

# TABLE OF CONTENTS

	PAGE
<b>SECTION I – HISTORICAL PERSPECTIVE .....</b>	<b>1</b>
GENERAL FUND REVENUE TRENDS.....	1
GENERAL FUND APPROPRIATION TRENDS .....	7
TOTAL STATE BUDGET TRENDS.....	7
<b>SECTION II – GENERAL FUND PROJECTED FUND BALANCE.....</b>	<b>9</b>
STABILIZATION FUND (NRS 353.288).....	10
<b>SECTION III – TAX OVERVIEW .....</b>	<b>13</b>
1995 TO 2005 TAX LEGISLATION.....	13
1995 SESSION.....	13
1997 SESSION.....	13
1999 SESSION.....	14
2001 SESSION.....	15
2003 SESSION AND 20 <sup>TH</sup> SPECIAL SESSION .....	16
2005 SESSION.....	18
TAX PROPOSALS FOR THE 2007 SESSION.....	21
<b>SECTION IV – GENERAL FUND APPROPRIATIONS AND TOTAL BUDGET .....</b>	<b>23</b>
EXPENDITURE CAP .....	23
2007-09 EXECUTIVE BUDGET .....	24
SOURCE OF FUNDS SUMMARY.....	25
SUPPLEMENTAL APPROPRIATIONS .....	30
ONE-TIME OR SPECIAL APPROPRIATIONS .....	34
HIGHWAY FUND SUPPLEMENTAL APPROPRIATIONS .....	39
HIGHWAY FUND ONE-TIME OR SPECIAL APPROPRIATIONS .....	39
APPROPRIATIONS TO RESTORE FUND BALANCES .....	40
CAPITAL IMPROVEMENT PROGRAM .....	41
POSITION SUMMARY .....	51
<b>SECTION V – GOVERNOR’S RECOMMENDATIONS BY FUNCTION .....</b>	<b>53</b>
<b>ELECTED OFFICIALS .....</b>	<b>53</b>
OFFICE OF THE GOVERNOR .....	53
MANSION MAINTENANCE .....	54
WASHINGTON OFFICE .....	54
HIGH LEVEL NUCLEAR WASTE .....	54
CONSUMER HEALTH ASSISTANCE .....	55
ENERGY CONSERVATION.....	56
ATTORNEY GENERAL.....	56
CONTROLLER'S OFFICE .....	58
SECRETARY OF STATE .....	58
STATE TREASURER.....	59
HIGHER EDUCATION TUITION ADMINISTRATION.....	59
MILLENNIUM SCHOLARSHIP ADMINISTRATION.....	59

	<b>PAGE</b>
UNCLAIMED PROPERTY .....	60
ETHICS COMMISSION.....	60
LEGISLATIVE COUNSEL BUREAU.....	61
JUDICIAL BRANCH .....	61
<b>FINANCE AND ADMINISTRATION .....</b>	<b>71</b>
DEPARTMENT OF ADMINISTRATION .....	71
BUDGET AND PLANNING DIVISION .....	71
DEFERRED COMPENSATION COMMITTEE .....	72
INFORMATION TECHNOLOGY DIVISION .....	72
INSURANCE AND LOSS PREVENTION .....	73
STATE MOTOR POOL .....	74
STATE PURCHASING DIVISION .....	74
DIVISION OF BUILDINGS AND GROUNDS.....	75
STATE PUBLIC WORKS BOARD.....	75
DEPARTMENT OF TAXATION .....	76
UNIFIED TAX SYSTEM PROJECT .....	77
DEPARTMENT OF INFORMATION TECHNOLOGY .....	77
DIRECTOR'S OFFICE .....	77
PLANNING AND RESEARCH DIVISION .....	78
APPLICATION DESIGN AND DEVELOPMENT DIVISION.....	78
COMPUTING DIVISION.....	78
DATA COMMUNICATIONS AND NETWORK ENGINEERING.....	79
TELECOMMUNICATIONS UNIT .....	79
NETWORK TRANSPORT SERVICES UNIT .....	80
DEPARTMENT OF PERSONNEL .....	80
<b>EDUCATION .....</b>	<b>89</b>
EDUCATION (K-12).....	89
DISTRIBUTIVE SCHOOL ACCOUNT.....	89
BASIC SUPPORT PER PUPIL .....	93
ENROLLMENT .....	93
POSITIONS AND SALARIES .....	93
INFLATION .....	94
SUPPLEMENTAL APPROPRIATION .....	94
SPECIAL EDUCATION .....	94
CLASS SIZE REDUCTION .....	95
ADULT HIGH SCHOOL DIPLOMA PROGRAM .....	95
REGIONAL PROFESSIONAL DEVELOPMENT PROGRAMS .....	96
EARLY CHILDHOOD EDUCATION .....	96
RETIREMENT CREDITS REALLOCATED TO EMPOWERMENT SCHOOLS.....	96
SCHOOL REMEDIATION TRUST FUND.....	96
DEPARTMENT OF EDUCATION .....	97
SUPPLEMENTAL AND ONE-TIME APPROPRIATIONS.....	98
SCHOOL SUPPORT TEAMS IN NON-TITLE I SCHOOLS .....	98
PROFICIENCY TESTING .....	99

SAIN – SYSTEM FOR ACCOUNTABILITY INFORMATION IN NEVADA .....	99
EDUCATIONAL TECHNOLOGY .....	99
CAREER AND TECHNICAL EDUCATION .....	99
IMPROVING AMERICA’S SCHOOLS – TITLE I.....	99
IMPROVING AMERICA’S SCHOOLS – TITLE II, V & VI .....	100
DRUG ABUSE EDUCATION.....	100
NEVADA SYSTEM OF HIGHER EDUCATION .....	100
GOVERNOR RECOMMENDS FUNDING INCREASE .....	100
ENROLLMENT GROWTH CONTINUES TO SLOW.....	101
FORMULA FUNDING AND HOLD HARMLESS.....	101
FEE AND TUITION INCREASES .....	102
ONE-TIME APPROPRIATION – INTEGRATE PROJECT .....	102
ADJUSTED BASE.....	103
MAINTENANCE ITEMS.....	104
ENHANCEMENTS .....	106
CAPITAL IMPROVEMENTS .....	108
WICHE .....	108
DEPARTMENT OF CULTURAL AFFAIRS.....	109
NEVADA STATE LIBRARY/ARCHIVES AND RECORDS .....	110
NEVADA ARTS COUNCIL .....	110
DIVISION OF MUSEUMS AND HISTORY .....	110
CAPITAL IMPROVEMENTS .....	111
<b>COMMERCE AND INDUSTRY .....</b>	<b>123</b>
DEPARTMENT OF AGRICULTURE.....	123
DIVISION OF ADMINISTRATION.....	123
DIVISION OF PLANT INDUSTRY.....	124
DIVISION OF MEASUREMENT STANDARDS.....	124
GAMING CONTROL BOARD .....	124
PUBLIC UTILITIES COMMISSION .....	125
DEPARTMENT OF BUSINESS AND INDUSTRY.....	126
DIRECTOR’S OFFICE .....	126
DIVISION OF INSURANCE .....	127
TRANSPORTATION SERVICES AUTHORITY.....	127
MANUFACTURED HOUSING DIVISION .....	128
REAL ESTATE DIVISION .....	128
FINANCIAL INSTITUTIONS DIVISION .....	129
HOUSING DIVISION .....	129
MORTGAGE LENDING DIVISION.....	129
DIVISION OF INDUSTRIAL RELATIONS .....	130
OCCUPATIONAL SAFETY AND HEALTH ENFORCEMENT .....	131
SAFETY CONSULTATION AND TRAINING SECTION .....	131
MINE SAFETY AND TRAINING SECTION.....	131
NEVADA ATTORNEY FOR INJURED WORKERS.....	131
TAXICAB AUTHORITY.....	132

	PAGE
ECONOMIC DEVELOPMENT AND TOURISM.....	132
COMMISSION ON ECONOMIC DEVELOPMENT .....	132
RURAL COMMUNITY DEVELOPMENT .....	133
PROCUREMENT OUTREACH PROGRAM.....	133
COMMISSION ON TOURISM .....	134
NEVADA MAGAZINE.....	134
<b>HUMAN SERVICES.....</b>	<b>147</b>
DEPARTMENT OF HEALTH AND HUMAN SERVICES .....	147
DIRECTOR'S OFFICE .....	147
DEVELOPMENTAL DISABILITIES .....	148
COMMUNITY-BASED SERVICES.....	148
FUND FOR A HEALTHY NEVADA .....	149
GRANTS MANAGEMENT UNIT.....	150
ACCOUNT FOR THE PREVENTION AND TREATMENT OF PROBLEM GAMBLING.....	150
DIVISION OF HEALTH CARE FINANCING AND POLICY .....	151
HEALTH CARE FINANCING AND POLICY (ADMINISTRATION) .....	151
MEDICAID .....	152
HIFA MEDICAL .....	156
INTERGOVERNMENTAL TRANSFER PROGRAM .....	157
INCREASED QUALITY OF NURSING CARE .....	158
NEVADA CHECK-UP .....	159
DIVISION OF MENTAL HEALTH AND DEVELOPMENTAL SERVICES.....	160
DIVISION ADMINISTRATION .....	161
NORTHERN NEVADA ADULT MENTAL HEALTH SERVICES .....	161
LAKES CROSSING CENTER .....	162
RURAL CLINICS .....	162
SOUTHERN NEVADA ADULT MENTAL HEALTH SERVICES .....	162
DEVELOPMENTAL SERVICES.....	163
FAMILY PRESERVATION PROGRAM .....	164
BUREAU OF ALCOHOL AND DRUG ABUSE.....	164
SUPPLEMENTAL AND ONE-TIME APPROPRIATIONS.....	165
CAPITAL IMPROVEMENT PROJECTS .....	165
HEALTH DIVISION.....	165
OFFICE OF HEALTH ADMINISTRATION .....	166
OFFICE OF MINORITY HEALTH .....	166
HEALTH SPECIAL APPROPRIATIONS .....	167
VITAL STATISTICS.....	167
CONSUMER HEALTH PROTECTION .....	167
RADIOLOGICAL HEALTH.....	167
HEALTH FACILITIES HOSPITAL LICENSING .....	168
COMMUNITY HEALTH SERVICES .....	168
IMMUNIZATION PROGRAM.....	168
EARLY INTERVENTION SERVICES.....	169
DIVISION OF WELFARE AND SUPPORTIVE SERVICES .....	169
WELFARE ADMINISTRATION .....	170

	PAGE
WELFARE FIELD SERVICES .....	170
TANF .....	171
CHILD SUPPORT ENFORCEMENT .....	172
ASSISTANCE TO AGED AND BLIND.....	173
CHILD ASSISTANCE AND DEVELOPMENT .....	173
ENERGY ASSISTANCE .....	173
<b>DIVISION FOR AGING SERVICES .....</b>	<b>174</b>
AGING OLDER AMERICANS ACT .....	174
COMMUNITY HOME-BASED CARE UNIT .....	175
ELDER PROTECTIVE SERVICES AND HOMEMAKER PROGRAMS .....	176
SENIOR CITIZENS' PROPERTY TAX ASSISTANCE .....	176
<b>DIVISION OF CHILD AND FAMILY SERVICES.....</b>	<b>177</b>
CHILD AND FAMILY SERVICES ADMINISTRATION.....	177
CHILD WELFARE INTEGRATION.....	177
UNITY/SACWIS .....	178
RURAL CHILD WELFARE.....	179
CHILD CARE SERVICES.....	180
CHILD DEATHS REVIEW .....	180
YOUTH ALTERNATIVE PLACEMENT .....	180
JUVENILE CORRECTIONAL FACILITY .....	181
CALIENTE YOUTH CENTER .....	181
NEVADA YOUTH TRAINING CENTER.....	181
YOUTH PAROLE SERVICES.....	181
WRAPAROUND IN NEVADA .....	182
NORTHERN NEVADA CHILD AND ADOLESCENT SERVICES .....	182
SOUTHERN NEVADA CHILD AND ADOLESCENT SERVICES .....	182
<b>DEPARTMENT OF EMPLOYMENT, TRAINING AND REHABILITATION .....</b>	<b>183</b>
ADMINISTRATION.....	184
INFORMATION DEVELOPMENT AND PROCESSING DIVISION .....	184
EQUAL RIGHTS COMMISSION .....	184
REHABILITATION DIVISION .....	184
EMPLOYMENT SECURITY DIVISION.....	185
EMPLOYMENT SECURITY SPECIAL FUND.....	185
<b>PUBLIC SAFETY.....</b>	<b>203</b>
PEACE OFFICERS STANDARDS AND TRAINING COMMISSION.....	203
<b>DEPARTMENT OF CORRECTIONS .....</b>	<b>203</b>
INMATE POPULATION .....	204
FACILITY CAPACITY .....	204
STAFFING.....	205
SUPPLEMENTAL APPROPRIATIONS .....	206
OTHER FUNDING RECOMMENDATIONS .....	206
CAPITAL IMPROVEMENTS .....	207
<b>DEPARTMENT OF MOTOR VEHICLES .....</b>	<b>208</b>
REAL ID.....	209
DIRECTOR'S OFFICE .....	209

	<b>PAGE</b>
ADMINISTRATIVE SERVICES .....	210
FIELD SERVICES.....	210
CENTRAL SERVICES.....	211
MOTOR CARRIER.....	211
COMPLIANCE ENFORCEMENT .....	211
MOTOR VEHICLE POLLUTION CONTROL .....	212
AUTOMATION .....	212
<b>DEPARTMENT OF PUBLIC SAFETY .....</b>	<b>213</b>
TECHNOLOGY DIVISION.....	213
OFFICE OF HOMELAND SECURITY.....	213
CRIMINAL HISTORY REPOSITORY.....	213
NEVADA HIGHWAY PATROL.....	214
DIVISION OF INVESTIGATIONS .....	214
PAROLE AND PROBATION .....	214
STATE FIRE MARSHAL .....	215
PAROLE BOARD .....	216
<b>INFRASTRUCTURE.....</b>	<b>227</b>
<b>DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES .....</b>	<b>227</b>
QUESTION 1 - \$200 MILLION CONSERVATION BOND .....	228
DIVISION OF STATE LANDS.....	228
DIVISION OF STATE PARKS .....	229
DIVISION OF WATER RESOURCES .....	229
DIVISION OF ENVIROMENTAL PROTECTION .....	230
DIVISION OF FORESTRY.....	230
FOREST FIRE SUPPRESSION.....	231
FORESTRY HONOR CAMPS .....	231
TAHOE REGIONAL PLANNING AGENCY.....	231
DEPARTMENT OF WILDLIFE.....	232
NEVADA DEPARTMENT OF TRANSPORTATION .....	233
<b>SPECIAL PURPOSE AGENCIES.....</b>	<b>241</b>
PUBLIC EMPLOYEES' RETIREMENT SYSTEM .....	241
PUBLIC EMPLOYEES' BENEFITS PROGRAM.....	241
RETIRED EMPLOYEE GROUP INSURANCE PROGRAM .....	243
INTERIM STUDY OF THE PUBLIC EMPLOYEES' BENEFITS PROGRAM.....	244
OFFICE OF THE MILITARY .....	244
OFFICE OF VETERANS' SERVICES .....	245
VETERANS' HOME.....	245
<b>APPENDIX</b>	
REPORT OF THE STATE OF NEVADA ECONOMIC FORUM, NOVEMBER 30, 2006 .....	251