

EDUCATION

The Education function includes three sub-functions: The Department of Education (K-12); the Nevada System of Higher Education (NSHE); and other education programs, which include the Department of Cultural Affairs, the Western Interstate Commission for Higher Education (WICHE), and the Commission on Postsecondary Education. The Governor has recommended General Fund appropriations of \$1.580 billion in FY 2009-10, a decrease of 11.0 percent compared to FY 2008-09, and \$1.573 billion in FY 2010-11, which represents an additional decrease of 0.5 percent. Budget recommendations for education from all funding sources total \$2.247 billion in FY 2009-10, a decrease of 10.1 percent compared to FY 2008-09, and \$2.256 billion in FY 2010-11, which represents an increase of 0.4 percent over FY 2009-10 after interagency 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 state's portion of the school district operating funds that provide the basic support guarantee and other state-supported programs.

The following table summarizes the elements (in millions) that are the basis for the DSA as approved by the 2007 Legislature for the current biennium and as recommended by the Governor for the upcoming biennium. While the "Total Required State Support" is guaranteed by the state, only the portion of the table below "Total State Share" is included in the DSA budget account.

	<u>The Nevada Plan</u>						Percent Change
	<u>Legislatively-Approved</u>			<u>Recommended in The Executive Budget</u>			
	FY 08	FY 09	2007-09 Biennium	FY 10	FY 11	2009-11 Biennium	
Total Operating Expenditures	\$ 3,077	\$ 3,302	\$ 6,379	\$ 3,110	\$ 3,144	\$ 6,254	-2.0%
Less: Local Revenues Outside the DSA	\$ (765)	\$ (832)	\$ (1,597)	\$ (869)	\$ (874)	\$ (1,743)	
Less: Non-Basic Support Programs	\$ (133)	\$ (145)	\$ (279)	\$ (131)	\$ (133)	\$ (264)	
Total Regular Basic Support	\$ 2,178	\$ 2,325	\$ 4,503	\$ 2,110	\$ 2,137	\$ 4,247	-5.7%
Plus Programs Other Than Basic Support	\$ 315	\$ 348	\$ 663	\$ 280	\$ 283	\$ 563	
<u>State Guarantee</u>							
Total Required State Support	\$ 2,493	\$ 2,672	\$ 5,166	\$ 2,390	\$ 2,420	\$ 4,810	-6.9%
Less: Local "Inside" Revenues	\$ (1,280)	\$ (1,399)	\$ (2,679)	\$ (1,142)	\$ (1,172)	\$ (2,314)	
<u>Distributive School Account</u>							
Total State Share	\$ 1,214	\$ 1,273	\$ 2,487	\$ 1,248	\$ 1,248	\$ 2,496	
Miscellaneous DSA Revenues	\$ (172)	\$ (183)	\$ (355)	\$ (154)	\$ (158)	\$ (312)	
General Fund Support	\$ 1,041	\$ 1,091	\$ 2,132	\$ 1,094	\$ 1,090	\$ 2,184	2.4%

The Executive Budget projects that the total of all Nevada school district budgets will increase to \$3.11 billion in FY 2009-10 and \$3.14 billion in FY 2010-11, compared to \$3.08 billion and \$3.30 billion for school district budgets approved by the 2007 Legislature for FY 2007-08 and FY 2008-09, respectively. This is a two percent decrease for the 2009-11 biennium when compared to the 2007-09 biennium.

NEVADA PLAN

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 session. The state, through the DSA, and local school districts, through the Local School Support (sales) Tax (LSST) and property tax, share the responsibility for providing the money needed to fund the guaranteed basic support.

Nevada Plan "Outside" Revenues

As indicated above, certain locally-generated revenues are considered before the state's responsibility is determined. These revenues are referred to as being "outside" of the Nevada Plan (the state's 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. For FY 2007-08, the 50-cent portion totaled \$488.8 million and is projected to increase 7.6 percent to \$525.9 million in FY 2008-09. The Executive Budget projects that the 50-cent portion of this tax will generate \$551.8 million in FY 2009-10, which represents a 4.9 percent increase over the amount projected for FY 2008-09, and \$557.2 million in FY 2010-11, an increase of 1.0 percent over FY 2009-10.
- Local Government Services Tax: Formerly called the Motor Vehicle Privilege Tax, this tax is estimated to generate \$81.4 million in both FY 2009-10 and FY 2010-11. These estimates represent a decrease of 10.3 percent compared to FY 2007-08 actual collections of \$90.7 million.
- Other Local Sources: Franchise taxes, federal revenue, interest, tuition and other local revenue and opening balances are expected to contribute \$235.6 million in FY 2009-10 and \$235.7 million in FY 2010-11.

These local revenues are not guaranteed by the state; thus the local school districts benefit when actual revenues are in excess of projections, or suffer the loss when revenues do not meet projections. These locally-generated revenues "outside" of the Nevada Plan are budgeted to generate approximately 27.9 percent of the revenue necessary to support the budgets of the school districts (25 percent in the current biennium), with the balance being funded through the Nevada Plan (the state's responsibility).

Nevada Plan "Inside" Revenues

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 (sales tax) and remaining 25 cents of the Ad Valorem Tax (property tax). Local funding from the 25-cent portion of the property taxes is budgeted at \$275.9 million for FY 2009-10 (4.9 percent increase over FY 2008-09 projections) and \$278.6 million for FY 2010-11 (1.0 percent increase over budgeted FY 2009-10). The LSST is estimated at \$866.7 million for FY 2009-10 (1.1 percent increase over FY 2008-09 projections) and \$893.7 million for FY 2010-11 (3.1 percent increase over budgeted FY 2009-10). Combined, these two local sources are estimated to provide approximately 48 percent of the required state support amount, with the state contributing the remaining 52 percent. It is important to note that these two local revenue amounts are guaranteed by the state; i.e., if budgeted amounts are not actually collected, the state funds the difference, and conversely, if actual revenues exceed projections, the amount of state General Fund support is reduced. For the current biennium, due to considerable lower-than-budgeted LSST and 25-cent portion of property tax collections, both guaranteed by the state, a supplemental appropriation will be required for the DSA to fund the guaranteed basic support.

As recommended in the Governor's budget, the required state support of school district expenditures within the DSA totals \$2.39 billion and \$2.42 billion for FY 2009-10 and FY 2010-11, respectively, a decrease of 6.9 percent over the amounts approved by the 2007 Legislature for the current biennium. These amounts include the recommended changes in all of the programs funded through the DSA (i.e., basic support, class-size reduction, special education, adult programs, counseling, early childhood, etc.).

In the Governor's budget, the state's share of funding is provided largely by General Fund appropriations of \$1.094 billion in FY 2009-10 and \$1.090 billion in FY 2010-11, totaling \$2.184 billion for the 2009-11 biennium. This is \$52 million greater than the \$2.132 billion appropriated by the 2007 Legislature for the 2007-09 biennium, representing a 2.4 percent increase. However, including the General Fund supplemental appropriation of \$329.3 million recommended to support the Distributive School Account in FY 2008-09, General Fund support during the 2009-11 biennium represents a decrease of 11.3 percent. An annual tax on slot machines, interest earned on investments from the Permanent School Fund, revenue from leases of federal land for mineral exploration and from royalties, and Local School Support Tax from sales that cannot be attributed to a specific county also provide funding for the DSA and are included in the previous table as "Miscellaneous DSA Revenues."

The following table displays the DSA budget as approved by the 2007 Legislature, actual revenues and expenditures for FY 2007-08, projections for FY 2008-09, and the Governor's recommendations for the 2009-11 biennium. As recommended, funding for K-12 education (DSA and the Department of Education) represents approximately 37.1 percent of the state's General Fund for the 2009-11 biennium, compared to K-12's share of the General Fund, which was 34.6 percent in the current biennium. It is important to remember that the state's share does not include the entire funding for K-12 education, but rather includes only the state's portion of the school district operating funds that provide the basic support guarantee and other state-supported programs.

DISTRIBUTIVE SCHOOL ACCOUNT - SUMMARY FOR 2009-11 BIENNIUM

	2007-08 Legislature Approved	2007-08 Actual	2008-09 Legislature Approved	2008-09 Estimated	2009-10 Governor Recommends	2010-11 Governor Recommends
TOTAL ENROLLMENT *	425,270.20	420,829.80	436,675.20	424,355.60	426,760.50	432,129.80
BASIC SUPPORT	5,122	5,125	5,323	5,214	4,945	4,946
TOTAL REGULAR BASIC SUPPORT **	2,178,412,777	2,156,577,434	2,324,500,302	2,212,704,453	2,110,539,932	2,137,399,645
CLASS-SIZE REDUCTION	141,209,596	141,209,596	153,710,996	153,710,996	143,927,168	145,386,027
SPECIAL EDUCATION ***	111,303,886	111,303,886	121,250,664	121,250,664	111,753,582	113,160,075
SPECIAL UNITS/GIFTED & TALENTED	171,898	171,898	163,656	163,656	168,619	174,156
ADULT HIGH SCHOOL DIPLOMA	21,447,955	21,302,940	23,362,996	22,410,539	18,313,953	18,585,980
SCHOOL LUNCH PROGRAM STATE MATCH	588,732	588,732	588,732	588,732	588,732	588,732
NRS ADJUSTMENT	0	190,176	0	0	399,939	399,939
EUREKA COUNTY SK ADJUSTMENT	0	(931,717)	0	0	0	0
SCHOOL IMPROVEMENT PROGRAMS: RPDP, NELIP & LEAD	13,089,934	13,089,638	13,513,162	11,937,714	0	0
SPECIAL FUNDING:						
EARLY CHILDHOOD EDUCATION	3,251,671	3,208,584	3,338,875	3,338,875	3,372,669	3,415,116
LIBRARY MEDIA SPECIALIST	18,078	18,078	18,798	18,798	18,798	18,798
HIGH IMPACT RETIREMENT CREDIT	22,942,577	0	31,070,767	0	0	0
1/5 RETIREMENT MOVED TO B/A 2616	(22,942,577)	0	(31,070,767)	0	0	0
SPECIAL ELEMENTARY COUNSELING	850,000	839,927	850,000	850,000	850,000	850,000
SPECIAL TRANSPORTATION	112,012	170,908	112,012	170,909	170,908	170,908
PRIOR YEAR PAYMENT ADJUSTMENTS	0	(5,760,125)	0	0	0	0
BASIC SUPPORT RETURNED/BUDGET REDUCTION	0	(14,825,347)	0	(20,501,540)	0	0
TOTAL REQUIRED STATE SUPPORT **	2,470,456,539	2,427,154,608	2,641,410,193	2,506,643,796	2,390,104,300	2,420,149,376
LESS						
LOCAL SCHOOL SUPPORT TAX (LSST)	(1,021,135,885)	(945,043,907)	(1,108,717,188)	(857,206,275)	(866,679,523)	(893,697,453)
PROPERTY TAX (ONE-THIRD)	(258,661,179)	(237,816,543)	(290,268,708)	(262,950,715)	(275,897,011)	(278,599,587)
EUREKA COUNTY S.D. ADJUSTMENT	0	4,296,698	0	0	0	0
NET PROCEEDS ADJUSTMENT	0	124,583	0	0	0	0
TOTAL STATE SHARE **	1,190,659,475	1,248,715,439	1,242,424,297	1,386,486,806	1,247,527,766	1,247,852,336
STATE SHARE ELEMENTS						
GENERAL FUND	1,041,380,667	1,041,380,667	1,090,814,060	1,042,818,347	1,093,720,981	1,090,154,838
1/5 RETIREMENT MOVED TO B/A 2616	(22,942,577)	(22,942,577)	(31,070,767)	(31,070,767)		
GENERAL FUND TRANSFER 09 TO 08	0	85,874,930		(85,874,930)		
DSA SHARE OF SLOT TAX	37,682,635	34,945,244	40,294,194	35,449,480	36,173,569	36,571,479
PERMANENT SCHOOL FUND INTEREST	11,800,136	14,063,745	12,315,982	13,100,000	14,631,920	14,924,558
FEDERAL MINERAL LEASE REVENUE	6,354,164	8,670,417	6,354,164	23,435,000	9,198,446	9,474,399
OUT-OF-STATE LSST	116,384,350	102,284,309	123,716,564	93,487,859	93,802,749	96,726,963
ESTATE TAX	100	3,981	100	0	100	100
PRIOR YEAR REFUNDS	0	6,687,926	0	35,203	0	0
REVERTED TO THE GENERAL FUND	0	(22,253,203)	0	0	0	0
BALANCE FORWARD	0	0	0	0	0	0
TOTAL SHARE STATE ELEMENTS **	1,190,659,475	1,248,715,439	1,242,424,297	1,091,380,192	1,247,527,766	1,247,852,336
BALANCE (TO/FROM GENERAL FUND)	0	0	0	(295,106,614)	0	0
SPECIAL EDUCATION UNITS***						
		No. of Units	\$ per Unit		No. of Units	\$ per Unit
	2007-08	3,046	36,541.00	2009-10	3,056	36,569.00
	2008-09	3,128	38,763.00	2010-11	3,094	36,569.00

FY 2009 LEGISLATURE APPROVED IS THE AMOUNT APPROVED BY THE 2007 LEGISLATURE WITHOUT THE SPECIAL SESSION TEXTBOOK REDUCTION

FY 2009 ESTIMATE REFLECTS THE \$48 MILLION TEXTBOOK REDUCTION

* FY 2008 and 2009 Apportioned and FY 2010 and 2011 Weighted

** Totals may not balance due to rounding

*** Special Education Units funded separately from Basic Support

BASIC SUPPORT PER PUPIL

The 2007 Legislature estimated the statewide average guaranteed basic support for operating purposes at \$5,122 per pupil in FY 2007-08. The actual FY 2007-08 per-pupil support of \$5,125 was attributable to lower-than-anticipated growth in enrollment in districts that were guaranteed at lower-than-average basic support per pupil. For FY 2008-09, the legislatively-approved statewide estimated average for guaranteed basic support for operating purposes was \$5,323 per pupil before a \$48 million reduction in textbook funding approved by the 24th Special Session. The revised per-pupil support, including the textbook funding, reduction, is \$5,213. The chart below compares the statewide average guaranteed basic support funding and increases/decreases by fiscal year since 2000:

2001-02 Actual	2002-03 Actual	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Actual	2007-08 Actual	2008-09 **Leg App	2009-10 Gov. Rec.	2010-11 Gov. Rec.
\$3,921	\$3,987	\$4,298	\$4,433	\$4,490	\$4,699	\$5,125	\$5,323	\$4,945	\$4,946
\$106	\$66	\$311	\$135	\$57	\$209	\$426	\$198	(\$378)	\$1

**The per-pupil basic support was subsequently reduced to \$5,213 in the 24th Special Session as a result of a \$48 million reduction in funding for textbooks/instructional supplies.

The guaranteed basic support per pupil should not be confused with expenditures per pupil. 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, and six-tenths of the count of pupils enrolled in kindergarten or programs for three- and four-year-olds with disabilities. Handicapped preschoolers and kindergarten pupils are only counted as six-tenths of a pupil because they typically attend school for half a day or less. The following chart compares audited weighted enrollment numbers by fiscal year and the percent of increase each year over the preceding year:

2001-02 Actual	2002-03 Actual	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Actual	2007-08 Actual	2008-09 Projected	2009-10 Gov Rec	2010-11 Gov Rec
344,765	358,641	373,498	387,834	400,101	413,260	420,830	424,356	426,761	432,130
	4.02%	4.14%	3.84%	3.16%	3.29%	1.83%	0.84%	0.57%	1.26%

Based on most recent enrollments, weighted enrollment (utilized to distribute DSA funds to school districts), increased by approximately 2.68 percent over the current biennium, to 424,356 students in FY 2008-09. The Governor's recommended budget includes General Fund appropriations of \$36.3 million in FY 2010 and \$69.6 million in FY 2011 to provide funding for the projected enrollment growth for the 2009-11 biennium.

Although Clark, Eureka, and Washoe County school districts' enrollments increased both years of the current biennium, the remaining 14 school districts experienced a decline in enrollment and are using the hold-harmless provision of NRS 387.1233(2) for

apportionment purposes. Since FY 2001-02, the hold-harmless provision has provided that apportioned enrollment is based upon the larger of the current year's enrollment or that of either of the previous two years. The 2007 Legislature amended the hold-harmless provision, beginning in FY 2008-09, to provide for one-year hold-harmless, except that districts with enrollments declining more than five percent will be allowed two-year hold-harmless.

POSITIONS AND SALARIES

To determine the number of employees needed to accommodate the additional students, the Budget Division calculated the actual student-employee ratios for each major job classification in the FY 2007-08 base year. Position counts for each year of the upcoming biennium were computed by maintaining the same student-employee ratio in each job classification. The Budget Division estimates that an additional 559.8 licensed instructional personnel will be needed to maintain the average of 20:1 student-teacher ratio throughout the upcoming biennium.

Statewide actual average teacher salaries for FY 2007-08 were \$49,488 (plus benefits) and \$52,497 in FY 2008-09 and are budgeted to decrease to an average of \$49,347 in FY 2010 and 2011, based on the Governor's recommended six percent salary reduction and suspension of merit increases. Average teacher salaries are impacted by the number of teachers who leave service, the number of new teachers hired, the number of teachers who are no longer eligible for merit adjustments, and collective bargaining agreements.

Salaries of new licensed instructional personnel (classroom teachers) are based on the average starting salary (\$36,816 after the recommended six percent salary reduction) of teachers hired for the FY 2007-08 school year. The Budget Division's position is that it is not possible to predict the education and experience level of new teachers. If new teachers, as a group, have more experience and more post-graduate education than this year's new hires, the average starting salary would be higher. If they are less experienced and have less graduate-level education, the average starting salary could be lower.

SALARY AND BENEFIT RECOMMENDATIONS

Consistent with recommendations for state employees, the Governor recommends a temporary salary reduction of six percent effective July 1, 2009, and a suspension of merit salary increases for district employees over the 2009-11 biennium. The recommendation results in salary savings of \$143.8 million in FY 2010 and \$146.7 million in FY 2011. Savings from merit pay suspensions are estimated to be \$47.0 million in FY 2009-10 and \$95.5 million in FY 2010-11.

The Executive Budget recommends reductions to group insurance similar to the recommended reductions for all state employees. General Fund savings for this proposal are \$46.8 million in FY 2009-10 and \$51 million in FY 2010-11. The Governor

recommends an adjustment to fringe benefits to increase the retirement contribution from 20.50 percent to 21.50 percent, with a corresponding reduction in salary costs for one-half of the amount for the employee portion of the increase. This is consistent with the methodology that will be utilized to implement the retirement increase for state employees on the employer-paid plan. The cost of the retirement rate increase is \$7.7 million in FY 2009-10 and \$8.1 million in FY 2010-11.

SUPPLEMENTAL APPROPRIATION

The Executive Budget recommends a supplemental appropriation of approximately \$329 million, for the DSA primarily due to lower-than-projected sales tax revenue collections inside the Nevada Plan and guaranteed by the state. Based on the Legislative Counsel Bureau's latest estimate, the required supplemental appropriation for the DSA is projected to be approximately \$295 million, \$34 million less than the Governor recommends. The primary differences between the Governor's and Fiscal staff's supplemental need are accounting related.

RESTORATION OF TEXTBOOK FUNDING

The 24th Special Session reduced funding designated for textbooks, instructional supplies and instructional hardware by \$48 million in FY 2008-09. The Governor recommends the restoration of the \$48 million and recommends funding for textbooks, instruction supplies and instruction hardware at historical levels with increases for inflation.

INFLATION

For FY 2009-10, The Executive Budget recommends an inflationary increase of 0.3 percent over the FY 2008-09 budgeted amounts for textbooks, library books, instructional and other supplies, and instructional computer software, with an additional 3.0 percent increase for FY 2010-11. Utility inflation is recommended at 7.7 percent in FY 2010 and 3.3 percent in FY 2011. The total cost of these inflationary increases over the 2009-11 biennium is \$19 million.

TRANSFER NEVADA YOUTH TRAINING CENTER STUDENT FUNDING TO DSA

The Governor recommends that the school at Nevada Youth Training Center (NYTC) be operated by the Elko County School District with funding from the DSA instead of a direct appropriation to NYTC. The Executive Budget adds \$487,586 each year to the DSA funding model, which provides statewide average guaranteed basic support per pupil for education costs of the 140 students from the NYTC.

SPECIAL EDUCATION

Nevada provides state funding for special education on the basis of special education program units, which are defined by NRS 387.1211 as organized instructional units in which a licensed, full-time teacher is providing an instructional program that meets

minimum standards prescribed by the State Board of Education. To qualify for a full apportionment, a unit must have operated the full school day (330 minutes) for at least nine of the school months within a school year.

For FY 2008-09, the state is funding 3,128 special education units at \$38,763 each, totaling \$121.2 million. For the upcoming biennium, the Governor recommends 3,056 special education units at a cost of \$36,569 each, or \$111.8 million for FY 2009-10, and 3,094 special education units at a cost of \$36,569 each, or \$113.2 million for FY 2010-11, an overall 3.3 percent decrease from funding approved in the 2007-09 biennium.

Additional special education funding is also provided in the current biennium for instructional programs incorporating education technology for gifted and talented pupils. The Executive Budget recommends funding in the amounts of \$168,619 and \$174,156 for FY 2009-10 and FY 2010-11 compared to \$171,898 and \$163,656 authorized for FY 2007-08 and FY 2008-09, respectively.

CLASS SIZE REDUCTION

During the 19 years that the Class Size Reduction (CSR) program has been implemented in the state, a total of \$1.55 billion in state funds has been spent to pay for teachers to reduce pupil-teacher ratios. For FY 2009-10, The Executive Budget recommends \$143.9 million in funding (inclusive of the six percent salary reduction and suspension of merit increases) for class-size reduction, which is a 6.4 percent decrease compared to the legislatively-approved amount for FY 2008-09. For FY 2010-11, The Executive Budget recommends \$145.4 million, a 1.0 percent increase over the recommended funding for FY 2009-10. These amounts are recommended to maintain the CSR program at its current pupil-teacher ratios and to continue the 23.5 teachers in selected "high-risk" kindergartens.

The 2007 Legislature continued authority for all school districts, subject to the approval of the State Superintendent of Public Instruction, to operate 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, since FY 2006, flexibility has been allowed 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 in grades 1 through 6 to use CSR funding to operate a program of alternative pupil-teacher ratios. 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.

ADULT HIGH SCHOOL DIPLOMA PROGRAM

Each session, the Legislature determines an amount of funding for adult high school diploma programs for the general public and for the state's prison inmates in the four school districts that operate programs within prison facilities. For the 2009-11 biennium, The Executive Budget recommends \$18.3 million for FY 2009-10 and \$18.6 million for FY 2010-11 (inclusive of the six percent salary reduction and suspension of merit increases) compared to actual expenditures of \$21.3 million in FY 2007-08 and \$22.4 million (includes reduction of \$934,520 due to budget reductions) authorized for FY 2008-09.

REGIONAL PROFESSIONAL DEVELOPMENT PROGRAMS

The 2007 Legislature approved funding of \$26.6 million over the 2007-09 biennium to continue the Regional Professional Development Programs (RPDPs), including the Nevada Early Literacy Intervention program and special administrator training programs. The Executive Budget recommends suspending the funding entirely for the RPDPs, saving an estimated \$13.5 million each fiscal year.

EARLY CHILDHOOD EDUCATION

The Executive Budget recommends \$3.37 million in FY 2009-10 and \$3.42 million in FY 2010-11 to continue the Early Childhood Education program, which represents a 3.0 percent increase in funding over the amounts approved in the 2007-09 biennium.

INCENTIVES FOR LICENSED EDUCATIONAL PERSONNEL

Assembly Bill 1 of the 23rd Special Session created a grant fund for Incentives for Licensed Educational Personnel and directed that the funding provided in the DSA for the purchase of retirement credits during the 2007-09 biennium be transferred into the new fund. The legislation required each school district to establish a program of incentive pay for licensed educational personnel designed to attract and retain those employees. Financial incentives must not exceed \$3,500 per year.

Assembly Bill 1 also repealed the statutory language requiring the purchase of retirement credits for teachers in at-risk schools, psychologists, and teachers in the fields of mathematics, science, special education and English as a Second Language, initially approved by the 2003 Legislature. However, the legislation did provide an option for those employees participating in the program prior to July 1, 2007, to continue the purchase of retirement credits until they have received an additional one full year of retirement credit.

The Governor recommends all funding for Incentives for Licensed Educational Personnel (\$50.5 million General Fund) be eliminated in the 2009-11 biennium.

OTHER STATE EDUCATION PROGRAMS

The Governor recommends transferring all non-pass-through funding to other budget accounts within the Department of Education in order to preserve this budget account for pass-through funding to school districts and/or charter schools.

TEACHER SIGNING BONUSES

The Executive Budget recommends limiting funding for teacher bonuses to only those new teachers hired for enrollment increases. No funding is provided for replacement teachers for those who retire or otherwise leave the district. The recommended budget for signing bonuses is \$516,000 in FY 2009-10 and \$646,000 in FY 2010-11, compared to FY 2008 actual expenditures of \$4.78 million and FY 2009 projected expenditures of \$5.08 million.

EDUCATIONAL TECHNOLOGY

The Governor is recommending reinstatement of \$9.79 million in General Funds over the 2009-11 biennium for the state-funded Education Technology program. The 2007 Legislature had approved \$9.79 million over the 2007-09 biennium for the program, but due to recommended budget reductions, the entire amount was deferred.

CAREER AND TECHNICAL EDUCATION

The Executive Budget restores the Career and Technical Education (CTE) funding which was reduced in FY 2008-09 as the result of budget reductions and recommends \$4.0 million each year to continue CTE programs during the 2009-11 biennium.

SCHOOL REMEDIATION TRUST FUND

The 2005 Legislature approved the creation of the Account for Programs for Innovation and the Prevention of Remediation (referred to as the School Remediation Trust Fund) to support improvement plans developed by schools and school districts to improve the achievement of students.

FULL-DAY KINDERGARTEN

The Governor recommends General Funds of \$25.5 million in FY 2009-10 and \$27.2 million in FY 2010-11 for the ongoing costs of Full-Day Kindergarten (including minimal enrollment increases) for existing “at-risk” schools, but does not provide any expansion of the program. The 2007 Legislature added \$15 million in the 2007-09 biennium to expand the Full-Day Kindergarten program to approximately 52 additional schools in FY 2008-09. However, due to recommended budget reductions, the expansion of the Full-Day Kindergarten program in FY 2008-09 was not implemented.

PROGRAMS FOR INNOVATION AND THE PREVENTION OF REMEDIATION (ELEMENTARY AND SECONDARY SCHOOLS)

The 2007 Legislature approved total funding of \$90.1 million for programs for innovation and prevention of remediation in grades K-12. Though \$44.2 million was appropriated for FY 2007-08, due to budget reductions, only \$29 million was actually expended on programs. For FY 2008-09, the legislatively-approved budget of \$45.9 million has been reduced to \$36.4 million to meet targeted budget reductions. The Executive Budget recommends suspending the program entirely for the 2009-11 biennium.

EMPOWERMENT PROGRAMS

The 2007 Legislature approved a total of \$9.08 million over the 2007-09 biennium for a program of Empowerment schools. However, due to budget reductions, all but \$103,000 spent in FY 2007-08 for planning purposes was reserved for reversion. The Governor does not recommend reinstatement of any funding for the Empowerment Program in the 2009-11 biennium.

DEPARTMENT OF EDUCATION

The Executive Budget recommends total funding for the Department of Education (excluding the Distributive School Account, School Remediation Trust Fund, Incentives for Licensed Educational Personnel and Other State Education Programs) in the amount of \$654.3 million for the 2009-11 biennium, an increase of 12 percent compared to the 2007-09 biennium. Of this amount, General Fund support is recommended in the amount of \$27.5 million for the upcoming biennium, compared to \$22.6 million for the 2007-09 biennium. This represents an increase in General Fund support of approximately 21.7 percent, which is primarily the result of an increase in the cost of the testing programs and funding of school support team leaders in non-Title I schools (which was funded in Other State Education Programs in the 2007-09 biennium).

The Executive Budget recommends two new full-time positions to address the increased budgeting and auditing workload in the department. Both positions are recommended in the Education Support Services account: a Budget Analyst I (funded through indirect costs) and an Auditor II (funded through the federal nutrition program and indirect costs). Throughout the department's budgets, a number of position transfers are recommended to align the positions with the appropriate funding sources for the duties that are being performed. In addition, The Executive Budget recommends the elimination of nine full-time positions: four that are funded with General Fund support and five that are funded by federal grants. The four General Fund positions are the Cultural Diversity, Gifted and Talented, Parental Involvement and Empowerment Consultants and their elimination would result in General Fund savings of \$656,586 over the upcoming biennium in personnel and related operating costs. Three of the federally funded positions are recommended for elimination with the discontinuation of the Longitudinal Data Systems (e-SAIN) grant, and the other two are due to an anticipated reduction in the Career and Technical education funding received through the Carl D. Perkins Federal Grant.

PROFICIENCY TESTING

The Legislature requires statewide testing in the form of norm-referenced tests (NRT) to measure how Nevada students compare to those in other states and to the nation as a whole. To meet budget reductions, the Legislature suspended the administration of the NRT during the 25th Special Session for school year 2008-09. The Executive Budget recommends the permanent elimination of the NRT, with a corresponding reduction of General Fund support in the amount of \$1,850,940 over the 2009-11 biennium.

Under No Child Left Behind (NCLB), criterion-referenced tests (CRT) in reading and math are administered annually in grades 3 through 8, science in grades 5 through 8, and analytical writing assessment in grades 5 and 8. Students in grades 10 through 12 are tested in math, reading and writing, and grades 10 and 11 in science, on the High School Proficiency Exam (HSPE). The Executive Budget recommends General Funds of \$13.5 million over the 2009-11 biennium for the testing proficiency program, representing a 30 percent increase over the \$10.3 million approved for the 2007-09 biennium; approximately \$500,000 of the increase is attributable to moving the System for Accountability Information in Nevada (SAIN) program from the Other State Education Programs budget account into this account.

SAIN – SYSTEM FOR ACCOUNTABILITY INFORMATION IN NEVADA

Nevada Revised Statutes 386.650 requires the Department of Education to establish and maintain an automated system of accountability information for Nevada to report the results of student achievement and provide longitudinal comparisons of academic achievement, rate of attendance and rate of graduation of pupils over time. The system requirements, when completed, will provide information that will allow analysis of the results of pupils by teacher or paraprofessional, classroom, and school. The Executive Budget recommends \$493,294 in General Fund over the 2009-11 biennium to support the SAIN program, representing a 25.2 percent decrease from the \$659,467 approved for the 2007-09 biennium. The Executive Budget also recommends approximately \$1.0 million in federal funds to support operating costs of the SAIN program over the 2009-11 biennium, a slight decrease from the \$1.1 million approved for the 2007-09 biennium.

EDUCATION STATE PROGRAMS

Nevada Revised Statutes 385.3721 requires a School Support Team (SST) for all schools that have received a designation of “demonstrating need for improvement” for three or more consecutive years. For Title I schools, funding for SST Leaders is provided through the federal Title I grant. Prior to the 2007-09 biennium, there were no non-Title I schools in the third year of needing improvement. However, based on projections provided by the Department of Education that 102 non-Title I schools in FY 2007-08 and 236 non-Title I schools in FY 2008-09 would be in their third year of needing improvement, the 2007 Legislature provided General Fund support in the

amount of \$3.38 million over the biennium to fund a SST Leader in the amount of \$10,000 for each of these schools. The actual number of schools reaching their third year of needing improvement in each year of the 2007-09 biennium was lower than had been projected by the department, and anticipated expenditures for the current biennium are approximately \$1.5 million.

For the 2009-11 biennium, the department anticipates 122 schools in FY 2009-10 and 167 schools in FY 2010-11 will require a SST Leader. The Executive Budget recommends General Fund support in the amount of \$2.89 million over the biennium for this purpose.

ELEMENTARY AND SECONDARY EDUCATION ACT – TITLE I

Title I programs include the majority of the federal funds utilized by school districts to comply with No Child Left Behind (NCLB) requirements. The Executive Budget includes federal funds of \$95.2 million for each fiscal year of the 2009-11 biennium, with \$85.4 million of that amount recommended to continue the Title I basic programs, \$6.1 million to continue the Reading First program, and \$2.9 million for school improvement efforts. The remaining federal funds are recommended to continue the migrant aid grant, neglected and delinquent child grant, and accountability grant. Federal funds for the Comprehensive School Reform and Even Start programs were eliminated during the 2007-09 biennium. In total, The Executive Budget recommends federal funds of \$190.5 million over the 2009-11 biennium for the Title I budget, representing an increase of 12.5 percent over the \$169.4 million approved for the 2007-09 biennium.

ELEMENTARY AND SECONDARY EDUCATION ACT – TITLES II, V, AND VI

The following NCLB programs and funding are recommended in The Executive Budget for each fiscal year of the 2009-11 biennium: Title II, Teacher Quality Grant - \$14.8 million; Title II, Mathematics and Science Partnerships - \$1.1 million; and Title VI - State Assessment Grant - \$5.1 million. The Title II Education Technology grant and the Title V Innovative Education grant were eliminated during the 2007-09 biennium. The Executive Budget recommends \$41.9 million in federal funds over the 2009-11 biennium for these programs, representing a 10.0 percent decrease from the \$46.5 million approved for the 2007-09 biennium.

DRUG ABUSE EDUCATION

The Title IV Safe and Drug Free Schools and Communities federal grant provides drug abuse education in elementary and secondary schools in the state, as well as programs to prevent violence in and around schools. For the 2009-11 biennium, The Executive Budget reflects a 47.2 percent decrease in this federal grant from the \$2.69 million approved for the current biennium to \$1.42 million for the 2009-11 biennium. As a result of the decrease in the federal funds, the Governor recommends a reduction in sub-grant awards to the school districts (aid-to-schools).

INDIVIDUALS WITH DISABILITIES ACT

The Individuals with Disabilities Act (IDEA) provides federal funding to assist students with disabilities to improve their performance on statewide assessments, with the goal of increasing the high school graduation rate and assisting students with disabilities to improve skills and behaviors to benefit post-secondary outcomes. In addition to the department administering the IDEA program and providing sub-grants to school districts, the department monitors students whose individual educational program (IEP) cannot be met at their home school district (NRS 395 program). The Executive Budget recommends a total of \$141.8 million over the 2009-11 biennium, representing a 10.3 percent increase over the \$128.6 million approved for the 2007-09 biennium. Of the \$141.8 million recommended for the 2009-11 biennium, \$41,982 of that amount is General Fund for support of the NRS 395 program.

TEACHER EDUCATION AND LICENSING

The Teacher Education and Licensing budget approves programs for the preparation of teachers in the state and implements regulations adopted by the Commission on Professional Standards in Education. Licensing staff determine eligibility, approve and issue licenses for teachers and other educational personnel, and administer the competency testing program for initial teacher applications. This budget is funded by revenue received from licensing fees. For the 2009-11 biennium, The Executive Budget recommends expenditures of \$3.51 million (not including reserves) for the program, which represents a 7.9 percent increase compared to the \$3.26 million (not including reserves) approved for the 2007-09 biennium. Included in the recommended expenditures are enhancements for a new telephone system for the Las Vegas office, upgrades to the on-line capabilities of the licensing system, monitoring of revoked licenses, staff training, and funding for contract services to complete the scanning of teacher files into the licensing system.

EDUCATION SUPPORT SERVICES

The Support Services budget contains staff and costs associated with the department's grant accounting, reporting, auditing, accounts payable and receivable, payroll and personnel, budgeting and purchasing, networking, and copying. The account is funded by indirect costs charged against all other budget accounts in the department, including those funded with General Fund appropriations. Several biennia ago, in an effort to facilitate cash flow and ease of accounting, the General Fund appropriation for the indirect costs related to General Fund activities was placed directly into this account rather than the account where the activity occurs. This process has led to confusion as to the purpose of the General Fund appropriation in this account, as well as understating the actual cost of General Fund programs in other accounts (since the amount provided for those programs in those accounts did not include indirect costs).

The Executive Budget for the 2009-11 biennium does not include any General Fund appropriation in the Support Services account, but rather provides the General Fund support in each account where the programs are funded. The indirect cost portion of each program will be transferred into this account as the costs are incurred.

NEVADA SYSTEM OF HIGHER EDUCATION

The Nevada System of Higher Education (NSHE) is governed by a 13-member Board of Regents. The system comprises the Chancellor's Office; the University of Nevada, Reno (UNR); the University of Nevada, Las Vegas (UNLV); the Nevada State College at Henderson (NSC); the College of Southern Nevada (CSN); Western Nevada College (WNC); Great Basin College (GBC); Truckee Meadows Community College (TMCC); the UNR School of Medicine; the UNLV Law School; the UNLV Dental School; and the Desert Research Institute (DRI). NSHE budgets are primarily formula driven.

GOVERNOR RECOMMENDS 35.9 PERCENT DECREASE IN GENERAL FUND APPROPRIATIONS

The NSHE's operating budget for the 2009-11 biennium is recommended to total \$1.26 billion, net of interagency transfers, which is 25.2 percent lower than the \$1.68 billion approved by the Legislature for the 2007-09 biennium. The Governor recommends \$843.9 million in General Fund appropriations for the 2009-11 biennium, which is a decrease of \$472.5 million, or 35.9 percent, as compared to the legislatively-approved amount for 2007-09. The Governor's budget allocates 13.7 percent of recommended General Fund appropriations to the NSHE during the 2009-11 biennium, which is significantly lower than the 19.3 percent approved by the 2007 Legislature.

ENROLLMENT GROWTH

Enrollments are projected to increase during the 2009-11 biennium. System-wide, actual full-time equivalent (FTE) enrollments grew by 3.26 percent in FY 2007-08 over FY 2006-07 actuals – higher than the budgeted enrollment growth of 1.96 percent. Projected enrollments in FY 2009-10 are 6.23 percent higher system-wide than the FTE enrollments budgeted in FY 2008-09. The system projects enrollment growth of 3.18 percent in FY 2010-11. The College of Southern Nevada (CSN) and Great Basin College (GBC) are projected to have the largest percentage increases, while enrollment growth at UNR is projected to increase at approximately 1.0 percent and UNLV is projected to increase by less than 1.0 percent per year. The Governor's recommended budget utilizes the system's enrollment figures.

With the exception of Nevada State College, the NSHE used three-year weighted averages from FY 2006-07 through FY 2008-09 to project enrollment percentage changes. One notable modification in procedure is that fall 2008 actual enrollments were annualized to determine the FY 2009 annual enrollments. Due to Nevada State College (NSC) being a relatively new institution, the system did not employ weighted averages with NSC; consistent with past years, NSC's enrollments were projected based upon unweighted prior-year actuals. Annualized actual and projected FTE enrollments by institution are summarized as follows:

Annualized Actual and Projected FTE Enrollments									
Campus	FY 07 Actual FTE	FY 08 Budgeted FTE	FY 08 Actual FTE	% chg FY 08 Act/ FY07 Act	FY 09 Budgeted FTE	FY 10 Gov Rec FTE	% chg FY 10/ FY 09	FY 11 Gov Rec FTE	% chg FY 11/ FY 10
UNLV	19,638	19,670	19,543	-0.48%	19,814	19,973	0.80%	20,047	0.37%
UNR	12,039	12,404	12,227	-1.56%	12,542	12,647	0.84%	12,804	1.24%
CSN	18,176	18,455	19,607	7.87%	18,760	22,209	18.38%	23,582	6.18%
TMCC	6,160	6,345	6,479	5.18%	6,544	6,967	6.46%	7,231	3.79%
WNC	2,393	2,465	2,388	-0.21%	2,540	2,393	-5.79%	2,402	0.38%
GBC	1,589	1,561	1,643	3.40%	1,570	1,937	23.38%	2,076	7.18%
NSC	1,327	1,677	1,437	8.29%	1,968	1,580	-19.72%	1,714	8.48%
Totals	61,322	62,577	63,324	3.26%	63,738	67,706	6.23%	69,856	3.18%

FORMULA FUNDING

The seven teaching institutions are primarily funded through enrollment-driven formulas. For fiscal years 2007-08 and 2008-09, the 2007 Legislature funded the NSHE main formula accounts at 85.5 percent. The Governor recommends formula maintenance funding at 85.77 percent, resulting in General Fund increases of \$30.70 million in FY 2009-10 and \$34.65 million in FY 2010-11. However, in several enhancement modules, the Governor proposes General Fund formula reductions totaling \$234.74 million in FY 2009-10 and \$238.03 million in FY 2010-11. The net impact of the Governor's formula recommendations would result in General Fund formula reductions totaling \$204.04 million in FY 2009-10 and \$203.38 million in FY 2010-11.

The table below displays the formula-related General Fund recommendations included in The Executive Budget. Preliminary calculations indicate that when combined with other budget reductions described later in this report, the Governor's recommendations would drop formula funding percentages from the legislatively-approved 85.5 percent level to a range of between 51.73 and 54.61 percent.

Governor's Formula Funding Recommendations General Fund Only						
Institution	FY 2010			FY 2011		
	Formula Maintenance	Formula Enhancement	TOTAL Formula Funding	Formula Maintenance	Formula Enhancement	TOTAL Formula Funding
UNR	\$ 2,112,794	<\$61,463,818>	<\$59,351,024>	\$ 2,042,095	<\$62,168,967>	<\$60,126,872>
UNLV	\$ 3,359,413	<\$85,027,954>	<\$81,668,541>	\$ 2,346,780	<\$85,194,909>	<\$82,848,129>
NSC	<\$1,681,278>	<\$ 5,829,511>	<\$ 7,510,789>	<\$ 759,175>	<\$ 6,170,975>	<\$ 6,930,150>
GBC	\$ 3,435,784	<\$ 7,452,171>	<\$ 4,016,387>	\$ 4,262,472	<\$ 7,779,080>	<\$ 3,516,608>
CSN	\$19,159,424	<\$48,085,600>	<\$28,926,176>	\$22,460,686	<\$49,672,120>	<\$27,211,434>
WNC	<\$ 210,038>	<\$ 7,921,603>	<\$ 8,131,641>	<\$ 563,074>	<\$ 7,849,082>	<\$ 8,412,156>
TMCC	\$ 3,432,089	<\$17,484,893>	<\$14,052,804>	\$ 3,861,847	<\$ 17,748,912>	<\$13,887,065>
NFB Equip.	\$ 1,092,411	<\$ 1,474,988>	<\$ 382,577>	\$ 994,924	<\$ 1,442,857>	<\$ 447,933>
TOTALS	\$30,700,599	<\$234,740,538>	<\$204,039,939>	\$ 34,646,555	<\$238,026,902>	<\$203,380,347>

FEE AND TUITION INCREASES

The Board of Regents approved annual full-time undergraduate and graduate student fee increases at the colleges and universities ranging from \$2.75 per credit to \$21.75 per credit for the 2009-11 biennium. By Board policy, undergraduate registration fees charged for full-time attendance are set at the equivalent of the median of state averages published by the Western Interstate Commission for Higher Education (WICHE), using a three-year lag. Registration fee and non-resident tuition increases for full-time students range from 2.6 percent to 11.2 percent per year. Current and Regents-approved fee schedules are provided below:

Type of Institution/Fee	FY 2009 Current Fees/Tuition	Regents Approved (Gov. Rec.) FY 2010	FY 2010 Dollar Change	% Change FY 09/ FY 10	Regents Approved (Gov. Rec.) FY 2011	FY 2011 Dollar Change	% Change FY 10/ FY 11
Community Colleges							
Resident	\$57.25/credit	\$60.00/credit	\$2.75	4.8%	\$63.00/credit	\$3.00	5.0%
Upper Division (GBC, CSN, WNC)	\$93.50/credit	\$98.25/credit	\$4.75	5.1%	\$103.25/credit		5.1%
Non-Resident	\$5,709/year	\$6,188/year	\$479	8.4%	\$6,347/year	\$159	2.6%
Nevada State College							
Resident	\$93.50/credit	\$98.25/credit	\$4.75	5.1%	\$103.25/credit	\$5.00	5.1%
Non-Resident	\$8,398/year	\$9,264/year	\$866	10.3%	\$9,818/year	\$554	6.0%
Universities							
Resident Undergrad.	\$129.50/credit	\$136.00/credit	\$6.50	5.0%	\$142.75/credit	\$6.75	5.0%
Resident Graduate	\$198.00/credit	\$217.75/credit	\$19.75	10.0%	\$239.50/credit	\$21.75	10.0%
Non-Resident	\$11,095/year	\$12,340/year	\$1,245	11.2%	\$13,290/year	\$950	7.7%

ADJUSTED BASE

The adjusted base totals \$876.5 million in FY 2009-10, net of interagency transfers, reflecting a 1.26 percent increase over the FY 2008-09 legislatively-approved adjusted base budget of \$865.6 million. In FY 2010-11, the adjusted base increases to \$890.0 million, or an additional 1.55 percent. NSHE's adjusted base budget includes adjustments such as professional merit, classified step increases, longevity and extension of contractual obligations. However, The Executive Budget subsequently recommends the removal of longevity and merit step/professional merit increases and a six-percent reduction in salaries through a series of negative enhancement modules. There are several other notable items within the adjusted base as follows:

- Elimination of Operating Capital Investment Revenues – The Executive Budget recommends the elimination of Operating Capital Investment income for FY 2009-10 and FY 2010-11. This was requested by the NSHE due to investment market conditions and represents a \$2.96 million annual decrease in the state-supported operating budgets' revenues and expenditures.
- UNLV Paradise Lease – For the 2007-09 biennium, the Governor recommended, and the 2007 Legislature approved, an additional \$1.57 million per year for anticipated lease cost increases on the Paradise Elementary School property, scheduled to take effect January 20, 2007. In prior years, UNLV paid \$154,150 to

the Clark County Department of Aviation to lease the facility. The Executive Budget continues the enhanced level of funding in the 2009-11 biennium.

- System Administration Audit Contract – For the 2007-09 biennium, the Governor recommended, and the Legislature approved, an increase in the cost of the NSHE’s independent audit contract (from \$345,800 in FY 2006-07 to \$682,500 in FY 2008-09). The Executive Budget recommends the annual cost of the NSHE audit contract increase by an additional \$67,500.

MAINTENANCE ITEMS

The maintenance section of the operating budget totals \$96.4 million for the biennium, which includes General Fund appropriations of \$78.6 million. Demographic/caseload changes (enrollment) primarily account for the increases at \$37.5 million in FY 2009-10 and \$45.7 million in FY 2010-11. New space requests represent the next largest increase. Several of the more significant maintenance modules are described in more detail below.

- Insurance Inflation – The Governor recommends a net decrease of <\$473,457> for FY 2009-10 and <\$321,514> for FY 2010-11 based upon projected insurance costs, including property and contents, medical malpractice liability, allied health, vehicle liability, comprehensive and collision, and excess liability. In the School of Medicine’s budget, the state’s share of medical malpractice insurance expenditures is recommended to increase by \$58,675, or 4.87 percent, in FY 2009-10 and an additional \$126,414, or 10.0 percent, in FY 2010-11. The state’s share is 50 percent of the total annual premium cost.
- Operation and Maintenance of New Space – The Governor recommends \$1.12 million in FY 2009-10 and \$2.62 million in FY 2010-11 for operations and maintenance (O&M) costs related to new space added or anticipated to be added during the 2009-11 biennium, distributed as follows:

NSHE Institution	FY 2010	FY 2011
UNLV	\$312,999	\$300,859
UNR	\$1,117,761	\$2,633,744
UNSOM	<\$38,347>	<\$38,347>
CSN	<\$235,881>	<\$236,412>
GBC	<\$111,500>	<\$115,032>
TMCC	\$19,839	\$19,839
DRI	\$53,346	\$53,324
Total Change	\$1,118,217	\$2,617,975

- UNLV – NSHE anticipates that a net increase of 28,949 square feet of building space will be added at UNLV. The more prominent changes include the addition of 7,763 square feet at East Harmon for the UNLV Police Department and 33,798 square feet in new space added as a result of updated space calculations. The recommendation also accounts for the demolition of Frazier Hall (<14,800> square feet.).

- UNR – The UNR recommendation includes 289,483 square feet of new building space, including a portion of the Center for Molecular Medicine (75,928 square feet/July 2010); Davidson Math and Science Center (104,306 square feet/February 2010); adding back Getchell Library space removed in FY 2009 (60,000 square feet/July 2009); and the Aging Research Center (15,000 square feet/January 2010).
 - UNSOM – The Governor recommends an annual reduction of <\$38,347> in General Fund space support effective July 2009 due to a projected reduction in leased space.
 - CSN – A total of <24,602> square feet of space is anticipated to be removed as a result of elimination of various leases, including the collision repair space (<13,972> square feet/July 2009). Corrections to space calculations account for an additional <12,022> square-foot reduction.
 - GBC – NSHE anticipates a net reduction of <12,988> square feet at the various GBC campus locations, including the addition of 10,000 square feet in Pahrump (July 2009); deleting <15,798> square feet at the “Old Elko Clinic” (July 2009); deleting a combined <12,338> square feet of diesel shop and Vaughn Industrial building space (July 2009); and adding 3,840 square feet in Elko campus modular space (July 2009).
 - TMCC – A total of 1,901 square feet of storage space for the TMCC Police Department is anticipated to be added in July 2009.
 - DRI – NSHE proposes a net 5,084 square feet in new space effective July 2009. In addition to deleting <2,130> square feet in modular space, DRI adds 6,896 square feet in CAVE facility space and 318 square feet in UNR Soils project space.
- New Space Rentals – The Executive Budget includes \$250,968 in FY 2009-10 and \$264,377 in FY 2010-11 for new space rentals at GBC, DRI and NSHE System Administration in Las Vegas as follows:

NSHE Institution	FY 2010	FY 2011
GBC	\$174,000	\$186,000
DRI	\$30,000	\$30,000
System Admin.	\$46,968	\$48,377
Total Change	\$250,968	\$264,377

- Athletic Fee Waivers – The Governor recommends \$373,040 in FY 2009-10 and \$756,960 in FY 2010-11 to fund fee and tuition cost increases associated with the existing intercollegiate athletics fee waiver programs at UNR and UNLV. The 2007 Legislature funded student-athlete fee payments entirely through General Fund appropriation. Funding is proposed as follows:

NSHE Account	FY 2010	FY 2011
UNLV ICA	\$196,682	\$416,420
UNR ICA	\$176,358	\$340,540
Total Change	\$373,040	\$756,960

- Fringe Rate Adjustments – The Executive Budget recommends \$952,720 in FY 2009-10 and \$6.93 million in FY 2010-11 to fund fringe rate adjustments. The most significant rate changes are the retirement contribution rate increases, which total \$3.6 million for each year of the biennium and retired employees’ group insurance at <\$3.46 million> in FY 2009-10 and <\$2.07 million> in FY 2010-11. The Governor recommends additional rate reductions in a subsequent enhancement decision module.

ENHANCEMENTS

- Salary and Benefit Reductions – The Governor recommends a six-percent salary reduction, suspension of professional and classified merit pay and longevity and benefit reductions that cumulatively decrease funding by an additional <\$59.9 million> in FY 2010 and <\$76.1 million> in FY 2011, as shown in the table below:

Salary & Benefit Changes	FY 2010 General Fund Impact (Gov. Rec.)	FY 2011 General Fund Impact (Gov. Rec.)
Six Percent Salary Reduction	<\$ 34,423,383>	<\$ 34,553,821>
Merit Pay Suspension	<\$ 12,103,910>	<\$ 25,059,806>
Longevity Pay Suspension	<\$ 878,900>	<\$ 993,750>
Health Insurance Benefit Reduction	<\$ 12,446,276>	<\$ 15,504,216>
TOTAL REDUCTIONS	<\$ 59,852,469>	<\$ 76,111,593>

- WICHE Program Transfer – The Governor recommends transferring Nevada’s Western Interstate Commission for Higher Education (WICHE) program office staff and accompanying program expenditures to the NSHE System Administration office. While the WICHE program is housed on the UNR campus, the program’s administration has historically been independent of the NSHE. The WICHE program is currently staffed with 3.51 positions. The Governor proposes to eliminate 2 positions (Director and Account Technician) and transfer the remaining 1.51 positions (Program Officers) to the NSHE System Administration. The Executive Budget also proposes a reduction of state General Fund which supports all or part of ten student “slots” (two dental, one optometry, two physician assistant, two veterinary, three pharmacy) in each year of the biennium. Seven of the ten slots were reductions implemented to meet the current biennium’s 4.5 percent budget reductions and continue in the upcoming biennium.
- Transfer of UNR Fire Science Academy to Office of the Military – The Governor proposes to transfer the University of Nevada, Reno Fire Science Academy (FSA) in Carlin to the Office of the Military. The State Public Works Board plans to renovate the FSA to establish a Nevada Army National Guard Readiness Center (2009-11 CIP Project C15) in lieu of constructing a new Readiness Center in Elko. The Executive Budget proposes to transfer \$456,242 in staff (10.75 positions) and

associated operating costs in FY 2010-11 from UNR to the Office of the Military, commencing January 2011. Beyond the state support provided for operations and maintenance costs, the FSA is otherwise a UNR self-supporting budget account. Currently, \$6.50 per credit hour of the fees paid by UNR students is allocated to make payments on the FSA's approximately \$27.1 million outstanding bond debt. As of December 31, 2008, the FSA also had a \$12.6 million operating deficit accumulated through years of operating at a negative cash flow.

OTHER

INtegrate Project – As recommended by the Governor, the 2007 Legislature approved S.B. 192, which appropriated \$10.0 million to the NSHE to begin the process of integrating NSHE computing resources. The NSHE contributed \$15.0 million in institutional resources to the project. The \$25.0 million in total funding was approved to support the first phase of the Integrated Information Systems project (INtegrate). Information provided during the 2007 Session indicated that the multi-phased project would ultimately take from five to eight years to complete, at an estimated total cost of \$92.0 million. Senate Bill 192 provided that the NSHE must expend its \$15.0 million in institutional resources prior to expending the \$10.0 million state General Fund appropriation.

To meet budget reduction targets for the 2007-09 biennium, NSHE reverted the full \$10.0 million General Fund appropriation. In its agency-requested budget, the NSHE sought a \$10.0 million General Fund appropriation in FY 2009-10 to restore the funding lost during the 2007-09 biennium, and an additional \$2.0 million in FY 2010-11 to begin planning and design of the second phase of the project. However, **The Executive Budget** provides no funding in support of the INtegrate Project. The NSHE indicates that progress has been made, including the selection of both hardware and software vendors, and that preliminary implementation has begun.

CAPITAL IMPROVEMENTS

The Governor recommends funding for a total of seven capital improvement projects. Two of the seven items seek furniture, fixtures and equipment (FF&E) or completion funding for previously-authorized projects. A total of \$72.68 million in funding is recommended, with \$58.98 million coming from state sources and \$13.70 million recommended from other sources.

Project Number	Inst	Project Description	State Funds (Mil \$)	Other Funds (Mil \$)	Total Request (Mil \$)
C05	UNHSS	Medical Education Learning Lab Bldg-Reno	\$31.20	11.20	\$42.40
C08	UNR	Davidson Math and Science Center - FF&E	3.73	\$0	\$3.73
C09	UNR	Center for Molecular Medicine – FF&E	\$7.43	\$0	\$7.43
C11	WNC	ADA and Life Safety Retrofit	\$2.23	\$0	\$2.23
C16	DRI	Boulder City Laboratory Renovation	\$2.37	\$0	\$2.37
M21	TMCC	HVAC Renovation	\$2.02	\$0	\$2.02
M38	Multiple	Deferred Maintenance (HECC/SHECC)	\$10.00	\$2.50	\$12.50
		NSHE Totals	\$58.98	\$13.70	\$72.68

DEPARTMENT OF CULTURAL AFFAIRS

The Department of Cultural Affairs provides leadership in cultural and information management, preservation of cultural heritage and the promotion of cultural resources, activities and education. The department currently operates with 177.88 positions and is comprised of four divisions: the Division of Museums and History, the State Library and Archives, the State Historic Preservation Office and the Nevada Arts Council.

The Executive Budget recommends General Fund appropriations for the department of \$9.84 million in FY 2009-10 and \$9.28 million in FY 2010-11. The recommended General Fund total of \$19.1 million for the 2009-11 biennium represents a decrease of 35.6 percent from the \$29.69 million approved by the Legislature for the 2007-09 biennium. The Governor recommends overall funding of \$14.51 million in FY 2009-10 and \$13.98 million in FY 2010-11. Additionally, The Executive Budget recommends a reduction of 70.65 positions, which would bring the department to a total of 107.23 positions.

DIRECTOR'S OFFICE

The Executive Budget recommends eliminating production of the Exploring Nevada video series and pass-through funding for the Governor's Advisory Council for Education on the Holocaust and Nevada Humanities. These eliminations result in a General Fund reduction of \$203,125 in each year of the biennium.

DIVISION OF MUSEUMS AND HISTORY

The division includes the following facilities: the Nevada Historical Society in Reno, the Nevada State Museum and Historical Society in Las Vegas, the Boulder City Railroad Museum, the East Ely Railroad Depot Museum, the Lost City Museum in Overton, and the Carson City facilities, which include the administration office, the Nevada State Museum, and the Nevada State Railroad Museum. The Executive Budget recommends closing the museum at the Historical Society and the East Ely Railroad Depot Museum, and reducing the hours of operation at the other museums from seven days per week to four days per week. The Boulder City Railroad Museum would continue to operate only on Saturdays and Sundays. Overall General Fund support for the Division of Museums and History is recommended to be reduced by 36.9 percent during the 2009-11 biennium compared to amounts approved by the 2007 Legislature for the 2007-09 biennium.

The Governor recommends mothballing the State Museum at the Las Vegas Springs Preserve for the 2009-11 biennium. The agency indicates general construction will be complete in March 2009; however, funding has not been recommended to provide for exhibit construction. The Executive Budget does not include funding for staffing and operating the museum during the upcoming biennium.

STATE HISTORIC PRESERVATION OFFICE

The State Historic Preservation Office's mandate is to encourage preservation, documentation, and use of cultural resources through state and federal programs. Programs include preservation of buildings and archeological sites, grant distribution and management, the national and state registers of historical places, and historical markers. The Executive Budget recommends reducing General Fund appropriations for the division by approximately \$110,000 in the 2009-11 biennium by closing the Comstock History Center in Virginia City. The Executive Budget also recommends elimination of the Site Stewardship program and the staff responsible for coordinating volunteers who monitor the condition of at-risk archeological sites for signs of natural or man-made damage. The program is currently funded primarily with room tax revenues. The budget also reduces funding for the Historical Marker program and funding for grants supporting preservation activities, such as public relations, heritage tourism, public education, and rehabilitation of structures not on the National Registry of Historical Places.

STATE LIBRARY AND ARCHIVES

The Division of State Library and Archives provides a variety of support services to assist state agencies, public libraries and the general public throughout the state. The Governor recommends reducing General Fund appropriations during the 2009-11 biennium by 36.6 percent compared to funding approved by the 2007 Legislature by closing the Nevada Literacy Office and reducing the hours of operation at the State Library and State Archives. The Executive Budget recommends reducing General Funds for collection development for public libraries throughout the state by \$408,305 in each year of the biennium.

NEVADA ARTS COUNCIL

The Nevada Arts Council promotes Nevada's cultural life through grants and technical assistance to individuals, as well as organizations. The Executive Budget recommends eliminating funding for the Challenge Grant program and reducing funding for programs such as Arts in Education, Community Arts Development program, Public Information/Arts Initiatives, Folk Art program, Artists Services, Artist Fellowships, and Tumblewords. The Governor recommends reducing General Fund support during the 2009-11 biennium by 59.0 percent compared to funding approved by the 2007 Legislature.

CAPITAL IMPROVEMENTS

The Executive Budget recommends \$1.2 million in state funding over the 2009-11 biennium for the installation of new compact shelving in the State Records Center and the State Archives building. This will allow State Records to double its current storage capacity and State Archives to have more space to hold agency records while determining which qualify as archival material.

**Nevada Legislative Counsel Bureau
Source of Funds Summary
2009-11 Fiscal Report**

	2007-2008 Actual	2008-2009 Work Program	2009-2010 Governor Recommends	% Change	2010-2011 Governor Recommends	% Change
EDUCATION						
DEPARTMENT OF EDUCATION						
INCENTIVES FOR LICENSED EDUCATIONAL PERSONNEL						
	17,629,059	36,384,286				
BALANCE FORWARD	-5,313,518	5,313,519				
INTER-AGENCY TRANSFER	22,942,577	31,070,767				
NDE - DISTRIBUTIVE SCHOOL ACCOUNT	1,248,715,439	1,108,553,654	1,247,527,766	12.54	1,247,852,337	.03
GENERAL FUND	1,127,255,597	956,943,417	1,093,720,982	14.29	1,090,154,838	-3.3
FEDERAL FUND	8,670,417	6,354,164	9,198,446	44.76	9,474,399	3.00
INTER-AGENCY TRANSFER	-22,942,577	-31,070,767				
OTHER FUND	157,985,205	176,326,840	144,608,338	-17.99	148,223,100	2.50
REVERSIONS	-22,253,203					
NDE - OTHER STATE EDUCATION PROGRAMS	12,702,269	28,514,577	13,546,253	-52.49	12,762,425	-5.79
GENERAL FUND	23,391,562	28,228,916	13,546,253	-52.01	12,760,937	-5.80
BALANCE FORWARD	-31,985	113,494			1,488	
INTER-AGENCY TRANSFER	79,400					
OTHER FUND	58,841	172,167				
REVERSIONS	-10,795,549					
NDE - SCHOOL REMEDIATION TRUST FUND	55,035,265	105,523,713	27,929,186	-73.53	28,521,344	2.12
GENERAL FUND	60,375,718	85,539,038	25,533,069	-70.15	27,243,848	6.70
BALANCE FORWARD	-10,313,120	18,800,855	1,444,790	-92.32		
OTHER FUND	4,972,667	1,183,820	951,327	-19.64	1,277,496	34.29
NDE - EDUCATION STATE PROGRAMS	2,822,915	3,565,299	4,807,399	34.84	5,373,062	11.77
GENERAL FUND	3,046,782	3,188,144	4,780,764	49.95	5,359,062	12.10
BALANCE FORWARD	45,873	81,707				
FEDERAL FUND		74,535				
INTER-AGENCY TRANSFER	46,638	211,362				
OTHER FUND	26,635	9,551	26,635	178.87	14,000	-47.44
REVERSIONS	-343,013					
NDE - EDUCATION STAFFING SERVICES	444,194	573,029	1,153,140	101.24	1,161,806	.75
INTER-AGENCY TRANSFER	444,194	573,029	1,153,140	101.24	1,161,806	.75
NDE - EDUCATION SUPPORT SERVICES	2,502,062	2,992,667	3,454,511	15.43	3,642,238	5.43
GENERAL FUND	1,167,308	1,223,825				
BALANCE FORWARD	54,639	70,972	93,984	32.42	392,562	317.69
INTER-AGENCY TRANSFER	1,354,780	1,697,870	3,360,527	97.93	3,249,676	-3.30
REVERSIONS	-74,665					
NDE - PROFICIENCY TESTING	4,982,030	5,375,529	6,993,819	30.10	6,482,782	-7.31
GENERAL FUND	5,001,991	5,345,708	6,993,819	30.83	6,482,782	-7.31
INTER-AGENCY TRANSFER		29,821				
REVERSIONS	-19,961					

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Source of Funds Summary
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	2007-2008 Actual	2008-2009 Work Program	2009-2010 Governor Recommends	% Change	2010-2011 Governor Recommends	% Change
NDE - TEACHER EDUCATION AND LICENSING	1,446,179	2,250,843	2,272,743	.97	2,018,546	-11.18
GENERAL FUND	100	100	100		100	
BALANCE FORWARD	-121,970	527,124	625,810	18.72	478,713	-23.51
INTER-AGENCY TRANSFER	90,612	94,974				
OTHER FUND	1,477,537	1,628,645	1,646,833	1.12	1,539,733	-6.50
REVERSIONS	-100					
NDE - DRUG ABUSE EDUCATION	1,225,275	1,794,577	710,343	-60.42	710,344	.00
FEDERAL FUND	1,225,275	1,743,112	658,230	-62.24	658,231	.00
INTER-AGENCY TRANSFER		51,465	52,113	1.26	52,113	
NDE - SCHOOL HEALTH EDUCATION - AIDS	244,591	231,046	273,186	18.24	273,186	.00
FEDERAL FUND	244,591	231,046	273,186	18.24	273,186	
NDE - GEAR UP	2,038,594	3,109,159	3,111,439	.07	3,111,747	.01
FEDERAL FUND	1,479,976	1,500,000	1,500,000		1,500,000	
OTHER FUND	558,618	1,609,159	1,611,439	.14	1,611,747	.02
NDE - OTHER UNRESTRICTED ACCOUNTS	1,716,169	2,079,966	744,904	-64.19	894,698	20.11
BALANCE FORWARD	117,436	112,315	251,746	124.14	362,357	43.94
FEDERAL FUND	1,329,453	1,967,651	267,618	-86.40	271,801	1.56
OTHER FUND	269,280		225,540		260,540	15.52
NDE - DISCRETIONARY GRANTS - RESTRICTED	16,546,376	17,545,499	14,904,512	-15.05	13,310,854	-10.69
GENERAL FUND			1,875		1,875	
FEDERAL FUND	16,546,376	17,545,499	14,902,637	-15.06	13,308,979	-10.69
NDE - ELEMENTARY & SECONDARY ED - TITLE I	96,030,430	84,678,545	95,228,751	12.46	95,228,651	-.00
FEDERAL FUND	96,030,053	84,678,545	95,228,751	12.46	95,228,651	-.00
INTER-AGENCY TRANSFER	377					
NDE - ELEMENTARY & SECONDARY ED TITLES II, V, & VI	22,914,524	25,315,847	20,952,723	-17.23	20,923,338	-.14
FEDERAL FUND	22,914,524	25,315,847	20,952,723	-17.23	20,923,338	-.14
NDE - STUDENT INCENTIVE GRANTS	521,325	534,833	533,191	-.31	533,509	.06
GENERAL FUND	380,789	382,876	381,943	-.24	382,261	.08
FEDERAL FUND	151,248	150,206	151,248	.69	151,248	
INTER-AGENCY TRANSFER		1,751				
REVERSIONS	-10,712					
NDE - CAREER AND TECHNICAL EDUCATION	9,615,437	9,281,812	8,880,213	-4.33	8,880,213	.00
GENERAL FUND	379,612	392,500	476,103	21.30	476,103	
BALANCE FORWARD	16,364					
FEDERAL FUND	9,211,824	8,865,895	8,404,110	-5.21	8,404,110	
INTER-AGENCY TRANSFER	3,441	23,417				
OTHER FUND	4,196					

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Source of Funds Summary
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	2007-2008 Actual	2008-2009 Work Program	2009-2010 Governor Recommends	% Change	2010-2011 Governor Recommends	% Change
NDE - CONTINUING EDUCATION	5,135,097	4,798,637	4,819,591	.44	4,819,326	-.01
GENERAL FUND	614,015	617,430	661,861	7.20	661,595	-.04
FEDERAL FUND	4,517,790	4,171,628	4,157,730	-.33	4,157,731	.00
INTER-AGENCY TRANSFER	3,912	9,579				
REVERSIONS	-620					
NDE - NUTRITION EDUCATION PROGRAMS	77,604,727	88,749,451	87,407,424	-1.51	88,834,767	1.63
GENERAL FUND	305,075	315,286	380,294	20.62	380,305	.00
BALANCE FORWARD	14,860	25,662	25,662		25,662	
FEDERAL FUND	77,234,948	88,363,771	86,977,335	-1.57	88,428,800	1.67
INTER-AGENCY TRANSFER	24,711	17,654				
OTHER FUND	25,133	27,078	24,133	-10.88		
NDE - INDIVIDUALS WITH DISABILITIES (IDEA)	66,351,280	64,304,258	70,901,588	10.26	70,901,588	.00
GENERAL FUND	96,609	99,359	20,991	-78.87	20,991	
BALANCE FORWARD	33,195	9,258				
FEDERAL FUND	66,252,760	64,151,627	70,880,597	10.49	70,880,597	
INTER-AGENCY TRANSFER	45,386	44,014				
REVERSIONS	-76,670					
TOTAL DEPARTMENT OF EDUCATION	1,646,223,237	1,596,157,227	1,616,152,682	1.25	1,616,236,761	.01
GENERAL FUND	1,222,015,158	1,082,276,599	1,146,498,054	5.93	1,143,924,697	-.22
BALANCE FORWARD	-15,498,226	25,054,906	2,441,992	-90.25	1,260,782	-48.37
FEDERAL FUND	305,809,235	305,113,526	313,552,611	2.77	313,661,071	.03
INTER-AGENCY TRANSFER	2,093,451	2,754,936	4,565,780	65.73	4,463,595	-2.24
OTHER FUND	165,378,112	180,957,260	149,094,245	-17.61	152,926,616	2.57
REVERSIONS	-33,574,493					
COMMISSION ON POSTSECONDARY EDUCATION						
NDE - COMMISSION ON POSTSECONDARY EDUCATION	395,613	478,701	418,958	-12.48	422,494	.84
GENERAL FUND	331,900	386,721	335,996	-13.12	335,970	-.01
FEDERAL FUND	115,054	73,800	82,962	12.41	86,524	4.29
INTER-AGENCY TRANSFER		18,180				
OTHER FUND	9,030					
REVERSIONS	-60,371					
TOTAL COMMISSION ON POSTSECONDARY EDUCATION	395,613	478,701	418,958	-12.48	422,494	.84
GENERAL FUND	331,900	386,721	335,996	-13.12	335,970	-.01
FEDERAL FUND	115,054	73,800	82,962	12.41	86,524	4.29
INTER-AGENCY TRANSFER		18,180				
OTHER FUND	9,030					
REVERSIONS	-60,371					
NEVADA SYSTEM OF HIGHER EDUCATION						
NSHE SALARY ADJUSTMENT	8,660,829	26,906,578				
GENERAL FUND	8,660,829	26,906,578				

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	2007-2008 Actual	2008-2009 Work Program	2009-2010 Governor Recommends	% Change	2010-2011 Governor Recommends	% Change
NSHE - SYSTEM ADMINISTRATION	5,437,172	5,978,475	7,166,898	19.88	7,203,705	.51
GENERAL FUND	5,466,936	5,622,271	6,639,388	18.09	6,676,195	.55
BALANCE FORWARD	10,000,000					
INTER-AGENCY TRANSFER	10,556	244,744				
OTHER FUND	111,460	111,460	527,510	373.27	527,510	
REVERSIONS	-10,151,780					
NSHE - SPECIAL PROJECTS	3,123,254	4,829,844	2,744,999	-43.17	2,746,208	.04
GENERAL FUND	2,739,482	2,751,729	2,744,999	-.24	2,746,208	.04
BALANCE FORWARD	503,291	2,064,310				
INTER-AGENCY TRANSFER	4,377	13,805				
REVERSIONS	-123,896					
NSHE - UNIVERSITY PRESS	818,420	951,253	946,666	-.48	956,134	1.00
GENERAL FUND	875,630	916,397	946,666	3.30	956,134	1.00
INTER-AGENCY TRANSFER	5,081	34,856				
REVERSIONS	-62,291					
NSHE - SYSTEM COMPUTING CENTER	21,178,726	23,838,350	22,898,852	-3.94	23,106,715	.91
GENERAL FUND	22,763,460	23,162,289	22,898,852	-1.14	23,106,715	.91
INTER-AGENCY TRANSFER		676,061				
REVERSIONS	-1,584,734					
NSHE - STATE-FUNDED PERKINS LOAN	50,904	50,904	50,904	.00	50,904	.00
GENERAL FUND	50,904	50,904	50,904		50,904	
NSHE - UNIVERSITY OF NEVADA - RENO	179,737,655	198,492,440	125,582,469	-36.73	127,012,592	1.14
GENERAL FUND	132,264,763	136,590,971	72,357,693	-47.03	70,728,966	-2.25
BALANCE FORWARD	597,276	393,883				
INTER-AGENCY TRANSFER	10,174,014	16,042,445	9,500,000	-40.78	9,500,000	
OTHER FUND	38,228,513	45,465,141	43,724,776	-3.83	46,783,626	7.00
REVERSIONS	-1,526,911					
NSHE - INTERCOLLEGIATE ATHLETICS - UNR	6,484,020	7,054,213	7,000,854	-.76	7,180,347	2.56
GENERAL FUND	6,690,710	6,902,237	7,000,854	1.43	7,180,347	2.56
INTER-AGENCY TRANSFER	69,435	151,976				
REVERSIONS	-276,125					
NSHE - STATEWIDE PROGRAMS - UNR	8,080,850	8,892,041	7,938,284	-10.73	7,977,813	.50
GENERAL FUND	8,282,094	8,509,466	7,938,284	-6.71	7,977,813	.50
INTER-AGENCY TRANSFER	121,138	382,575				
REVERSIONS	-322,382					
NSHE - SCHOOL OF MEDICAL SCIENCES	36,770,181	47,729,903	37,576,176	-21.27	37,842,797	.71
GENERAL FUND	33,883,844	34,753,277	34,570,216	-.53	34,667,081	.28
BALANCE FORWARD	1,267,511	8,671,860				
INTER-AGENCY TRANSFER	490,237	1,579,762				
OTHER FUND	2,526,698	2,725,004	3,005,960	10.31	3,175,716	5.65
REVERSIONS	-1,398,109					

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2009-11 Fiscal Report**

	2007-2008 Actual	2008-2009 Work Program	2009-2010 Governor Recommends	% Change	2010-2011 Governor Recommends	% Change
NSHE - HEALTH LABORATORY AND RESEARCH	1,946,760	2,129,397	2,001,178	-6.02	2,010,924	.49
GENERAL FUND	2,008,216	2,046,391	2,001,178	-2.21	2,010,924	.49
INTER-AGENCY TRANSFER	26,729	83,006				
REVERSIONS	-88,185					
NSHE - AGRICULTURAL EXPERIMENT STATION	10,373,978	10,940,073	10,639,198	-2.75	10,685,379	.43
GENERAL FUND	8,991,117	9,249,670	9,249,800	.00	9,295,981	.50
FEDERAL FUND	2,281,984	1,253,645	1,389,398	10.83	1,389,398	
INTER-AGENCY TRANSFER	139,552	436,758				
REVERSIONS	-1,038,675					
NSHE - COOPERATIVE EXTENSION SERVICE	10,545,727	11,833,480	10,802,927	-8.71	10,852,096	.46
GENERAL FUND	9,062,442	9,410,306	8,973,739	-4.64	9,004,750	.35
FEDERAL FUND	1,180,694	1,197,186	1,152,333	-3.75	1,153,230	.08
INTER-AGENCY TRANSFER	173,329	565,964				
OTHER FUND	643,598	660,024	676,855	2.55	694,116	2.55
REVERSIONS	-514,336					
NSHE - BUSINESS CENTER NORTH	2,398,668	2,681,831	2,403,163	-10.39	2,419,067	.66
GENERAL FUND	2,467,263	2,550,450	2,403,163	-5.77	2,419,067	.66
INTER-AGENCY TRANSFER	40,269	131,381				
REVERSIONS	-108,864					
NSHE - UNIVERSITY OF NEVADA - LAS VEGAS	246,162,606	270,671,390	174,099,718	-35.68	174,637,669	.31
GENERAL FUND	168,614,876	172,988,843	83,256,932	-51.87	78,492,606	-5.72
BALANCE FORWARD	591,783	420,548				
INTER-AGENCY TRANSFER	7,991,471	14,889,307	5,706,037	-61.68	5,696,280	-.17
OTHER FUND	75,603,015	82,372,692	85,136,749	3.36	90,448,783	6.24
REVERSIONS	-6,638,539					
NSHE - INTERCOLLEGIATE ATHLETICS - UNLV	8,770,241	9,256,767	9,289,065	.35	9,521,665	2.50
GENERAL FUND	8,891,619	9,103,052	9,289,065	2.04	9,521,665	2.50
INTER-AGENCY TRANSFER	49,235	153,715				
REVERSIONS	-170,613					
NSHE - STATEWIDE PROGRAMS - UNLV	1,403,443	1,527,282	1,412,347	-7.53	1,417,018	.33
GENERAL FUND	1,410,413	1,458,566	1,412,347	-3.17	1,417,018	.33
BALANCE FORWARD	400,000					
INTER-AGENCY TRANSFER	21,966	68,716				
REVERSIONS	-428,936					
NSHE - UNLV LAW SCHOOL	12,227,665	13,193,928	12,688,982	-3.83	12,717,695	.23
GENERAL FUND	8,853,595	9,126,630	8,690,751	-4.78	8,409,503	-3.24
BALANCE FORWARD	250,000					
INTER-AGENCY TRANSFER	163,856	511,744				
OTHER FUND	3,391,256	3,555,554	3,998,231	12.45	4,308,192	7.75
REVERSIONS	-431,042					

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	2007-2008 Actual	2008-2009 Work Program	2009-2010 Governor Recommends	% Change	2010-2011 Governor Recommends	% Change
NSHE - DENTAL SCHOOL - UNLV	13,018,988	13,780,908	13,420,384	-2.62	13,465,172	.33
GENERAL FUND	8,105,386	8,431,499	8,668,668	2.81	8,713,456	.52
INTER-AGENCY TRANSFER	197,190	615,899				
OTHER FUND	4,888,297	4,733,510	4,751,716	.38	4,751,716	
REVERSIONS	-171,885					
NSHE - BUSINESS CENTER SOUTH	2,087,892	2,281,231	2,068,224	-9.34	2,078,465	.50
GENERAL FUND	2,096,071	2,171,463	2,068,224	-4.75	2,078,465	.50
INTER-AGENCY TRANSFER	35,176	109,768				
REVERSIONS	-43,355					
NSHE - DESERT RESEARCH INSTITUTE	9,810,070	11,142,712	8,692,471	-21.99	8,675,343	-.20
GENERAL FUND	9,361,843	9,795,172	8,543,985	-12.77	8,526,857	-.20
BALANCE FORWARD	244,588	853,863				
INTER-AGENCY TRANSFER	110,937	345,191				
OTHER FUND	148,486	148,486	148,486		148,486	
REVERSIONS	-55,784					
NSHE - GREAT BASIN COLLEGE	18,234,453	20,169,670	15,363,245	-23.83	16,190,170	5.38
GENERAL FUND	16,363,069	16,997,300	12,593,172	-25.91	13,081,733	3.88
INTER-AGENCY TRANSFER	241,688	826,047				
OTHER FUND	2,145,860	2,346,323	2,770,073	18.06	3,108,437	12.21
REVERSIONS	-516,164					
NSHE - WESTERN NEVADA COLLEGE	23,575,091	25,885,436	15,918,558	-38.50	15,750,014	-1.06
GENERAL FUND	20,769,184	21,251,842	12,765,457	-39.93	12,436,308	-2.58
INTER-AGENCY TRANSFER	353,144	1,106,975				
OTHER FUND	3,030,082	3,526,619	3,153,101	-10.59	3,313,706	5.09
REVERSIONS	-577,319					
NSHE - COLLEGE OF SOUTHERN NEVADA	122,106,679	134,132,403	99,923,065	-25.50	104,273,268	4.35
GENERAL FUND	95,156,439	97,672,554	64,839,219	-33.62	65,371,667	.82
INTER-AGENCY TRANSFER	1,680,485	5,221,576				
OTHER FUND	29,435,359	31,238,273	35,083,846	12.31	38,901,601	10.88
REVERSIONS	-4,165,604					
NSHE - TRUCKEE MEADOWS COMMUNITY COLLEGE	48,805,490	52,948,889	35,831,478	-32.33	36,619,381	2.20
GENERAL FUND	40,132,380	41,002,040	25,252,536	-38.41	25,072,611	-.71
INTER-AGENCY TRANSFER	696,228	2,184,075				
OTHER FUND	9,116,083	9,762,774	10,578,942	8.36	11,546,770	9.15
REVERSIONS	-1,139,201					
NSHE - NEVADA STATE COLLEGE AT HENDERSON	17,337,099	21,591,514	11,942,012	-44.69	12,778,768	7.01
GENERAL FUND	15,330,975	17,670,035	9,155,806	-48.18	9,619,048	5.06
INTER-AGENCY TRANSFER		475,881				
OTHER FUND	2,500,071	3,445,598	2,786,206	-19.14	3,159,720	13.41
REVERSIONS	-493,947					

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	2007-2008 Actual	2008-2009 Work Program	2009-2010 Governor Recommend	% Change	2010-2011 Governor Recommend	% Change
TOTAL NEVADA SYSTEM OF HIGHER EDUCATION	819,146,861	928,890,912	638,402,117	-31.27	648,169,309	1.53
GENERAL FUND	639,293,540	677,091,932	424,311,898	-37.33	419,562,022	-1.12
BALANCE FORWARD	13,854,449	12,404,464				
FEDERAL FUND	3,462,678	2,450,831	2,541,731	3.71	2,542,628	.04
INTER-AGENCY TRANSFER	22,796,093	46,852,227	15,206,037	-67.54	15,196,280	-.06
OTHER FUND	171,768,778	190,091,458	196,342,451	3.29	210,868,379	7.40
REVERSIONS	-32,028,677					
WICHE PROGRAM						
W.I.C.H.E. LOAN & STIPEND	1,055,370	1,199,098				
GENERAL FUND	703,450	700,048				
OTHER FUND	396,198	499,050				
REVERSIONS	-44,278					
W.I.C.H.E. ADMINISTRATION	367,291	434,125				
GENERAL FUND	365,789	422,146				
INTER-AGENCY TRANSFER	3,778	11,979				
REVERSIONS	-2,276					
TOTAL WICHE PROGRAM	1,422,661	1,633,223				
GENERAL FUND	1,069,239	1,122,194				
INTER-AGENCY TRANSFER	3,778	11,979				
OTHER FUND	396,198	499,050				
REVERSIONS	-46,554					
DEPARTMENT OF CULTURAL AFFAIRS						
DCA - CULTURAL AFFAIRS ADMINISTRATION	1,020,129	1,117,648	1,044,434	-6.55	1,063,900	1.86
GENERAL FUND	931,180	954,381	1,035,006	8.45	1,054,429	1.88
BALANCE FORWARD	136,205	113,919				
INTER-AGENCY TRANSFER	15,083	49,348	9,428	-80.89	9,471	.46
REVERSIONS	-62,339					
DCA - NEVADA HUMANITIES	95,500	100,000				
GENERAL FUND	100,000	100,000				
REVERSIONS	-4,500					
DCA - MUSEUMS & HISTORY	837,828	475,135	433,541	-8.75	434,731	.27
GENERAL FUND	374,331	393,660	433,541	10.13	434,731	.27
BALANCE FORWARD	441,585	63,507				
INTER-AGENCY TRANSFER	59,728	17,968				
REVERSIONS	-37,816					
DCA - LOST CITY MUSEUM	485,723	571,852	377,433	-34.00	381,052	.96
GENERAL FUND	373,637	389,141	304,000	-21.88	307,096	1.02
BALANCE FORWARD	-2,273	2,273				
INTER-AGENCY TRANSFER	48,594	95,506				
OTHER FUND	67,910	84,932	73,433	-13.54	73,956	.71
REVERSIONS	-2,145					

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	2007-2008 Actual	2008-2009 Work Program	2009-2010 Governor Recommend	% Change	2010-2011 Governor Recommend	% Change
DCA - NEVADA HISTORICAL SOCIETY	736,751	1,068,078	510,130	-52.24	370,016	-27.47
GENERAL FUND	774,098	832,094	510,130	-38.69	370,016	-27.47
BALANCE FORWARD	-141,081	141,081				
INTER-AGENCY TRANSFER	151,076	39,988				
OTHER FUND	42,452	54,915				
REVERSIONS	-89,794					
DCA - NEVADA STATE MUSEUM, CARSON CITY	1,919,918	2,068,727	1,327,536	-35.83	1,270,865	-4.27
GENERAL FUND	1,542,803	1,604,455	1,027,974	-35.93	966,832	-5.95
BALANCE FORWARD	-30,388	30,388				
FEDERAL FUND		4,000				
INTER-AGENCY TRANSFER	113,012	86,258				
OTHER FUND	307,857	343,626	299,562	-12.82	304,033	1.49
REVERSIONS	-13,366					
DCA - NEVADA STATE MUSEUM, LAS VEGAS	1,072,293	1,833,033	921,846	-49.71	926,733	.53
GENERAL FUND	1,062,317	1,661,662	860,824	-48.19	864,054	.38
FEDERAL FUND	900	2,100				
INTER-AGENCY TRANSFER	23,197	51,742				
OTHER FUND	37,493	117,529	61,022	-48.08	62,679	2.72
REVERSIONS	-51,614					
DCA - STATE RAILROAD MUSEUMS	2,492,117	2,721,721	1,129,898	-58.49	1,040,225	-7.94
GENERAL FUND	1,196,320	1,237,452	880,368	-28.86	788,753	-10.41
BALANCE FORWARD	191,227	447,220				
INTER-AGENCY TRANSFER	1,037,349	754,109				
OTHER FUND	229,304	282,940	249,530	-11.81	251,472	.78
REVERSIONS	-162,083					
DCA - STATE HISTORIC PRESERVATION OFFICE	1,588,482	1,899,436	1,129,090	-40.56	1,120,072	-.80
GENERAL FUND	356,627	367,728	163,456	-55.55	157,641	-3.56
FEDERAL FUND	893,930	1,179,834	668,366	-43.35	663,607	-.71
INTER-AGENCY TRANSFER	329,250	331,874	280,762	-15.40	282,318	.55
OTHER FUND	16,506	20,000	16,506	-17.47	16,506	
REVERSIONS	-7,831					
DCA - COMSTOCK HISTORIC DISTRICT	153,357	176,817	100,789	-43.00	99,295	-1.48
GENERAL FUND	163,845	170,157	100,789	-40.77	99,295	-1.48
INTER-AGENCY TRANSFER		6,660				
REVERSIONS	-10,488					
DCA - NEVADA STATE LIBRARY	6,566,252	7,529,354	4,497,031	-40.27	4,252,806	-5.43
GENERAL FUND	4,530,131	4,610,707	3,206,078	-30.46	2,960,429	-7.66
BALANCE FORWARD	71,926					
FEDERAL FUND	1,735,422	2,413,688	1,286,507	-46.70	1,287,931	.11
INTER-AGENCY TRANSFER	245,388	450,614				
OTHER FUND	126,941	54,345	4,446	-91.82	4,446	
REVERSIONS	-143,556					

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	2007-2008 Actual	2008-2009 Work Program	2009-2010 Governor Recommends	% Change	2010-2011 Governor Recommends	% Change
DCA - ARCHIVES AND RECORDS	900,583	1,209,384	548,383	-54.66	538,632	-1.78
GENERAL FUND	851,903	1,166,137	540,707	-53.63	530,956	-1.80
BALANCE FORWARD	89,146					
FEDERAL FUND	6,833	3,706	6,833	84.38	6,833	
INTER-AGENCY TRANSFER	2,894	38,133				
OTHER FUND	1,820	1,408	843	-40.13	843	
REVERSIONS	-52,013					
DCA - NEVADA STATE LIBRARY - LITERACY	251,827	267,283	31,025	-88.39		
GENERAL FUND	146,606	153,373	31,025	-79.77		
FEDERAL FUND	102,615	99,111				
INTER-AGENCY TRANSFER	2,975	14,799				
REVERSIONS	-369					
DCA - NEVADA STATE LIBRARY-CLAN	324,905	569,073	316,743	-44.34	317,710	.31
BALANCE FORWARD	-40,499	211,284				
FEDERAL FUND	8,700	2,600				
INTER-AGENCY TRANSFER	79,348	93,734	43,704	-53.37	43,704	
OTHER FUND	277,356	261,455	273,039	4.43	274,006	.35
DCA - MICROGRAPHICS AND IMAGING	433,056	655,723	634,480	-3.24	649,999	2.45
BALANCE FORWARD	-6,734	186,555	146,690	-21.37	162,209	10.58
INTER-AGENCY TRANSFER	439,790	469,168	487,790	3.97	487,790	
DCA - NEVADA ARTS COUNCIL	2,351,062	2,856,339	1,506,108	-47.27	1,514,349	.55
GENERAL FUND	1,800,122	1,841,608	741,717	-59.72	749,958	1.11
BALANCE FORWARD	-45,437	188,934				
FEDERAL FUND	576,975	698,900	678,900	-2.86	678,900	
INTER-AGENCY TRANSFER	-4,000	39,145				
OTHER FUND	82,165	87,752	85,491	-2.58	85,491	
REVERSIONS	-58,763					
TOTAL DEPARTMENT OF CULTURAL AFFAIRS	21,229,783	25,119,603	14,508,467	-42.24	13,980,385	-3.64
GENERAL FUND	14,203,920	15,482,555	9,835,615	-36.47	9,284,190	-5.61
BALANCE FORWARD	663,677	1,385,161	146,690	-89.41	162,209	10.58
FEDERAL FUND	3,325,375	4,403,939	2,640,606	-40.04	2,637,271	-.13
INTER-AGENCY TRANSFER	2,543,684	2,539,046	821,684	-67.64	823,283	.19
OTHER FUND	1,189,804	1,308,902	1,063,872	-18.72	1,073,432	.90
REVERSIONS	-696,677					
EDUCATION						
GENERAL FUND	1,876,913,757	1,776,360,001	1,580,981,563	-11.00	1,573,106,879	-.50
BALANCE FORWARD	-980,100	38,844,531	2,588,682	-93.34	1,422,991	-45.03
FEDERAL FUND	312,712,342	312,042,096	318,817,910	2.17	318,927,494	.03
INTER-AGENCY TRANSFER	27,437,006	52,176,368	20,593,501	-60.53	20,483,158	-.54
OTHER FUND	338,741,922	372,856,670	346,500,568	-7.07	364,868,427	5.30
REVERSIONS	-66,406,772					
TOTAL FOR EDUCATION	2,488,418,155	2,552,279,666	2,269,482,224	-11.08	2,278,808,949	.41
Less: INTER-AGENCY TRANSFER	27,437,006	52,176,368	20,593,501	-60.53	20,483,158	-.54
NET EDUCATION	2,460,981,149	2,500,103,298	2,248,888,723	-10.05	2,258,325,791	.42

