlife Service Biodiversity Initiative Agreement and additional transfers from the NDOT. This position conducts data entry of information pertaining to sensitive species into a new software system provided by NatureServ to Heritage programs nationwide. An Environmental Scientist III position was also approved for developing and maintaining a wetlands database inventory and a statewide wetlands conservation plan that is required by the National Parks Service in order to maintain Nevada's eligibility to receive Land and Water Conservation Funds. In approving this position, the Legislature replaced General Fund appropriations in FY 2005-06 with transfers of Question 1 funds from the Department of Wildlife (NDOW) that supports one-half of the position's costs in order to prepare a wetlands priority conservation plan that will be incorporated into NDOW's Comprehensive Wildlife Conservation Plan.

DIVISION OF STATE LANDS

The Division of State Lands acquires, holds and disposes of land and interests in land, manages state land and promotes the appropriate use and management of Nevada's public lands. The Legislature approved the Governor's recommendation to add a new Land Agent position to address the increasing volume and complexity of property transactions processed by the division.

The division administers the Tahoe Bond Acts and the Fund to Protect the Lake Tahoe Basin. The Tahoe Bond Act of 1986 provided \$31 million in funding from general obligation bonds for acquisition of environmentally sensitive lands and for erosion control projects in the Lake Tahoe Basin. In 1996, an additional Tahoe bond issue provided \$20 million for erosion control projects. The 1999 Legislature authorized the issuance of \$3.2 million of general obligation bonds establishing the Fund to Protect Lake Tahoe in support of the Environmental Improvement Program (EIP). The 2001 Legislature authorized an additional \$16.2 million, the 2003 Legislature authorized an additional \$9.87 million, and the 2005 Legislature authorized an additional \$16.8 million in bond proceeds to continue the state's effort in meeting its \$82 million commitment to the EIP.

DIVISION OF STATE PARKS

The Division of State Parks plans, develops and maintains a system of 24 parks and recreational areas for the use and enjoyment of residents and visitors. The division also preserves areas of scenic, historic and scientific significance in Nevada. The primary sources of funding for state parks are General Fund appropriations, visitor user fees and motor boat fuel taxes. The Governor recommended the transfer of lodging tax receipts from the Commission on Tourism of \$465,000 in each year of the 2005-07 biennium. The 2005 Legislature increased the transfers to \$1.6 million in FY 2005-06 and \$965,045 in FY 2006-07 for routine and deferred maintenance projects statewide. Senate Bill 314 authorized an additional transfer of lodging tax receipts totaling \$41,773 over the 2005-07 biennium for the operation and maintenance of the Elgin Schoolhouse as a historic site for public visitation in Lincoln County.

The Legislature also approved the Governor's recommendation to increase User Fee funding that supports a new Park Ranger II position, along with increased seasonal, operating and utilities expenditures in anticipation of the scheduled February 2007 opening of a new 70-unit campground at Big Bend of the Colorado River State Recreation Area. A two-grade salary increase for the agency's law enforcement staff was also approved.

DIVISION OF WATER RESOURCES

The division conserves, protects, manages and enhances the water resources of Nevada through appropriation and reallocation of public waters. The 2005 Legislature approved biennial General Fund appropriations totaling \$1.8 million that were not included in The Executive Budget to support 11 new positions and technology improvements for the division. The new positions include nine engineering-related positions, an Information Systems Manager and an Administrative Assistant II position. These positions were added in order to reduce the backlog of water right applications and reports of conveyance; to conduct field investigations supporting the adjudication process; and to create an Internet website where the public and agency staff will have access to water right documentation and the agency's databases. A one percent inflationary increase in FY 2006-07 was approved for payments made to the

U.S. Geological Survey (USGS) for the continued collection of basic flow data in rivers and streams, along with data collection for the operation of the South Fork Dam on the Humboldt River.

The 2005 Legislature approved A.B. 94, which provides a supplemental appropriation of \$14,980 to bring funding up-to-date pursuant to the joint agreement with USGS. Assembly Bill 106 supports two one-shot appropriations: 1) \$250,000 to replenish the funds in the Channel Clearance account pursuant to NRS 532.220, and 2) \$150,000 to replenish the funds in the Litigation account in the Director's Office. The 2005 Legislature also approved S.B. 62, which appropriates \$1 million to the newly established Water Rights Technical Support Fund that will be administered by the board for Financing Water Projects. The board may utilize the appropriations to make grants to local governments in order to obtain and provide expert and technical assistance to gather data, or to fund projects, that will protect or enhance existing water rights.

DIVISION OF ENVIRONMENTAL PROTECTION

The Nevada Division of Environmental Protection (NDEP) implements programs authorized and required by the Nevada State Legislature and federal laws, and enforces regulations adopted by the State Environmental Commission. The division is composed of administration and nine bureaus: Environmental Information & Planning; Air Quality; Air Pollution Control; Mining Regulation & Reclamation; Water Pollution Control; Water Quality Planning; Corrective Action; Federal Facilities; and Waste Management. During the budget hearings, it was noted that many of the NDEP's budgets contained a number of errors and omissions related to indirect cost (IDC) transfers, which transfer funds from the division's non-administration budget to the administration budget. These errors and omissions were corrected by LCB Fiscal Analysis Division staff, with concurrence from the Executive Budget Office and NDEP, and approved by the 2005 Legislature. The Legislature also approved the transfer of 3.0 FTE information technology positions from other division budgets to the administration budget in order to consolidate information technology functions.

In the Federal Facilities and Waste Management Bureau, the 2005 Legislature approved the Governor's recommendation to eliminate the Federal Facilities budget, and transfer the EPA One-Stop Grant functions to the Administration budget, and the balance of the account's revenues and expenditures, including 14.0 FTE positions, to the Waste Management and Federal Facilities budget. This action reversed the action taken during the 2003 Legislative Session to create the Federal Facilities budget. The reversal was approved by the 2005 Legislature because the timing of the collection of federal funds owed the division from the federal Department of Energy created serious cash flow problems for the new budget.

For the division's air quality programs, the Legislature approved \$220,000 in each year of the biennium for contracts to conduct additional ambient air quality monitoring in the Pahrump Valley, and to prepare a plan for submission to the EPA to bring the valley into compliance with federal air quality standards. This request was made because the

Pahrump Valley does not meet the federal standards for particulate matter (PM-10). The Legislature also approved the Governor's recommendation to add \$100,000 in each year of the biennium to boost the Air Quality budget's reserve balance. Funding for this recommendation is through transfers of \$75,000 in each year of the biennium from the DMV Pollution Control Account, and \$25,000 in each year from permit and licensing fees. During the budget hearing, the Legislature expressed concern about funding for the division's Air Quality budget because the Mojave Electric Generating Plant, which is the primary revenue source for the division's Air Quality budget, will be shutting down in December 2005. The division testified that ample funding for the Air Quality budget should be available through the 2005-07 biennium because revenues from the Mojave Plant should continue to be received by the division through the biennium. Beginning with the 2007-09 biennium, however, the division will have to make modifications for the loss of revenue from closure of the Mojave Generating Plant.

In NDEP water programs, the Legislature approved the Governor's recommendation to transfer the Drinking Water State Revolving Loan program from the Safe Drinking Water Act budget to the Water Pollution Control budget. Included in this transfer are 5.0 FTE positions, and revenues and expenditures totaling \$3.3 million in each year of the biennium. In order to address caseload issues, the Legislature approved the addition of three new positions in the water pollution control budget, an Administrative Assistant III in Carson City, an Environmental Scientist III in Carson City, and an Administrative Assistant II in Las Vegas.

DIVISION OF FORESTRY

The Division of Forestry is responsible for supervising, managing and coordinating all forestry, watershed and fire prevention and control work on state and privately owned lands in Nevada. Additionally, the division provides assistance to county and local fire districts and adopts and enforces fire prevention regulations. Direct protection and management are provided to land and improvements within fire districts organized under Chapter 473 of NRS. The 473 districts cover nearly nine million acres in eight counties. Other division programs include cooperative forest management, rural fire protection, resource rehabilitation and control of insects and diseases in trees.

Two new permanent full-time Dispatcher positions (one each at the Minden and Elko Dispatch Centers) along with two seasonal positions were approved to improve staffing coverage and reduce existing dispatcher staff overtime. Additionally, the Legislature approved a two-grade salary increase for the division's dispatcher positions. The Legislature approved the Governor's recommendation to reduce General Fund appropriations by \$143,372 and federal assistance by \$497,370 and replace these revenues with an administrative assessment on cooperator fire billings and

reimbursements transferred from the Fire Suppression account in support of the Central Reporting Unit. The Legislature also approved the Governor's recommendation for state funding of \$76,820 for furnishings and equipment and to reflect reduced rent costs associated with the division's move from the Carson City Armory Complex to the new Emergency Operations Center.

The 2005 Legislature appropriated a total of \$196,260 in order to rehabilitate a military-surplus helicopter owned by the division. The helicopter will increase Forestry's fleet from two to three helicopters and will allow the division flexibility to keep two helicopters in the air instead of one, especially during periods of peak fire activity.

FOREST FIRE SUPPRESSION

The Forest Fire–Emergency Response program covers expenses necessary for fire protection and forest and watershed management caused by fire or other emergencies. Personnel also respond to medical emergencies and vehicle accidents. The program is funded by a combination of General Fund appropriations and reimbursements for firefighting assistance provided on lands outside of the state's jurisdiction. If this account is depleted, funding is available to meet expenses from the State Board of Examiners' reserve for Statutory Contingency Fund (NRS 353.264). The agency can also seek additional amounts from the IFC's Contingency Fund (NRS 353.266). The 2005 Legislature continued the annual \$1 million General Fund appropriation recommended by the Governor for the Fire Suppression–Emergency Response account. The Legislature, however, did not approve the Governor's recommendation to establish prior-year reimbursements and claims authority due to concerns regarding the lack of legislative oversight and the potential in establishing stale claims authority within The Executive Budget.

FORESTRY HONOR CAMPS

The Forestry Honor Camp program consists of ten conservation camps statewide. Each camp provides a workforce for local communities and other agencies. Inmates of the Department of Corrections provide the labor for the project assignments, which include wildland fire suppression activities. There are approximately 80 twelve-man inmate crews in the ten camps supervised by the Nevada Division of Forestry. In addition to completing conservation projects and providing trained fire suppression forces, the program teaches inmate's job skills and good work habits. The division is primarily funded by a General Fund appropriation; it also receives federal fire reimbursement funds and project reimbursements.

The 2005 Legislature approved the Governor's recommended reorganization of the camp program that eliminates the Assistant Camp Supervisor positions from each of the ten camps and establishes four sections that will each be supervised by a new Section Chief position. A new Conservation Staff Specialist position that will be charged with implementing and coordinating training programs for camp staff, and a Program Officer position that will provide program and administrative support to the current Camp

Coordinator and the new Conservation Staff Specialist, were approved. The 2005 Legislature also approved \$40,000 per year for increased inmate supervisor training, first responder and CPR training, rookie and intermediate training in wildland firefighting behavior, basic incident command and other similar training opportunities.

TAHOE REGIONAL PLANNING AGENCY

The Tahoe Regional Planning Agency (TRPA) was jointly created by the states of Nevada and California and the United States Congress. The TRPA provides a leadership and advocacy role in the regional cooperative efforts to preserve, restore and enhance Lake Tahoe's unique natural and human environments. Under the interstate compact, Nevada and California contribute funding to TRPA on a one-third/two-thirds split. The TRPA exercises environmental controls over water, land, air, wildlife and development of the Lake Tahoe region.

The 2005 Legislature approved \$600,000 for each fiscal year of the 2005-07 biennium (Nevada's share - \$200,000 each fiscal year) to continue the Pathway 2007 program, a three-phase program of threshold research, synthesis and plan development that was initiated during the 2001-03 biennium. The funding approved will be used to complete the third phase of the 6-year program and will synthesize the results derived from phases I and II into a current set of environmental threshold attainment standards and an update of the current 20-year Regional Plan for the Tahoe Basin.

The 2005 Legislature approved \$264,000 for each fiscal year of the 2005-07 biennium (Nevada's share - \$84,763 each fiscal year) to implement the findings of a salary comparability study for employees of TRPA. The salary comparability study was conducted by a private consulting firm, and the findings indicate TRPA's salaries on average were more than eight percent lower when compared to similar positions in state government in Nevada and California. The money committees determined the methodology used for the salary comparability study was a reasonable approach to raise TRPA salaries to competitive levels and approved funding that will provide for an across-the-board salary adjustment of eight percent for all TRPA positions.

The Executive Budget recommended and the Legislature approved \$900,000 (Nevada's share - \$300,000) for FY 2006-07 to purchase and implement an off-the-shelf GIS Parcel-Based Permitting System. The system will be web-based and will allow the TRPA to track and manage all of the agency's land use and community development activities, including the permitting process, inspections, project plans and code enforcement. The integrated GIS application will also allow staff and the public access to view geographic representations of all land-use and environmental information associated with a parcel.

The money committees supported TRPA's proposal to modernize its business operations and to make its regulatory functions more efficient and accessible; however, they were concerned the scope of the project and the estimated cost to purchase and customize the system were not fully developed. Additionally, it was not certain if

California would participate in funding their share of the costs for the project. In light of these outstanding issues, the money committees approved placing Nevada's share of funding in reserve in the TRPA budget with the stipulation the funding cannot be spent until the IFC grants approval to proceed with the project. The IFC's approval will be contingent on California's participation in funding its two-thirds share of the project, a definitive cost estimate for each component of the project and a realistic timeline for implementation and completion.

DEPARTMENT OF WILDLIFE

The Department of Wildlife (NDOW) is responsible for the preservation and management of Nevada's wildlife resources. The department is organized into seven program bureaus: Administrative Services, Game Management, Fisheries Management, Law Enforcement, Conservation Education, Habitat, and Wildlife Diversity. Each bureau is responsible for program development and administration in the respective program areas statewide. The department is funded from federal programs, licenses, General Fund, fees, and gifts and donations.

For the 2005-07 biennium, total funding approved for the Department of Wildlife is \$79.5 million, which is 16.5 percent less than the amount approved for the 2003-05 biennium. The decrease is largely attributable to eliminating \$14.5 million in one-time general obligation bond proceeds approved by the 2003 Legislature for phase I of the Hatchery Refurbishment project (CIP 03-12). The General Fund portion for the department totals \$2.54 million, which is \$1.19 million or 87.9 percent more than the amount approved for the 2003-05 biennium. The increase reflects the reimbursement of \$502,340 per year to the department for the difference between full value and the discounted value of low-cost licenses sold to seniors, youth, members of the service and Native Americans. The increase also includes \$150,000 in FY 2005-06 to fund several projects for sage grouse habitat improvements that were identified in the Nevada Sage Grouse plan completed in July 2004.

The Governor's budget, although balanced, recommended a minimal reserve balance of \$52,680 at the end of FY 2006-07, which was considered insufficient to maintain ongoing operations. In closing the budget, the department suggested and the Legislature approved a number of adjustments to improve the reserve balance now projected to be \$1.9 million at the end of FY 2006-07. The adjustments include, but are not limited to the following:

- Increase the FY 2005-06 reserve balance forward by \$447,709 resulting from budget savings actions taken by the department in FY 2004-05.
- Include vacancy savings of \$200,000 each year in the Personnel category.
- Eliminate the purchase of 13 vehicles budgeted in FY 2006-07 at a cost of \$484,577.
- Restore the transfer of lodging tax receipts from the Commission on Tourism in the amount of \$400,000 each year that were eliminated from the department's budget in the 2003-05 biennium.

The Legislature concurred with the Governor's recommendation for \$446,100 in reserve funding during the 2005-07 biennium to fund costs associated with a variety of habitat and diversity projects; training for law enforcement, pilots and radio technician staff; and training related to the new automated licensing system. A two-grade salary increase for the department's Game Wardens and Dispatchers was also approved.

WILDLIFE BOATING PROGRAM

NDOW administers, enforces and implements the Nevada Boat Act. The program includes registration and titling of boats, enforcement of laws and regulations, boating safety education and development of public access facilities. The boating program is funded by title and registration fees, state motorboat fuel tax, federal revenues and interest income. Similar to the Wildlife account, the Governor presented a budget that was balanced but with a minimal reserve of \$45 at the end of FY 2006-07. The department suggested and the Legislature approved adjustments to the budget, including the reduction of transfers to the Wildlife account of \$100,000 each year and eliminating the purchase of a replacement law enforcement boat at a cost of \$160,475. The total of all adjustments increases the Boating Program's projected FY 2006-07 ending reserve balance to \$357,656, which should be sufficient to maintain ongoing operations.

The 2005 Legislature approved the Governor's recommendation to fund a total of \$736,500 for boating access renovation and restoration projects at Key Pittman and Kirch Wildlife Management areas, and at Walker Lake, during the 2005-07 biennium.

NEVADA DEPARTMENT OF TRANSPORTATION

The Nevada Department of Transportation (NDOT) is funded through federal funds, dedicated state highway user revenues and special revenue bonds. For the 2005-07 biennium, funding approved for the NDOT totals \$1.15 billion, which is 10.6 percent less than the amount approved for the 2001-03 biennium. The highway fund portion for the department totals \$490.3 million, which is 12.4 percent less than the amount approved for the 2003-05 biennium.

The Legislature concurred with the Governor's recommendation to add bond authority of \$200 million in FY 2006-07 to finance major construction projects throughout the state such as the Carson City freeway and I-580 extension in northern Nevada and the U.S. 95 widening in southern Nevada. The Legislature did not concur with the Governor's recommendation to add bond authority in FY 2005-06 since the IFC approved \$200 million in bond authority in advance in FY 2004-05, which will be carried forward and issued in FY 2005-06.

The 2005 Legislature approved the Governor's recommendation to add 22 new positions over the biennium to meet the present and future transportation needs created by the state's increasing population. In addition, the Legislature approved \$23.9 million to replace and expand the department's mobile, fleet and operational equipment over the biennium; and \$1.3 million over the biennium for ongoing aircraft operations. The Legislature also approved the Governor's recommendation for additional funding of \$23.9 million to design and construct an addition to the headquarters building in Carson City, construction of a headquarters building in southern Nevada, and to maintain department facilities statewide.

The Legislature concurred with the Governor's recommendation to add Highway Funds of \$1.9 million in FY 2005-06 and \$3.9 million in FY 2006-07 to continue phases V and VI of the Integrated Right-of-Way Information Network project. The Integrated Right-of-Way Information Network project will automate the document retrieval process by managing the department's records on property rights, property acquisitions, permit status and location of utilities that will be used by the department's Right-of-Way Division. Based on information provided by the department regarding the likelihood that amounts recommended by the Governor would decrease once project estimates were determined by July 2005, the Legislature directed the agency to report to the IFC when accurate cost estimates are determined. If revised cost estimates reflect amounts which are lower than budgeted, the agency should submit work program revisions to reduce funding levels to reflect the project costs.

COLORADO RIVER COMMISSION

The Colorado River Commission (CRC) is responsible for acquiring, managing, and protecting Nevada's water and hydropower resources from the Colorado River for the residents of southern Nevada. The commission is governed by seven commissioners, four of whom, including the chairman, are appointed by the Governor, with the remaining three appointed by the Southern Nevada Water Authority (SNWA). The fund is supported by an administrative charge on the sale of electric power to the commission's customers and the SNWA. Additional miscellaneous revenues are received through the sale of raw water to a number of small water users along the Colorado River and from interest income derived from the investment of funds by the state. The Commission operates without federal funding or state General Fund Support. Assembly Bill 542, as adopted by the 1995 Legislature, provided for the transfer of two water treatment plants owned by the CRC to the SNWA. The legislation also directed the SNWA to provide payment to the CRC for all water-related expenses, and directed the CRC to focus its efforts on issues relating to water acquisition, continued management of the power generators at Hoover Dam, and resource management of the Colorado River.

The Executive Budget recommended ten new positions (eight unclassified and two classified) in FY 2005-06 to assume duties and responsibilities currently performed by outside consultants related to the SNWA, CRC's primary customer, and to accommodate an increased workload related to SNWA's increased power needs and potential increase in customers. The 2005 Legislature approved seven of the positions for the first year of the biennium, which includes a Power Planner Manager, Network Administrator, Regulatory Affairs Manager, Senior Energy Accountant, Energy Accountant and two Administrative Assistant II positions. Three positions were deferred until the second year of the biennium and include a Power Accounting Manager and two Energy Supply Manager positions.

The 2005 Legislature concurred with the Governor's recommended budget to fund \$1.9 million over the 2005-07 biennium for travel, contract services and operating costs for Colorado River basin water and environmental affairs programs and federal hydropower programs. The Legislature also approved \$542,000 over the biennium for various projects, which include a water planning and development symposium and a regional conference on Colorado River issues, development of consumption data, assessing river operations and related law, and a publications project to address Colorado River governance and water allocation for distribution to interested communities within the Colorado region.

The Governor also recommended and the Legislature approved \$450,000 in each year of the 2005-07 biennium to fund potential contracts for environmental research and development-related studies, pursuant to NRS Chapter 538.226. Chapter 538.226 grants the CRC the authority to enter into contracts up to \$200,000 for the services of an independent contractor related to the acquisition of an interest in supplemental water. It also provides authority for the CRC to enter into contracts up to \$250,000 for studies or the implementation of projects relating to water quality, evaluation or enhancement of ecological habitat or weather modification. By statute, actual contract expenditures would be funded by the SNWA.

The Legislature approved the Commission's Power Delivery System budget primarily as recommended by the Governor with a technical adjustment to recommended cost allocation amounts. The Power Delivery System budget accounts for all of the costs associated with the CRC high-voltage power delivery system for the SNWA water delivery system. Senate Bill 211, as approved by the 2001 Legislature, provides the CRC the authority to provide energy, transmission, and distribution services to the SNWA and its member agencies (collectively known as the S.B. 211 customers) for their water and wastewater operation power needs. Funding is provided through monthly billings to the SNWA. Total funding approved in the Power Delivery System account to meet the needs of the SNWA totals \$94.7 million in FY 2005-06 and \$104.9 million in FY 2006-07, compared to the FY 2004-05 work program amount of \$133.3 million. In approving this budget, the Legislature increased the cost allocation transfer to the CRC budget by \$1.4 million in each year of the biennium to match revenue authority in that account. Power purchases expenditure authority in this budget was reduced by the same amounts.

The Power Marketing Fund budget accounts for all power-related activities except those dedicated to the Southern Nevada Water Authority system and S.B. 211 customers. The legislature approved the budget as recommended by the Governor. Approved funding totals \$180.6 million in FY 2005-06 and \$176.3 million in FY 2006-07, compared to the FY 2004-05 work program amount of \$251.9 million. Funding is provided through monthly billings to hydropower customers.

**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
INFRASTRUCTURE					
COLORADO RIVER COMMISSION					
COLORADO RIVER COMMISSION	8,065,011	9,028,980	8,804,422	8,642,436	8,649,359
BALANCE FORWARD	1,190,145	2,042,821	2,042,821	2,000,615	2,017,144
INTER AGENCY TRANSFER	1,234,937	3,645,984	3,421,426	3,680,717	3,671,111
OTHER FUND	5,639,929	3,340,175	3,340,175	2,961,104	2,961,104
FORT MOHAVE DEVELOPMENT FUND	1,367,721	6,377,773	8,377,773	3,291,912	5,291,912
BALANCE FORWARD	1,228,158	1,333,046	1,333,046	3,247,185	5,247,185
OTHER FUND	139,563	5,044,727	7,044,727	44,727	44,727
CRC RESEARCH AND DEVELOPMENT	701,422	1,704,790	1,704,790	1,708,158	1,708,158
BALANCE FORWARD	181,960	201,422	201,422	204,790	204,790
OTHER FUND	519,462	1,503,368	1,503,368	1,503,368	1,503,368
POWER DELIVERY SYSTEM	133,360,847	94,745,333	94,745,333	104,908,976	104,908,927
BALANCE FORWARD	498,499	498,977	498,977	662,620	662,571
OTHER FUND	132,862,348	94,246,356	94,246,356	104,246,356	104,246,356
POWER MARKETING FUND	251,883,850	180,551,078	180,551,078	176,310,492	176,308,255
BALANCE FORWARD	8,292,900	21,333,928	21,333,928	17,093,714	17,091,477
OTHER FUND	243,590,950	159,217,150	159,217,150	159,216,778	159,216,778
SUB-FUNCTION RECAP					
COLORADO RIVER COMMISSION	395,378,851	292,407,954	294,183,396	294,861,974	296,866,611
BALANCE FORWARD	11,391,662	25,410,194	25,410,194	23,208,924	25,223,167
INTER AGENCY TRANSFER	1,234,937	3,645,984	3,421,426	3,680,717	3,671,111
OTHER FUND	382,752,252	263,351,776	265,351,776	267,972,333	267,972,333

**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
INFRASTRUCTURE					
CONSERVATION & NATURAL RESOURCES					
CNR ADMINISTRATION	1,141,331	1,109,736	1,100,943	1,093,959	1,090,997
GENERAL FUND	925,214	900,569	884,736	866,549	857,078
BALANCE FORWARD	16,501				
INTER AGENCY TRANSFER	108,185	143,930	148,093	158,928	162,687
OTHER FUND	91,431	65,237	68,114	68,482	71,232
NEVADA NATURAL HERITAGE	633,112	773,972	712,642	793,842	698,497
GENERAL FUND	84,188	137,779	88,588	139,406	135,219
BALANCE FORWARD	49,714	29,609	29,609	48,341	
FEDERAL FUND	156,177	160,669	141,148	147,928	128,188
INTER AGENCY TRANSFER	276,675	428,742	436,124	440,994	417,917
OTHER FUND	66,358	17,173	17,173	17,173	17,173
DIVISION OF CONSERVATION DISTRICTS	404,451	412,893	409,696	421,082	417,689
GENERAL FUND	384,688	387,338	383,608	391,439	387,466
INTER AGENCY TRANSFER		3,150	3,150	6,614	6,614
OTHER FUND	19,763	22,405	22,938	23,029	23,609
HEIL WILD HORSE BEQUEST	721,425	506,804	501,078	418,047	404,411
BALANCE FORWARD	703,625	487,171	487,171	398,414	390,504
OTHER FUND	17,800	19,633	13,907	19,633	13,907
STATE LANDS	1,637,404	1,933,752	1,889,527	2,454,653	2,131,802
GENERAL FUND	1,127,783	1,359,112	1,317,334	1,846,601	1,526,849
BALANCE FORWARD		6,600	6,600	7,036	7,036
INTER AGENCY TRANSFER		31,341	27,208	49,332	44,807
OTHER FUND	509,621	536,699	538,385	551,684	553,110
NEVADA TAHOE REGIONAL PLANNING AGE	474	103	802	103	802
GENERAL FUND	474	103	802	103	802
STATE PARKS	10,681,305	12,196,084	12,022,461	12,123,062	11,814,518
GENERAL FUND	4,450,557	5,770,972	4,561,009	5,248,124	4,603,232
BALANCE FORWARD	1,236,329				
FEDERAL FUND	168,022	71,424	61,588	74,562	64,437
INTER AGENCY TRANSFER	930,573	756,228	1,831,722	877,896	1,360,907
OTHER FUND	3,895,824	5,597,460	5,568,142	5,922,480	5,785,942
WATER RESOURCES	5,149,424	5,483,190	6,419,613	5,622,224	6,350,157
GENERAL FUND	4,692,238	4,909,757	5,851,084	4,961,465	5,696,494
BALANCE FORWARD	154,392	172,021	172,021	172,195	172,195
FEDERAL FUND	125,260	122,710	122,643	122,672	122,606
INTER AGENCY TRANSFER		79,366	78,685	156,708	155,140
OTHER FUND	177,534	199,336	195,180	209,184	203,722
ENVIRONMENTAL PROTECTION ADMINISTR	4,616,714	4,439,494	5,263,195	4,496,465	6,329,665
BALANCE FORWARD	191,944	1,064,787	1,064,787	1,102,533	1,992,132
FEDERAL FUND		103,568	103,568	103,568	103,568
INTER AGENCY TRANSFER	4,424,770	3,271,139	4,094,840	3,290,364	4,233,965

**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
CONSERVATION & NATURAL RESOURCES					
DEP AIR QUALITY	4,954,412	4,888,617	4,886,119	5,001,925	5,043,407
BALANCE FORWARD	320,441	209,536	209,536	224,338	269,256
FEDERAL FUND	830,470	755,354	755,354	755,854	755,854
INTER AGENCY TRANSFER	1,644,303	1,941,803	1,941,803	1,979,823	1,979,823
OTHER FUND	2,159,198	1,981,924	1,979,426	2,041,910	2,038,474
DEP WATER POLLUTION CONTROL	6,948,323	9,532,043	10,118,725	9,696,657	10,382,577
BALANCE FORWARD	1,791,804	1,860,366	1,860,366	1,882,197	1,982,284
FEDERAL FUND	1,278,113	4,181,588	4,709,299	4,202,224	4,729,935
INTER AGENCY TRANSFER	1,807,787	1,191,425	1,250,925	1,192,040	1,251,540
OTHER FUND	2,070,619	2,298,664	2,298,135	2,420,196	2,418,818
DEP WATER QUALITY PLANNING	7,849,574	4,643,469	4,643,469	4,645,580	4,669,598
GENERAL FUND	359,469	366,545	366,545	366,545	366,545
BALANCE FORWARD	141,280	86,748	86,748	91,629	116,098
FEDERAL FUND	7,119,527	3,980,247	3,980,247	3,974,352	3,974,352
INTER AGENCY TRANSFER		5,849	5,849	5,885	5,885
OTHER FUND	229,298	204,080	204,080	207,169	206,718
SAFE DRINKING WATER REGULATORY PRC		2,486,216	2,512,900	2,500,294	2,571,186
GENERAL FUND		180,744	180,744	194,855	194,855
BALANCE FORWARD					16,259
FEDERAL FUND		1,061,058	1,061,058	1,061,058	1,061,058
INTER AGENCY TRANSFER		766,378	766,378	766,378	766,378
OTHER FUND		478,036	504,720	478,003	532,636
SAFE WATER DRINKING ACT	18,658,112	24,569,123	24,567,073	22,533,017	23,055,149
BALANCE FORWARD	8,309,204	7,509,819	7,509,819	3,293,618	3,816,222
FEDERAL FUND	6,389,105	12,248,539	12,246,489	13,711,896	13,711,424
OTHER FUND	3,959,803	4,810,765	4,810,765	5,527,503	5,527,503
DEP WASTE MGMT AND FEDERAL FACILITII	12,458,358	14,112,224	14,111,099	14,293,152	14,366,214
BALANCE FORWARD	418,585	260,514	260,514	596,164	670,456
FEDERAL FUND	3,722,093	4,027,511	4,027,511	3,928,396	3,928,396
INTER AGENCY TRANSFER	162,516	145,875	146,259	102,193	102,577
OTHER FUND	8,155,164	9,678,324	9,676,815	9,666,399	9,664,785
BUREAU - FEDERAL FACILITIES	2,024,436	257,873		308,381	
BALANCE FORWARD	139,140	217,447		257,633	
FEDERAL FUND	1,158,895	39,810		50,132	
INTER AGENCY TRANSFER	97,449				
OTHER FUND	628,952	616		616	
DEP MINING REGULATION/RECLAMATION	4,025,575	4,164,507	4,164,507	4,194,031	4,208,866
BALANCE FORWARD	1,940,074	2,002,882	2,002,882	2,032,406	2,047,241
OTHER FUND	2,085,501	2,161,625	2,161,625	2,161,625	2,161,625
WATER PLANNING CAP IMPROVEMENT	203,341	222,945	222,839	224,434	226,311
BALANCE FORWARD				11,124	13,054
OTHER FUND	203,341	222,945	222,839	213,310	213,257

**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
CONSERVATION & NATURAL RESOURCES					
STATE ENVIRONMENTAL COMMISSION	40,268	42,512	42,512	42,512	42,512
INTER AGENCY TRANSFER	10,166	10,704	10,704	10,704	10,704
OTHER FUND	30,102	31,808	31,808	31,808	31,808
FORESTRY	9,521,475	8,861,324	8,784,404	8,084,132	8,190,117
GENERAL FUND	3,808,236	4,783,251	4,496,539	3,912,115	3,832,659
BALANCE FORWARD	269,517	39,634	39,634	9,538	
FEDERAL FUND	4,626,190	2,904,765	3,105,346	2,949,989	3,134,270
INTER AGENCY TRANSFER	512,071	829,499	853,891	890,798	925,096
OTHER FUND	305,461	304,175	288,994	321,692	298,092
FOREST FIRE SUPPRESSION	8,309,394	4,167,117	4,066,477	4,246,737	4,126,552
GENERAL FUND	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
BALANCE FORWARD				86,429	69,164
FEDERAL FUND	751,098	265,833	265,833	265,833	265,833
OTHER FUND	6,558,296	2,901,284	2,800,644	2,894,475	2,791,555
FORESTRY CONSERVATION CAMPS	10,553,704	8,144,410	8,061,255	8,231,323	8,141,095
GENERAL FUND	5,714,923	5,412,970	5,279,894	5,375,286	5,237,250
BALANCE FORWARD	2,621,928				
INTER AGENCY TRANSFER		90,407	90,407	183,794	183,794
OTHER FUND	2,216,853	2,641,033	2,690,954	2,672,243	2,720,051
CNR FORESTRY INTER-GOVERNMENTAL AC	9,185,761	9,644,549	9,644,549	10,720,754	10,708,028
BALANCE FORWARD	2,269,303	2,833,314	2,833,314	3,909,519	3,896,793
FEDERAL FUND		115,245	115,245	115,245	115,245
INTER AGENCY TRANSFER	32,216	3,924	3,924	3,924	3,924
OTHER FUND	6,884,242	6,692,066	6,692,066	6,692,066	6,692,066
FORESTRY NURSERIES	740,440	576,244	576,244	593,929	590,436
BALANCE FORWARD	278,356	258,475	258,475	276,160	272,667
INTER AGENCY TRANSFER		59,054	59,054	59,054	59,054
OTHER FUND	462,084	258,715	258,715	258,715	258,715
TAHOE REGIONAL PLANNING AGENCY	8,444,610	10,084,844	10,003,309	10,305,477	10,220,301
GENERAL FUND	1,376,286	1,736,957	1,709,275	2,015,981	1,987,022
FEDERAL FUND	2,348,021	3,452,926	3,465,574	2,715,327	2,728,540
INTER AGENCY TRANSFER	77,760	116,952	112,652	121,959	117,467
OTHER FUND	4,642,543	4,778,009	4,715,808	5,452,210	5,387,272
SUB-FUNCTION RECAP					
CONSERVATION & NATURAL RESOURCE!	128,903,423	133,254,045	134,725,438	133,045,772	135,780,887
GENERAL FUND	23,924,056	26,946,097	26,120,158	26,318,469	25,825,471
BALANCE FORWARD	20,852,137	17,038,923	16,821,476	14,399,274	15,731,361
FEDERAL FUND	28,672,971	33,491,247	34,160,903	34,179,036	34,823,706
INTER AGENCY TRANSFER	10,084,471	9,875,766	11,861,668	10,297,388	11,788,279
OTHER FUND	45,369,788	45,902,012	45,761,233	47,851,605	47,612,070

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

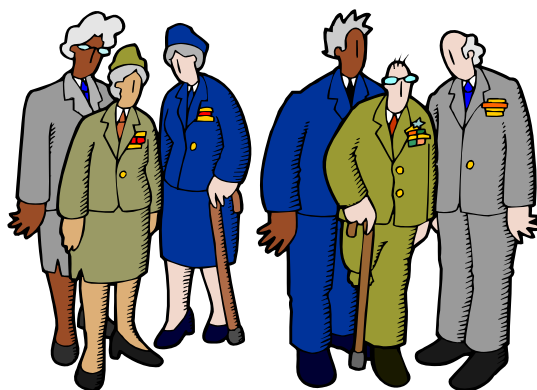
2005 Legislature

	2004 - 05	2005 - 06	2005 - 06	2006 - 07	2006 - 07
	Work Program	Governor Recommended	Legislature Approved	Governor Recommended	Legislature Approved
INFRASTRUCTURE					
DEPARTMENT OF WILDLIFE					
WILDLIFE	24,925,353	24,854,424	25,390,952	24,452,154	25,588,305
GENERAL FUND	675,509	1,606,001	1,344,588	1,328,975	1,195,593
BALANCE FORWARD	1,430,690	589,774	1,037,483	315,885	1,208,990
FEDERAL FUND	9,227,613	9,705,687	9,705,687	9,700,101	9,700,101
INTER AGENCY TRANSFER	3,694,559	3,745,050	3,991,557	3,829,130	4,080,920
OTHER FUND	9,896,982	9,207,912	9,311,637	9,278,063	9,402,701
WILDLIFE - BOATING PROGRAM	5,791,373	5,260,312	5,196,805	5,252,301	5,484,869
BALANCE FORWARD	251,227	492,567	429,060	368,474	601,042
FEDERAL FUND	1,492,426	868,915	868,915	921,790	921,790
OTHER FUND	4,047,720	3,898,830	3,898,830	3,962,037	3,962,037
WILDLIFE ACCOUNT - TROUT MANAGEMEN	20,178,828	6,830,937	6,830,937	3,035,386	3,035,360
BALANCE FORWARD	4,924,510	5,825,535	5,825,535	2,025,044	2,025,018
FEDERAL FUND	350,000	350,000	350,000	350,000	350,000
OTHER FUND	14,904,318	655,402	655,402	660,342	660,342
WILDLIFE OBLIGATED RESERVE	6,950,081	4,079,065	4,079,065	3,902,481	3,911,223
BALANCE FORWARD	1,976,119	2,339,674	2,339,674	2,152,936	2,161,678
FEDERAL FUND	3,402,687	497,918	497,918	492,918	492,918
INTER AGENCY TRANSFER	169,314	137,787	137,787	137,787	137,787
OTHER FUND	1,401,961	1,103,686	1,103,686	1,118,840	1,118,840
SUB-FUNCTION RECAP					
DEPARTMENT OF WILDLIFE	57,845,635	41,024,738	41,497,759	36,642,322	38,019,757
GENERAL FUND	675,509	1,606,001	1,344,588	1,328,975	1,195,593
BALANCE FORWARD	8,582,546	9,247,550	9,631,752	4,862,339	5,996,728
FEDERAL FUND	14,472,726	11,422,520	11,422,520	11,464,809	11,464,809
INTER AGENCY TRANSFER	3,863,873	3,882,837	4,129,344	3,966,917	4,218,707
OTHER FUND	30,250,981	14,865,830	14,969,555	15,019,282	15,143,920
DEPARTMENT OF TRANSPORTATION					
TRANSPORTATION ADMINISTRATION	692,681,867	674,117,960	473,324,061	679,300,820	678,851,661
BALANCE FORWARD	9,388,584				
FEDERAL FUND	201,653,136	225,000,000	225,000,000	225,000,000	225,000,000
HIGHWAY FUND	277,894,824	244,528,882	243,435,486	247,666,521	246,905,244
INTER AGENCY TRANSFER	1,336,886	4,270,969	4,256,705	6,315,388	6,302,745
INTERIM FINANCE	303,619				
OTHER FUND	202,104,818	200,318,109	631,870	200,318,911	200,643,672
SUB-FUNCTION RECAP					
DEPARTMENT OF TRANSPORTATION	692,681,867	674,117,960	473,324,061	679,300,820	678,851,661
BALANCE FORWARD	9,388,584				
FEDERAL FUND	201,653,136	225,000,000	225,000,000	225,000,000	225,000,000
HIGHWAY FUND	277,894,824	244,528,882	243,435,486	247,666,521	246,905,244
INTER AGENCY TRANSFER	1,336,886	4,270,969	4,256,705	6,315,388	6,302,745
INTERIM FINANCE	303,619				
OTHER FUND	202,104,818	200,318,109	631,870	200,318,911	200,643,672

**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
FUNCTION RECAP					
TOTAL INFRASTRUCTURE	1,274,809,776	1,140,804,697	943,730,654	1,143,850,888	1,149,518,916
GENERAL FUND	24,599,565	28,552,098	27,464,746	27,647,444	27,021,064
HIGHWAY FUND	277,894,824	244,528,882	243,435,486	247,666,521	246,905,244
INTER AGENCY TRANSFER	16,520,167	21,675,556	23,669,143	24,260,410	25,980,842
INTERIM FINANCE	303,619				
OTHER FUND	660,477,839	524,437,727	326,714,434	531,162,131	531,371,995
BALANCE FORWARD	50,214,929	51,696,667	51,863,422	42,470,537	46,951,256
FEDERAL FUND	244,798,833	269,913,767	270,583,423	270,643,845	271,288,515
TOTAL INFRASTRUCTURE	1,274,809,776	1,140,804,697	943,730,654	1,143,850,888	1,149,518,916
LESS: INTER AGENCY TRANSFER	16,520,167	21,675,556	23,669,143	24,260,410	25,980,842
NET: INFRASTRUCTURE	1,258,289,609	1,119,129,141	920,061,511	1,119,590,478	1,123,538,074

SPECIAL PURPOSE AGENCIES



SPECIAL PURPOSE AGENCIES

Special Purpose Agencies have a specialized function or a different statutory relationship to the Executive Branch of government than most state agencies. This group includes the Public Employees' Retirement System, which serves both state and local governments; the Public Employees' Benefit Program; the Office of the Military; and the Office of Veterans' Services. This function is supported in large part through inter-agency transfers. For the 2005-07 biennium, General Fund support for Special Purpose Agencies totaled \$11.2 million, which is 8.3 percent less than the amount approved for the 2003-05 biennium. The reduction in General Fund support is mainly due to increased reliance on federal Title XIX revenues to support the operation of the Veterans' Home.

PUBLIC EMPLOYEES' RETIREMENT SYSTEM

The Public Employees' Retirement System (PERS) provides retirement, disability and death benefits to long-term employees. PERS includes employees of Nevada counties, cities, school districts, state government and miscellaneous public employers. The retirement system's budget is not subject to the Budget Act or to review by the Budget Division, but is included in The Executive Budget for review by the Legislature. The requested level of funding is provided through an administrative assessment charged to each member and benefit recipient. A budget of \$8.3 million in each year of the 2005-07 biennium was approved by the Legislature to support its operations. In approving the budget, the Legislature approved salary increases, as recommended by the Retirement Board, for non-classified staff in PERS.

Effective July 1, 2004, the period used to amortize the unfunded actuarial accrued liability was changed from a closed amortization period of 40 years beginning July 1, 1984 (with 20 years remaining as of July 1, 2004) to a year-by-year closed amortization approach where each amortization period will be set at 30 years. According to the agency, the net effect of this new approach would be equivalent to a 30-year open amortization period and should minimize contribution rate volatility from year to year. This new policy represents a significant departure from the previous policy, which had been followed for the past 20 years, with the intent to have Nevada's retirement system fully funded by the year 2024.

The Public Employees' Retirement System actuary determined that retirement contribution rates for regular members in the Employer Pay Plan should be decreased .50 percent effective July 1, 2005; regular members in the Employee/Employer Pay Plan would not be affected. For all police/fire members (Employee Pay and Employee/Employer Pay), the actuary recommended 3.50 percent increase in the contribution rates. Since the employer and employee are each responsible for one-half of any increase or decrease in the retirement contribution rate, the Legislature approved funding to decrease retirement contributions by .25 percent of payroll for regular

members in the Employer Pay Plan; these members will receive an increase of .25 percent in compensation effective July 1, 2005. For police/fire members, the Legislature approved funding to increase retirement contributions by 1.75 percent of payroll. Police/fire members will be responsible for paying the remaining 1.75 percent of payroll, which will result in a decrease of 1.75 percent in compensation for police/fire members effective July 1, 2005.

PUBLIC EMPLOYEES' BENEFITS PROGRAM

The Public Employees' Benefits Program (PEBP) provides various types of insurance coverage for state employees, retirees and their dependents, if the participant chooses to cover their dependents. In addition, any non-state public agency can join the program to provide coverage for their employees, retirees and dependents. The insurance coverage provided include health, prescription, dental, vision, mental health, substance abuse, life, accidental death and dismemberment, travel accident and long-term disability. Other voluntary optional insurance coverage is available for those participants who elect to purchase additional coverage.

The program operates under the direction and oversight of the Public Employees' Benefits Board, a nine-member board appointed by the Governor. The Board appoints an Executive Officer to oversee the day-to-day operations of the program. The Executive Officer, along with 6 other unclassified positions and 25 classified employees, are the current staff of the PEBP.

The largest portion of the program is health insurance, which includes dental, vision, mental health, substance abuse and prescription coverage; the majority of this health coverage is self-insured. The program does allow participants to elect to be covered by a health maintenance organization (HMO) rather than the self-funded plan. Accidental death and dismemberment, travel accident, long-term disability and life insurance benefits are fully insured by outside carriers.

For the 2005-07 biennium, the Legislature approved expenditures (not including reserve balances) in the amount of \$220.9 million for FY 2005-06, and \$254.6 million for FY 2006-07, for a total of \$475.5 million, an increase of 9.97 percent over the legislatively-approved amounts for the 2003-05 biennium.

Funding for this account is provided by the state contribution for active and for retired employee participants, premiums paid by plan participants, miscellaneous revenue (application fees from entities wishing to participate, pharmacy rebates and charges for copies) and Treasurer's interest. While there is no direct General Fund support in this account, a significant portion of the state contribution for state employees and retirees is funded through accounts supported with General Funds.

The program's financial position has improved significantly since the end of the 2003 Legislative Session. Reserves have been rebuilt such that the Incurred but not Reported (IBNR) claim liability (\$19.2 million) is now fully funded and the approved budget anticipates an additional \$24.1 million rate stabilization/catastrophic reserve by the end of the 2005-07 biennium. This rate stabilization reserve is designed to cover contingent plan expenses, as well as unexpected increases in medical inflation and large claims in future years.

RETIRED EMPLOYEE GROUP INSURANCE PROGRAM

The Retired Employee Group Insurance Program was designed to defray a portion of health insurance premiums for employees who retire from state service and continue to participate in the state's group insurance plan. Funding for the program is through payroll assessments to state agencies to cover the costs of the state subsidy. This budget account provides a centralized collection mechanism for the receipt of contributions made by each state agency, the Judicial Branch, the LCB, the Public Employees' Retirement System and the Nevada System of Higher Education, for the benefit of all retired state employees.

The assessment rate is calculated by determining what will be needed in the next biennium to fund the state subsidy; the amount needed is divided by the gross payroll estimated for the year, the result of which is the payroll assessment rate for that year. As approved by the 2003 Legislature, the assessment rate was 1.88 percent of gross payroll for FY 2004-05. The 2005 Legislature approved agency payroll assessments of 2.12 percent in FY 2005-06 and 2.03 percent in FY 2006-07.

NRS 287.046 provides that retirees who retired prior to January 1, 1994, are entitled to 100 percent of the state base subsidy amount to be applied against the total premium for insurance coverage. Retirees who retired on or after January 1, 1994, are entitled to 25 percent of the base subsidy amount for five years of service and 7.5 percent for each additional year of service, up to 20 years of service, which entitles them to 137.5 percent of the base state subsidy amount. The Legislature approved a monthly base subsidy amount, to be paid by the state, in the amount of \$321.27 for FY 2005-06 (1.6 percent increase) and \$336.97 for FY 2006-07 (4.9 percent increase). It is intended that this subsidy provide, on average, 78 percent of the cost of insurance for the retiree and 57 percent of the cost for dependents. The difference between the total premium for coverage and the state subsidy amount is the portion of the insurance premium that is paid by the retiree. The following table identifies state contribution rates and the percentage change since FY 1997-98:

July 1997	July 1998	July 1999	July 2000	July 2001	July 2002	Oct. 2002*	July 2003	July 2004
\$139.35	\$149.02	\$183.59	\$208.92	\$202.34	\$217.84	\$263.89	\$280.78	\$316.26
	6.9%	23.2%	13.8%	(3.1%)	7.7%	21.1%	6.4%	12.6%

* Mid-year increase approved in S.B. 3 of the 18th Special Session.

During the 2005 Legislative Session, the issue of commingling claims experience for Medicare-eligible retirees with those claims of active employees and non-Medicare retirees received a considerable amount of attention, particularly the impact that commingling would have on the rates paid by the Medicare-eligible retirees. Based on a recommendation from the Governor, the 2005 Legislature approved the commingling of these claims and further authorized an additional subsidy to those Medicare-eligible retirees in the tiers where the commingling had the largest impact on the premium (Medicare retiree and Spouse; Medicare Surviving Spouse; and Retiree and Spouse, one with Medicare and one without). For FY 2005-06, the cost of this additional subsidy is approximately \$3.1 million and is intended to reduce the cost to the Medicare-eligible retiree to the same level as though their claims were not commingled. For FY 2006-07, the cost is approximately \$1.8 million and is intended to mitigate approximately one-half of the impact of commingling these claims.

ACTIVE EMPLOYEE GROUP INSURANCE PROGRAM

The Legislature approved The Executive Budget recommendation to create a new account to provide a centralized collection mechanism for the receipt of the state contributions made on behalf of each active employee by each state agency, the Judicial Branch, the LCB, the Public Employees’ Retirement System and the Nevada System of Higher Education.

For state employees, the 2005 Legislature approved a monthly contribution, to be paid by the state, in the amount of \$481.19 for FY 2005-06 (13.8 percent decrease) and \$500.20 for FY 2006-07 (3.95 percent increase). It is intended that this funding provide, on average, 96 percent of the cost of insurance for the employee and 66 percent of the cost for dependents. The following table identifies state contribution rates and the percentage change since FY 1997-98:

July 1997	July 1998	July 1999	July 2000	July 2001	July 2002	Oct. 2002*	July 2003	July 2004
\$247.34	\$264.51	\$327.20	\$368.75	\$357.50	\$384.50	\$465.78	\$495.68	\$558.07
	6.9%	23.7%	12.7%	(3.1%)	7.6%	21.1%	6.4%	12.6%

* Mid-year increase approved in S.B. 3 of the 18th Special Session.

OFFICE OF THE MILITARY

The Office of the Military is responsible for the supervision of the military affairs of the state, which includes both state and federal roles. The primary state mission is to respond to emergency situations such as civil or national disasters. The primary federal mission is to provide combat-ready reserve forces for the United States Armed Forces. The department consists of three major units: Army National Guard, Air National Guard and the Office of the Adjutant General. There are 13 federally recognized mobilization Army Guard units and 17 Air Guard units stationed at 12 bases of operation (1 Air Guard and 11 Army) throughout the state.

Funding for the office is provided primarily through federal funding and state General Fund appropriations. For the 2005-07 biennium, the Legislature approved state General Funds at \$4.9 million, which is an increase of 19.8 percent when compared to General Fund support approved by the 2003 Legislature. The 2005 Legislature approved a total of \$849,890 in FY 2005-06 and \$810,990 in FY 2006-07 for 58 Class I high-priority maintenance projects, such as roof repairs, ADA compliance requirements, etc. Of this total, state General Funds were approved in the amount of \$332,365 in FY 2005-06 and \$132,240 in FY 2006-07. The Legislature also approved authority for the office to receive federal funds in the amount of \$2.4 million in FY 2005-06 and \$2.7 million in FY 2006-07 to hire 57.0 FTE new state security employees that are 100 percent federally reimbursed. These new positions will provide 24-hour security coverage of the Stead Armory, Carson City Armory and Clark County Armory. In addition to the 57.0 new state security employees, the Legislature approved an additional 4.0 FTE new positions, two for the new State Emergency Operations Center (SEOC) and two for the Clark County Armories, including a new HVAC Specialist and Facilities Supervisor.

NATIONAL GUARD BENEFITS PROGRAM

The National Guard Benefits program was established to encourage recruitment and retention of active members of the National Guard by providing guardsmen with a funding source for educational tuition reimbursement. In lieu of the tuition reimbursement program, the Legislature, through the passage of A.B. 9 of the 20th Special Session (2003), authorized the Board of Regents to waive the registration fees and laboratory fees for any member of the active Nevada National Guard, including recruits. Due to the success of the program during the 2003-05 biennium, the 2005 Legislature approved S.B. 78, which makes the waiver of registration and laboratory fees for fall and spring semesters for National Guardsmen permanent. In order to continue the tuition reimbursement program for National Guardsmen who attend summer school, the 2005 Legislature approved \$20,000 in each fiscal year of the 2005-07 biennium.

OFFICE OF VETERANS' SERVICES

The Office of Veterans' Services was established under NRS 417 to assist veterans, their family members and residents of Nevada serving in the Armed Forces of the United States. The office supports a variety of functions, including assisting veterans in obtaining benefits, serving as the court-appointed guardian for veterans unable to handle their own financial matters, and managing the operation of the Boulder City Veterans' Cemetery and the Fernley Veterans' Cemetery. The office also oversees the operation of the Veterans' Home in Boulder City. The 2005 Legislature approved a total budget for the Office of Veterans' Services of \$4.1 million, which represents a 35.8 percent increase over amounts approved for the 2003-05 biennium. General Fund support for the office totals \$2.3 million for the 2005-07 biennium, which represents a 27.5 percent increase over the 2003-05 biennium.

The Legislature agreed with the Governor's recommended budget to add six new positions consisting of two Veterans' Service Representatives, two Administrative Assistant I positions and two Grounds Equipment Operators. The positions will provide direct assistance to the growing population of an estimated 270,000 veterans in Nevada, plus support the two veterans' cemeteries located in Boulder City and Fernley.

In addition, the Legislature approved a new Veterans' Service Representative to provide outreach services and assistance to the women's veteran population. It is estimated that there are over 30,000 women veterans in Nevada, and many of them are unaware of the services to which they are entitled.

With passage of S.B. 1 of the 22nd Special Session, the Legislature provided \$300,000 to the Office of Veterans' Services for the establishment and operation of an Office of Coordination of Services for Veterans to support veterans in Nye and Esmeralda Counties.

VETERANS' HOME ACCOUNT

The Veterans' Home is a 180-bed skilled nursing facility located in Boulder City. The 180 beds are divided among three 60-bed wings. One wing includes a separate 24-bed Alzheimer's unit. The home is operated by the state and managed by the Office of Veterans' Services and primarily serves qualified veterans, but can also serve spouses of veterans, as well as Gold Star parents of veterans (parents who had a son or daughter killed while on active duty). The budget is constructed anticipating that the facility will operate at 90 percent capacity (162 beds) during both FY 2005-06 and FY 2006-07. The home has been operating with a resident population that has fluctuated between 149 and 155.

The Legislature expressed concern about the level of overtime payments, which continues to be a significant factor in the ongoing operation of the facility. The money committees issued a Letter of Intent to the Executive Director for Veterans' Services to report quarterly to the IFC concerning the census, the staffing and overtime incurred in operating the facility. The Legislature concurred with the Governor's recommendation to provide a two-grade increase for all nurses, which is anticipated, along with the decision to hire new staff on an accelerated pay scale, to reduce the level of overtime needed at the facility.

As a result of a change in federal law (Public Law 108-422), the Governor was able to recommend a Medicaid funding increase and General Fund support in the base budget be reduced in both years of the 2005-07 biennium. The Medicaid revenue was increased by \$733,583 in both FY 2005-06 and FY 2006-07, resulting in a General Fund savings of \$1,467,166 over the 2005-07 biennium. The Governor's recommended budget reflected no increase in either Medicare or Medicaid revenue in FY 2006-07. The Legislature, with agreement of the agency, increased Medicare funding by \$37,272 and Medicaid funding by \$120,442 in FY 2006-07, with a corresponding decrease in General Fund support.

The agency indicated to the Legislature that it had sufficient funding during FY 2004-05 to repair the two cooling towers, rather than replace the two towers, which results in a General Fund savings of \$86,000 in both FY 2005-06 and FY 2006-07. In addition, \$18,000 was removed in FY 2005-06 because the agency indicated it had sufficient funds during FY 2004-05 to install concrete pads at the facility exits for the safety of the residents.

The budget approved by the Legislature, including all funding sources, totals \$26.8 million over the 2005-07 biennium. This reflects an increase of 5.1 percent in FY 2005-06 over the FY 2004-05 work program level. The budget increases an additional 3.3 percent in FY 2006-07. Due to increases in the rate of collection from federal and other funds, the total General Fund appropriation decreases from \$2.9 million in FY 2004-05 to \$1.9 million in each year of the 2005-07 biennium, a 32.8 percent reduction.

**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
SPECIAL PURPOSE AGENCIES					
PUBLIC EMPLOYEES RETIREMENT SYSTEM					
PUBLIC EMPLOYEES RETIREMENT SYSTEM	8,183,594	8,242,297	8,255,015	8,298,499	8,275,218
GENERAL FUND			103,302		
BALANCE FORWARD	200,000	200,000	200,000	200,000	200,000
INTER AGENCY TRANSFER	121,265	106,832	106,832	140,869	140,869
OTHER FUND	7,862,329	7,935,465	7,844,881	7,957,630	7,934,349
SUB-FUNCTION RECAP					
PUBLIC EMPLOYEES RETIREMENT SYSTE	8,183,594	8,242,297	8,255,015	8,298,499	8,275,218
GENERAL FUND			103,302		
BALANCE FORWARD	200,000	200,000	200,000	200,000	200,000
INTER AGENCY TRANSFER	121,265	106,832	106,832	140,869	140,869
OTHER FUND	7,862,329	7,935,465	7,844,881	7,957,630	7,934,349
PUBLIC EMPLOYEES BENEFITS PROGRAM					
PUBLIC EMPLOYEES BENEFITS PROGRAM	281,620,895	301,108,519	285,459,011	320,885,455	297,892,242
BALANCE FORWARD	46,772,624	52,264,434	65,765,000	57,259,096	64,525,798
INTER AGENCY TRANSFER	193,925,051	186,582,863	168,866,768	197,494,800	177,705,462
OTHER FUND	40,923,220	62,261,222	50,827,243	66,131,559	55,660,982
RETIRED EMPLOYEE GROUP INSURANCE	22,814,274	24,955,177	28,615,743	26,795,880	28,991,320
INTER AGENCY TRANSFER	22,814,274	24,955,177	28,615,743	26,795,880	28,991,320
ACTIVE EMPLOYEES GROUP INSURANCE		161,627,686	140,251,025	170,698,920	148,714,142
INTER AGENCY TRANSFER		161,627,686	140,251,025	170,698,920	148,714,142
SUB-FUNCTION RECAP					
PUBLIC EMPLOYEES BENEFITS PROGRAI	304,435,169	487,691,382	454,325,779	518,380,255	475,597,704
BALANCE FORWARD	46,772,624	52,264,434	65,765,000	57,259,096	64,525,798
INTER AGENCY TRANSFER	216,739,325	373,165,726	337,733,536	394,989,600	355,410,924
OTHER FUND	40,923,220	62,261,222	50,827,243	66,131,559	55,660,982

**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
SPECIAL PURPOSE AGENCIES					
OFFICE OF MILITARY					
MILITARY	8,781,838	11,065,801	10,889,236	12,111,469	11,561,462
GENERAL FUND	2,071,547	2,842,073	2,492,391	3,002,095	2,423,898
FEDERAL FUND	5,435,142	7,994,148	8,187,127	8,673,847	8,747,821
INTER AGENCY TRANSFER	1,274,056	229,580	209,718	435,527	389,743
OTHER FUND	1,093				
ADJUTANT GENERAL CONSTRUCTION FUNI	36,265	35,568	35,568	35,871	35,988
BALANCE FORWARD	35,265	35,068	35,068	35,371	35,488
OTHER FUND	1,000	500	500	500	500
NATIONAL GUARD BENEFITS	104,572	104,572	20,000	104,572	20,000
GENERAL FUND	104,572	104,572	20,000	104,572	20,000
SUB-FUNCTION RECAP					
OFFICE OF MILITARY	8,922,675	11,205,941	10,944,804	12,251,912	11,617,450
GENERAL FUND	2,176,119	2,946,645	2,512,391	3,106,667	2,443,898
BALANCE FORWARD	35,265	35,068	35,068	35,371	35,488
FEDERAL FUND	5,435,142	7,994,148	8,187,127	8,673,847	8,747,821
INTER AGENCY TRANSFER	1,274,056	229,580	209,718	435,527	389,743
OTHER FUND	2,093	500	500	500	500
VETERANS AFFAIRS					
COMMISSIONER FOR VETERANS AFFAIRS	1,519,649	1,847,116	1,992,167	1,903,943	2,123,722
GENERAL FUND	897,406	968,094	1,113,013	957,006	1,176,771
INTER AGENCY TRANSFER		96,687	96,819	122,318	122,332
OTHER FUND	622,243	782,335	782,335	824,619	824,619
VETERANS HOME ACCOUNT	12,530,370	13,583,040	13,169,523	14,022,106	13,603,470
GENERAL FUND	2,885,810	2,354,277	1,940,449	2,471,083	1,894,699
FEDERAL FUND	8,235,233	8,163,560	8,163,560	8,318,955	8,356,227
INTER AGENCY TRANSFER	1,311,758	2,861,892	2,862,203	3,028,757	3,149,233
OTHER FUND	97,569	203,311	203,311	203,311	203,311
SUB-FUNCTION RECAP					
VETERANS AFFAIRS	14,050,019	15,430,156	15,161,690	15,926,049	15,727,192
GENERAL FUND	3,783,216	3,322,371	3,053,462	3,428,089	3,071,470
FEDERAL FUND	8,235,233	8,163,560	8,163,560	8,318,955	8,356,227
INTER AGENCY TRANSFER	1,311,758	2,958,579	2,959,022	3,151,075	3,271,565
OTHER FUND	719,812	985,646	985,646	1,027,930	1,027,930

**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
FUNCTION RECAP					
TOTAL SPECIAL PURPOSE AGENCIES	335,591,457	522,569,776	488,687,288	554,856,715	511,217,564
GENERAL FUND	5,959,335	6,269,016	5,669,155	6,534,756	5,515,368
INTER AGENCY TRANSFER	219,446,404	376,460,717	341,009,108	398,717,071	359,213,101
OTHER FUND	49,507,454	71,182,833	59,658,270	75,117,619	64,623,761
BALANCE FORWARD	47,007,889	52,499,502	66,000,068	57,494,467	64,761,286
FEDERAL FUND	13,670,375	16,157,708	16,350,687	16,992,802	17,104,048
TOTAL SPECIAL PURPOSE AGENCIES	335,591,457	522,569,776	488,687,288	554,856,715	511,217,564
LESS: INTER AGENCY TRANSFER	219,446,404	376,460,717	341,009,108	398,717,071	359,213,101
NET: SPECIAL PURPOSE AGENCIES	116,145,053	146,109,059	147,678,180	156,139,644	152,004,463