

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 Western Interstate Commission for Higher Education (WICHE), and the Commission on Postsecondary Education. The Governor has recommended General Fund appropriations of \$1.698 billion in FY 2014, an increase of 2.9 percent compared to FY 2013, and \$1.742 billion in FY 2015, which represents an additional increase of 2.6 percent. Budget recommendations for education from all funding sources total \$2.630 billion in FY 2014, an increase of 5.8 percent compared to FY 2013, and \$2.681 billion in FY 2015, which represents an increase of 1.9 percent from FY 2014 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’ and charter schools’ operating funds. It is important to recognize that the Distributive School Account budget does not include the entire funding for K-12 education, but rather includes only the state’s portion of the school district and charter school 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 2011 Legislature for the 2011-13 biennium and as recommended by the Governor for the 2013-15 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.

The Nevada Plan							
	Legislatively Approved (Millions)			Governor Recommended (Millions)			Percent Change
	FY 12	FY13	2011-13 Biennium	FY14	FY15	2013-15 Biennium	
Total Operating Expenditures	\$ 3,013	\$ 3,070	\$ 6,083	\$ 3,172	\$ 3,247	\$ 6,419	5.5%
Less: Projected Local Revenues Outside the DSA	\$ (653)	\$ (654)	\$ (1,307)	\$ (621)	\$ (626)	\$ (1,247)	-4.6%
Less: Non-Basic Support Programs	\$ (139)	\$ (140)	\$ (279)	\$ (146)	\$ (150)	\$ (296)	6.1%
Total Regular Basic Support	\$ 2,221	\$ 2,276	\$ 4,497	\$ 2,405	\$ 2,471	\$ 4,876	8.4%
Plus: Programs Other Than Basic Support	\$ 284	\$ 288	\$ 572	\$ 312	\$ 322	\$ 634	10.8%
State Guarantee							
Total Required State Support	\$ 2,505	\$ 2,564	\$ 5,069	\$ 2,717	\$ 2,793	\$ 5,510	8.7%
Less: Local "Inside" Revenues	\$ (1,164)	\$ (1,193)	\$ (2,357)	\$ (1,296)	\$ (1,344)	\$ (2,640)	12.0%
Distributive School Account							
Total State Share*	\$ 1,341	\$ 1,371	\$ 2,712	\$ 1,421	\$ 1,449	\$ 2,870	6%
Less: Miscellaneous DSA Revenues	\$ (253)	\$ (260)	\$ (513)	\$ (286)	\$ (296)	\$ (582)	14%
General Fund Support Before Recommended Transfer	\$ 1,088	\$ 1,111	\$ 2,199	\$ 1,135	\$ 1,153	\$ 2,288	4%
Less: Recommended Transfer of Categorical Funding**	\$ -	\$ -	\$ -	\$ (22)	\$ (23)	\$ (45)	
General Fund Support	\$ 1,088	\$ 1,111	\$ 2,199	\$ 1,113	\$ 1,130	\$ 2,243	2%

* Totals may not balance due to rounding
 ** Categorical funding for Early Childhood Education, Adult High School Diploma, Special Elementary Counselors and Library Media Specialists is recommended by the Governor to transfer to the Other State Education Programs account (BA 2699)

The Executive Budget recommends the total operating expenditures for Nevada school district and charter school budgets increase 5.5 percent to \$3.172 billion for FY 2014 and \$3.247 billion for FY 2015, compared to \$3.013 billion and \$3.070 billion for operating expenditures approved by the 2011 Legislature for FY 2012 and FY 2013, respectively.

NEVADA PLAN

The Legislature determines the level of state aid for school districts and charter schools through a formula called the “Nevada Plan,” which accounts 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 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 funding 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. One-third of the proceeds from the 75-cent property tax rate is “inside” the Nevada Plan while the remaining two-thirds of the proceeds of the 75-cent property tax rate is “outside” the DSA funding formula. For FY 2012, the two-thirds portion totaled \$423.4 million and is projected to decrease 4.1 percent to \$405.9 million in FY 2013. The Executive Budget projects that the two-thirds portion will generate \$400.9 million in FY 2014, which represents a 1.2 percent decrease over the amount projected for FY 2013 and \$406.2 million in FY 2015, an increase of 1.3 percent over FY 2014.
- Local Government Services Tax: Formerly called the Motor Vehicle Privilege Tax, this tax is estimated to generate \$72.4 million in both FY 2014 and FY 2015. These estimates represent a slight increase of 0.4 percent compared to FY 2012 actual collections of \$72.1 million.
- Other Local Sources: Franchise taxes, federal revenue, interest, tuition and other local revenue and opening balances are estimated to contribute \$147.6 million in both FY 2014 and in FY 2015.

These locally-generated “outside” revenues **are not guaranteed** by the state, thus the local school districts and charter schools benefit when actual revenues are in excess of projections, or suffer the loss when revenues do not meet projections. For the 2013-15 biennium, revenues “outside” of the Nevada Plan are budgeted to generate approximately 19.4 percent of the revenue necessary to support the budgets of school districts and charter schools (21.5 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 and charter schools consists of state financial support received through the DSA and locally-collected revenues that are “inside” the Nevada Plan, namely the Local School Support Tax and the remaining one-third of the proceeds from the 75-cent property tax rate.

- LSST: As part of the revenue enhancements approved by the 2009 Legislature, the LSST rate was increased by 0.35 percent (from 2.25 percent to 2.60 percent) for the period beginning July 1, 2009, until June 30, 2011. Although the increased LSST rate was scheduled to sunset at the end of the 2009-11 biennium, the 2011 Legislature approved the extension of the 2.60 percent LSST rate through June 30, 2013. The Governor recommends extending the 2.60 percent LSST rate through June 30, 2015. For the 2013-15 biennium, the 2.60 LSST is estimated at \$1.095 billion for FY 2014 (4.8 percent increase over FY 2013) and \$1.141 billion for FY 2015 (4.2 percent increase over FY 2014).
- Property Tax: Local funding from the one-third portion of the proceeds from the 75-cent property tax rate is budgeted at \$200.5 million for FY 2014 (2.3 percent increase over FY 2013 projections) and \$203.1 million for FY 2015 (1.3 percent increase over FY 2014).

It is important to note that these two local revenue amounts **are guaranteed** by the state; thus, 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.

State Support

As recommended by the Governor, the total required state support of school district and charter school expenditures within the DSA (before the transfer of funding for various programs historically funded in the DSA budget to the Other State Education Programs account) totals \$5.510 billion over the 2013-15 biennium, an increase of 8.7 percent from the total of \$5.069 billion approved by the 2011 Legislature for the current biennium.

In the Governor’s budget, the state’s share of funding in the DSA is largely provided by General Fund appropriations of \$1.135 billion in FY 2014 and \$1.153 billion in FY 2015, totaling \$2.288 billion for the 2013-15 biennium. This is \$89 million more than the \$2.199 billion appropriated for the 2011-13 biennium, representing a 4.0 percent increase. However, this amount is reduced by the recommended transfer of General Funds totaling \$45 million over the 2013-15 biennium for various programs historically funded in the DSA, to the Other State Education Programs account.

The Governor recommends the proceeds from the Initiative Petition 1 room tax revenue continue to be transferred from the State Supplemental School Support Fund to the DSA as a state funding source through the 2013-15 biennium in the amount of \$133.2 million in FY 2014 and \$138 million in FY 2015. Other sources of revenue that provide funding for the DSA are reflected on the table page 93 as “Miscellaneous DSA Revenues.” These other sources include 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.

Funding for K-12 education recommended in The Executive Budget (excluding the Department of Education budgets) represents approximately 37.0 percent of the state’s General Fund for the 2013-15 biennium, compared to 37.5 percent of the General Fund approved for K-12 education by the 2011 Legislature.

The table on the following page displays the DSA budget as recommended by the Governor for the 2013-15 biennium, actual revenues and expenditures for FY 2012, projections for FY 2013, and the legislatively approved budget for the 2011-13 biennium.

DISTRIBUTIVE SCHOOL ACCOUNT - SUMMARY FOR 2013-15 BIENNIUM

	2012	2012	2013	2013	2014	2015																			
	Leg Approved	Actual 12/31/2012	Leg Approved	Projected 12/31/2012	Governor Recommended	Governor Recommended																			
WEIGHTED ENROLLMENT	421,987.00	423,899.00	423,500.00	429,762.00	432,346	434,023																			
ADDITIONAL ENROLLMENT FOR HOLD HARMLESS	0	3,171.20	0		0	0																			
TOTAL ENROLLMENT *	421,987.00	427,070.20	423,500.00	429,762.00	432,346	434,023																			
BASIC SUPPORT	\$ 5,263	\$ 5,265	\$ 5,374	\$ 5,374	\$ 5,563	\$ 5,693																			
TOTAL REGULAR BASIC SUPPORT **	\$ 2,220,949,633	\$ 2,248,571,898	\$ 2,275,927,082	\$ 2,309,540,988	\$ 2,405,228,677	\$ 2,470,803,082																			
CATEGORICAL FUNDING:																									
SPECIAL EDUCATION ***	121,252,632	121,252,632	121,252,632	121,252,632	126,934,803	130,871,809																			
CLASS-SIZE REDUCTION	139,213,449	139,213,449	142,639,610	142,639,610	160,127,518	165,453,493																			
CLASS-SIZE REDUCTION - AT-RISK KINDERGARTEN	1,554,599	1,554,598	1,582,409	1,582,409	1,770,771	1,815,260																			
SPECIAL UNITS/GIFTED & TALENTED	158,414	157,257	162,163	162,163	169,712	174,969																			
ADULT HIGH SCHOOL DIPLOMA	17,011,957	17,011,957	17,758,916	17,758,916	0	0																			
SCHOOL LUNCH PROGRAM STATE MATCH	588,732	588,732	588,732	588,732	588,732	588,732																			
EARLY CHILDHOOD EDUCATION	3,338,875	3,253,145	3,338,875	3,338,875	0	0																			
LIBRARY MEDIA SPECIALIST	18,798	18,798	18,798	18,798	0	0																			
SPECIAL ELEMENTARY COUNSELING	850,000	850,000	850,000	850,000	0	0																			
SPECIAL TRANSPORTATION	128,541	128,541	128,541	128,541	128,541	128,541																			
NRS ADJUSTMENT	0		0	0	0	0																			
OTHER ADJUSTMENTS	0	0	0	0	0	0																			
TOTAL REQUIRED STATE SUPPORT	\$ 2,505,065,630	\$ 2,532,601,007	\$ 2,564,247,758	\$ 2,597,861,664	\$ 2,694,948,754	\$ 2,769,835,886																			
LESS																									
LOCAL SCHOOL SUPPORT TAX - 2.60%	(941,734,793)	(1,006,701,237)	(969,986,648)	(1,006,701,237)	(1,095,455,763)	(1,140,522,996)																			
1/3 PUBLIC SCHOOLS OPERATING PROPERTY TAX	(202,433,266)	(210,424,266)	(202,931,773)	(196,222,407)	(200,459,722)	(203,115,298)																			
CAPITAL CONSTRUCTION FUNDS	(20,000,000)	(20,000,000)	(20,000,000)	(20,000,000)	0	0																			
TRANSFER FROM CLOSURE OF CC RDA	0	0	0	0	0	0																			
TOTAL STATE SHARE	\$ 1,340,897,571	\$ 1,295,475,504	\$ 1,371,329,337	\$ 1,374,938,020	\$ 1,399,033,269	\$ 1,426,197,592																			
STATE SHARE ELEMENTS																									
GENERAL FUND	\$ 1,088,280,727	\$ 1,088,280,727	\$ 1,111,331,100	\$ 1,111,331,100	\$ 1,113,014,797	\$ 1,129,819,553																			
GENERAL FUND TRANSFER FY 2010 TO FY 2009	0	0	0	0	0	0																			
GENERAL FUND TRANSFER FY 2011 TO FY 2010	0	0	0	0	0	0																			
DSA SHARE OF SLOT TAX	33,542,238	32,295,869	34,144,068	34,144,068	31,930,600	32,944,700																			
PERMANENT SCHOOL FUND	6,600,000	2,643,528	6,800,000	6,800,000	2,643,528	2,643,528																			
FEDERAL MINERAL LEASE REVENUE	8,000,000	7,874,977	8,000,000	8,000,000	7,874,977	7,874,977																			
OUT OF STATE LSST - 2.60%	93,138,606	89,463,708	95,932,745	89,463,708	110,329,337	114,868,304																			
IP1 (2009) ROOM TAX REVENUE TRANSFER	111,336,000	126,518,025	115,121,424	126,518,025	133,240,030	138,046,530																			
REAL PROPERTY TAX	0	0	0	0	0	0																			
ESTATE TAX	0	0	0	0	0	0																			
PRIOR YEAR REFUNDS	0	0	0	0	0	0																			
GENERAL FUND SUPPLEMENTAL APPROPRIATION	0	0	0	0	0	0																			
REVERSION TO STATE GENERAL FUND	0	0	0	(52,920,211)	0	0																			
BALANCE FORWARD TO NEXT FISCAL YEAR	0	(51,601,330)	0	51,601,330	0	0																			
TOTAL SHARE STATE ELEMENTS	\$ 1,340,897,571	\$ 1,295,475,504	\$ 1,371,329,337	\$ 1,374,938,020	\$ 1,399,033,269	\$ 1,426,197,592																			
<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th>No. of Units</th> <th>\$ per Unit</th> <th>No. of Units</th> <th>\$ per Unit</th> </tr> </thead> <tbody> <tr> <td>*** Special Education Units</td> <td>2011-2012</td> <td>3,049</td> <td>39,768.00</td> <td>2013-2014</td> <td>3,049</td> <td>41,632</td> </tr> <tr> <td></td> <td>2012-2013</td> <td>3,049</td> <td>39,768.00</td> <td>2014-2015</td> <td>3,049</td> <td>42,923</td> </tr> </tbody> </table>								No. of Units	\$ per Unit	No. of Units	\$ per Unit	*** Special Education Units	2011-2012	3,049	39,768.00	2013-2014	3,049	41,632		2012-2013	3,049	39,768.00	2014-2015	3,049	42,923
	No. of Units	\$ per Unit	No. of Units	\$ per Unit																					
*** Special Education Units	2011-2012	3,049	39,768.00	2013-2014	3,049	41,632																			
	2012-2013	3,049	39,768.00	2014-2015	3,049	42,923																			

* FY 12 Actual Weighted Apportioned Enrollment; FY 13, 14 & 15 reflect Estimated and Projected

** Totals May Not Balance Due to Rounding

*** Special Education Unit funded separately from Basic Support

BASIC SUPPORT PER PUPIL

The 2011 Legislature approved basic support per pupil of \$5,263 for FY 2012 and \$5,374 for FY 2013. The Executive Budget recommends guaranteed basic support of \$5,563 per pupil for FY 2014 and \$5,693 per pupil for FY 2015, an increase of \$189 per pupil and \$319 per pupil, respectively, when compared to the FY 2013 legislatively approved basic support per pupil of \$5,374.

The chart below depicts statewide average guaranteed basic support funding and change over the previous year by fiscal year since 2006:

FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Actual	FY 2010 *Actual	FY 2011 *Actual	FY 2012 **Actual	FY 2013 **Projected	FY 2014 **Gov. Rec.	FY 2015 **Gov. Rec.
\$4,490	\$4,699	\$5,125	\$5,212	\$5,186	\$5,192	\$5,265	\$5,374	\$5,563	\$5,693
	\$209	\$426	\$87	(\$26)	\$6	\$73	\$109	\$189	\$130

* The per-pupil basic support was subsequently reduced to \$5,186 in FY 2010 and \$5,192 in FY 2011 in the 26th Special Session, as a result of an approved 6.9% funding budget reduction.

** Guaranteed basic support per pupil amounts as reported on the DSA Summary (Attachment)

The guaranteed basic support per pupil should not be confused with expenditures per pupil. As stated earlier, other resources not considered within the Nevada Plan are also available to cover schools’ operating costs.

ENROLLMENT

Each school district’s guaranteed level of funding is determined by multiplying the basic support per pupil by weighted enrollment. Weighted enrollment (utilized to distribute DSA funds to school districts) equals a full count of pupils enrolled in grades 1 through 12, net of transfers, and including children with disabilities enrolled in special education programs within a district or charter school, and six-tenths of the count of pupils enrolled in kindergarten or programs for three- and four-year-olds with disabilities. Special-need preschoolers and kindergarten pupils are counted as six-tenths of a pupil because they typically attend school for half of a day or less. The following chart compares audited weighted enrollment numbers (excluding hold harmless) by fiscal year and the percent of increase each year over the preceding year:

FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Projected	FY 2014 Gov. Rec.	FY 2015 Gov. Rec.
400,101	413,260	420,830	422,112	421,387	422,482	423,849	429,762	432,346	434,023
	3.29%	1.83%	0.30%	-0.17%	0.26%	0.32%	1.4%	0.60%	0.39%

The Governor recommends a combined General Fund total of \$15.8 million in FY 2014 and \$25.7 million in FY 2015 to provide for the projected enrollment growth for K-12 pupils (inclusive of special education), the Class-Size Reduction program, and gifted and talented technology funding.

Under hold harmless, funding is based on the higher of the previous two years’ weighted apportionment enrollment if enrollment declines by 5 percent or more from the previous year; otherwise, the weighted apportionment enrollment is the higher of the current or previous year’s enrollment. For the 2011-13 biennium, the hold harmless provision for eligible school districts and charter schools increased the state responsibility by approximately \$23.7 million, compared to the hold harmless costs of \$29.7 million for the 2009-11 biennium.

POSITIONS AND SALARIES

To determine the number of employees needed to accommodate increased enrollment, the Budget Division calculated the actual student-employee ratios for each major job classification in the FY 2012 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 202 licensed, instructional personnel will be needed to maintain the average of 21.1 student to teacher ratio throughout the 2013-15 biennium.

Actual statewide average teacher salaries for FY 2012 were \$52,807 (\$72,994 with benefits) and are estimated at \$53,863 for FY 2013 (\$74,315 with benefits). Average teacher salaries are budgeted at an average of \$54,940 (\$75,704 with benefits) in FY 2014 and \$56,039 (\$77,603 with benefits) in FY 2015, based on a 2 percent roll-up (the increase in average salaries related to merit increases for increased education and longevity for years of service). 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. For the 2013-15 biennium, the Governor does not recommend any reductions of funding for salaries or suspension of funding for merit and longevity salary increases for district and charter school employees.

FRINGE BENEFIT ADJUSTMENTS

Fringe benefits have been adjusted for the increase in the retirement rate from 23.75 percent to 25.75 percent, with a corresponding reduction in salary costs for approximately 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. In addition, The Executive Budget increases funding for group insurance costs for school personnel by 0.61 percent in FY 2014 and 7.5 percent in FY 2015. The combined General Funds recommended for these fringe benefit rate increases is \$15.1 million in FY 2014 and \$35.6 million in FY 2015.

TEXTBOOK FUNDING

To assist school districts and charter schools in addressing budget shortfalls during the 2011-13 biennium, the 2011 Legislature approved Assembly Bill 493, which provides temporary flexibility from the minimum expenditure requirements for textbooks, instructional supplies, instructional hardware and software through the end of the 2011-13 biennium without requiring the submission and approval of a waiver. The Executive Budget recommends funding in the DSA for textbooks, instructional supplies, instructional hardware and instructional software in FY 2014 and FY 2015 totaling \$75.8 million and \$76.1 million, respectively, reflecting the total actual expenditures incurred for these items by school districts and charter schools in FY 2012, increased for projected enrollment growth. The Budget Division indicates the Governor will submit a bill draft request to extend the flexibility from the minimum expenditure requirements through the 2013-15 biennium.

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 2013 the state is funding 3,049 special education units at \$39,768 each, totaling \$121.25 million. For the upcoming biennium, the Governor's recommended funding for special education units is 3,049 units each fiscal year at \$41,632 in FY 2014 and \$42,923 in FY 2015 for a total of \$126.9 million and \$130.9 million in FY 2014 and FY 2015, respectively. It should be noted that the amount school districts receive per special education unit from the DSA does not cover the entire cost of a special education teacher, but rather covers approximately half of the cost. The remainder of the cost of providing special education programs is covered by per-pupil basic support guaranteed by the DSA, other school district revenues and federal funds earmarked for special education. State support for special education also serves as the maintenance of effort (MOE) for the federal Individuals with Disability Education Act grant. The MOE requirements provide that the state must maintain a level of state support for special education that is at least equal to the amount of state support that was provided in the previous year.

For the past several biennia, special education funding has been provided for instructional programs incorporating education technology for gifted and talented pupils. The 2011 Legislature appropriated \$158,414 and \$162,163 for FY 2012 and FY 2013, respectively. The Executive Budget recommends total funding for gifted and talented pupils of \$169,712 and \$174,969 for FY 2014 and FY 2015, respectively.

CLASS SIZE REDUCTION PROGRAM

During the 23 years that the Class Size Reduction (CSR) program has been implemented in the state, funding totaling \$2.1 billion has been approved to support additional teachers to reduce pupil-teacher ratios. To finance salaries and fringe benefits of teachers hired to meet the required ratios of 16 pupils per teacher in first and second grades and 19 pupils per teacher in third grade, the 2011 Legislature appropriated a total of \$140.8 million for FY 2012 and \$144.2 million for FY 2013. For the 2013-15 biennium, The Executive Budget recommends funding for the CSR program totaling \$161.9 million for FY 2014, and \$167.3 million for FY 2015, representing increases of 15.0 percent and 16.0 percent, respectively, over legislatively approved funding for the 2011-13 biennium. The increased funding is primarily due to projected enrollment increases as well as the recommended 2 percent increase for merit and longevity, and the recommended fringe benefit increases.

The Governor's recommended budget would provide funding for 2,180 and 2,194 CSR teachers in FY 2014 and FY 2015, respectively, including 23.5 teachers in selected high-risk kindergarten classrooms. Assembly Bill 579, approved by the 2011 Legislature, allows school districts flexibility from the requirements of CSR pupil-teacher ratios. The legislation allows districts the flexibility to increase class size by up to two students per teacher to achieve ratios of 18:1 in first and second grades, and 21:1 in third grade. School districts implementing the flexibility provision must use corresponding savings to minimize the impact of budget reductions on class sizes in grades 4 through 12, as long as it is fiscally neutral to do so. The CSR flexibility provisions in A.B. 579 sunset on June 30, 2013. The Budget Division indicates the Governor will submit a bill draft request to extend the flexibility to increase the class sizes through the 2013-15 biennium.

EARLY CHILDHOOD EDUCATION PROGRAM

The 2011 Legislature appropriated \$3.34 million each year of the 2011-13 biennium for the Nevada Department of Education to award competitive grants to school districts and community-based organizations for early childhood education (ECE) programs. The Executive Budget recommends a General Fund appropriation of \$3.34 million for each year of the 2013-15 biennium, representing no change from the legislatively approved funding for the 2011-13 biennium. The Governor's budget also recommends the transfer of the Early Childhood Education program funding from a line item in the DSA to the Other State Education Programs account, with no change in purpose.

ADULT HIGH SCHOOL DIPLOMA PROGRAM

Each session, the Legislature determines the 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. Actual expenditures for the program in FY 2012 were \$17 million and a total of \$17.8 million is authorized for FY 2013.

For the 2013-15 biennium, The Executive Budget recommends \$17.9 million for FY 2014 and \$18.3 million for FY 2015, representing increases of 4.9 percent and 3.3 percent, respectively, over legislatively approved funding for the 2011-13 biennium. The Governor's budget also recommends the transfer of the Adult High School Diploma program funding from a line item in the DSA to the Other State Education Programs account, with no change in purpose.

OTHER STATE EDUCATION PROGRAMS

The 2011 Legislature approved General Funds totaling \$8 million in FY 2012 and \$7.6 million in FY 2013 to provide pass-through funds to school districts for Educational Technology, Career and Technical Education (CTE), Public Broadcasting, the National Board Certification program for teachers and counselors, the Speech Pathologist increment, and various other smaller programs. The Executive Budget recommends the same funding level of \$8 million in General Funds for FY 2014 and \$7.6 million in FY 2015 for these existing programs.

The Governor's budget also recommends the General Fund transfer of \$45 million over the 2011-13 biennium for the Adult High School Diploma program, the Early Childhood Education program, Special Elementary Counselors, and School Library Media Specialists from line items in the DSA to the Other State Education Programs account (with no change in purpose). Additionally, the Governor recommends General Funds for the following new initiatives:

- Jobs for America's Graduates Program: \$1.5 million over the 2013-15 biennium;
- Instructional delivery for reading and literacy for English Language Learners: \$13.9 million over the 2013-15 biennium; and
- Expansion of the Teach for America Program serving Clark County: \$2 million over the 2013-15 biennium.

A one-time General Fund appropriation of \$4 million in FY 2013 is also recommended by the Governor for student data system projects identified by the P-16 Advisory Council.

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 student achievement.

FULL-DAY KINDERGARTEN PROGRAM

The Governor recommends General Funds of \$25.1 million in FY 2014 and \$25.6 million in FY 2015 to support the existing state-funded Full-Day Kindergarten (FDK) program for 464.5 full-day kindergarten positions statewide in 128 at-risk schools throughout the state. The Governor recommends additional General Fund appropriations of \$10 million each fiscal year of the 2013-15 biennium to expand the state-funded FDK program in at-risk schools. Of the additional \$10 million in FY 2014, the Governor recommends that up to \$3.5 million be set aside for the purchase of portable classrooms.

REGIONAL PROFESSIONAL DEVELOPMENT PROGRAMS

For the 2013-15 biennium, The Executive Budget includes General Funds of \$7.56 million each year of the 2013-15 biennium to support the Regional Professional Development Programs (RPDPs), representing no change from the legislatively approved funding for the 2011-13 biennium. Additionally, the Governor recommends transferring the funding for the RPDPs from the School Remediation Trust Fund account (with no change in purpose) to the Educator Effectiveness account, a new budget account requested by the Department of Education to focus resources on the goal of educator effectiveness, including professional development and educator and administrator evaluation. The Governor further recommends a change in the governance structure of the RPDPs whereby the RPDPs would no longer be governed by independent governing boards, but rather would be moved under the guidance and direction of the Department of Education.

STATE SUPPLEMENTAL SCHOOL SUPPORT ACCOUNT

The State Supplemental School Support Account was created by Initiative Petition 1 (IP1), which became law in 2009 pursuant to Article 4 Section 35 of the Nevada Constitution. The IP1 imposes an additional 3 percent tax on the gross receipts from the rental of transient lodging in certain counties as specified in the legislation. For the period of July 1, 2009, through June 30, 2011, the proceeds of this tax were to be credited to the State General Fund. Per NRS 387.191, beginning on July 1, 2011, the proceeds were to be credited to the State Supplemental School Support Account to be distributed to school districts and charter schools to improve the achievement of students and to retain qualified teachers and non-administrative employees. The 2011 Legislature approved the transfer of the IP1 room tax revenues from the State Supplemental School Support Account to the DSA as a state funding source to be distributed to school districts and charter schools for 2011-13 biennium.

The Governor recommends that the funds from the IP1 room tax revenues continue to be transferred from the State Supplemental School Support Account to the DSA as a state funding source for the 2013-15 biennium, after which time the revenues would be credited to the State Supplemental School Support Account. The IP1 room tax revenues and interest included in The Executive Budget are forecast at \$133.2 million for FY 2014 and \$138 million for FY 2015. The Budget Division indicates a bill draft request will be submitted to extend the period during which the funds will continue to be transferred to the DSA through the upcoming biennium.

INCENTIVES FOR LICENSED EDUCATIONAL PERSONNEL

Nevada Revised Statutes 391.166 creates a Grant Fund for Incentives for Licensed Educational Personnel and requires 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. The 23rd Special Session, through the passage of A.B. 1 repealed the statutory language of NRS 391.165, which required the purchase of retirement credits for teachers (1/5 Retirement Credit Purchase program) in at-risk schools, psychologists, and teachers in the fields of mathematics, science, special education and English as a second language. However, A.B. 1 provides 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 at which time they would be eligible to participate in the new program of teacher incentive pay described above.

The 1/5 Retirement Credit Purchase program, under the provisions noted above, was originally thought to conclude in FY 2013 (final year of credits earned in FY 2012, to be funded in FY 2013); however, because the enabling legislation refers to participation in the program ceasing once the employee receives one full year of retirement service credit, rather than ceasing after a specific timeframe to earn the retirement service credit, the 1/5 Retirement Credit Purchase program will need to continue to be funded beyond FY 2013.

The Executive Budget recommends General Funds totaling \$31.7 million over the 2013-15 biennium to continue the program of incentive pay for licensed educational personnel. The Governor continues a change implemented by the 2009 Legislature to approve funding the cost of the Incentives for Licensed Educational Personnel in the year following the obligation being incurred.

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, State Supplemental School Support Fund, and Other State Education Programs) in the amount of \$799.4 million for the 2013-15 biennium, an increase of 7.3 percent when compared to the legislatively approved amount of \$745 million for 2011-13 biennium. Of this amount, General Fund support is recommended in the amount of \$27 million for the upcoming biennium (not including the transfer of RPDP funding to the new Educator Effectiveness account recommended by the Governor), compared to \$19.9 million approved by the Legislature for the 2011-13 biennium. This represents an increase in General Fund support of approximately 35.7 percent.

The Executive Budget recommends position transfers between accounts to align positions with the appropriate funding sources for the duties performed. The Governor also recommends four new positions within the department and four position eliminations, two as a result of expiring federal grants.

The Governor further recommends \$226,070 over the 2013-15 biennium for computer hardware and software equipment replacement. Of this total, \$38,084 is funded with General Funds, and \$187,986 is funded with federal or other funds.

PROFICIENCY TESTING

The Department of Education oversees and funds various testing programs in public elementary and secondary schools, including Criterion-Referenced Tests (CRTs), the High School Proficiency Exam (HSPE), the National Assessment of Educational Progress (NAEP), the Nevada Alternative Assessment (NAA), the English Language Proficiency Assessment (ELPA), and a writing assessment in grades 5, 8, and 11.

The CRT in reading and math is administered annually in grades 3 through 8, science in grades 5 and 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, through the HSPE. The CRTs and the HSPE are used by the state to meet the federal No Child Left Behind Act mandates for determining adequate yearly progress of Nevada schools. Excluding the funding for the System for Accountability Information in Nevada (SAIN), The Executive Budget includes General Funds of \$10.8 million over the 2013-15 biennium for the Proficiency Testing program, representing a 2.7 percent decrease from the \$11.1 million approved by the Legislature for the 2011-13 biennium.

SAIN – SYSTEM FOR ACCOUNTABILITY INFORMATION IN NEVADA

Pursuant to NRS 386.650, the Department of Education is required 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 allow education stakeholders to analyze the results of pupils on a school level basis.

The Executive Budget recommends \$2.6 million of General Funds over the 2013-15 biennium to support the SAIN system, representing a 479 percent increase from the \$449,274 approved by the Legislature for the 2011-13 biennium. This increase is primarily due to SAIN enhancements recommended by the Governor, including various system, server, and reporting upgrades; replacement equipment and contractual services with the system developer, OtisEd; creation of unique student identifiers that link students to teachers and courses; and a contract with eMetric that was previously funded by a federal grant.

SCHOOL HEALTH EDUCATION

The federal Comprehensive School Health grant provides funding to assist school districts in establishing or expanding prevention education programs related to HIV/AIDS and other sexually-transmitted diseases. The grant also funds the collection of data from school districts (grades 6 through 12) to be included in the biannual Youth Risk Behavior Survey published by the Center for Disease Control and Prevention. Due to the elimination of this program at the federal level, The Executive Budget eliminates this account and one vacant position funded by the grant.

ELEMENTARY AND SECONDARY EDUCATION ACT – TITLE I

Title I programs include the majority of the federal funds utilized by school districts and charter schools to comply with requirements of the No Child Left Behind Act (2001). The Executive Budget recommends federal authority of \$219.8 million over the 2013-15 biennium to continue Title I basic programs. Title I School Improvement grant funds (\$8.4 million in FY 2012) awarded through the American Recovery and Reinvestment Act (ARRA) of 2009 have expired and are recommended to be eliminated for the 2013-15 biennium.

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

The Governor recommends \$58.9 million in federal funds over the 2013-15 biennium for the State Assessments, Striving Readers and the Effective Leaders and Teachers grant programs. The Effective Leaders and Teachers grant, recommended in the amount of \$9.3 million each fiscal year of the 2013-15 biennium, is a new federal grant that replaces the expiring Improving Teacher Quality grant (\$12.3 million FY 2012). Other expiring federal grants for the 2013-15 biennium include the Math and Science Partnership grant and the federal Technology and the ARRA Technology grants.

CAREER AND TECHNICAL EDUCATION

Due to a change at the federal level in how the funding formula is applied for the Perkins Vocational and Applied Technology Education federal grant, the Governor recommends reducing federal Perkins grant revenue by \$3.7 million in each year of the 2013-15 biennium. With this reduction, the Governor recommends Perkins grant funding of approximately \$5 million in each year of the upcoming biennium.

SCHOOL NUTRITION PROGRAM

The School Nutrition Program includes the National School Lunch Program, the School Breakfast Program, and other smaller food and nutrition programs for certain eligible students. For the 2013-15 biennium, The Executive Budget recommends federal authority of \$259.4 million for the School Nutrition Program, representing a 18.9 percent increase compared to the \$218.2 million authorized in the 2011-13 biennium. State General Fund appropriations to meet federal match and maintenance of effort requirements are included in this account and the Distributive School Account.

As part of a statewide consolidation of food and nutrition programs, the Governor recommends transferring the School Nutrition Program from the Department of Education to the Department of Agriculture. In addition to the transfer, the Governor recommends federal funds of \$451,595 over the 2013-15 biennium for three new permanent positions and four new intermittent positions for the School Nutrition Program.

EDUCATOR EFFECTIVENESS

The Governor recommends a new budget account to focus resources on the goal of educator effectiveness, including professional development and educator and administrator evaluation. The Governor recommends \$320,000 of General Fund support over the 2013-15 biennium to fund an independent evaluation of the new Educator Effectiveness system. Additionally, The Executive Budget proposes to transfer funding for the Regional Professional Development Program (RPDP) from the School Remediation Trust Fund account to the new Educator Effectiveness account and proposes to move the RPDP under the guidance and direction of the Department of Education. The Governor further recommends an additional \$2.8 million of General Fund support over the 2013-15 biennium for the RPDPs to provide professional development to implement the new Educator Effectiveness system and the Teacher and Administrator Evaluation Framework.

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 of Education (Department) administering the IDEA program and providing subgrants to school districts and charter schools, the Department monitors students whose individual educational program cannot be met at their home school district (NRS 395 program). For the 2013-15 biennium, ARRA IDEA funding totaling \$5.2 million in FY 2012 has expired and is recommended for elimination. The Governor further recommends the elimination of one vacant Administrative Assistant position no longer required due to the elimination of federal grant funds. The Executive Budget recommends IDEA funding totaling \$147.2 million over the 2013-15 biennium, representing a 1.5 percent decrease over the \$149.5 million approved for the 2011-13 biennium.

STATE PUBLIC CHARTER SCHOOL AUTHORITY

Senate Bill 212 of the 2011 Legislative Session amended NRS Chapter 386 to create a seven-member State Public Charter School Authority (SPCSA) and transfer the authority to sponsor charter schools from the State Board of Education to the SPCSA. The SPCSA is responsible for providing oversight and technical assistance to the charter schools it sponsors. The SPCSA is currently funded by a 1.5 percent administrative fee on each sponsored school's per-pupil funding from the Distributive School Account; however, NRS 386.570 authorizes the SPCSA to collect up to a 2.0 percent administrative fee. Additionally, the SPCSA, as a Local Education Agency, is eligible to receive federal funding authorized by the Elementary and Secondary Education Act (ESEA).

The Executive Budget recommends administrative fee revenue of approximately \$1 million in FY 2014 and \$1.13 million in FY 2015, a 6.5 percent decrease and 5.6 percent increase, respectively, from FY 2012 actual revenue of \$1.07 million. In addition, the Governor recommends federal ESEA funding of \$1.22 million in each year of the 2013-15 biennium.

The Governor recommends the use of reserves of \$69,795 over the 2013-15 biennium for a student assessment system to monitor charter student academic growth and proficiency, as well as a student tracking system to observe higher education enrollment trends for charter school graduates. The Governor also recommends a one-time General Fund appropriation of \$750,000 in FY 2014 to fund a revolving loan account for charter schools. Pursuant to NRS 386.577, funding in the revolving loan account may be used only to make loans at or below market rate to charter schools for costs incurred in preparing a charter school to commence its first year of operations or to improve a charter school that has been in operation. In addition, the total amount of any individual loan from the account must not exceed \$25,000 annually.

NEVADA SYSTEM OF HIGHER EDUCATION

The Nevada System of Higher Education (NSHE) is governed by an elected, 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); Great Basin College (GBC); Truckee Meadows Community College (TMCC); Western Nevada College (WNC); the UNR School of Medicine (UNSOM), the UNLV Law School, the UNLV Dental School and the Desert Research Institute (DRI).

GOVERNOR RECOMMENDS 2.93 PERCENT GENERAL FUND INCREASE

Excluding the Western Interstate Commission for Higher Education (WICHE) budgets, The Executive Budget recommends a 2.93 percent or \$27.6 million increase in General Fund operating support, to \$972.4 million for the 2013-15 biennium. NSHE's total state supported operating budget for the 2013-15 biennium is approximately \$1.5 billion, which is \$96 million or 6.85 percent higher than the \$1.4 billion approved by the Legislature for the 2011-13 biennium.

Funding Source (Excludes WICHE)	2011-13 Leg. Approved (Millions)	2013-15 Governor Rec. (Millions)	2013-15 Dollar Change (Millions)	Percent Change
State General Fund ^a	\$944.8	\$972.4	\$27.6	2.93%
Student Fees/Tuition Revenue ^b	\$445.5	\$514.1	\$68.6	15.38%
Federal/Other Funds	\$11.0	\$10.8	-\$0.2	-2.25%
TOTAL^c	\$1,401.3	\$1,497.3	\$96.0	6.85%
Notes:				
a. Does not reflect the FY 2013 IFC-approved transfer of \$889,953 from UNR to the Office of the Military for Fire Sciences Academy operations and maintenance (O&M).				
b. Does not include \$48.4 million in FY 2012/FY 2013 Surcharge fee revenues, \$9.6 million in increased FY 2013 Registration fees and \$9.88 million in additional Non-Resident Tuition revenues approved by the Board of Regents and IFC. If included, the 2011-13 Biennium total would be \$513.5 million and the 2013-15 biennium change would be 0.1%.				
c. If additional \$67.9 million in FY 2012 and FY 2013 fee revenues in Note b. were included, the 2011-13 biennium total would be \$1,469.2 million and the 2013-15 biennium change would be 1.91%.				

As a percentage of the legislatively approved total General Fund appropriations since the 1999-01 biennium, the NSHE has generally received between 18 and 20 (18.4 - 20.3) percent. However, confronted with reduced General Fund revenues, the 2009 Legislature appropriated 15.3 percent of the available General Fund to the NSHE for the 2009-11 biennium. For the 2011-13 biennium, the 2011 Legislature allocated 15.2 percent (excluding WICHE). For the 2013-15 biennium, the Governor's budget allocates 14.9 percent of total recommended General Fund operating appropriations to the NSHE, exclusive of WICHE.

S.B. 374 STUDY COMMITTEE RECOMMENDATIONS ON THE FUNDING OF HIGHER EDUCATION

The 2011 Legislature approved Senate Bill 374 (S.B. 374), which established an interim Committee to Study the Funding of Higher Education. The S.B. 374 Committee commenced its work in November 2011, and concluded its work in August 2012. At its final meeting on August 29, 2012, the S.B. 374 Committee adopted 11 recommendations pertaining to a new higher education funding formula, 2 recommendations regarding the establishment of a performance funding pool and 2 recommendations related to the funding of the NSHE community colleges. The final report of the S.B. 374 Committee can be found at <http://leg.state.nv.us/Division/Research/Publications/InterimReports/2013/Bulletin13-08.pdf>

The Governor's 2013-15 biennium budget for the NSHE incorporates some recommendations while it excludes or proposes modified versions of other recommendations. A summary of the incorporated, excluded and modified recommendations are as follows.

S.B. 374 COMMITTEE RECOMMENDATIONS INCORPORATED INTO THE EXECUTIVE BUDGET

1. Completed Weighted Student Credit Hour as the Basis for Distributing General Fund Appropriations: The Governor recommends that the 2013-15 biennium instructional budgets for UNR, UNLV, CSN, GBC, TMCC, WNC and NSC be allocated General Fund appropriations based upon weighted student credit hours (WSCH) completed by Nevada resident students. The existing, but discontinued funding formula distributes General Fund appropriations based upon projected student full-time equivalent (SFTE) enrollments. Weighted student credit hours completed by non-resident students are excluded. General Fund appropriations are allocated based upon WSCH "unit costs" of \$146.55 and \$154.19 in FY 2014 and FY 2015, respectively.
2. Weighting of Credit Hours: The Executive Budget utilizes the same credit hour weighting taxonomy as adopted by the S.B. 374 Committee. Through weighting, the number of completed credit hours in FY 2012 increases at the seven teaching institutions by 1,210,172 or 88.6 percent from 1,365,871 to 2,576,043 WSCH.
3. Projection of Weighted Student Credit Hours: The Executive Budget projects the count of WSCH for FY 2014 and FY 2015 as flat to FY 2012.
4. Small Institution Funding: Cumulatively, GBC and WNC receive approximately \$2.1 million in each fiscal year to support institutional administrative operating costs. This funding is allocated prior to the calculation of the WSCH cost and distribution of formula funding. The level of funding an institution receives is determined by the projected number of WSCH.

5. Mitigation for GBC and WNC: The Governor recommends a total of \$1 million in additional (new) General Fund appropriations in each fiscal year to offset the reduction in General Fund appropriations that occur at GBC and WNC as a result of distributing available funding based upon WSCH. The General Fund appropriations are contained in Decision Module E-275. The recommended amounts are displayed in the table on the following page.
6. Increases in Non-General Fund Revenues Should Not Offset General Fund Appropriations: The Governor recommends adjustments to the Base-Maintenance-Enhancement (B-M-E) calculated General Fund appropriation level in each year of the 2013-15 biennium to implement this recommendation. The adjustments are contained in the M-200 Decision Module and cumulatively reduce General Fund appropriations by \$1.17 million in FY 2014 and increase General Fund appropriations by \$856,239 in FY 2015. The recommended adjustments are displayed in the table on page 117.
7. Budgets for the Three Professional Schools and DRI: The state supported operating budgets for the Medical School, Law School, Dental School and DRI are not included in the funding formula calculations.

S.B. 374 COMMITTEE RECOMMENDATIONS NOT INCORPORATED INTO THE EXECUTIVE BUDGET

1. Exclusion of WSCH Tied to F Grades: The Executive Budget excludes all WSCH tied to F grades for non-effort (FN) and excludes WSCH tied to “completed” F grades on the following basis: 100 percent at UNR and UNLV; 75 percent at NSC; 50 percent at CSN, GBC, TMCC and WNC. These two changes remove 158,166 WSCH from the overall count of WSCH in each year of the 2013-15 biennium. In contrast, the S.B. 374 Committee recommended that FN-grade WSCH not be excluded until the Board of Regents had adopted a prospective policy, which had been uniformly implemented by the seven teaching institutions, and that WSCH associated with “completed” F grades not be excluded.
2. Performance Funding Pool: The Governor did not include a 5.0 percent “carve-out” for a performance funding pool in FY 2015 for the seven teaching institutions as recommended by the S.B. 374 Committee. If included, the carve-out would be \$19.10 million. No performance funding pool is included in The Executive Budget. The S.B. 374 Committee recommended 5.0 percent of the seven teaching institutions’ base funding be used to fund a performance pool in FY 2015. Additionally, the S.B. 374 Committee recommended that this amount increase by 5.0 percent per year to 10.0 percent, 15.0 percent and 20.0 percent in FY 2016, FY 2017 and FY 2018, respectively.

OTHER EXECUTIVE BUDGET DIFFERENCES WITH THE S.B. 374 COMMITTEE RECOMMENDATIONS

1. Research Space Operations and Maintenance Funding Adjustment: As proposed by the NSHE, the Governor recommends \$6.8 million in operations and maintenance (O&M) funding for “non-instructional” research space at UNR and UNLV in each year of the 2013-15 biennium. This funding is allocated prior to the calculation of the WSCH cost and distribution of formula funding. The S.B. 374 Committee did not adopt a recommendation regarding this funding formula item.

2. Additional Mitigation for GBC and WNC: As shown in the table on the next page, The Executive Budget recommends additional mitigation through the M-203 Decision Module. This budget action redistributes from UNLV, CSN and NSC on a post-formula basis, \$3.84 million in FY 2014 and \$2.40 million in FY 2015. This funding is distributed to GBC and WNC. The recommended redistribution among the five institutions is based on a proposed, stop-loss policy with respect to the distribution of General Fund appropriations when the funding formula is applied. As proposed, when compared to the level of General Fund appropriation an institution would otherwise receive prior to applying the funding formula, no institution is recommended to lose more than 10.0 percent or gain more than 67.0 percent in FY 2014. For FY 2015 the thresholds are 15.0 percent and 80.0 percent, respectively. This policy is only applied on behalf of GBC and WNC as those institutions experience a greater than 10.0 percent and 15.0 percent reduction in FY 2014 and FY 2015, respectively. To fund the recommended M-203 mitigation, The Executive Budget reduces the formula-driven General Fund appropriation increases at UNLV, CSN and NSC by approximately 33.0 percent in FY 2014 and 20.0 percent in FY 2015.

2013-15 Biennium Funding Formula Mitigation Included in <u>The Executive Budget</u>						
	FY 2014 Governor Recommended Funding Formula Mitigation			FY 2015 Governor Recommended Funding Formula Mitigation		
	M-203	E-275	TOTAL	M-203	E-275	TOTAL
UNR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
UNLV	\$ (1,092,013)	\$ -	\$ (1,092,013)	\$ (568,839)	\$ -	\$ (568,839)
CSN	\$ (1,776,486)	\$ -	\$ (1,776,486)	\$ (1,181,153)	\$ -	\$ (1,181,153)
GBC ^{1,2}	\$ 2,132,724	\$ 522,330	\$ 2,655,054	\$ 874,968	\$ 534,892	\$ 1,409,860
TMCC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
WNC ²	\$ 1,708,800	\$ 477,670	\$ 2,186,470	\$ 874,968	\$ 465,108	\$ 1,340,076
NSC	\$ (973,025)	\$ -	\$ (973,025)	\$ (652,005)	\$ -	\$ (652,005)
TOTAL	\$ -	\$ 1,000,000	\$ 1,000,000	\$ (652,061)	\$ 1,000,000	\$ 347,939
Note:						
1. For FY 2015, GBC M-203 amount should be \$1,527,028. \$874,968 is data entry error in <u>The Executive Budget</u> . Decision Module should net to \$0.00. Total mitigation funding should net to \$1.0 million equal to FY 2014.						
2. E-275 \$1.0 million General Fund appropriation is distributed based upon each institution's percentage of combined formula-driven institutional decrease. In FY 2014, total combined decrease is \$7.736 million. GBC's share is 52.23%, WNC's share is 47.76%. In FY 2015, combined decrease is \$7.921 million of which GBC's share is 53.48%, WNC's is 46.51%.						

DISTRIBUTION OF WEIGHTED STUDENT CREDIT HOURS

As recommended by the S.B. 374 Committee, The Executive Budget utilizes WSCH rather than student full-time equivalent (SFTE) enrollments as the basis for distributing General Fund appropriations. The counts of WSCH for each year of the 2013-15 biennium are projected as flat to FY 2012 WSCH. As noted, The Executive Budget adjusts each institution's count of projected WSCH by excluding varying percentages of WSCH tied to F grades. This removes 158,166 WSCH from the overall count of WSCH in each year of the 2013-15 biennium. As shown in the table on the next page, the largest reductions in WSCH occur at CSN, UNLV, UNR and TMCC, respectively.

NSHE Resident Weighted Student Credit Hours (WSCH) Projected for the 2013-15 Biennium in The Executive Budget								
	FY 2012 Actual Unweighted SCH ¹	FY 2012 Actual Weighted (WSCH) ²	FY 2014 Projected WSCH (Inclusive of F Grades)	FY 2014 Projected WSCH (Modified Inclusion of F Grades) ³ (Gov. Rec.)	FY 2014 Change in Projected WSCH	FY 2015 Projected WSCH (Inclusive of F Grades)	FY 2015 Projected WSCH (Modified Inclusion of F Grades) ³ (Gov. Rec.)	FY 2015 Change in Projected WSCH
UNR	306,924	619,941	619,941	595,658	-24,283	619,941	595,658	-24,283
UNLV	453,679	886,813	886,813	847,125	-39,688	886,813	847,125	-39,688
CSN	554,481	626,677	626,677	569,777	-56,900	626,677	569,777	-56,900
GBC	49,601	60,769	60,769	58,501	-2,268	60,769	58,501	-2,268
TMCC	181,556	214,603	214,603	190,485	-24,118	214,603	190,485	-24,118
WNC	67,355	74,414	74,414	72,025	-2,389	74,414	72,025	-2,389
NSC	59,199	92,826	92,826	84,306	-8,520	92,826	84,306	-8,520
TOTALS	1,365,871	2,576,043	2,576,043	2,417,877	-158,166	2,576,043	2,417,877	-158,166
Notes:								
1. Excludes 235,729 unweighted FY 2012 non-resident student credit hours.								
2. Student Credit Hours weighted according to the discipline weights adopted by the SB 374 Committee.								
3. All WSCHs associated with non-effort F grades eliminated system-wide, all 'completed F' WSCH eliminated at UNR, UNLV; 75% of 'completed F' WSCH at NSC; 50% of 'completed F' WSCH eliminated at CSN, GBC, TMCC and WNC.								

FORMULA FUNDING

The seven teaching institutions' state-supported operating budgets have been funded primarily through enrollment-driven formulas. However, for the 2009-11 and 2011-13 biennia, use of the funding formula was either partly or wholly suspended. For the 2013-15 biennium, the Governor generally recommends utilization of the funding formula methodology adopted by the S.B. 374 Committee. The table on the next page shows the impact of distributing General Fund appropriations to the seven teaching institutions based upon the count of WSCH and mitigation adjustments recommended by the Governor when compared to the General Fund appropriations each institution would otherwise receive through the Base-Maintenance-Enhancement (B-M-E) budgeting process.

For example, through the B-M-E budget calculation, which can be considered 'pre-formula', UNR would receive General Fund appropriations of \$92.2 million in FY 2014 and \$96.9 million in FY 2015. However, once the proposed funding formula is applied, and funding is allocated based upon WSCH (after adjusting for the Small Institution funding and the Research Space Operations and Maintenance funding), UNR's funding decreases by approximately 1.5 percent in both FY 2014 and FY 2015 to \$90.9 million and \$95.4 million, respectively. Since UNR's operating budget does not meet the percentage increase/decrease thresholds recommended in the Governor's stop-loss policy, no mitigation adjustment (M-203 Decision Module) is recommended and UNR's total recommended funding does not differ from the formula calculated amount.

In comparison, for CSN, after applying the formula, General Fund appropriations increase over the B-M-E amount by approximately 6.9 percent, to \$83.5 million, and 7.2 percent, to \$87.9 million, in FY 2014 and FY 2015, respectively. Through the stop-loss policy, CSN's formula calculated General Fund appropriation increase is subsequently reduced by \$1.8 million in FY 2014 and \$1.2 million in FY 2015 to partially fund mitigation for GBC and CSN. As a result, total General Fund appropriations are recommended to increase at CSN by approximately 4.7 percent in FY 2014 and 5.8 percent in FY 2015 to \$81.7 million and \$86.7 million, respectively.

Governor Recommended Distribution of Formula Funding Included in The Executive Budget								
FY 2014								
	FY 2014 Pre-Formula¹ (B-M-E) Gen. Fund Distribution (Gov. Rec.)	FY 2014 Formula Calculated Gen. Fund Distribution (Gov. Rec.)	% Change	FY 2014 M-203 Adjustment (Gov. Rec.)	FY 2014 E-275 Adjustment (Gov. Rec.)	FY 2014 M-203 and E-275 TOTAL	FY 2014 Mitigation Adjusted Gen. Fund Distribution (Gov. Rec.)	%Change Over Pre-Formula (B-M-E) Funding Level
UNR	\$ 92,234,880	\$ 90,878,845	-1.5%	\$ -	\$ -	\$ -	\$ 90,878,845	-1.5%
UNLV	\$ 124,036,977	\$ 127,368,178	2.7%	\$ (1,092,013)	\$ -	\$ (1,092,013)	\$ 126,276,165	1.8%
CSN	\$ 78,083,796	\$ 83,502,995	6.9%	\$ (1,776,486)	\$ -	\$ (1,776,486)	\$ 81,726,509	4.7%
GBC ²	\$ 13,859,521	\$ 9,818,515	-29.2%	\$ 2,132,724	\$ 522,330	\$ 2,655,054	\$ 12,473,569	-10.0%
TMCC	\$ 30,542,393	\$ 27,916,304	-8.6%	\$ -	\$ -	\$ -	\$ 27,916,304	-8.6%
WNC	\$ 15,090,288	\$ 11,394,789	-24.5%	\$ 1,708,800	\$ 477,670	\$ 2,186,470	\$ 13,581,259	-10.0%
NSC	\$ 9,387,137	\$ 12,355,366	31.6%	\$ (973,025)	\$ -	\$ (973,025)	\$ 11,382,341	21.3%
TOTAL³	\$ 363,234,992	\$ 363,234,992	-	\$ -	\$ 1,000,000	\$ 1,000,000	\$ 364,234,992	-
FY 2015								
	FY 2015 Pre-Formula¹ (B-M-E) Gen. Fund Distribution (Gov. Rec.)	FY 2015 Formula Calculated Gen. Fund Distribution (Gov. Rec.)	% Change	FY 2015 M-203 Adjustment (Gov. Rec.)	FY 2015 E-275 Adjustment (Gov. Rec.)	FY 2015 M-203 and E-275 TOTAL	FY 2015 Mitigation Adjusted Gen. Fund Distribution (Gov. Rec.)	%Change Over Pre-Formula (B-M-E) Funding Level
UNR	\$ 96,920,399	\$ 95,424,609	-1.5%	\$ -	\$ -	\$ -	\$ 95,424,609	-1.5%
UNLV	\$ 130,987,802	\$ 133,833,012	2.2%	\$ (568,839)	\$ -	\$ (568,839)	\$ 133,264,173	1.7%
CSN	\$ 81,930,097	\$ 87,851,247	7.2%	\$ (1,181,153)	\$ -	\$ (1,181,153)	\$ 86,670,094	5.8%
GBC ²	\$ 14,502,987	\$ 10,264,965	-29.2%	\$ 874,968	\$ 534,892	\$ 1,409,860	\$ 11,674,825	-19.5%
TMCC	\$ 31,988,276	\$ 29,369,990	-8.2%	\$ -	\$ -	\$ -	\$ 29,369,990	-8.2%
WNC	\$ 15,629,797	\$ 11,944,447	-23.6%	\$ 874,968	\$ 465,108	\$ 1,340,076	\$ 13,284,523	-15.0%
NSC	\$ 9,727,660	\$ 12,998,747	33.6%	\$ (652,005)	\$ -	\$ (652,005)	\$ 12,346,742	26.9%
TOTAL³	\$ 381,687,018	\$ 381,687,017	-	\$ (652,061)	\$ 1,000,000	\$ 347,939	\$ 382,034,956	-
Notes:								
1. Pre-Formula (B-M-E) calculation includes M-200 Decision Module.								
2. For FY 2015, GBC M-203 amount should be \$1,527,028. \$874,968 is data entry error in The Executive Budget. Decision Module should net to \$0.00. Total mitigation funding should net to \$1.0 million equal to FY 2014. If corrected, for FY 2015, % Change for GBC budget would be -15.0%								
3. Totals may not equal due to Excel rounding.								

GOVERNOR RECOMMENDED FUNDING OF NON-FORMULA BUDGETS

In addition to the \$364.2 million and \$382 million, in General Fund appropriations budgeted in FY 2014 and FY 2015, respectively, in the seven formula budgets, The Executive Budget recommends General Fund appropriations of \$111.1 million in FY 2014 and \$114.5 million in FY 2015 for the NSHE's non-formula state supported operating budgets. The following table displays the recommended funding levels compared to FY 2013.

2013-15 Biennium					
Governor Recommended Total General Fund Appropriations Compared to FY 2013					
General Fund Appropriation Levels					
Institution	FY 2013 General Fund (Smoothed) (Leg. Apprvd) (BoR Apprvd)	FY 2014 General Fund (Gov. Rec.)	% Change Over FY 2013	FY 2015 General Fund (Gov. Rec.)	% Change Over FY 2013
UNR ^{1, 2, 3}	\$ 91,404,757	\$ 90,878,845	-0.6%	\$ 95,404,260	4.4%
UNLV ¹	\$ 124,529,885	\$ 126,276,165	1.4%	\$ 133,862,979	7.5%
CSN	\$ 77,587,864	\$ 81,726,509	5.3%	\$ 86,676,457	11.7%
GBC	\$ 14,031,554	\$ 12,473,569	-11.1%	\$ 11,675,478	-16.8%
TMCC	\$ 30,603,292	\$ 27,916,304	-8.8%	\$ 29,372,117	-4.0%
WNC	\$ 15,029,964	\$ 13,581,259	-9.6%	\$ 13,285,328	-11.6%
NSC	\$ 9,111,439	\$ 11,382,341	24.9%	\$ 12,347,684	35.5%
Formula Accounts SUBTOTAL	\$ 362,298,755	\$ 364,234,992	0.5%	\$ 382,624,303	5.6%
MEDICAL ²	\$ 31,425,100	\$ 30,778,545	-2.1%	\$ 31,567,080	0.5%
LAW	\$ 6,570,754	\$ 7,006,114	6.6%	\$ 7,350,882	11.9%
DENTAL	\$ 6,404,551	\$ 6,957,359	8.6%	\$ 7,433,445	16.1%
DRI	\$ 7,421,572	\$ 7,449,063	0.4%	\$ 7,613,255	2.6%
Other Institutions SUBTOTAL	\$ 51,821,977	\$ 52,191,081	0.7%	\$ 53,964,662	4.1%
Non-Formula Accounts SUBTOTAL	\$ 57,369,044	\$ 58,875,055	2.6%	\$ 60,558,515	5.6%
NSHE TOTAL	\$ 471,489,776	\$ 475,301,128	0.8%	\$ 497,147,480	5.4%

Notes:

- For UNR and UNLV, FY 2012/ FY 2013 appropriation levels shown represent "pre-consolidated" levels approved for UNR's and UNLV's main instructional/operating budgets by the 2011 Legislature and subsequently adjusted by the Board of Regents. Once the budget accounts were consolidated, the Legislatively approved General Fund appropriation levels for UNR and UNLV became \$119,188,549 and \$135,911,945, respectively.
- The Interim Finance Committee approved FY 2012 and FY 2013 work programs to transfer \$4,539,082 from UNR operating budget to UNSOM (Medical) operating budget.
- UNR FY 2013 operating budget further reduced by \$889,953 by transfer of the Fire Science Academy and associated operations and maintenance (O&M) funding to the Office of the Military.

FEES AND TUITION

For each year of the 2013-15 biennium, the Board of Regents did not approve additional increases to the per-credit hour registration fees charged to either undergraduate or graduate students. However, in doing so, the Regents made permanent the surcharge amounts charged in the current biennium. For example, at the community college level, students will pay \$84.50 per credit hour in FY 2014 and FY 2015. This is the same amount that a community college student pays in FY 2013 when the current \$75.50 credit hour fee is combined with the \$9.00 per credit hour surcharge.

Likewise, at UNR and UNLV, an undergraduate will pay \$191.50 per credit hour in both FY 2014 and FY 2015. Currently undergraduates pay the \$191.50 based upon a surcharge of \$20.50 in addition to the regular \$171.00 per credit hour approved registration fee. The Regents-approved fee schedule for the 2013-15 biennium is shown in the table below. Additionally, for all three institutional levels, the Regents did not increase the non-resident tuition charge.

Type of Institution/Fee	Regents Approved FY 2013 (includes Surcharges)	Board of Regents Approved Charges FY 2014	% Change	Board of Regents Approved Charges FY 2015	% Change
<u>Community Colleges</u>					
Lower Division	\$84.50/credit	\$84.50/credit	0.0%	\$84.50/credit	0.0%
Upper Division	\$138.25/credit	\$138.25/credit	0.0%	\$138.25/credit	0.0%
Non-Resident	\$6,645/year	\$6,645/year	0.0%	\$6,645/year	0.0%
<u>Nevada State College</u>					
Resident	\$138.25/credit	\$138.25/credit	0.0%	\$138.25/credit	0.0%
Non-Resident	\$10,275/year	\$10,275/year	0.0%	\$10,275/year	0.0%
<u>Universities</u>					
Undergraduate	\$191.50/credit	\$191.50/credit	0.0%	\$191.50/credit	0.0%
Graduate	\$264.00/credit	\$264.00/credit	0.0%	\$264.00/credit	0.0%
Non-Resident	\$13,910/year	\$13,910/year	0.0%	\$13,910/year	0.0%
Notes:					
1. Non-residents pay the tuition charge in addition to the per credit hour registration fee.					
2. FY 2013 includes 8.0 percent permanent fee increase for undergraduate credit hours.					

ADJUSTED BASE

The adjusted base totals \$766 million in FY 2014 reflecting a 6.4 percent decrease over the FY 2013 legislatively approved adjusted base budget of \$818 million. In FY 2015, the adjusted base increases to \$777.8 million, a 4.9 percent decrease from FY 2013. Pursuant to the 2013-15 biennium budget instructions, the NSHE's adjusted base budget includes adjustments such as the restoration of professional merit, classified step increases, and longevity. The Executive Budget subsequently recommends the removal of longevity and merit step/professional merit increases in FY 2014 and a 3.65 percent reduction in salaries in both FY 2014 and FY 2015 through a series of negative enhancement modules.

MAINTENANCE ITEMS

The maintenance section of the NSHE operating budgets total -\$1.9 million in FY 2014 and \$11.5 million in FY 2015 and is entirely General Fund appropriation supported. The non-funding formula related maintenance modules are described in more detail below.

1. Inflation (M-100): The Governor recommends a net decrease of approximately \$56,400 in each year of the 2013-15 biennium based upon projected changes to the employee bond insurance and Attorney General Tort claim assessment rates.
2. General Fund Offset Policy Change (M-200): As noted previously, the S.B. 374 Committee recommended that for purposes of calculating the level of General Fund appropriations to be budgeted in the NSHE's state-supported operating budgets, projected non-General Fund revenues should not be considered to offset the amount of General Fund appropriations that would otherwise be budgeted. Based upon the information provided in The Executive Budget, the M-200 Decision Module has been utilized by the Governor to implement the S.B. 374 Committee's recommendation for all NSHE budget accounts, not solely the formula budget accounts.

As recommended by the Governor, the M-200 Decision Module performs the following two functions shown in the table on the next page:

- A. It adjusts the General Fund appropriation levels to account for budgeted changes in non-General Fund revenues in each fiscal year as shown in column (a) of the table on the following page. These adjustments are on a one dollar-for-one dollar basis. That is, for every dollar of non-General Fund revenue added to the budget, one new General Fund dollar is also budgeted. General Fund appropriations are also adjusted on a negative basis when non-General Fund revenues decline. For the 2013-15 biennium, the comparison is against FY 2013 non-General Fund revenues. The net impact of this policy decision is to add General Fund appropriations of \$3.2 million in FY 2014 and \$23.6 million in FY 2015.
- B. It adjusts the General Fund appropriation levels otherwise calculated by the Base-Maintenance-Enhancement (B-M-E) methodology to restore funding to the FY 2013 General Fund appropriation level by either adding or removing General Fund appropriations as shown in column (b) of the table on the following page. Functionally, this has the effect of overriding the B-M-E process and "flat" funding the NSHE budgets to FY 2013 [and prior to adjusting for the non-General Fund revenue changes in column (a)] before applying the funding formula.

The cumulative, net effect on budgeted General Fund appropriations is a \$1.2 million reduction in FY 2014 and an \$856,239 increase in FY 2015. Over the biennium, General Fund appropriations decrease by \$309,021.

2013-15 Biennium M-200 General Fund Appropriation Changes Recommended in The Executive Budget

Institution	(a)	(b)	(a)+(b)	(a)	(b)	(a)+(b)	
	FY 2014 M-200 Gen. Fund Change: Non-GF Revenue Change Over FY 2013 (Gov. Rec.)	FY 2014 M-200 Gen. Fund Change: Adjustment to B-M-E Gen. Fund Total (Gov. Rec.)	FY 2014 M-200 Total Gen. Fund Change to Budget (Gov. Rec.)	FY 2015 M-200 Gen. Fund Change: Non-GF Revenue Change Over FY 2013 (Gov. Rec.)	FY 2015 M-200 Gen. Fund Change: Adjustment to B-M-E Gen. Fund Total (Gov. Rec.)	FY 2015 M-200 Total Gen. Fund Change to Budget (Gov. Rec.)	2013-15 Biennium M-200 Total Biennium Change (Gov. Rec.)
UNR	\$ 830,123	\$ 6,271,722	\$ 7,101,845	\$ 5,542,642	\$ 2,131,662	\$ 7,674,304	\$ 14,776,149
UNLV	\$ 446,106	\$ (4,993,860)	\$ (4,547,754)	\$ 7,396,931	\$ (11,944,685)	\$ (4,547,754)	\$ (9,095,508)
CSN	\$ 495,932	\$ (3,475,853)	\$ (2,979,921)	\$ 4,342,233	\$ (7,326,591)	\$ (2,984,358)	\$ (5,964,279)
GBC	\$ (172,033)	\$ (49,464)	\$ (221,497)	\$ 471,433	\$ (680,592)	\$ (209,159)	\$ (430,656)
TMCC	\$ (60,899)	\$ (1,000,552)	\$ (1,061,451)	\$ 1,384,984	\$ (2,503,221)	\$ (1,118,237)	\$ (2,179,688)
WNC	\$ 60,324	\$ (209,925)	\$ (149,601)	\$ 599,833	\$ (146,945)	\$ 452,888	\$ 303,287
NSC	\$ 275,698	\$ 44,497	\$ 320,195	\$ 616,221	\$ (279,445)	\$ 336,776	\$ 656,971
UNSOM	\$ 871,765	\$ (191,160)	\$ 680,605	\$ 1,660,300	\$ (177,379)	\$ 1,482,921	\$ 2,163,526
LAW SCHOOL	\$ 96,991	\$ (345,979)	\$ (248,988)	\$ 441,759	\$ (619,688)	\$ (177,929)	\$ (426,917)
DENTAL SCHOOL	\$ (47,927)	\$ (154,135)	\$ (202,062)	\$ 428,159	\$ (630,221)	\$ (202,062)	\$ (404,124)
AG EXPRMNT STAT	\$ (102,537)	\$ 223,389	\$ 120,852	\$ 65,908	\$ 54,944	\$ 120,852	\$ 241,704
COOP EXTEN SRVC	\$ 541,502	\$ (518,985)	\$ 22,517	\$ 683,991	\$ (655,994)	\$ 27,997	\$ 50,514
TOTAL	\$ 3,235,045	\$ (4,400,305)	\$ (1,165,260)	\$ 23,634,394	\$ (22,778,155)	\$ 856,239	\$ (309,021)

3. Fringe Rate Adjustments (M-300): The Executive Budget recommends a net decrease of \$714,678 in FY 2014 and a net increase of \$10.8 million in FY 2015 as a result of fringe rate adjustments. The most significant rate changes are retirement contribution rate increases, which total approximately \$4.5 million for each year of the biennium, and active and retired employees' group insurance rate changes, which decrease \$4.8 million in FY 2014 but increase \$6.9 million in FY 2015.

ENHANCEMENTS

1. Cooperative Extension Service (E-125, NSHE-50): The Governor recommends \$500,000 in new General Fund appropriations, in each fiscal year to "restore funding for the efforts of the Cooperative Extension Services with respect to educational and public service outreach activities." As shown below on the following page, the 2011 Legislature approved \$6.3 million in General Fund appropriations for Cooperative Extension Services in FY 2012 and FY 2013. However, in approving the University of Nevada, Reno's (UNR) budgets, the 2011 Legislature consolidated the Cooperative Extension Service budget (also UNR's budgets for Intercollegiate Athletics, Statewide Programs, the Agricultural Experiment Station and the Business Center North) into UNR's main instructional budget (Budget Account 2980) in order to provide UNR with greater flexibility. The 2011 Legislature approved a similar consolidation for UNLV. Subsequently, the Board of Regents approved a redirection of approximately \$3.43 million of the legislatively approved General Fund appropriations to other UNR expenditure areas within the instructional budget.

Interim Finance Committee approval of the redirection was not required as the appropriations were consolidated into one budget account. The table below shows the Governor recommended General Fund appropriation amounts for the Cooperative extension Services state supported operating budget for each year of the 2013-15 biennium, inclusive of the \$500,000 enhancement.

FY 2012 & FY 2013 General Fund (Leg. Approved)	FY 2013 General Fund (BOR Approved)	% Change: Leg. to BOR Apprvd FY 2013	FY 2014 General Fund (includes E-125) (Gov. Rec.)	% Change Over FY 2013 BOR Approved	FY 2015 General Fund (includes E-125) (Gov. Rec.)	% Change Over FY 2013 BOR Approved
\$ 6,293,211	\$ 2,859,930	-54.6%	\$ 3,401,432	18.9%	\$ 3,543,921	23.9%

2. Salary and Benefit Reductions: The Governor proposes a combined (pay reduction, furlough) 3.65 percent salary reduction, the continued suspension of professional and classified merit pay in FY 2014 with restoration in FY 2015, and the continued suspension of longevity pay for the 2013-15 biennium. The General Fund savings of \$28.9 million in FY 2014 and \$30.2 million in FY 2015 are as follows:

Executive Budget E-670 Series Decision Modules	FY 2014 General Fund Savings (Gov. Rec.)	FY 2015 General Fund Savings (Gov. Rec.)	2013-15 Biennium TOTAL (Gov. Rec.)
E-670 (Salary Reduction: 2.5 % Pay & 1.15 % Furlough)	\$ (16,727,620)	\$ (16,817,108)	\$ (33,544,728)
E-671 (Merit Pay: Suspend Merit Pay in FY 2014)	\$ (11,032,431)	\$ (12,048,279)	\$ (23,080,710)
E-672 (Longevity: Suspend for 2013-15 Biennium)	\$ (1,145,875)	\$ (1,312,800)	\$ (2,458,675)
TOTAL SAVINGS	\$ (28,905,926)	\$ (30,178,187)	\$ (59,084,113)

CAPITAL IMPROVEMENTS

As shown in CIP Table 1, The Executive Budget includes funding for one capital improvement planning project – UNLV’s Hotel College Academic building, which was originally approved as a planning project by the 2009 Legislature (09-P02a). Approved funding for the 09-P02a project included a 50/50 split in state funds and university funds via private contributions, each providing \$3.2 million. The project was put on hold, and is being recommended in the 2013 CIP with two major changes:

- The 2013 recommendation moves the site of the building from the original location approved in project 09-P02a to a more central campus location (west of Beam Hall).
- The 2013 recommendation changes the funding split to 60 percent state funds, and 40 percent university funds.

Additionally, a total of 61 deferred maintenance projects, identified by the NSHE, are recommended to be funded through \$15 million in HECC/SHECC funding (slot machine excise tax revenues). The 61 projects are outlined in CIP Table 2.

CIP TABLE 1					
2013-15 Biennium Governor Recommended NSHE Capital Improvement Projects					
Project Number	Institution	Projection Description	State Funds (Millions)	Other Funds (Millions)	Total Request (Millions)
Reauthorization & Reallocation of Prior CIP					
P05	UNLV	Hotel College Academic Building - Planning 2009 CIP - Existing Funding	\$3.22	\$1.72	\$4.94
Planning Subtotal			\$3.22	\$1.72	\$4.94
Systemwide Deferred Maintenance					
M57	NSHE	Deferred Maintenance: HECC/SHECC Projects	\$15.00	\$0.00	\$15.00
Deferred Maintenance Subtotal			\$15.00	\$0.00	\$15.00
NSHE CIP TOTAL			\$18.22	\$1.72	\$19.94

CIP TABLE 2				
2013-15 Biennium NSHE Recommended HECC/SHECC Maintenance Projects (M57)				
UNLV	13 projects: Main campus: Mechanical, Roofing, ADA, Safety, Electrical, Haz Mat Abatement	\$5.26	\$0.00	\$5.26
UNR	25 projects: Main campus: Mechanical, Roofing, Safety, Electrical, Paving, Flooring	\$5.63	\$0.00	\$5.63
CSN	9 projects: Summerlin, Green Valley and Western High Tech Centers, Henderson Buildings, Cheyenne Buildings, W. Charleston Buildings: Mechanical	\$1.59	\$0.00	\$1.59
TMCC	3 projects: IGT Applied Tech Building, other buildings: Mechanical, ADA, Safety	\$1.03	\$0.00	\$1.03
WNC	2 projects: Aspen Building, Wurster Machine Tool Tech Building: Repairs, Weatherization	\$0.57	\$0.00	\$0.57
GBC	3 projects: Community Center, Greenhaw Building, Welding shop, parking: Mechanical, Safety, ADA	\$0.35	\$0.00	\$0.35
DRI	4 projects: Maxey Science Center and Northern Nevada Science Center: Safety, Exterior, ADA	\$0.37	\$0.00	\$0.37
NSC	1 project: Dawson Building, Henderson: Mechanical	\$0.10	\$0.00	\$0.10
SYS ADMIN	1 project: System Office, Reno: Mechanical	\$0.10	\$0.00	\$0.10
NSHE HECC/SHECC TOTAL		\$15.00	\$0.00	\$15.00

FUNDING OF THE KNOWLEDGE FUND (SECTION 19, A.B. 449, 2011 LEGISLATURE)

The Executive Budget establishes the Nevada Knowledge Fund within the Governor's Office of Economic Development (GOED) and recommends \$5 million in General Fund appropriations in each year of the 2013-15 biennium. While established by Section 19 of A.B. 449, Sections 18-22 establish a program for the development and commercialization of research and technology at the UNLV, UNR, and DRI. The Executive Director of the GOED will allocate the money in the Knowledge Fund to provide funding for:

(1) the recruitment, hiring and retention of faculty and teams to conduct research in science and technology; (2) research laboratories and related equipment; (3) the construction of research clinics, institutes and facilities and related buildings in the state; and (4) matching funds for federal and private grants that further economic development. The GOED and UNLV, UNR and DRI are authorized to enter into agreements for the allocation of commercialization revenue generated from programs receiving money from the Knowledge Fund.

WESTERN INTERSTATE COMMISSION FOR HIGHER EDUCATION

Nevada's participation in the Western Regional Education Compact and membership in the Western Interstate Commission for Higher Education (WICHE) provides educational assistance to students seeking education in various professional fields of study not offered by higher education institutions within the state. For the 2013-15 biennium, WICHE projects a non-state revenue shortage due to insufficient loan and stipend repayment or interest payment revenues being collected. As a result, the Governor recommends General Fund increases of \$193,906 and \$193,410 in Fiscal Years 2014 and 2015, respectively, resulting in total General Fund support of \$724,451 in FY 2014 and \$757,357 in FY 2015. Total Loan and Stipend account funding recommended by the Governor is \$1,017,920 in FY 2014 and \$1,051,322 in FY 2015, which would support 87 student slots in FY 2014 and 89 student slots in FY 2015.

**Nevada Legislative Counsel Bureau
Source of Funds Summary
2013-15 Fiscal Report**

	2011-2012 Actual	2012-2013 Work Program	2013-2014 GOVERNOR RECOMMENDS	% Change	2014-2015 GOVERNOR RECOMMENDS	% Change
EDUCATION						
DEPARTMENT OF EDUCATION						
NDE - DISTRIBUTIVE SCHOOL ACCOUNT	1,311,686,678	1,406,719,497	1,399,033,268	-55	1,426,197,587	1.94
GENERAL FUND	1,052,890,567	1,146,721,260	1,113,014,796	-2.94	1,129,819,548	1.51
FEDERAL FUND	7,874,977	8,000,000	7,874,977	-1.56	7,874,977	
INTERAGENCY TRANSFER	126,518,029	115,121,424	133,240,030	15.74	138,046,530	3.61
OTHER FUND	124,403,105	136,876,813	144,903,465	5.86	150,456,532	3.83
NDE - OTHER STATE EDUCATION PROGRAMS	7,699,264	7,696,896	35,429,335	360.31	41,504,175	17.15
GENERAL FUND	7,822,597	7,696,896	35,429,335	360.31	41,504,175	17.15
REVERSIONS	-123,333					
NDE - SCHOOL REMEDIATION TRUST FUND	31,707,407	32,235,464	35,121,980	8.95	35,624,421	1.43
GENERAL FUND	31,726,287	32,209,593	35,121,980	9.04	35,624,421	1.43
BALANCE FORWARD	-19,105	25,871				
OTHER FUND	225					
NDE - STATE SUPPLEMENTAL SCHOOL SUPPORT FUND	126,518,029	115,221,424	133,240,030	15.64	138,046,530	3.61
OTHER FUND	126,518,029	115,221,424	133,240,030	15.64	138,046,530	3.61
NDE - EDUCATIONAL TRUST FUND	3,307	407,667	421,667	3.43	439,360	4.20
BALANCE FORWARD	-334,695	398,667	400,667	.50	418,360	4.42
INTERAGENCY TRANSFER	337,852	9,000	21,000	133.33	21,000	
OTHER FUND	150					
NDE - INCENTIVES FOR LICENSED EDUCATION PERSONNEL	17,603,650	15,867,231	15,855,905	-.07	15,855,905	.00
GENERAL FUND	13,442,796	15,855,905	15,855,905		15,855,905	
BALANCE FORWARD	4,160,450	11,326				
OTHER FUND	404					
NDE - EDUCATION STATE PROGRAMS	2,775,702	2,911,541	3,731,685	28.17	3,921,709	5.09
GENERAL FUND	2,918,893	2,902,199	3,706,030	27.70	3,896,054	5.13
BALANCE FORWARD	-9,227	9,227				
INTERAGENCY TRANSFER	10,000					
INTERIM FINANCE	4,521					
OTHER FUND	24,045	115	25,655	22,208.70	25,655	
REVERSIONS	-172,530					
NDE - EDUCATION STAFFING SERVICES	1,418,558	1,499,354	1,971,328	31.48	2,056,937	4.34
BALANCE FORWARD					1,142	
INTERAGENCY TRANSFER	1,418,558	1,499,354	1,971,328	31.48	2,055,795	4.28
NDE - EDUCATION SUPPORT SERVICES	2,781,004	3,251,971	3,656,019	12.42	4,276,411	16.97
BALANCE FORWARD	197,704	124,544	305,018	144.91	999,189	227.58
INTERAGENCY TRANSFER	2,583,300	3,127,427	3,351,001	7.15	3,277,222	-2.20

**Nevada Legislative Counsel Bureau
Source of Funds Summary
2013-15 Fiscal Report**

	2011-2012 Actual	2012-2013 Work Program	2013-2014 GOVERNOR RECOMMENDS	% Change	2014-2015 GOVERNOR RECOMMENDS	% Change
NDE - PROFICIENCY TESTING	5,616,187	5,908,850	6,846,460	15.87	6,566,112	-4.09
GENERAL FUND	5,689,277	5,893,010	6,846,460	16.18	6,566,112	-4.09
BALANCE FORWARD	-10,560	10,560				
INTERAGENCY TRANSFER	10,560	5,280				
REVERSIONS	-73,090					
NDE - TEACHER EDUCATION AND LICENSING	1,192,518	1,782,287	1,607,536	-9.80	1,573,536	-2.12
GENERAL FUND	100	100	100		100	
BALANCE FORWARD	-129,118	482,652	348,080	-27.88	314,080	-9.77
OTHER FUND	1,321,636	1,299,535	1,259,356	-3.09	1,259,356	
REVERSIONS	-100					
NDE - DRUG ABUSE EDUCATION	120,824					
FEDERAL FUND	120,824					
NDE - SCHOOL HEALTH EDUCATION - AIDS	139,750	49,457				
FEDERAL FUND	139,750	49,457				
NDE - GEAR UP	1,790,808	6,564,915	5,991,709	-8.73	5,996,160	.07
FEDERAL FUND	1,591,684	3,419,511	2,991,709	-12.51	2,996,160	.15
INTERAGENCY TRANSFER	199,124	3,145,404	3,000,000	-4.62	3,000,000	
NDE - OTHER UNRESTRICTED ACCOUNTS	422,851	269,069	174,553	-35.13	189,472	8.55
BALANCE FORWARD	227,768	148,464	36,757	-75.24	49,791	35.46
FEDERAL FUND	169,533	95,105	129,796	36.48	131,681	1.45
OTHER FUND	25,550	25,500	8,000	-68.63	8,000	
NDE - DISCRETIONARY GRANTS - RESTRICTED	59,501,253	31,447,663	17,128,574	-45.53	11,041,661	-35.54
GENERAL FUND	1,875	1,875				
BALANCE FORWARD	6,687	730				
FEDERAL FUND	16,315,374	28,891,842	17,128,574	-40.71	11,041,661	-35.54
INTERAGENCY TRANSFER	43,177,317	2,553,216				
NDE - ELEMENTARY & SECONDARY ED - TITLE I	109,442,435	165,697,343	114,410,293	-30.95	114,410,001	-.00
FEDERAL FUND	109,442,435	165,697,343	114,410,293	-30.95	114,410,001	-.00
NDE - ELEMENTARY & SECONDARY ED TITLES II, V, & VI	19,569,919	55,401,808	29,368,214	-46.99	29,547,417	.61
FEDERAL FUND	19,569,919	55,401,808	29,368,214	-46.99	29,547,417	.61
NDE - CAREER AND TECHNICAL EDUCATION	8,802,032	12,246,294	5,732,184	-53.19	5,768,714	.64
GENERAL FUND	488,233	488,233	688,233	40.96	688,233	
FEDERAL FUND	8,313,799	11,758,061	5,043,951	-57.10	5,080,481	.72
NDE - CONTINUING EDUCATION	5,297,738	8,266,509	6,232,950	-24.60	6,232,746	-.00
GENERAL FUND	661,861	661,861	661,861		661,861	
FEDERAL FUND	4,700,084	7,604,648	5,571,089	-26.74	5,570,885	-.00
REVERSIONS	-64,207					

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	2011-2012 Actual	2012-2013 Work Program	2013-2014 GOVERNOR RECOMMENDS	% Change	2014-2015 GOVERNOR RECOMMENDS	% Change
AGRI - NUTRITION EDUCATION PROGRAMS	115,818,661	119,869,723	129,872,964	8.35	129,924,388	.04
GENERAL FUND	106,934	107,582	106,934	-60	106,934	
BALANCE FORWARD	-178,425	178,425	178,425			
FEDERAL FUND	115,890,152	119,573,663	129,587,605	8.37	129,817,454	.18
OTHER FUND		10,053				
NDE - INDIVIDUALS WITH DISABILITIES (IDEA)	83,191,981	102,073,676	73,605,123	-27.89	73,605,974	.00
GENERAL FUND	100	100	100		100	
FEDERAL FUND	83,191,981	102,073,576	73,605,023	-27.89	73,605,874	.00
REVERSIONS	-100					
NDE - EDUCATOR EFFECTIVENESS			9,185,948		9,045,948	-1.52
GENERAL FUND			9,185,948		9,045,948	-1.52
PUBLIC CHARTER SCHOOL LOAN PROGRAM			750,000			
GENERAL FUND			750,000			
STATE PUBLIC CHARTER SCHOOL AUTHORITY	513,513	3,256,909	3,305,128	1.48	3,398,141	2.81
BALANCE FORWARD	-558,148	938,640	1,093,907	16.54	1,044,983	-4.47
FEDERAL FUND		1,215,587	1,215,587		1,215,587	
OTHER FUND	1,071,661	1,102,682	995,634	-9.71	1,137,571	14.26
TOTAL DEPARTMENT OF EDUCATION	1,913,614,069	2,098,645,548	2,032,672,853	-3.14	2,065,223,305	1.60
GENERAL FUND	1,115,749,520	1,212,538,614	1,221,367,682	.73	1,243,769,391	1.83
BALANCE FORWARD	3,353,331	2,329,106	2,362,854	1.45	2,827,545	19.67
FEDERAL FUND	367,320,512	503,780,601	386,926,818	-23.20	381,292,178	-1.46
INTERAGENCY TRANSFER	174,254,740	125,461,105	141,583,359	12.85	146,400,547	3.40
INTERIM FINANCE	4,521					
OTHER FUND	253,364,805	254,536,122	280,432,140	10.17	290,933,644	3.74
REVERSIONS	-433,360					
COMMISSION ON POSTSECONDARY EDUCATION						
COMMISSION ON POSTSECONDARY EDUCATION	411,257	410,353	414,474	1.00	426,629	2.93
GENERAL FUND	302,827	301,135	311,343	3.39	324,718	4.30
FEDERAL FUND	109,439	109,218	103,131	-5.57	101,911	-1.18
INTERAGENCY TRANSFER	1,562					
REVERSIONS	-2,571					
TOTAL COMMISSION ON POSTSECONDARY EDUCATION	411,257	410,353	414,474	1.00	426,629	2.93
GENERAL FUND	302,827	301,135	311,343	3.39	324,718	4.30
FEDERAL FUND	109,439	109,218	103,131	-5.57	101,911	-1.18
INTERAGENCY TRANSFER	1,562					
REVERSIONS	-2,571					
NEVADA SYSTEM OF HIGHER EDUCATION						
NSHE - SYSTEM ADMINISTRATION	4,633,856	5,091,560	4,700,687	-7.68	4,814,280	2.42
GENERAL FUND	4,522,597	4,980,100	4,589,227	-7.85	4,702,820	2.48
OTHER FUND	111,460	111,460	111,460		111,460	
REVERSIONS	-201					

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	2011-2012 Actual	2012-2013 Work Program	2013-2014 GOVERNOR RECOMMENDS	% Change	2014-2015 GOVERNOR RECOMMENDS	% Change
NSHE - SPECIAL PROJECTS	1,946,434	3,103,162	1,957,899	-36.91	1,987,337	1.50
GENERAL FUND	1,946,486	1,946,486	1,957,899	.59	1,987,337	1.50
BALANCE FORWARD		1,156,676				
REVERSIONS	-52					
NSHE - UNIVERSITY PRESS	457,503		397,065		413,544	4.15
GENERAL FUND	457,503		397,065		413,544	4.15
NSHE - SYSTEM COMPUTING CENTER	16,668,160	16,669,848	16,565,071	-.63	17,031,972	2.82
GENERAL FUND	16,669,848	16,669,848	16,565,071	-.63	17,031,972	2.82
REVERSIONS	-1,688					
NSHE - STATE-FUNDED PERKINS LOAN	35,793	35,793	35,793	.00	35,793	.00
GENERAL FUND	35,793	35,793	35,793		35,793	
NSHE - UNIVERSITY OF NEVADA - RENO	160,749,157	188,640,120	158,897,409	-15.77	163,995,283	3.21
GENERAL FUND	100,852,803	119,188,549	90,878,845	-23.75	95,404,260	4.98
FEDERAL FUND		2,856,142				
INTERAGENCY TRANSFER	-4,539,082	-5,429,035				
OTHER FUND	64,450,338	72,024,464	68,018,564	-5.56	68,591,023	.84
REVERSIONS	-14,902					
NSHE - INTERCOLLEGIATE ATHLETICS - UNR	3,574,710		4,951,505		5,001,031	1.00
GENERAL FUND	3,574,710		4,951,505		5,001,031	1.00
NSHE - STATEWIDE PROGRAMS - UNR	2,377,511		7,517,880		7,958,747	5.86
GENERAL FUND	2,377,511		7,517,880		7,958,747	5.86
NSHE - SCHOOL OF MEDICAL SCIENCES	33,578,684	35,900,071	35,902,309	.01	37,493,160	4.43
GENERAL FUND	25,375,933	26,886,018	30,778,545	14.48	31,567,080	2.56
INTERAGENCY TRANSFER	4,530,897	4,539,082				
OTHER FUND	3,673,573	4,474,971	5,123,764	14.50	5,926,080	15.66
REVERSIONS	-1,719					
NSHE - HEALTH LABORATORY AND RESEARCH	1,518,270		1,484,783		1,530,648	3.09
GENERAL FUND	1,510,085		1,484,783		1,530,648	3.09
INTERAGENCY TRANSFER	8,185					
NSHE - AGRICULTURAL EXPERIMENT STATION	6,008,757		6,414,936		6,583,381	2.63
GENERAL FUND	4,316,031		4,764,399		4,932,844	3.54
FEDERAL FUND	1,692,726		1,650,537		1,650,537	
NSHE - COOPERATIVE EXTENSION SERVICE	7,964,495		5,332,038		5,480,007	2.78
GENERAL FUND	6,337,997		3,401,432		3,543,921	4.19
FEDERAL FUND	1,112,172		1,359,442		1,364,922	.40
OTHER FUND	514,326		571,164		571,164	
NSHE - BUSINESS CENTER NORTH	1,729,497		1,804,526		1,864,099	3.30
GENERAL FUND	1,729,497		1,804,526		1,864,099	3.30

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	2011-2012 Actual	2012-2013 Work Program	2013-2014 GOVERNOR RECOMMENDS	% Change	2014-2015 GOVERNOR RECOMMENDS	% Change
NSHE - UNIVERSITY OF NEVADA - LAS VEGAS	224,226,935	239,633,879	225,450,345	-5.92	233,037,159	3.37
GENERAL FUND	127,015,995	135,911,945	126,276,165	-7.09	133,862,979	6.01
OTHER FUND	97,226,586	103,721,934	99,174,180	-4.38	99,174,180	
REVERSIONS	-15,646					
NSHE - INTERCOLLEGIATE ATHLETICS - UNLV	6,492,671		7,020,067		7,073,806	.77
GENERAL FUND	6,492,671		7,020,067		7,073,806	.77
NSHE - STATEWIDE PROGRAMS - UNLV	819,694		2,775,943		2,806,636	1.11
GENERAL FUND	819,694		2,775,943		2,806,636	1.11
NSHE - UNLV LAW SCHOOL	11,781,623	11,913,635	12,100,007	1.56	12,515,834	3.44
GENERAL FUND	6,570,754	6,570,754	7,006,114	6.63	7,350,882	4.92
OTHER FUND	5,211,291	5,342,881	5,093,893	-4.66	5,164,952	1.39
REVERSIONS	-422					
NSHE - DENTAL SCHOOL - UNLV	13,449,040	14,562,113	14,786,141	1.54	15,262,227	3.22
GENERAL FUND	6,404,551	6,404,551	6,957,359	8.63	7,433,445	6.84
OTHER FUND	7,046,074	8,157,562	7,828,782	-4.03	7,828,782	
REVERSIONS	-1,585					
NSHE - BUSINESS CENTER SOUTH	1,583,585		1,609,465		1,675,317	4.09
GENERAL FUND	1,583,585		1,609,465		1,675,317	4.09
NSHE - DESERT RESEARCH INSTITUTE	7,569,879	7,684,930	7,597,549	-1.14	7,761,741	2.16
GENERAL FUND	7,421,572	7,421,572	7,449,063	.37	7,613,255	2.20
BALANCE FORWARD		114,872				
OTHER FUND	148,486	148,486	148,486		148,486	
REVERSIONS	-179					
NSHE - GREAT BASIN COLLEGE	17,466,087	17,911,338	16,131,856	-9.93	15,346,103	-4.87
GENERAL FUND	14,031,554	14,031,554	12,473,569	-11.10	11,675,478	-6.40
OTHER FUND	3,436,239	3,879,784	3,658,287	-5.71	3,670,625	.34
REVERSIONS	-1,706					
NSHE - WESTERN NEVADA COLLEGE	19,719,711	20,808,394	19,210,088	-7.68	19,516,646	1.60
GENERAL FUND	15,029,964	15,029,964	13,581,259	-9.64	13,285,328	-2.18
OTHER FUND	4,691,600	5,778,430	5,628,829	-2.59	6,231,318	10.70
REVERSIONS	-1,853					
NSHE - COLLEGE OF SOUTHERN NEVADA	120,386,926	125,030,093	126,188,817	.93	131,134,328	3.92
GENERAL FUND	77,587,864	77,587,864	81,726,509	5.33	86,676,457	6.06
OTHER FUND	42,808,548	47,442,229	44,462,308	-6.28	44,457,871	-.01
REVERSIONS	-9,486					
NSHE - TRUCKEE MEADOWS COMMUNITY COLLEGE	42,610,659	45,254,366	40,773,238	-9.90	42,172,265	3.43
GENERAL FUND	30,603,292	30,603,292	27,916,304	-8.78	29,372,117	5.21
OTHER FUND	12,032,008	14,651,074	12,856,934	-12.25	12,800,148	-.44
REVERSIONS	-24,641					

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	2011-2012 Actual	2012-2013 Work Program	2013-2014 GOVERNOR RECOMMENDS	% Change	2014-2015 GOVERNOR RECOMMENDS	% Change
NSHE - NEVADA STATE COLLEGE AT HENDERSON	14,552,662	14,940,739	17,092,795	14.40	18,074,719	5.74
GENERAL FUND	9,111,439	9,111,439	11,382,341	24.92	12,347,684	8.48
OTHER FUND	5,441,798	5,829,300	5,710,454	-2.04	5,727,035	.29
REVERSIONS	-575					
NSHE - W.I.C.H.E. ADMINISTRATION	295,223	320,116	328,356	2.57	341,692	4.06
GENERAL FUND	306,682	320,116	328,356	2.57	341,692	4.06
REVERSIONS	-11,459					
NSHE - W.I.C.H.E. LOAN & STIPEND	886,473	1,045,500	1,017,920	-2.64	1,051,322	3.28
GENERAL FUND	569,437	558,125	724,451	29.80	757,357	4.54
BALANCE FORWARD	-21,407	21,407				
OTHER FUND	338,443	465,968	293,469	-37.02	293,965	.17
TOTAL NEVADA SYSTEM OF HIGHER EDUCATION	723,083,995	748,545,657	738,044,488	-1.40	761,959,077	3.24
GENERAL FUND	473,255,848	473,257,970	476,353,935	.65	498,246,529	4.60
BALANCE FORWARD	-21,407	1,292,955				
FEDERAL FUND	2,804,898	2,856,142	3,009,979	5.39	3,015,459	.18
INTERAGENCY TRANSFER		-889,953				
OTHER FUND	247,130,770	272,028,543	258,680,574	-4.91	260,697,089	.78
REVERSIONS	-86,114					
EDUCATION						
GENERAL FUND	1,589,308,195	1,686,097,719	1,698,032,960	.71	1,742,340,638	2.61
BALANCE FORWARD	3,331,924	3,622,061	2,362,854	-34.76	2,827,545	19.67
FEDERAL FUND	370,234,849	506,745,961	390,039,928	-23.03	384,409,548	-1.44
INTERAGENCY TRANSFER	174,256,302	124,571,152	141,583,359	13.66	146,400,547	3.40
INTERIM FINANCE	4,521					
OTHER FUND	500,495,575	526,564,665	539,112,714	2.38	551,630,733	2.32
REVERSIONS	-522,045					
TOTAL FOR EDUCATION	2,637,109,321	2,847,601,558	2,771,131,815	-2.69	2,827,609,011	2.04
Less: INTER-AGENCY TRANSFER	174,256,302	124,571,152	141,583,359	13.66	146,400,547	3.40
NET EDUCATION	2,462,853,019	2,723,030,406	2,629,548,456	-3.43	2,681,208,464	1.96