

## **SECTION IV GENERAL FUND APPROPRIATIONS AND TOTAL BUDGET**

On January 22, 2001, Governor Kenny Guinn transmitted his 2001-03 Executive Budget to the Seventy-first Nevada Legislature. The budget includes recommendations for a capital improvement program, supplemental and special “one-shot” appropriations, as well as operating appropriations and authorizations for fiscal years 2001-02 and 2002-03.

The Governor’s recommended budget includes nearly \$3.8 billion in General Fund operating appropriations for the 2001-03 biennium, approximately \$174 million in special “one-shot” appropriations, \$4.5 million in supplemental appropriations, and \$14.9 million to restore certain fund balances, bringing the total recommended General Fund appropriations to nearly \$4.1 billion. Recommended ongoing (operating) appropriations increase from \$3.21 billion for the 1999-2001 biennium to \$3.85 billion, a 20 percent increase.

After adjusting for interagency transfers, appropriations and authorizations for new spending for the 2001-03 biennium from all revenue sources totals \$9.8 billion, which compares to the \$8.2 billion approved by the 1999 Legislature after adjusting for funding approved for Employer’s Insurance Company of Nevada which was privatized by the 1999 Legislature. This represents a 19.5 percent increase in total funding recommended for the 2001-03 biennium compared to the 1999-2001 biennium.

The schedules that follow contain all of the appropriations recommended by the Governor for the 2001-03 biennium. Also included is a “pie chart” which illustrates the proposed distribution of General Fund appropriations among the various governmental functions.

Following are summaries and schedules which reflect the proposed spending in the Governor’s budget. Included is a “Source of Funds Summary” which compares the proposed operating appropriations and authorizations with the current biennium by funding source, a list of proposed supplemental appropriations for the current year, a list of “one-shot” or one-time appropriation requests, and the Governor’s proposed capital improvement program.

## CAPITAL IMPROVEMENT PROGRAM

The Governor has recommended a Capital Improvement Program (CIP) for the 2001-03 biennium in the amount of \$306,502,316. The 2001 program compares to programs of \$230,824,488 approved by the 1999 Legislature, \$316,130,678 approved by the 1997 Legislature, and \$227,058,915 approved by the 1995 Legislature. The Governor recommends supporting the costs of the 2001 program through a General Fund appropriation totaling \$18 million, the issuance of \$200,203,753 in general obligation bonds, and the reallocation of \$3 million in state funds provided for previous CIPs. The Governor's recommended program also includes \$39,500,000 in agency funds, \$25,029,981 in revenue bonds, \$8,252,451 in Employment Security Division funds, \$5,292,803 in federal funds, \$1,560,937 in Highway Funds, and \$662,391 in proceeds from an insurance settlement. Additionally, the Governor recommends funding UCCSN maintenance projects with \$5 million from the Special Higher Education Capital Construction Fund. Unlike previous capital improvement programs, the Governor has not identified which projects are funded through the issuance of general obligation bonds and which projects are funded with General Funds.

The following table provides state funding, other funding, and total funding, with the percentage of each funding source that is recommended to be received by each state agency in the Governor's recommended 2001 Capital Improvement Program:

Agency	State Funding	% of State Funding	Other Funding	% of Other Funding	Total Funding	% of Total Funding
Univ. & Community College System	\$117,907,450	53.30%	\$66,500,000	77.96%	\$184,407,450	60.17%
Dept. of Prisons	\$57,131,781	25.83%	\$662,391	0.78%	\$57,794,172	18.86%
Dept. of Administration	\$34,755,043	15.71%	\$1,560,937	1.83%	\$36,315,980	11.85%
Dept. of Employment, Training & Rehabilitation	\$0	0.00%	\$8,252,451	9.67%	\$8,252,451	2.69%
Office of Veterans' Services	\$1,360,438	0.62%	\$3,322,869	3.90%	\$4,683,307	1.53%
Dept. of the Military	\$2,048,193	0.93%	\$1,969,934	2.31%	\$4,018,127	1.31%
Dept. of Conservation & Natural Resources	\$147,285	0.07%	\$3,029,981	3.55%	\$3,177,266	1.04%
Dept. of Information Technology	\$1,056,110	0.48%	\$0	0.00%	\$1,056,110	0.34%
Dept. of Human Resources	\$4,597,453	2.08%	\$0	0.00%	\$4,597,453	1.50%
Office of the Attorney General	\$1,700,000	0.77%	\$0	0.00%	\$1,700,000	0.55%
Dept. of Museums, Library, & Arts	\$500,000	0.23%	\$0	0.00%	\$500,000	0.16%
<b>TOTAL ALL PROJECTS</b>	<b>\$221,203,753</b>	<b>100.00%</b>	<b>\$85,298,563</b>	<b>100.00%</b>	<b>\$306,502,316</b>	<b>100.00%</b>

The Governor recommends continuing the current property tax rate of \$0.15 for debt service for each year of the 2001-03 biennium. If additional funding was required, it would be taken from the bond interest and redemption account reserve. The continuation of the current property tax rate for debt service is predicated upon the issuance of bonds according to the following schedule:

**FY 2002**

Capital Improvement Bonds	\$ 31,081,929
Tahoe Environmental Improvement Bonds	\$ 8,000,000
Water Systems Bonds (NRS 349.981)	\$ 3,000,000
Cultural Affairs Bonds (NRS 233C.225)	\$ <u>2,000,000</u>
<b>Total</b>	<b>\$ 44,081,929</b>

**FY 2003**

Capital Improvement Bonds	\$ 94,296,480
Tahoe Environmental Improvement Bonds	\$ 8,500,000
Water Systems Bonds (NRS 349.981)	\$ 3,000,000
Cultural Affairs Bonds (NRS 233C.225)	\$ <u>2,000,000</u>
<b>Total</b>	<b>\$107,796,480</b>

**FY 2004**

Capital Improvement Bonds	\$ 74,825,344
Tahoe Environmental Improvement Bonds	\$ 9,000,000
Water Systems Bonds (NRS 349.981)	\$ 3,000,000
Cultural Affairs Bonds (NRS 233C.225)	\$ <u>2,000,000</u>
<b>Total</b>	<b>\$ 88,825,344</b>

The bonding capacity for the state as of July 1, 2000, has been computed in The Executive Budget as follows:

State's Estimated Assessed Valuation	\$50,574,515,576
Multiplied by the 2 Percent Constitutional Limit	\$1,011,490,312
Minus the Bonds Outstanding	(\$693,655,000)
Minus the University System Bonds, Including Pavilion Bonds	(\$89,480,000)
Equals the State's Unused Bonding Capacity	\$228,355,312

## **POSITION SUMMARY**

The following table displays the existing and new positions recommended in The Executive Budget for the 2001-03 biennium. The FY 2000-01 (work program year) is displayed to provide a perspective of the total number of positions in the current year compared to the total positions approved by the 1999 Legislature for FY 2000-01. A comparison can then be made to the total number of existing and new positions recommended by the Governor for the 2001-03 biennium. The total number of positions for the University and Community College System are detailed separately and are included in the grand totals.

For FY 2001-02, excluding the University and Community College System, the Governor has recommended a total of 15,799.3 positions, which includes 401.29 new positions. The Governor's recommendation provides for a net increase of 146.61 positions when compared to the FY 2000-01 work program year, and a net increase of 465.51 when compared to the total number of positions approved by the 1999 Legislature for the same period (after adjustments to eliminate Employers' Insurance Company of Nevada [EICON], which was privatized by the 1999 Legislature).

For FY 2002-03, excluding the University and Community College System, the Governor has recommended an additional 31.51 positions, for a total of 15,830.81 positions. For the 2001-03 biennium, the Governor has recommended a total of 178.12 additional positions when compared to the FY 2000-01 work program year and an increase of 497.02 when compared to the total number of positions approved by the 1999 Legislature after adjusting for EICON, which was privatized by the 1999 Legislature. These position totals do not include the impact of the Governor's recommendation to transfer child welfare responsibilities from the state to Washoe and Clark counties.

The Governor has recommended 19 new positions for the University and Community College System for the 2001-03 biennium when compared to the FY 2000-01 work program year and 279 new positions when compared to the total number of positions approved by the 1999 Legislature.

For the 2001-03 biennium, the total number of positions recommended by the Governor, including the University and Community College System, increases by 197.12 positions when compared to the FY 2000-01 work program year, and 776.02 positions when compared to the total number of positions approved by the 1999 Legislature for the same period.