

FISCAL REPORT

Seventy-Ninth Nevada Legislature



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February 2017

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MEMORANDUM

DATE: February 27, 2017
TO: Members of the 79th Legislature
FROM: Fiscal Analysis Division
SUBJECT: **2017-19 Nevada Legislative Fiscal Report**

The Legislative Fiscal Report, prepared by the Fiscal Analysis Division, is designed to provide you with a summary of the financial status of the state and the Governor's budget recommendations for the next biennium.

The report is divided into sections and includes historical revenue and expenditure trends, the revenue projections of the Economic Forum, an overview of taxes and the Governor's recommended appropriations for the upcoming biennium, including supplemental appropriations, one-shot and special appropriations, restoration of fund balances and capital improvements. Budget summaries by each functional area of state government are included.

This report contains general information, including the highlights of the various governmental functions. Emphasis is placed on changes and expansion or reductions of existing programs; therefore, this report should be used in conjunction with The Executive Budget in which more complete information is presented.

If you have questions on this material, feel free to contact us at any time.

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SECTION I

GENERAL FUND

HISTORICAL AND CURRENT PERSPECTIVE

This section contains a historical review of actual State General Fund revenues and the Economic Forum's December 6, 2016, forecasts for the 2017-19 biennium. The Economic Forum's forecasts for Fiscal Year (FY) 2018 and FY 2019 of the 2017-19 biennium reflect the tax changes approved during the 78th Regular Session (2015) effective for FY 2016 and FY 2017. This section also provides a comparison of the General Fund revenue amounts for FY 2018 and FY 2019 from the Governor's recommended revenue enhancements included in The Executive Budget compared to the Economic Forum forecast. A presentation on General Fund operating appropriations including the amounts approved by the Legislature for the 2015-17 biennium during the 78th Regular Session is provided after the section on General Fund revenue.

GENERAL FUND REVENUE TRENDS

FY 1996 TO FY 2006

General Fund revenues were approximately \$1.83 billion in FY 2003, a 41.4 percent increase over FY 1996 revenues. The average annual growth rate over those eight years was 5.1 percent. Given the state's robust population growth, per capita revenues grew at only a 0.6 percent average annual rate over this eight-year period. Furthermore, inflation-adjusted per capita revenues actually declined at an annual average rate of 1.7 percent per year over this period. Thus, while the state's revenues were experiencing positive gains, those gains were not keeping pace with inflation and the state's rapid population growth and the attendant increase in demand for government services.

In response to the downward trend in inflation-adjusted revenues per capita, the tax package approved during the 20th Special Session (2003) created new taxes in addition to increasing some of the existing levies. Information on the tax changes approved during the 20th Special Session is provided in the Revenue Reference Manual prepared by the Fiscal Analysis Division.

In FY 2004, the initial year of implementation of the 2003 tax plan, General Fund revenues increased 31.7 percent. The majority of this increase was attributable to the tax changes approved by the 2003 Legislature. However, due to stronger than anticipated economic activity, the actual growth in revenue was higher than the projections, which incorporated the estimated effects of the tax changes. General Fund revenues grew an additional 14.1 percent in FY 2005, the first year in which all the tax changes from 2003 were fully implemented. Again, the growth observed was attributable to the implementation of the tax measures, as well as strong and sustained economic activity. By FY 2006, the effects of the tax changes from 2003 were fully annualized; thus, the 11.5 percent growth in General Fund revenues over the prior year was due primarily to economic growth.

FY 2007 TO FY 2011

Beginning in late 2006 and early 2007, the fiscal environment began to change and due to already slowing national and state economic activity, total General Fund revenues peaked in FY 2007 at \$3.15 billion. Although General Fund revenues increased by 2.8 percent in FY 2007, per capita revenues fell by 0.8 percent and inflation-adjusted per capita revenues in FY 2007 were 3.3 percent below the level in FY 2006.

As economic conditions continued to worsen through the end of Calendar Year 2007 and into 2008 through 2009, total General Fund revenues fell by 2.9 percent in FY 2008 and 10.3 percent in FY 2009. On an inflation-adjusted per capita basis, General Fund revenues decreased by 7.1 percent in FY 2008 and 10.7 percent in FY 2009 to levels below that observed in FY 2004 after the 2003 tax changes.

Actual total General Fund revenues increased by 9.8 percent in FY 2010 due to the revenue enhancements approved by the Legislature in the 2009 Session and 26th Special Session (2010). Total General Fund revenues increased by 5.6 percent in FY 2011, the second fiscal year of the biennium for which revenue enhancements approved by the Legislature in the 2009 Session and 26th Special Session were effective. Even after accounting for the impact of the revenue enhancements, inflation-adjusted per capita General Fund revenues in FY 2010 were still below the level recorded in FY 2008, while the inflation-adjusted per capita amount for FY 2011 was at the FY 2008 level.

FY 2012 TO FY 2015

The gains from the revenue enhancements approved during the 2009 Session and 26th Special Session were short-lived, however, as total General Fund revenues decreased by 2.9 percent in FY 2012 and fell 6.7 percent on an inflation-adjusted per capita basis.

The General Fund revenue situation did not improve over the next two fiscal years with FY 2013 increasing by only 1.6 percent and FY 2014 actually decreasing by 2.1 percent. On an inflation-adjusted per capita basis, General Fund revenue decreased by 1.8 percent in FY 2013 and 5.0 percent in FY 2014. The FY 2014 inflation-adjusted per capita amount was close to the level observed in FY 2001 and significantly below the prior peak level in FY 2006.

Coming off the weakness posted in FY 2014, General Fund revenue increased by 7.1 percent and increased by 4.3 percent on an inflation-adjusted per capita basis in FY 2015. The growth in inflation-adjusted terms was aided by the relatively low inflation rate of only 0.7 percent in FY 2015.

FY 2016

Actual General Fund revenue increased by 12.5 percent in FY 2016 with a significant portion of the growth attributable to the revenue enhancements approved by the Legislature in the 78th Regular Session (2015). On an inflation-adjusted basis, FY 2016 General Fund revenue increased by 9.6 percent aided by an inflation rate of only 0.7 percent.

ECONOMIC FORUM FORECAST: FY 2017, FY 2018 AND FY 2019

Based on the Economic Forum's December 6, 2016, forecast, total General Fund revenues, before tax credits, are projected to increase by 4.7 percent to \$3.93 billion in FY 2017, increase by 2.5 percent to \$4.03 billion in FY 2018, and increase by 3.9 percent to \$4.18 billion in FY 2019. Total General Fund revenues, after tax credits, are projected to increase by 2.0 percent to \$3.77 billion in FY 2017, increase by 2.8 percent to \$3.88 billion in FY 2018, and increase by 3.5 percent to \$4.01 billion in FY 2019.

Total projected General Fund revenue, before tax credits, for the 2017-19 biennium of \$8.21 billion are forecast to be 6.9 percent (\$530.8 million) above the projected revenues for the 2015-17 biennium of \$7.68 billion (amount includes FY 2016 actual collections and FY 2017 Economic Forum forecast), as shown in Table 1. Total projected General Fund revenue, after tax credits, for the 2017-19 biennium of \$7.89 billion are forecast to be 5.7 percent (\$424.2 million) above the projected revenues for the 2015-17 biennium of \$7.46 billion, as shown in Table 1.

TABLE 1

GENERAL FUND REVENUE FORECAST FOR THE 2015-17 BIENNIUM AND 2017-19 BIENNIUM

Based on the Economic Forum December 6, 2016, Forecast for FY 2017, FY 2018, and FY 2019

Revenue Source (Millions of Dollars)	2015-17 Biennium				2017-19 Biennium			
	2015-17 Biennium Forecast	% of Total	\$ Difference from 2013-15	% Change from 2013-15	2017-19 Biennium Forecast	% of Total	\$ Difference from 2015-17	% Change from 2015-17
Sales Tax	\$2,217.0	28.9%	\$215.9	10.8%	\$2,463.7	30.0%	\$246.7	11.1%
Gaming Taxes	\$1,489.7	19.4%	\$48.4	3.4%	\$1,553.5	18.9%	\$63.7	4.3%
Modified Business Tax	\$1,163.7	15.2%	\$366.9	46.0%	\$1,289.8	15.7%	\$126.1	10.8%
Insurance Premium Taxes	\$711.2	9.3%	\$140.4	24.6%	\$790.4	9.6%	\$79.2	11.1%
Live Entertainment Tax	\$252.4	3.3%	-\$47.6	-15.9%	\$258.9	3.2%	\$6.6	2.6%
Commerce Tax	\$337.9	4.4%	\$337.9		\$371.1	4.5%	\$33.2	9.8%
Cigarette Tax	\$326.3	4.3%	\$153.9	89.3%	\$337.9	4.1%	\$11.6	3.6%
Real Property Transfer Tax	\$156.8	2.0%	\$32.5	26.2%	\$172.4	2.1%	\$15.7	10.0%
Business License Fee	\$204.5	2.7%	\$57.0	38.6%	\$204.3	2.5%	-\$0.2	-0.1%
Governmental Services Tax	\$104.6	1.4%	-\$20.5	-16.4%	\$0.0	0.0%	-\$104.6	-100.0%
Mining Taxes/Fees	\$48.4	0.6%	-\$29.6	-38.0%	\$89.0	1.1%	\$40.6	84.0%
Liquor Taxes	\$87.8	1.1%	\$3.3	3.9%	\$89.5	1.0%	\$1.7	1.9%
Transportation Connection Tax	\$32.9	0.4%	\$32.9		\$39.0	0.4%	\$6.1	18.4%
Other Tobacco Tax	\$26.6	0.3%	\$3.5	15.3%	\$28.2	0.3%	\$1.5	5.8%
Other Taxes	\$15.6	0.2%	-\$0.4	-2.3%	\$15.6	0.2%	\$0.0	0.2%
All Other Revenue Sources	\$500.6	6.5%	\$17.7	3.7%	\$503.4	6.1%	\$2.9	0.6%
Total General Fund Revenue - Before Tax Credits	\$7,676.1		\$1,312.2	20.6%	\$8,206.9		\$530.8	6.9%
Commerce Tax Credits Against the Modified Business Tax	-\$82.5		-\$82.5		-\$177.1		-\$94.6	114.6%
Total General Fund Revenue - After Commerce Tax Credits	\$7,593.6		\$1,229.7	19.3%	\$8,029.8		\$436.3	5.7%
Tax Credit Programs	-\$130.5		-\$118.1	951.6%	-\$142.5		-\$12.0	9.2%
Total General Fund Revenue - After Tax Credit Programs	\$7,463.0		\$1,111.6	17.5%	\$7,887.3		\$424.2	5.7%

Note: The sum of the individual components of the % of Total column may not equal 100% due to rounding.

The Economic Forum's forecast for FY 2019 of \$4.01 billion is actually above the prior peaks of \$3.15 billion in FY 2007 and \$3.18 billion in FY 2011, as can be seen in Chart 1 on page 5. In inflation-adjusted per capita terms, the Economic Forum's General Fund revenue forecasts for FY 2018 and FY 2019 begin to decline from the level posted in FY 2016 which was impacted by the tax changes from the 78th Regular

Session (2015) and are significantly below the FY 2006 peak amount, as shown in Chart 2 on page 6.

GOVERNOR RECOMMENDS VERSUS ECONOMIC FORUM FORECAST: FY 2018 AND FY 2019

The Executive Budget includes recommendations by the Governor for three revenue enhancements, two that provide additional General Fund revenue and one that reduces revenue through tax credits. A summary of the Governor’s recommended revenue enhancements included in The Executive Budget are included on page 19 of Section II of this report.

Table 2 provides a comparison of the General Fund revenue for the 2017-19 biennium (FY 2018 and FY 2019) based on estimates for the revenue enhancements recommended by the Governor in The Executive Budget to the Economic Forum December 6, 2016, forecast on a before and after tax credits basis. Based on the revenue enhancement recommendations that generate additional revenue of approximately \$42.2 million, the Governor’s recommended General Fund revenue estimate for the 2017-19 biennium, before tax credits, is \$8.25 billion compared to the Economic Forum forecast of \$8.21 billion. As shown in Table 2, the revenue enhancements recommended by the Governor, after tax credits, are estimated to generate approximately \$37.2 million in additional General Fund revenue for the 2017-19 biennium compared to the Economic Forum forecast. The revenue sources shaded in Table 2 are impacted by the recommendations included in The Executive Budget.

**TABLE 2
GENERAL FUND REVENUE FORECAST FOR THE 2017-19 BIENNIUM
GOVERNOR RECOMMENDS VERSUS ECONOMIC FORUM FORECAST**

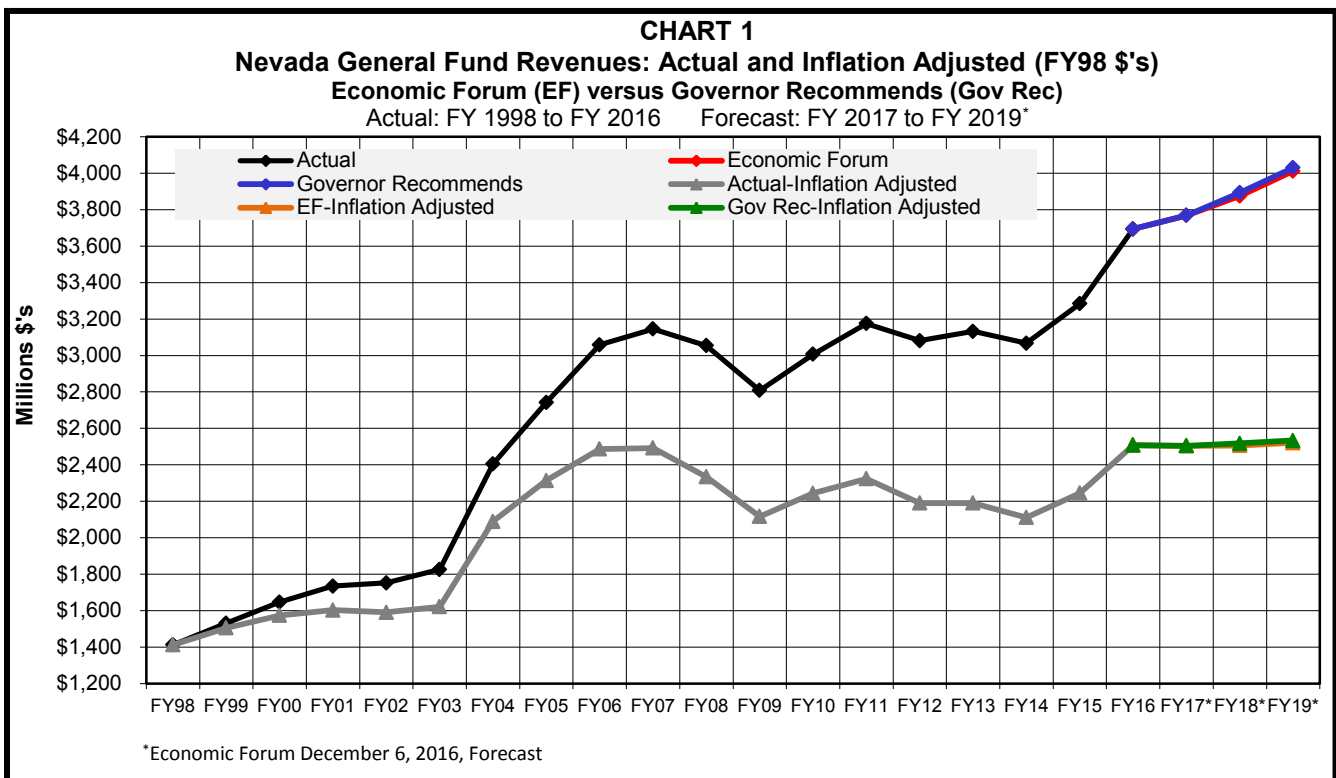
Based on the Economic Forum December 6, 2016, Forecast for FY 2018 and FY 2019 and Governor Recommends
Based on Revenue Enhancement Estimates included in The Executive Budget for FY 2018 and FY 2019

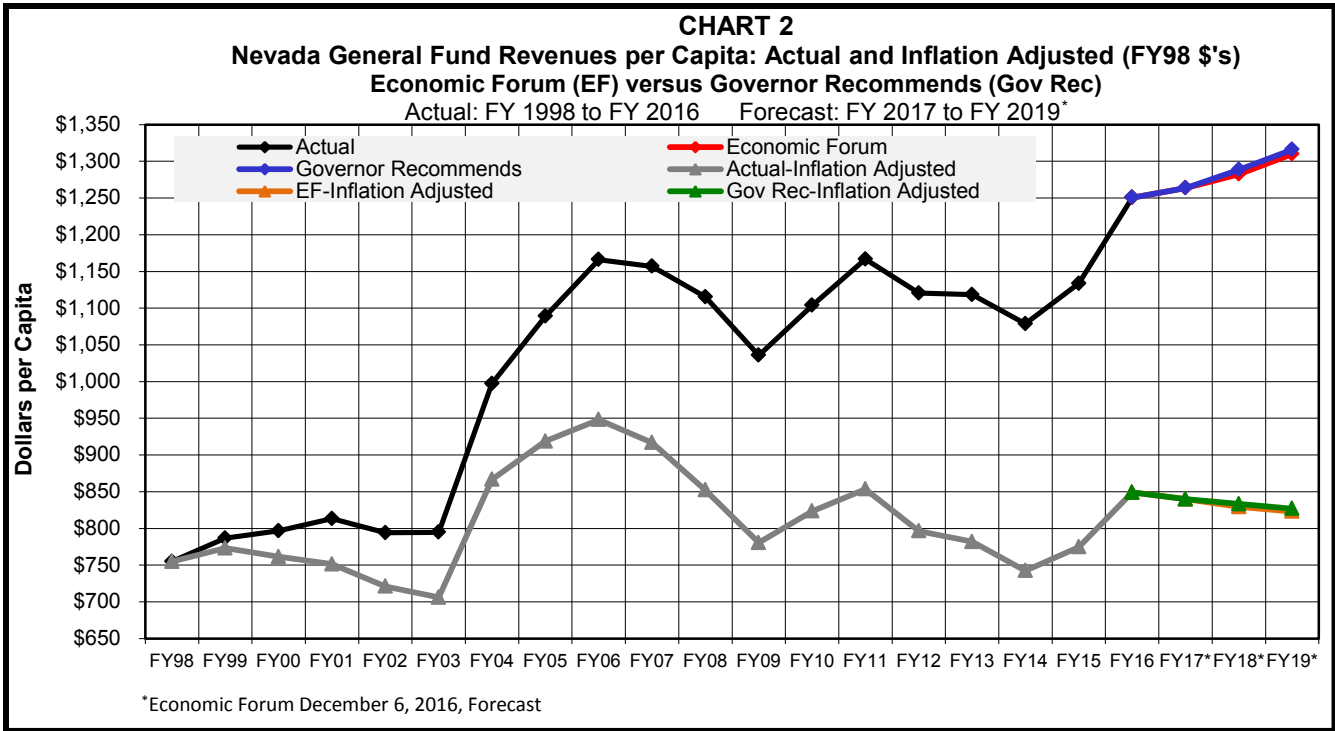
Revenue Source (Millions of Dollars)	Economic Forum		Governor Recommends		
	2017-19 Biennium Forecast	% of Total	2017-19 Biennium Forecast	% of Total	\$ Difference from the Forum
Sales Tax	\$2,463.7	30.0%	\$2,463.7	29.9%	\$0.0
Gaming Taxes	\$1,553.5	18.9%	\$1,553.5	18.8%	\$0.0
Modified Business Tax	\$1,289.8	15.7%	\$1,289.8	15.6%	\$0.0
Insurance Premium Taxes	\$790.4	9.6%	\$790.4	9.6%	\$0.0
Live Entertainment Tax	\$258.9	3.2%	\$258.9	3.1%	\$0.0
Commerce Tax	\$371.1	4.5%	\$371.1	4.5%	\$0.0
Cigarette Tax	\$337.9	4.1%	\$337.9	4.1%	\$0.0
Real Property Transfer Tax	\$172.4	2.1%	\$172.4	2.1%	\$0.0
Business License Fee	\$204.3	2.5%	\$204.3	2.5%	\$0.0
Governmental Services Tax	\$0.0	0.0%	\$38.8	0.5%	\$38.8
Mining Taxes/Fees	\$89.0	1.1%	\$89.0	1.1%	\$0.0
Liquor Taxes	\$89.5	1.1%	\$89.5	1.0%	\$0.0
Transportation Connection Tax	\$39.0	0.5%	\$39.0	0.4%	\$0.0
Other Tobacco Tax	\$28.2	0.3%	\$28.2	0.3%	\$0.0
Other Taxes	\$15.6	0.2%	\$15.6	0.2%	\$0.0
All Other Revenue Sources	\$503.4	6.1%	\$506.9	6.1%	\$3.4
Total General Fund Revenue - Before Tax Credits	\$8,206.9		\$8,249.0		\$42.2
Commerce Tax Credits Against the Modified Business Tax	-\$177.1		-\$177.1		\$0.0
Total General Fund Revenue - After Commerce Tax Credits	\$8,029.8		\$8,072.0		\$42.2
Tax Credit Programs	-\$142.5		-\$147.5		-\$5.0
Total General Fund Revenue - After Tax Credit Programs	\$7,887.3		\$7,924.4		\$37.2

Note: The sum of the individual components of the % of Total column may not equal 100% due to rounding.

The estimates for FY 2018 of \$3.89 billion and FY 2019 of \$4.03 billion, after tax credits, based on the estimates included in The Executive Budget are 23.8 percent and 28.2 percent above the prior FY 2007 peak amount of \$3.15 billion, respectively. However, as shown in Chart 1, after adjusting for inflation, these projected amounts for FY 2018 and FY 2019 are only 1.0 percent and 1.6 percent, respectively, above the actual inflation-adjusted amount observed in FY 2007.

After accounting for both the growth in population and inflation, the Governor's recommended General Fund revenue amounts for FY 2018 and FY 2019 are projected to decrease to a level below the inflation-adjusted per capita amount posted in FY 2016. The Governor's recommended estimate for FY 2019 of \$4.03 billion equates to approximately \$827 per person in inflated-adjusted FY 1998 dollars, which is 12.8 percent below the \$948 in inflation-adjusted dollars per person recorded at the prior peak in FY 2006.





ECONOMIC FORUM’S DECEMBER 6, 2016, GENERAL FUND REVENUE FORECAST

The tables on the following pages present the General Fund revenue forecast by revenue source for FY 2017, FY 2018, and FY 2019 approved by the Economic Forum at the December 6, 2016, meeting. The forecasts in the table are presented on both a before and after tax credit basis and include estimates for the various tax credit programs.

GENERAL FUND REVENUES - ECONOMIC FORUM DECEMBER 6, 2016, FORECAST
ACTUAL: FY 2014 THROUGH FY 2016 AND FORECAST: FY 2017 THROUGH FY 2019
ECONOMIC FORUM'S FORECAST FOR FY 2017, FY 2018, AND FY 2019 APPROVED AT THE DECEMBER 6, 2016, MEETING

DESCRIPTION	FY 2014		FY 2015		FY 2016		ECONOMIC FORUM DECEMBER 6, 2016, FORECAST					
	ACTUAL	% Change	ACTUAL	% Change	ACTUAL	% Change	FY 2017 FORECAST	% Change	FY 2018 FORECAST	% Change	FY 2019 FORECAST	% Change
TAXES												
MINING TAX												
3064 Net Proceeds of Minerals [1-12][2-12][1-14][2-14][2-16][3-16]	\$26,221,970	-76.4%	\$51,733,594	97.3%	\$34,674,918	-33.0%	\$13,604,000	-60.8%	\$45,022,000	230.9%	\$43,953,000	-2.4%
3241 Net Proceeds Penalty			\$0		\$0		\$0		\$0		\$0	
3245 Centrally Assessed Penalties		-100.0%	\$21		\$68,648		\$13,800	-79.9%	\$13,800	0.0%	\$13,800	0.0%
TOTAL MINING TAXES AND FEES	\$26,221,970	-76.4%	\$51,733,615	97.3%	\$34,743,566	-32.8%	\$13,617,800		\$45,035,800		\$43,966,800	
SALES AND USE												
3001 Sales & Use Tax	\$931,319,687	4.8%	\$994,764,970	6.8%	\$1,036,549,227	4.2%	\$1,097,045,000	5.8%	\$1,156,198,000	5.4%	\$1,214,657,000	5.1%
3002 State Share - LSST [4-12][3-14][4-16]	\$9,194,669	4.6%	\$9,726,146	5.8%	\$10,155,240	4.4%	\$10,696,000	5.3%	\$11,273,000	5.4%	\$11,843,000	5.1%
3003 State Share - BCCRT	\$4,088,755	5.0%	\$4,334,753	6.0%	\$4,506,053	4.0%	\$4,800,000	6.5%	\$5,058,000	5.4%	\$5,314,000	5.1%
3004 State Share - SCCRT	\$14,305,300	5.0%	\$15,166,566	6.0%	\$15,764,607	3.9%	\$16,799,000	6.6%	\$17,704,000	5.4%	\$18,599,000	5.1%
3005 State Share - PTT	\$8,797,760	6.9%	\$9,461,562	7.5%	\$10,028,644	6.0%	\$10,687,000	6.6%	\$11,263,000	5.4%	\$11,832,000	5.1%
TOTAL SALES AND USE	\$967,706,171	4.8%	\$1,033,453,997	6.8%	\$1,077,003,772	4.2%	\$1,140,027,000	5.9%	\$1,201,496,000	5.4%	\$1,262,245,000	5.1%
GAMING - STATE												
3041 Percent Fees - Gross Revenue: <u>Before Tax Credits</u>	\$682,311,672	0.5%	\$693,232,048	1.6%	\$700,773,974	1.1%	\$725,000,000	3.5%	\$735,000,000	1.4%	\$762,535,000	3.7%
Tax Credit Programs:												
Film Transferrable Tax Credits [TC-1]			\$0		-\$4,288,194		\$0		\$0		\$0	
Economic Development Transferrable Tax Credits [TC-2]			\$0		-\$20,461,554		\$0		\$0		\$0	
Catalyst Account Transferrable Tax Credits [TC-4]			\$0		\$0		\$0		\$0		\$0	
Total - Tax Credit Programs			\$0		-\$24,749,748		\$0		\$0		\$0	
Percent Fees - Gross Revenue: <u>After Tax Credits</u>	\$682,311,672		\$693,232,048		\$676,024,226		\$725,000,000	7.2%	\$735,000,000	1.4%	\$762,535,000	3.7%
3032 Pari-mutuel Tax	\$2,758	-10.1%	\$2,964	7.5%	\$3,261	10.0%	\$3,400	4.3%	\$3,600	5.9%	\$3,700	2.8%
3181 Racing Fees	\$9,258	6.4%	\$7,456	-19.5%	\$9,293	24.6%	\$10,000	7.6%	\$9,900	-1.0%	\$10,000	1.0%
3247 Racing Fines/Forfeitures	\$0		\$500		\$700		\$0	-100.0%	\$0		\$0	
3042 Gaming Penalties	\$7,862,472	439.7%	\$337,544	-95.7%	\$4,069,112	1105.5%	\$2,800,000	-31.2%	\$775,000	-72.3%	\$775,000	0.0%
3043 Flat Fees-Restricted Slots [5-12]	\$8,305,289	-1.2%	\$8,291,051	-0.2%	\$8,225,963	-0.8%	\$8,185,000	-0.5%	\$8,170,400	-0.2%	\$8,236,700	0.8%
3044 Non-Restricted Slots [5-12]	\$11,383,000	-7.4%	\$11,164,523	-1.9%	\$10,861,213	-2.7%	\$10,682,000	-1.7%	\$10,586,300	-0.9%	\$10,528,400	-0.5%
3045 Quarterly Fees-Games	\$6,410,111	-0.6%	\$6,522,917	1.8%	\$6,450,491	-1.1%	\$6,431,000	-0.3%	\$6,423,300	-0.1%	\$6,444,000	0.3%
3046 Advance License Fees	\$672,263	-49.9%	\$1,733,482	157.9%	\$1,780,785	2.7%	\$1,974,000	10.8%	\$750,000	-62.0%	\$800,000	6.7%
3048 Slot Machine Route Operator	\$37,000	-8.6%	\$35,000	-5.4%	\$34,000	-2.9%	\$33,500	-1.5%	\$34,000	1.5%	\$34,500	1.5%
3049 Gaming Info Systems Annual	\$18,000	0.0%	\$42,000	133.3%	\$42,000	0.0%	\$36,000	-14.3%	\$36,000	0.0%	\$36,000	0.0%
3028 Interactive Gaming Fee - Operator	\$604,167	38.1%	\$500,000	-17.2%	\$500,000	0.0%	\$500,000	0.0%	\$500,000	0.0%	\$500,000	0.0%
3029 Interactive Gaming Fee - Service Provider	\$75,000	177.8%	\$61,000	-18.7%	\$63,000	3.3%	\$64,000	1.6%	\$65,000	1.6%	\$66,000	1.5%
3030 Interactive Gaming Fee - Manufacturer	\$700,000	-9.7%	\$200,000	-71.4%	\$175,000	-12.5%	\$150,000	-14.3%	\$150,000	0.0%	\$150,000	0.0%
3033 Equip Mfg. License	\$290,000	6.0%	\$281,000	-3.1%	\$279,500	-0.5%	\$279,000	-0.2%	\$281,000	0.7%	\$284,000	1.1%
3034 Race Wire License	\$29,736	-14.8%	\$28,406	-4.5%	\$36,391	28.1%	\$29,000	-20.3%	\$28,000	-3.4%	\$27,000	-3.6%
3035 Annual Fees on Games	\$105,341	-0.7%	\$107,822	2.4%	\$115,214	6.9%	\$124,700	8.2%	\$115,200	-7.6%	\$112,400	-2.4%
TOTAL GAMING - STATE: BEFORE TAX CREDITS	\$718,816,067	1.2%	\$722,547,713	0.5%	\$733,419,897	1.5%	\$756,301,600	3.1%	\$762,927,700	0.9%	\$790,542,700	3.6%
Tax Credit Programs												
TOTAL GAMING - STATE: AFTER TAX CREDITS	\$718,816,067	1.2%	\$722,547,713	0.5%	\$708,670,149	-1.9%	\$756,301,600	6.7%	\$762,927,700	0.9%	\$790,542,700	3.6%
LIVE ENTERTAINMENT TAX (LET)												
3031G Live Entertainment Tax-Gaming [5-16]	\$139,156,240	10.7%	\$130,861,416	-6.0%	\$111,994,620	-14.4%	\$106,449,000	-5.0%	\$109,598,000	3.0%	\$112,946,000	3.1%
3031NG Live Entertainment Tax-Nongaming [5-16]	\$14,979,978	28.0%	\$14,965,649	-0.1%	\$16,536,346	10.5%	\$17,389,000	5.2%	\$17,915,000	3.0%	\$18,475,000	3.1%
TOTAL LET	\$154,136,218	12.2%	\$145,827,065	-5.4%	\$128,530,966	-11.9%	\$123,838,000	-3.7%	\$127,513,000	3.0%	\$131,421,000	3.1%
COMMERCE TAX												
Commerce Tax [6-16]					\$143,507,593		\$194,412,000	35.5%	\$181,220,000	-6.8%	\$189,919,000	4.8%
TRANSPORTATION CONNECTION EXCISE TAX												
Transportation Connection Excise Tax [7-16]					\$11,898,532		\$21,032,000	76.8%	\$16,769,000	-20.3%	\$22,232,000	32.6%
CIGARETTE TAX												
3052 Cigarette Tax [8-16]	\$79,628,983	-4.1%	\$92,774,433	16.5%	\$153,033,176	65.0%	\$173,301,000	13.2%	\$170,402,000	-1.7%	\$167,534,000	-1.7%

GENERAL FUND REVENUES - ECONOMIC FORUM DECEMBER 6, 2016, FORECAST
ACTUAL: FY 2014 THROUGH FY 2016 AND FORECAST: FY 2017 THROUGH FY 2019
ECONOMIC FORUM'S FORECAST FOR FY 2017, FY 2018, AND FY 2019 APPROVED AT THE DECEMBER 6, 2016, MEETING

DESCRIPTION	FY 2014		FY 2015		FY 2016		ECONOMIC FORUM DECEMBER 6, 2016, FORECAST					
	ACTUAL	% Change	ACTUAL	% Change	ACTUAL	% Change	FY 2017 FORECAST	% Change	FY 2018 FORECAST	% Change	FY 2019 FORECAST	% Change
TAXES - CONTINUED												
MODIFIED BUSINESS TAX (MBT)												
MBT - NONFINANCIAL BUSINESSES (MBT-NFI) [6-12][4-14][9-16][10-16][11-16][12-16]												
3069 MBT - Nonfinancial: <u>Before Tax Credits</u>	\$361,095,880	-0.6%	\$387,769,692	7.4%	\$517,135,234	33.4%	\$547,083,000	5.8%	\$577,066,000	5.5%	\$607,468,000	5.3%
Commerce Tax Credits [13-16]					\$0							
MBT - Nonfinancial: <u>After Commerce Tax Credits</u>			\$387,769,692		\$517,135,234		\$547,083,000	5.8%	\$577,066,000	5.5%	\$607,468,000	5.3%
<u>Tax Credit Programs:</u>												
Film Transferrable Tax Credits [TC-1]			\$0		-\$82,621		\$0		\$0		\$0	
Economic Development Transferrable Tax Credits [TC-2]			\$0		\$0		\$0		\$0		\$0	
Catalyst Account Transferrable Tax Credits [TC-4]			\$0		\$0		\$0		\$0		\$0	
Education Choice Scholarship Tax Credits [TC-5]			\$0		-\$4,401,540		\$0		\$0		\$0	
College Savings Plan Tax Credits [TC-6]			\$0		\$0		\$0		\$0		\$0	
Total - Tax Credit Programs			\$0		-\$4,484,161		\$0		\$0		\$0	
MBT - Nonfinancial: <u>After Tax Credit Programs</u>	<u>\$361,095,880</u>		<u>\$387,769,692</u>		<u>\$512,651,073</u>		<u>\$547,083,000</u>	<u>6.7%</u>	<u>\$577,066,000</u>	<u>5.5%</u>	<u>\$607,468,000</u>	<u>5.3%</u>
MBT - FINANCIAL BUSINESSES (MBT-FI) [12-16]												
3069 MBT - Financial: <u>Before Tax Credits</u>	\$23,789,898	1.8%	\$24,144,270	1.5%	\$27,188,910	12.6%	\$28,224,000	3.8%	\$29,819,000	5.7%	\$31,372,000	5.2%
Commerce Tax Credits [13-16]					\$0							
MBT - Financial: <u>After Commerce Tax Credits</u>			\$24,144,270		\$27,188,910		\$28,224,000	3.8%	\$29,819,000	5.7%	\$31,372,000	5.2%
<u>Tax Credit Programs:</u>												
Film Transferrable Tax Credits [TC-1]			\$0		\$0		\$0		\$0		\$0	
Economic Development Transferrable Tax Credits [TC-2]			\$0		\$0		\$0		\$0		\$0	
Catalyst Account Transferrable Tax Credits [TC-4]			\$0		\$0		\$0		\$0		\$0	
Education Choice Scholarship Tax Credits [TC-5]			\$0		\$0		\$0		\$0		\$0	
College Savings Plan Tax Credits [TC-6]			\$0		\$0		\$0		\$0		\$0	
Total - Tax Credit Programs			\$0		\$0		\$0		\$0		\$0	
MBT - Financial: <u>After Tax Credit Programs</u>	<u>\$23,789,898</u>		<u>\$24,144,270</u>		<u>\$27,188,910</u>		<u>\$28,224,000</u>	<u>3.8%</u>	<u>\$29,819,000</u>	<u>5.7%</u>	<u>\$31,372,000</u>	<u>5.2%</u>
MBT - MINING BUSINESSES (MBT-MINING) [11-16]												
3069 MBT - Mining: <u>Before Tax Credits</u>					\$21,938,368		\$22,099,000	0.7%	\$22,055,000	-0.2%	\$21,988,000	-0.3%
Commerce Tax Credits [13-16]					\$0		\$0		\$0		\$0	
MBT - Mining: <u>After Commerce Tax Credits</u>					\$21,938,368		\$22,099,000	0.7%	\$22,055,000	-0.2%	\$21,988,000	-0.3%
<u>Tax Credit Programs:</u>												
Film Transferrable Tax Credits [TC-1]			\$0		\$0		\$0		\$0		\$0	
Economic Development Transferrable Tax Credits [TC-2]			\$0		\$0		\$0		\$0		\$0	
Catalyst Account Transferrable Tax Credits [TC-4]			\$0		\$0		\$0		\$0		\$0	
Education Choice Scholarship Tax Credits [TC-5]			\$0		\$0		\$0		\$0		\$0	
College Savings Plan Tax Credits [TC-6]			\$0		\$0		\$0		\$0		\$0	
Total - Tax Credit Programs			\$0		\$0		\$0		\$0		\$0	
MBT - Mining: <u>After Tax Credit Programs</u>					<u>\$21,938,368</u>		<u>\$22,099,000</u>	<u>0.7%</u>	<u>\$22,055,000</u>	<u>-0.2%</u>	<u>\$21,988,000</u>	<u>-0.3%</u>
<u>TOTAL MBT - NFI, FI, & MINING</u>												
TOTAL MBT: <u>BEFORE TAX CREDITS</u>	<u>\$384,885,778</u>	<u>-0.4%</u>	<u>\$411,913,962</u>	<u>7.0%</u>	<u>\$566,262,513</u>	<u>37.5%</u>	<u>\$597,406,000</u>	<u>5.5%</u>	<u>\$628,940,000</u>	<u>5.3%</u>	<u>\$660,828,000</u>	<u>5.1%</u>
TOTAL COMMERCE TAX CREDITS [13-16]					\$0		-\$82,500,000		-\$86,460,000		-\$90,610,000	
TOTAL MBT: <u>AFTER COMMERCE TAX CREDITS</u>			<u>\$411,913,962</u>		<u>\$566,262,513</u>		<u>\$514,906,000</u>	<u>-9.1%</u>	<u>\$542,480,000</u>	<u>5.4%</u>	<u>\$570,218,000</u>	<u>5.1%</u>
<u>Tax Credit Programs:</u>												
Film Transferrable Tax Credits [TC-1]			\$0		-\$82,621		\$0		\$0		\$0	
Economic Development Transferrable Tax Credits [TC-2]			\$0		\$0		\$0		\$0		\$0	
Catalyst Account Transferrable Tax Credits [TC-4]			\$0		\$0		\$0		\$0		\$0	
Education Choice Scholarship Tax Credits [TC-5]			\$0		-\$4,401,540		-\$6,098,460		-\$6,050,000		-\$6,655,000	
College Savings Plan Tax Credits [TC-6]			\$0		\$0		-\$69,000		-\$138,000		-\$207,000	
Total - Tax Credit Programs			\$0		-\$4,484,161		-\$6,167,460		-\$6,188,000		-\$6,862,000	
TOTAL MBT: <u>AFTER TAX CREDIT PROGRAMS</u>	<u>\$384,885,778</u>		<u>\$411,913,962</u>		<u>\$561,778,352</u>		<u>\$508,738,540</u>	<u>-9.4%</u>	<u>\$536,292,000</u>	<u>5.4%</u>	<u>\$563,356,000</u>	<u>5.0%</u>

GENERAL FUND REVENUES - ECONOMIC FORUM DECEMBER 6, 2016, FORECAST
ACTUAL: FY 2014 THROUGH FY 2016 AND FORECAST: FY 2017 THROUGH FY 2019
ECONOMIC FORUM'S FORECAST FOR FY 2017, FY 2018, AND FY 2019 APPROVED AT THE DECEMBER 6, 2016, MEETING

DESCRIPTION	FY 2014		FY 2015		FY 2016		ECONOMIC FORUM DECEMBER 6, 2016, FORECAST					
	ACTUAL	% Change	ACTUAL	% Change	ACTUAL	% Change	FY 2017 FORECAST	% Change	FY 2018 FORECAST	% Change	FY 2019 FORECAST	% Change
TAXES - CONTINUED												
INSURANCE TAXES												
3061 Insurance Premium Tax: <u>Before Tax Credits</u> [1-16]	\$263,531,578	6.0%	\$305,075,537	15.8%	\$335,118,754	9.8%	\$373,840,000	11.6%	\$387,533,000	3.7%	\$400,520,000	3.4%
Tax Credit Programs:												
Film Transferrable Tax Credits [TC-1]			\$0		\$0		\$0		\$0		\$0	
Economic Development Transferrable Tax Credits [TC-2]			\$0		\$0		\$0		\$0		\$0	
Catalyst Account Transferrable Tax Credits [TC-4]			\$0		\$0		\$0		\$0		\$0	
Nevada New Markets Job Act Tax Credits [TC-3]			-\$12,410,882		-\$26,005,450		-\$26,000,000		-\$24,000,000		-\$22,000,000	
Total - Tax Credit Programs			-\$12,410,882		-\$26,005,450		-\$26,000,000		-\$24,000,000		-\$22,000,000	
Insurance Premium Tax: <u>After Tax Credit Programs</u>	\$263,531,578		\$292,664,655		\$309,113,304		\$347,840,000	12.5%	\$363,533,000	4.5%	\$378,520,000	4.1%
3062 Insurance Retaliatory Tax	\$234,807	-3.1%	\$355,819	51.5%	\$185,855	-47.8%	\$215,000	15.7%	\$215,000	0.0%	\$215,000	0.0%
3067 Captive Insurer Premium Tax	\$755,517	19.0%	\$901,712	19.4%	\$923,869	2.5%	\$946,600	2.5%	\$969,800	2.5%	\$993,700	2.5%
TOTAL INSURANCE TAXES: <u>BEFORE TAX CREDITS</u>	\$264,521,903	6.1%	\$306,333,069	15.8%	\$336,228,478	9.8%	\$375,001,600	11.5%	\$388,717,800	3.7%	\$401,728,700	3.3%
TAX CREDIT PROGRAMS			-\$12,410,882		-\$26,005,450		-\$26,000,000		-\$24,000,000		-\$22,000,000	
TOTAL INSURANCE TAXES: <u>AFTER TAX CREDITS</u>	\$264,521,903	6.1%	\$293,922,187	11.1%	\$310,223,028	5.5%	\$349,001,600	12.5%	\$364,717,800	4.5%	\$379,728,700	4.1%
REAL PROPERTY TRANSFER TAX (RPTT)												
3055 Real Property Transfer Tax	\$60,047,457	9.2%	\$64,214,342	6.9%	\$75,794,844	18.0%	\$80,964,000	6.8%	\$84,856,000	4.8%	\$87,559,000	3.2%
GOVERNMENTAL SERVICES TAX (GST)												
3051 Governmental Services Tax [5-14][14-16]	\$62,267,322	-1.9%	\$62,865,504	1.0%	\$66,731,895	6.2%	\$37,915,000	-43.2%				
OTHER TAXES												
3113 Business License Fee [7-12][6-14][15-16]	\$72,166,482	4.6%	\$75,359,976	4.4%	\$103,045,619	36.7%	\$101,469,000	-1.5%	\$101,877,000	0.4%	\$102,468,000	0.6%
3050 Liquor Tax	\$41,838,536	4.9%	\$42,707,046	2.1%	\$43,944,413	2.9%	\$43,877,000	-0.2%	\$44,448,000	1.3%	\$45,043,000	1.3%
3053 Other Tobacco Tax	\$11,620,286	12.3%	\$11,458,040	-1.4%	\$13,131,919	14.6%	\$13,479,000	2.6%	\$13,863,000	2.8%	\$14,296,000	3.1%
4862 HECC Transfer	\$5,000,000	0.0%	\$5,000,000	0.0%	\$5,000,000	0.0%	\$5,000,000	0.0%	\$5,000,000	0.0%	\$5,000,000	0.0%
3065 Business License Tax	\$2,814	-4.3%	\$1,850	-34.3%	\$243	-86.9%	\$0		\$0		\$0	
3068 Branch Bank Excise Tax	\$2,788,166	-7.0%	\$3,129,940	12.3%	\$2,786,429	-11.0%	\$2,772,000	-0.5%	\$2,788,000	0.6%	\$2,802,000	0.5%
TOTAL TAXES: <u>BEFORE TAX CREDITS</u>	\$2,851,648,150	0.2%	\$3,029,320,553	6.2%	\$3,495,063,854	15.4%	\$3,680,413,000	5.3%	\$3,775,853,300	2.6%	\$3,927,585,200	4.0%
TOTAL COMMERCE TAX CREDITS [13-16]					\$0		-\$82,500,000		-\$86,460,000		-\$90,610,000	
TOTAL TAXES: <u>AFTER COMMERCE TAX CREDITS</u>			\$3,029,320,553		\$3,495,063,854		\$3,597,913,000	2.9%	\$3,689,393,300	2.5%	\$3,836,975,200	4.0%
Tax Credit Programs:												
Film Transferrable Tax Credits [TC-1]			\$0		-\$4,370,815		-\$5,629,185		\$0		\$0	
Economic Development Transferrable Tax Credits [TC-2]			\$0		-\$20,461,554		-\$36,475,946		-\$31,562,500		-\$47,925,000	
Catalyst Account Transferrable Tax Credits [TC-4]			\$0		\$0		-\$1,000,000		-\$2,000,000		-\$2,000,000	
Nevada New Markets Job Act Tax Credits [TC-3]			-\$12,410,882		-\$26,005,450		-\$26,000,000		-\$24,000,000		-\$22,000,000	
Education Choice Scholarship Tax Credits [TC-5]			\$0		-\$4,401,540		-\$6,098,460		-\$6,050,000		-\$6,655,000	
College Savings Plan Tax Credits [TC-6]			\$0		\$0		-\$69,000		-\$138,000		-\$207,000	
Total - Tax Credit Programs			-\$12,410,882		-\$55,239,359		-\$75,272,591		-\$63,750,500		-\$78,787,000	
TOTAL TAXES: <u>AFTER TAX CREDITS</u>	\$2,851,648,150	0.2%	\$3,016,909,671	5.8%	\$3,439,824,495	14.0%	\$3,522,640,409	2.4%	\$3,625,642,800	2.9%	\$3,758,188,200	3.7%

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**GENERAL FUND REVENUES - ECONOMIC FORUM DECEMBER 6, 2016, FORECAST
 ACTUAL: FY 2014 THROUGH FY 2016 AND FORECAST: FY 2017 THROUGH FY 2019
 ECONOMIC FORUM'S FORECAST FOR FY 2017, FY 2018, AND FY 2019 APPROVED AT THE DECEMBER 6, 2016, MEETING**

DESCRIPTION	FY 2014		FY 2015		FY 2016		ECONOMIC FORUM DECEMBER 6, 2016, FORECAST					
	ACTUAL	% Change	ACTUAL	% Change	ACTUAL	% Change	FY 2017 FORECAST	% Change	FY 2018 FORECAST	% Change	FY 2019 FORECAST	% Change
LICENSES												
3101 Insurance Licenses	\$17,925,429	7.8%	\$18,347,454	2.4%	\$19,913,616	8.5%	\$20,113,000	1.0%	\$20,716,000	3.0%	\$21,234,000	2.5%
3120 Marriage License	\$371,684	-1.8%	\$371,099	-0.2%	\$367,116	-1.1%	\$363,000	-1.1%	\$360,600	-0.7%	\$359,300	-0.4%
SECRETARY OF STATE												
3105 UCC	\$1,714,724	1.7%	\$1,740,910	1.5%	\$1,915,810	10.0%	\$1,751,000	-8.6%	\$1,761,400	0.6%	\$1,773,800	0.7%
3129 Notary Fees	\$544,060	-4.8%	\$516,832	-5.0%	\$514,489	-0.5%	\$508,100	-1.2%	\$503,100	-1.0%	\$499,900	-0.6%
3130 Commercial Recordings [16-16]	\$66,661,943	2.5%	\$68,833,079	3.3%	\$73,701,665	7.1%	\$73,789,000	0.1%	\$74,167,000	0.5%	\$74,576,000	0.6%
3131 Video Service Franchise	\$3,525	-50.2%	\$1,550	-56.0%	\$525	-66.1%	\$500		\$500		\$500	
3121 Domestic Partnership Registry Fee	\$51,621	17.4%	\$36,437	-29.4%	\$28,790	-21.0%	\$24,500	-14.9%	\$20,800	-15.1%	\$17,700	-14.9%
3152 Securities	\$25,947,110	5.5%	\$27,029,365	4.2%	\$27,978,707	3.5%	\$28,891,000	3.3%	\$29,470,000	2.0%	\$29,889,000	1.4%
TOTAL SECRETARY OF STATE	\$94,922,982	3.2%	\$98,158,173	3.4%	\$104,139,985	6.1%	\$104,964,100	0.8%	\$105,922,800	0.9%	\$106,756,900	0.8%
3172 Private School Licenses [7-14]	\$284,569	15.0%	\$255,613	-10.2%	\$236,690	-7.4%	\$236,500	-0.1%	\$236,400	0.0%	\$236,700	0.1%
3173 Private Employment Agency	\$11,400	-2.6%	\$11,000	-3.5%	\$14,800	34.5%	\$11,400	-23.0%	\$11,400	0.0%	\$11,400	0.0%
REAL ESTATE												
3161 Real Estate License [17-16]	\$1,372,080	-59.7%	\$1,383,840	0.9%	\$2,137,010	54.4%	\$2,256,000	5.6%	\$2,159,000	-4.3%	\$2,199,000	1.9%
3162 Real Estate Fees	\$4,820	66.8%	\$3,643	-24.4%	\$4,710	29.3%	\$4,800	1.9%	\$4,700	-2.1%	\$4,800	2.1%
TOTAL REAL ESTATE	\$1,376,900	-59.6%	\$1,387,483	0.8%	\$2,141,720	54.4%	\$2,260,800	5.6%	\$2,163,700	-4.3%	\$2,203,800	1.9%
3102 Athletic Commission Fees [18-16]	\$5,334,498	37.9%	\$8,922,606	67.3%	\$5,041,720	-43.5%	\$4,500,000	-10.7%	\$4,500,000	0.0%	\$4,500,000	0.0%
TOTAL LICENSES	\$120,227,462	3.2%	\$127,453,427	6.0%	\$131,855,647	3.5%	\$132,448,800	0.4%	\$133,910,900	1.1%	\$135,302,100	1.0%
FEES AND FINES												
3200 Vital Statistics Fees [8-14]												
3203 Divorce Fees	\$174,376	1.8%	\$175,202	0.5%	\$170,348	-2.8%	\$167,100	-1.9%	\$165,900	-0.7%	\$165,300	-0.4%
3204 Civil Action Fees	\$1,325,805	0.1%	\$1,291,308	-2.6%	\$1,316,607	2.0%	\$1,286,800	-2.3%	\$1,273,700	-1.0%	\$1,276,700	0.2%
3242 Insurance Fines	\$723,272	-40.2%	\$505,360	-30.1%	\$349,206	-30.9%	\$300,000	-14.1%	\$300,000	0.0%	\$300,000	0.0%
3103MD Medical Plan Discount Reg. Fees					\$1,500		\$1,500		\$1,500		\$1,500	
REAL ESTATE FEES												
3107IOS IOS Application Fees	\$7,840	-10.8%	\$6,030	-23.1%	\$5,700	-5.5%	\$5,900	3.5%	\$6,200	5.1%	\$6,000	-3.2%
3165 Land Co Filing Fees [19-16]	\$167,495	27.5%	\$157,592	-5.9%	\$28,530	-81.9%	\$27,600	-3.3%	\$28,600	3.6%	\$28,500	-0.3%
3167 Real Estate Adver Fees	\$590	-78.5%	\$210	-64.4%	\$2,010	857.1%	\$6,700		\$0		\$0	
3169 Real Estate Reg Fees	\$15,700	-12.8%	\$15,700	0.0%	\$8,550	-45.5%	\$8,700	1.8%	\$8,700	0.0%	\$9,000	3.4%
4741 Real Estate Exam Fees	\$174,117	1.7%	\$174,117	0.0%	\$387,294	122.4%	\$378,400	-2.3%	\$347,200	-8.2%	\$329,500	-5.1%
3171 CAM Certification Fee												
3178 Real Estate Accred Fees	\$86,475	7.9%	\$95,675	10.6%	\$93,450	-2.3%	\$94,000	0.6%	\$96,700	2.9%	\$98,500	1.9%
3254 Real Estate Penalties	\$36,835	-64.6%	\$25,455	-30.9%	\$65,595	157.7%	\$68,000	3.7%	\$68,500	0.7%	\$69,600	1.6%
3190 A.B. 165, Real Estate Inspectors	\$60,150	18.8%	\$46,960	-21.9%	\$53,860	14.7%	\$52,900	-1.8%	\$51,300	-3.0%	\$52,300	1.9%
TOTAL REAL ESTATE FEES	\$549,202	-3.1%	\$521,739	-5.0%	\$644,989	23.6%	\$642,200	-0.4%	\$607,200	-5.5%	\$593,400	-2.3%
3066 Short Term Car Lease [8-12]	\$46,151,238	0.9%	\$48,754,438	5.6%	\$51,914,285	6.5%	\$54,416,000	4.8%	\$56,055,000	3.0%	\$57,438,000	2.5%
3103AC Athletic Commission Licenses/Fines	\$234,245	8.5%	\$213,145	-9.0%	\$468,376	119.7%	\$196,200	-58.1%	\$215,800	10.0%	\$215,800	0.0%
3205 State Engineer Sales [9-14]												
3206 Supreme Court Fees	\$216,785	12.2%	\$186,560	-13.9%	\$201,305	7.9%	\$201,300	0.0%	\$201,300	0.0%	\$201,300	0.0%
3115 Notice of Default Fee	\$1,706,387	-38.3%	\$1,755,460	2.9%	\$1,400,099	-20.2%	\$1,134,100	-19.0%	\$918,600	-19.0%	\$744,100	-19.0%
3271 Misc Fines/Forfeitures	\$3,125,839	-72.0%	\$9,564,851	206.0%	\$2,735,813	-71.4%	\$2,500,000	-8.6%	\$2,500,000	0.0%	\$2,500,000	0.0%
TOTAL FEES AND FINES	\$54,207,150	-19.1%	\$62,968,063	16.2%	\$59,202,527	-6.0%	\$60,845,200	2.8%	\$62,239,000	2.3%	\$63,436,100	1.9%

GENERAL FUND REVENUES - ECONOMIC FORUM DECEMBER 6, 2016, FORECAST
ACTUAL: FY 2014 THROUGH FY 2016 AND FORECAST: FY 2017 THROUGH FY 2019
ECONOMIC FORUM'S FORECAST FOR FY 2017, FY 2018, AND FY 2019 APPROVED AT THE DECEMBER 6, 2016, MEETING

DESCRIPTION	FY 2014		FY 2015		FY 2016		ECONOMIC FORUM DECEMBER 6, 2016, FORECAST					
	ACTUAL	% Change	ACTUAL	% Change	ACTUAL	% Change	FY 2017 FORECAST	% Change	FY 2018 FORECAST	% Change	FY 2019 FORECAST	% Change
USE OF MONEY AND PROP												
OTHER REPAYMENTS												
4403 Forestry Nurseries Fund Repayment (05-M27)	\$20,670		\$20,670		\$20,670		\$20,670		\$20,670		\$20,670	
4408 Comp/Fac Repayment	\$23,744		\$23,744		\$23,744		\$23,744		\$23,744		\$13,032	
4408 CIP 95-M1, Security Alarm	\$2,998		\$2,998		\$2,998		\$2,998		\$0		\$0	
4408 CIP 95-M5, Facility Generator	\$6,874		\$6,874		\$6,874		\$6,874		\$0		\$0	
4408 CIP 95-S4F, Advance Planning	\$1,000		\$1,000		\$1,000		\$1,000		\$0		\$0	
4408 CIP 97-C26, Capitol Complex Conduit System, Phase I	\$62,542		\$62,542		\$62,542		\$62,542		\$62,542		\$62,542	
4408 CIP 97-S4H, Advance Planning Addition to Computer Facility	\$9,107		\$9,107		\$9,107		\$9,107		\$9,107		\$9,107	
4408 EITS Repayment - State Microwave Communications System [1-18]							\$0		\$57,900		\$57,900	
4409 Motor Pool Repay - LV [10-14]	\$62,500		\$125,000		\$125,000		\$125,000		\$125,000		\$125,000	
4402 State Personnel IFS Repayment; S.B. 201, 1997 Legislature	\$202,987		\$202,988		\$0		\$0		\$0		\$0	
TOTAL OTHER REPAYMENTS	\$392,422	-13.5%	\$454,923	15.9%	\$251,935	-44.6%	\$251,935	0.0%	\$298,963	18.7%	\$288,251	-3.6%
INTEREST INCOME												
3290 Treasurer [9-12]	\$589,930	-5.7%	\$916,780	55.4%	\$1,247,554	36.1%	\$2,188,000	75.4%	\$3,162,000	44.5%	\$3,937,000	24.5%
3291 Other	\$4,156	-46.2%	\$5,363	29.0%	\$18,411	243.3%	\$20,000	8.6%	\$21,000	5.0%	\$22,000	4.8%
TOTAL INTEREST INCOME	\$594,086	-6.2%	\$922,143	55.2%	\$1,265,964	37.3%	\$2,208,000	74.4%	\$3,183,000	44.2%	\$3,959,000	24.4%
TOTAL USE OF MONEY & PROP	\$986,508	-9.2%	\$1,377,066	39.6%	\$1,517,900	10.2%	\$2,459,935	62.1%	\$3,481,963	41.5%	\$4,247,251	22.0%
OTHER REVENUE												
3059 Hoover Dam Revenue	\$300,000	0.0%	\$300,000	0.0%	\$300,000	0.0%	\$300,000	0.0%	\$300,000	0.0%	\$300,000	0.0%
MISC SALES AND REFUNDS												
4794 GST Commissions and Penalties / DMV [10-12][11-14][20-16]			\$28,761,000									
3047 Expired Slot Machine Wagering Vouchers [11-12]	\$7,486,068	4.1%	\$8,383,408	12.0%	\$8,778,021	4.7%	\$9,117,000	3.9%	\$9,505,800	4.3%	\$9,923,800	4.4%
3107 Misc Fees	\$298,822	-2.1%	\$318,681	6.6%	\$347,803	9.1%	\$320,700	-7.8%	\$312,800	-2.5%	\$314,300	0.5%
3109 Court Admin Assessments [13-12][12-14][21-16]	\$2,511,100	-39.0%	\$2,428,655	-3.3%	\$0	-100.0%	\$0		\$0		\$0	
3114 Court Administrative Assessment Fee	\$2,335,123	-7.0%	\$2,135,726	-8.5%	\$2,012,172	-5.8%	\$1,978,000	-1.7%	\$1,957,000	-1.1%	\$1,944,000	-0.7%
3168 Declare of Candidacy Filing Fee	\$92,200	143.0%	\$12,384	-86.6%	\$35,975	190.5%	\$12,500	-65.3%	\$40,000	220.0%	\$12,500	-68.8%
3202 Fees & Writs of Garnishments	\$2,535	-2.7%	\$2,140	-15.6%	\$2,190	2.3%	\$2,200	0.5%	\$2,200	0.0%	\$2,200	0.0%
3220 Nevada Report Sales	\$3,480	-59.6%	\$6,120	75.9%	\$11,495	87.8%	\$17,200	49.6%	\$23,000	33.7%	\$17,200	-25.2%
3222 Excess Property Sales	\$46,603	74.0%	\$97,446	109.1%	\$17,668	-81.9%	\$27,600	56.2%	\$27,600	0.0%	\$27,600	0.0%
3240 Sale of Trust Property	\$3,447	-26.9%	\$3,990	15.8%	\$850	-78.7%	\$5,900	593.8%	\$2,000	-66.1%	\$2,000	0.0%
3243 Insurance - Misc	\$416,576	6.6%	\$423,928	1.8%	\$371,455	-12.4%	\$400,000	7.7%	\$400,000	0.0%	\$400,000	0.0%
3274 Misc Refunds	\$30,729	-66.1%	\$113,081	268.0%	\$31,709	-72.0%	\$50,000	57.7%	\$50,000	0.0%	\$50,000	0.0%
3276 Cost Recovery Plan [13-14]	\$8,883,972	4.9%	\$8,486,081	-4.5%	\$10,572,088	24.6%	\$10,121,000	-4.3%	\$9,666,100	-4.5%	\$10,278,200	6.3%
TOTAL MISC SALES & REF	\$22,110,653	-67.2%	\$51,172,638	131.4%	\$22,181,427	-56.7%	\$22,052,100	-0.6%	\$21,986,500	-0.3%	\$22,971,800	4.5%
3255 Unclaimed Property [14-12]	\$17,466,436	-46.9%	\$24,301,834	39.1%	\$38,960,791	60.3%	\$28,454,000	-27.0%	\$27,506,000	-3.3%	\$27,766,000	0.9%
TOTAL OTHER REVENUE	\$39,877,089	-60.4%	\$75,774,472	90.0%	\$61,442,218	-18.9%	\$50,806,100	-17.3%	\$49,792,500	-2.0%	\$51,037,800	2.5%
TOTAL GENERAL FUND REVENUE: BEFORE TAX CREDITS	\$3,066,946,360	-2.1%	\$3,296,893,581	7.5%	\$3,749,082,146	13.7%	\$3,926,973,035	4.7%	\$4,025,277,663	2.5%	\$4,181,608,451	3.9%
TOTAL COMMERCE TAX CREDITS [13-16]					\$0		-\$82,500,000		-\$86,460,000		-\$90,610,000	
TOTAL GENERAL FUND REVENUE: AFTER COMMERCE TAX CREDITS			\$3,296,893,581		\$3,749,082,146		\$3,844,473,035	2.5%	\$3,938,817,663	2.5%	\$4,090,998,451	3.9%
TAX CREDIT PROGRAMS:												
FILM TRANSFERABLE TAX CREDITS [TC-1]			\$0.00		-\$4,370,815		-\$5,629,185		\$0		\$0	
ECONOMIC DEVELOPMENT TRANSFERABLE TAX CREDITS [TC-2]			\$0		-\$20,461,554		-\$36,475,946		-\$31,562,500		-\$47,925,000	
CATALYST ACCOUNT TRANSFERABLE TAX CREDITS [TC-4]			\$0		\$0		-\$1,000,000		-\$2,000,000		-\$2,000,000	
NEVADA NEW MARKET JOBS ACT TAX CREDITS [TC-3]			-\$12,410,882		-\$26,005,450		-\$26,000,000		-\$24,000,000		-\$22,000,000	
EDUCATION CHOICE SCHOLARSHIP TAX CREDITS [TC-5]			\$0		-\$4,401,540		-\$6,098,460		-\$6,050,000		-\$6,655,000	
COLLEGE SAVINGS PLAN TAX CREDITS [TC-6]			\$0		\$0		-\$69,000		-\$138,000		-\$207,000	
TOTAL- TAX CREDIT PROGRAMS			-\$12,410,882		-\$55,239,359		-\$75,272,591		-\$63,750,500		-\$78,787,000	
TOTAL GENERAL FUND REVENUE: AFTER TAX CREDITS	\$3,066,946,360	-2.1%	\$3,284,482,699	7.1%	\$3,693,842,787	12.5%	\$3,769,200,444	2.0%	\$3,875,067,163	2.8%	\$4,012,211,451	3.5%

GENERAL FUND REVENUES - ECONOMIC FORUM DECEMBER 6, 2016, FORECAST
ACTUAL: FY 2014 THROUGH FY 2016 AND FORECAST: FY 2017 THROUGH FY 2019
ECONOMIC FORUM'S FORECAST FOR FY 2017, FY 2018, AND FY 2019 APPROVED AT THE DECEMBER 6, 2016, MEETING

DESCRIPTION	FY 2014		FY 2015		FY 2016		ECONOMIC FORUM DECEMBER 6, 2016, FORECAST					
	ACTUAL	% Change	ACTUAL	% Change	ACTUAL	% Change	FY 2017 FORECAST		FY 2018 FORECAST		FY 2019 FORECAST	
								% Change		% Change		% Change

NOTES:

FY 2012

- [1-12] S.B. 493 clarifies and eliminates certain deductions allowed against gross proceeds to determine net proceeds for the purpose of calculating the Net Proceeds of Minerals (NPM) tax liability. All of the deduction changes are effective beginning with the NPM tax payments due in FY 2012 based on calendar year 2012 mining activity and are permanent, except for the elimination of the deduction for health and industrial insurance expenses, which are effective for FY 2012 and FY 2013 only. Deduction changes are estimated to generate \$11,919,643 in additional revenue in both FY 2012 and FY 2013.
- [2-12] A.B. 561 extends the June 30, 2011, sunset (approved in S.B. 429 (2009)) to June 30, 2013, on the Net Proceeds of Minerals (NPM) tax, which continues the payment of taxes in the current fiscal year based on the estimated net proceeds for the current calendar year with a true-up against actual net proceeds for the calendar year in the next fiscal year. The two-year extension of the sunset is estimated to yield \$69,000,000 in FY 2012 only as tax payments are required in FY 2013 with or without the extension of the sunset.
- [3-12] S.B. 493 repeals the Mining Claims Fee, approved in A.B. 6 (26th Special Session), requiring payment of the fee in FY 2011 only with the June 30, 2011, sunset. S.B. 493 establishes provisions for entities that paid the Mining Claims Fee to apply to the Department of Taxation for a credit against their Modified Business Tax (MBT) liability or for a refund. No estimate of the impact in FY 2012 and FY 2013 from Mining Claims Fee credits was prepared so no adjustment was made to the Economic Forum May 2, 2011, forecast for MBT - Nonfinancial tax collections.
- [4-12] Extension of the sunset on the 0.35% increase in the Local School Support Tax (LSST) in A.B. 561 from June 30, 2011, to June 30, 2013, generates additional revenue from the 0.75% General Fund Commission assessed against LSST proceeds before distribution to school districts in each county. Estimated to generate \$1,052,720 in FY 2012 and \$1,084,301 in FY 2013.
- [5-12] A.B. 500 reduces the portion of the quarterly licensing fees imposed on restricted and non-restricted slot machines from \$2 to \$1 per slot machine that is dedicated to the Account to Support Programs for the Prevention and Treatment of Problem Gambling. The other \$1 is deposited in the State General Fund in FY 2012 and FY 2013, due to the June 30, 2013, sunset in A.B. 500. Estimated to generate \$682,982 in FY 2012 and \$692,929 in FY 2013 from non-restricted slot machines and \$75,970 in FY 2012 and \$77,175 in FY 2013 from restricted slot machines.
- [6-12] A.B. 561 changes the structure and tax rate for the Modified Business Tax on General Business (nonfinancial institutions) for FY 2012 and FY 2013 by exempting taxable wages (gross wages less allowable health care expenses) paid by an employer to employees up to and including \$62,500 per quarter and taxable wages exceeding \$62,500 per quarter are taxed at 1.17%, effective July 1, 2011. These provisions for the MBT-General Business sunset effective June 30, 2013, at which time the tax rate will be 0.63% on all taxable wages per quarter. Estimated to generate an additional \$117,981,497 in FY 2012 and \$119,161,117 in FY 2013.
- [7-12] A.B. 561 extends the sunset from June 30, 2011, (approved in S.B. 429 (2009 Session)) to June 30, 2013, on the \$100 increase in the Business License Fee (BLF) from \$100 to \$200 for the initial and annual renewal. Estimated to generate an additional \$29,949,000 in FY 2012 and \$30,100,000 in FY 2013.
- [8-12] A.B. 561 requires the 1% portion of the 10% Short-term Car Rental Tax, currently dedicated to the State Highway Fund based on A.B. 595 (2007 Session), to be deposited in the State General Fund along with the other 9%. This change is effective July 1, 2011, and is permanent. Estimated to generate \$4,402,222 in FY 2012 and \$4,457,778 in FY 2013.
- [9-12] The Legislature approved funding for the State Treasurer's Office to use a subscription rating service to allow for more effective investment in corporate securities, which is anticipated to generate additional interest income from the Treasurer's Office investment of the State General Fund. Estimated to generate \$105,313 in FY 2012 and \$244,750 in FY 2013.
- [10-12] S.B. 503 requires the proceeds from the commission retained by the Department of Motor Vehicles from the amount of Governmental Services Tax (GST) collected and any penalties for delinquent payment of the GST to be transferred to the State General Fund in FY 2012 and FY 2013. S.B. 503 specifies that the amount transferred shall not exceed \$20,894,228 from commissions and \$4,672,213 from penalties in both FY 2012 and FY 2013.
- [11-12] A.B. 219 requires 75 percent of the value of expired slot machine wagering vouchers retained by nonrestricted gaming licensees to be remitted to the Gaming Commission for deposit in the State General Fund on a quarterly basis. Based on the expiration period of 180 days for slot machine wagering vouchers and the effective date of July 1, 2011, only one quarterly payment will be made in FY 2012 with four quarterly payments made in FY 2013 and going forward. Estimated to generate \$3,332,750 in FY 2012 and \$13,331,000 in FY 2013.
- [12-12] A.B. 529 requires transfer of \$19,112,621 in FY 2012 and \$19,218,718 in FY 2013 from the Supplemental Account for Medical Assistance to Indigent Persons in the Fund for Hospital Care to Indigent Persons to the State General Fund.
- [13-12] A.B. 531 (2009 Session) requires the deposit of the portion of the revenue generated from Court Administrative Assessment Fees to be deposited in the State General Fund.
- [14-12] S.B. 136 reduces the period from 3 to 2 years after which certain types of unclaimed property is presumed to be abandoned if the holder of the property reported holding more than \$10 million in property presumed to be abandoned for the most recent report filed with the Treasurer's Office. Based on the Treasurer's Office analysis of the entities subject to this change, it was estimated that there would be net gain in unclaimed property receipts in FY 2012 of \$30,594,750, but a net loss in FY 2013 of \$33,669,923.

FY 2014: Represents legislative actions approved during the 2013 Legislative Session.

- [1-14] S.B. 475 extends the June 30, 2013, sunset (approved in A.B. 561 (2011)) to June 30, 2015, on the Net Proceeds of Minerals (NPM) tax, which continues the payment of taxes in the current fiscal year based on the estimated net proceeds for the current calendar year with a true-up against actual net proceeds for the calendar year in the next fiscal year. The two-year extension of the sunset is estimated to yield \$88,295,000 in FY 2014 as tax payments are required in FY 2015 with or without the extension of the sunset. The extension of the sunset is also estimated to generate an additional \$2,936,000 in FY 2015 as the difference between Economic Forum forecast for FY 2015, based on elimination of the sunset, and the estimate based on the extension of the sunset approved in S.B. 475.
- [2-14] S.B. 475 extends the June 30, 2013, sunset (approved in S.B. 493 (2011)) to June 30, 2015, that eliminates health and industrial insurance deductions allowed against gross proceeds to determine net proceeds for the purpose of calculating the Net Proceeds of Minerals (NPM) tax liability. These deduction changes are effective for the NPM tax payments due in FY 2014 and FY 2015. The health and industrial insurance deduction changes are estimated to generate \$7,393,000 in additional revenue in FY 2014 and \$9,741,000 in FY 2015.
- [3-14] Extension of the sunset on the 0.35% increase in the Local School Support Tax (LSST) in S.B. 475 from June 30, 2013, to June 30, 2015, generates additional revenue from the 0.75% General Fund Commission assessed against LSST proceeds before distribution to school districts in each county. Estimated to generate \$1,226,600 in FY 2014 and \$1,294,100 in FY 2015.
- [4-14] S.B. 475 changes the structure and tax rate for the Modified Business Tax on General Business (nonfinancial institutions) for FY 2014 and FY 2015 by exempting taxable wages (gross wages less allowable health care expenses) paid by an employer to employees up to and including \$85,000 per quarter and taxable wages exceeding \$85,000 per quarter are taxed at 1.17%, effective July 1, 2013. The taxable wages exemption threshold was \$62,500 per quarter for FY 2012 and FY 2013, based on A.B. 561 (2011). These provisions in S.B. 475 for the MBT-General Business sunset effective June 30, 2015, at which time the tax rate will be 0.63% on all taxable wages per quarter. Estimated to generate an additional \$113,501,000 in FY 2014 and \$120,572,000 in FY 2015.

GENERAL FUND REVENUES - ECONOMIC FORUM DECEMBER 6, 2016, FORECAST
ACTUAL: FY 2014 THROUGH FY 2016 AND FORECAST: FY 2017 THROUGH FY 2019
ECONOMIC FORUM'S FORECAST FOR FY 2017, FY 2018, AND FY 2019 APPROVED AT THE DECEMBER 6, 2016, MEETING

DESCRIPTION	FY 2014		FY 2015		FY 2016		ECONOMIC FORUM DECEMBER 6, 2016, FORECAST					
	ACTUAL	% Change	ACTUAL	% Change	ACTUAL	% Change	FY 2017 FORECAST	% Change	FY 2018 FORECAST	% Change	FY 2019 FORECAST	% Change
[5-14]	A.B. 491 requires the portion of the Governmental Services Tax (GST) generated from the 10% depreciation schedule change, approved in S.B. 429 (2009), to continue to be allocated to the State General Fund for FY 2014 and FY 2015, instead of the State Highway Fund as approved in S.B. 429 (2009). Under A.B. 491, the additional revenue generated from the GST depreciation schedule change is required to be deposited in the State Highway Fund beginning in FY 2016. The GST depreciation schedule change is estimated to generate \$64,224,000 in FY 2014 and \$65,134,000 in FY 2015.											
[6-14]	S.B. 475 extends the sunset from June 30, 2013, (approved in A.B. 561 (2011)) to June 30, 2015, on the \$100 increase in the Business License Fee (BLF) from \$100 to \$200 for the initial and annual renewal. Estimated to generate an additional \$31,273,000 in FY 2014 and \$31,587,000 in FY 2015.											
[7-14]	S.B. 470 increases certain existing fees and imposes a new fee collected by the Commission on Postsecondary Education from certain private postsecondary educational institutions. The fee changes are estimated to generate an additional \$86,675 in FY 2014 and \$80,700 in FY 2015.											
[8-14]	A.B. 449 requires revenue from fees for vital statistics collected by the Health Division of the Department of Health and Human Services to be retained by the division and not deposited in the State General Fund, beginning in FY 2014. Estimated to result in a reduction of General Fund revenue of \$1,027,500 in FY 2014 and \$1,007,300 in FY 2015.											
[9-14]	S.B. 468 increases various fees and requires the revenue from the fees collected by the State Water Engineer of the Department of Conservation and Natural Resources (DCNR) to be deposited in the Water Distribution Revolving Account for use by the Division of Water Resources of DCNR and not deposited in the State General Fund, beginning in FY 2014. Estimated to result in a reduction of General Fund revenue of \$2,600,000 in FY 2014 and FY 2015.											
[10-14]	Section 23 of S.B. 521 allows the Fleet Services Division of the Department of Administration to use revenues from intergovernmental transfers to the State General Fund for the repayment of \$2.5 million that was appropriated to the Division for the purchase of a building in Las Vegas. The legislatively approved repayment from the Division to the State General Fund is \$83,332 in FY 2014 and \$125,000 in FY 2015, with an annual repayment of \$125,000 each year through FY 2035.											
[11-14]	A.B. 491 requires the proceeds from the commission retained by the Department of Motor Vehicles from the amount of Governmental Services Tax (GST) collected and any penalties for delinquent payment of the GST to be transferred to the State General Fund in FY 2015 only. A.B. 491 specifies that the amount transferred shall not exceed \$20,813,716 from commissions and \$4,097,964 from penalties in FY 2015.											
[12-14]	Estimated portion of the revenue generated from Court Administrative Assessment Fees to be deposited in the State General Fund (pursuant to subsection 9 of NRS 176.059), based on the legislatively approved budget for the Court Administrative Assessment Fee revenues (pursuant to subsection 8 of NRS 176.059).											
[13-14]	Adjustment to the Statewide Cost Allocation amount included in the Legislature Approves budget after the May 1, 2013, approval of the General Fund revenue forecast by the Economic Forum.											
FY 2016: Note 1 represents legislative actions approved during the 28th Special Session in September 2014.												
[1-16]	Assembly Bill 3 (28th S.S.) limits the amount of the home office credit that may be taken against the Insurance Premium Tax to an annual limit of \$5 million, effective January 1, 2016. The home office credit is eliminated pursuant to this bill, effective January 1, 2021.											
FY 2016: Notes 2 through 21 represent legislative actions approved during the 2015 Legislative Session.												
[2-16]	S.B. 483 extends the June 30, 2015, sunset (approved in S.B. 475 (2013)) by one year to June 30, 2016, on the Net Proceeds of Minerals (NPM) tax, which continues the payment of taxes in the current fiscal year based on the estimated net proceeds for the current calendar year with a true-up against actual net proceeds for the calendar year in the next fiscal year. The one-year extension of the sunset is estimated to yield \$34,642,000 in FY 2016. There is no estimated tax payment in FY 2017 with the one-year extension of the prepayment of NPM taxes.											
[3-16]	S.B. 483 extends the June 30, 2015, sunset (approved in S.B. 475 (2013)) by one-year to June 30, 2016, that eliminates health and industrial insurance deductions allowed against gross proceeds to determine net proceeds for the purpose of calculating the Net Proceeds of Minerals (NPM) tax liability. These deduction changes are effective for the NPM tax payments due in FY 2016. The health and industrial insurance deduction changes are estimated to generate \$4,221,000 in additional revenue in FY 2016.											
[4-16]	S.B. 483 makes the 0.35% increase in the Local School Support Tax (LSST) permanent. The 0.35% increase generates additional revenue from the 0.75% General Fund Commission assessed against LSST proceeds before distribution to school districts in each county, which is estimated to generate \$1,387,300 in FY 2016 and \$1,463,400 in FY 2017.											
[5-16]	S.B. 266 makes changes to the structure of the tax base and tax rate for the Live Entertainment Tax (LET) in NRS Chapter 368A that is administered by the Gaming Control Board for live entertainment at licensed gaming establishments and the Department of Taxation for live entertainment provided at non-gaming establishments. Under existing law, the tax rate is 10% of the admission charge and amounts paid for food, refreshments, and merchandise, if the live entertainment is provided at a facility with a maximum occupancy of less than 7,500 persons, and 5% of the admission charge only, if the live entertainment is provided at a facility with a maximum occupancy equal to or greater than 7,500 persons. S.B. 266 removes the occupancy threshold and establishes a single 9% tax rate on the admission charge to the facility only. The tax rate does not apply to amounts paid for food, refreshments, and merchandise unless that is the consideration required to enter the facility for the live entertainment. S.B. 266 adds the total amount of consideration paid for escorts and escort services to the LET tax base and makes these activities subject to the 9% tax rate. The bill provides that the exemption from the LET for certain nonprofit organizations applies depending on the number of tickets sold and the type of live entertainment being provided. S.B. 266 establishes an exemption for the following: 1.) the value of certain admissions provided on a complimentary basis; 2.) a charge for access to a table, seat, or lounge or for food, beverages, and merchandise that are in addition to the admission charge to the facility; and 3.) certain license and rental fees of luxury suites, boxes, or similar products at a facility with a maximum occupancy of more than 7,500 persons. The provisions of S.B. 266 also make other changes to the types of activities that are included or excluded from the tax base as live entertainment events subject to the 9% tax rate. The provisions of S.B. 266 are effective October 1, 2015. The amounts shown reflect the estimated net change from the provisions of S.B. 266 on the amount of the LET collected from the portion administered by the Gaming Control Board and the Department of Taxation separately and the combined impact. The changes to the LET are estimated to reduce LET-Gaming collections by \$19,165,000 in FY 2016 and by \$26,551,000 in FY 2017, but increase LET-Nongaming collections by \$15,483,000 in FY 2016 and \$25,313,000 in FY 2017. The combined net effect on total LET collections is estimated to be reduction of \$3,682,000 in FY 2016 and \$1,238,000 in FY 2017.											
[6-16]	S.B. 483 establishes the Commerce Tax as an annual tax on each business entity engaged in business in the state whose Nevada gross revenue in a fiscal year exceeds \$4,000,000 at a tax rate based on the industry in which the business is primarily engaged. The Commerce Tax is due on or before the 45th day immediately following the fiscal year taxable period (June 30th). Although the Commerce Tax collections are received after the June 30th end of the fiscal year tax period, the proceeds from the Commerce Tax will be accrued back and accounted for in that fiscal year, since that fiscal year is not officially closed until the third Friday in September. The Commerce Tax provisions are effective July 1, 2015, for the purpose of taxing the Nevada gross revenue of a business, but the first tax payment will not be made until August 14, 2016, for the FY 2016 annual taxable business activity period.											
[7-16]	A.B. 175 requires the collection of an excise tax by the Nevada Transportation Authority or the Taxicab Authority, as applicable, on the connection of a passenger to a driver affiliated with a transportation network company, a common motor carrier of passengers, or a taxicab equal to 3% of the fare charged to the passenger. The excise tax becomes effective on passage and approval (May 29, 2015) for transportation network companies and August 28, 2015, for common motor carrier and taxicab companies. The first \$5,000,000 in tax proceeds from each biennium are required to be deposited in the State Highway Fund and the estimate for FY 2016 reflects this requirement.											
[8-16]	S.B. 483 increases the cigarette tax per pack of 20 by \$1.00 from 80 cents per pack (10 cents to Local Government Distribution Fund, 70 cents to State General Fund) to \$1.80 per pack (10 cents to Local Government Distribution Fund, \$1.70 to State General Fund), effective July 1, 2015. The \$1.00 per pack increase is estimated to generate \$96,872,000 in FY 2016 and \$95,391,000 in FY 2017.											

**GENERAL FUND REVENUES - ECONOMIC FORUM DECEMBER 6, 2016, FORECAST
ACTUAL: FY 2014 THROUGH FY 2016 AND FORECAST: FY 2017 THROUGH FY 2019
ECONOMIC FORUM'S FORECAST FOR FY 2017, FY 2018, AND FY 2019 APPROVED AT THE DECEMBER 6, 2016, MEETING**

DESCRIPTION	FY 2014		FY 2015		FY 2016		ECONOMIC FORUM DECEMBER 6, 2016, FORECAST					
	ACTUAL	% Change	ACTUAL	% Change	ACTUAL	% Change	FY 2017 FORECAST	% Change	FY 2018 FORECAST	% Change	FY 2019 FORECAST	% Change
[9-16]	S.B. 483 permanently changes the structure and tax rate for the Modified Business Tax on General Business (nonfinancial institutions) by exempting quarterly taxable wages (gross wages less allowable health care expenses) paid by an employer to employees up to and including \$50,000 per quarter and taxable wages exceeding \$50,000 per quarter are taxed at 1.475%. The taxable wages exemption threshold was \$85,000 per quarter for FY 2014 and FY 2015 with a 1.17% tax rate on quarterly taxable wages exceeding \$85,000, based on S.B. 475 (2013). These provisions in S.B. 475 were scheduled to sunset effective June 30, 2015, at which time the tax rate would have been 0.63% on all taxable wages per quarter. The provisions in S.B. 483 are effective July 1, 2015. The estimated net increase in MBT-NFI tax collections from the 1.475% tax rate on quarterly taxable wages exceeding \$50,000 compared to the Economic Forum May 1, 2015, forecast, based on the 0.63% tax rate on all quarterly taxable wages before accounting for the estimated impact of any other legislatively approved changes to the MBT-NFI is \$268,041,000 for FY 2016 and \$281,443,000 for FY 2017.											
[10-16]	A.B. 389 deems the client company of an employee leasing company to be the employer of the employees it leases for the purposes of NRS Chapter 612 (unemployment compensation). Under these provisions, the wages of employees leased from employee leasing companies by client companies will no longer be reported on an aggregated basis under the employee leasing company. The wages of the employees will now be reported on a disaggregated basis under each client company. Instead of the \$50,000 quarterly exemption applying to the employee leasing company, it will now apply to each client company. These provisions are effective October 1, 2015. The wages paid to employees being reported on a disaggregated basis for each client company versus an aggregated basis for the employee leasing company is estimated to reduce MBT-NFI collections by \$2,758,000 in FY 2016 and \$3,861,000 in FY 2017.											
[11-16]	S.B. 483 requires businesses subject to the Net Proceeds of Minerals (NPM) tax in NRS Chapter 362 to pay a 2.0% tax on all quarterly taxable wages paid by the employer to the employees, which is identical to the Modified Business Tax (MBT) paid by financial institutions under NRS Chapter 363A. These provisions are effective July 1, 2015. This change is estimated to reduce MBT-NFI tax collections by \$10,884,000 in both FY 2016 and FY 2017. The mining companies paying the 2% tax rate on all taxable wages are estimated to generate \$17,353,000 in both FY 2016 and FY 2017 for the MBT-Mining. This change is estimated to yield a net increase in General Fund revenue of \$6,469,000 in both FY 2016 and FY 2017.											
[12-16]	S.B. 103 exempts from the definition of "financial institution" in NRS Chapter 363A any person who is primarily engaged in the sale, solicitation, or negotiation of insurance, which makes such a person subject to the Modified Business Tax on General Business (nonfinancial institutions) in NRS Chapter 363B at 1.475% on quarterly taxable wages exceeding \$50,000 and not the 2.0% tax on all quarterly taxable wages. These provisions are effective July 1, 2015. MBT-NFI is estimated to be reduced by \$891,000 in FY 2016 and \$936,000 and the MBT-NFI is estimated to be increased by \$278,000 in FY 2016 and \$291,000 in FY 2017. The net decrease in General Fund revenue is estimated to be \$613,000 in FY 2016 and \$645,000 in FY 2017.											
[13-16]	S.B. 483 provides for a credit against a business's Modified Business Tax (MBT) due during the current fiscal year not to exceed 50% of the Commerce Tax paid by the business for the preceding fiscal year. The credit can be taken against any or all of the four quarterly MBT payments for the current fiscal year, but any amount of credit not used cannot be carried forward and used in succeeding fiscal years. The total estimated Commerce Tax credits against the MBT are estimated to be \$59,913,000 in FY 2017, but this estimated credit amount was not allocated separately to the MBT-NFI, MBT-FI, and MBT-Mining.											
[14-16]	S.B. 483 requires 100% of the proceeds from the portion of the Governmental Services Tax (GST) generated from the 10% depreciation schedule change, approved in S.B. 429 (2009), to be allocated to the State General Fund in FY 2016. In FY 2017, 50% of the proceeds will be allocated to the State General Fund and 50% to the State Highway Fund. Under S.B. 483, 100% of the additional revenue generated from the GST 10% depreciation schedule change is required to be deposited in the State Highway Fund beginning in FY 2018 and going forward permanently.											
[15-16]	S.B. 483 makes the \$100 increase in the Business License Fee (BLF) from \$100 to \$200 permanent for the initial and annual renewal, that was scheduled to sunset on June 30, 2015, (as approved in A.B. 475 (2013)) for all types of businesses, except for corporations. The initial and annual renewal fee for corporations, as specified in S.B. 483, is increased from \$200 to \$500 permanently. These provisions are effective July 1, 2015. The changes to the BLF are estimated to generate additional General Fund revenue of \$63,093,000 in FY 2016 and \$64,338,000 in FY 2017 in relation to the Economic Forum May 1, 2015, forecast with all business types paying a \$100 annual fee.											
[16-16]	S.B. 483 permanently increases the fee for filing the initial and annual list of directors and officers by \$25 that is required to be paid by each business entity organizing under the various chapters in Title 7 of the NRS, effective July 1, 2015. The \$25 increase in the initial and annual list filing fee is estimated to increase Commercial Recordings Fee revenue by \$2,751,000 in FY 2016 and \$2,807,000 in FY 2017.											
[17-16]	A.B. 475 changes the initial period from 24 to 12 months and the renewal period from 48 to 24 months for a license as a real estate broker, broker-salesperson, or salesperson and also changes the period for other licenses from 48 to 24 months, effective July 1, 2015. Existing licenses issued before July 1, 2015, do not need to be renewed until the expiration date required under statute prior to July 1, 2015. This change in the licensing period is estimated to reduce Real Estate License Fee revenue by \$1,693,400 in FY 2016 and \$1,404,200 in FY 2017.											
[18-16]	A.B. 476 increases the current 6% license fee on the gross receipts from admission charges to unarmed combat events, that is dedicated to the State General Fund, by 2% to 8% with 75% of the proceeds from the 8% fee deposited in the State General Fund and 25% retained by the Athletic Commission to fund the agency's operations. A.B. 476 repeals the two-tiered fee based on the revenues from the sale or lease of broadcast, television and motion picture rights that is dedicated to the State General Fund. A.B. 476 allows the promoter of an unarmed combat event a credit against the 8% license fee equal to the amount paid to the Athletic Commission or organization sanctioned by the Commission to administer a drug testing program for unarmed combatants. These provisions are effective June 9, 2015, based on the passage and approval effective date provisions of A.B. 476. These changes are estimated to reduce Athletic Commission Fee revenue by \$600,000 in both FY 2016 and FY 2017.											
[19-16]	A.B. 478 increases certain fees relating to application or renewals paid by developers for exemptions to any provisions administered by the Real Estate Division of the Department of Business and Industry, and requires that all fees collected for this purpose be kept by the Division, effective July 1, 2015. This requirement for the Division to keep these fees is estimated to reduce Real Estate Land Company filing fees by approximately \$152,600 in FY 2016 and \$153,300 in FY 2017.											
[20-16]	A.B. 491 (2013) required the proceeds from the commission retained by the Department of Motor Vehicles from the amount of Governmental Services Tax (GST) collected and any penalties for delinquent payment of the GST to be transferred to the State General Fund in FY 2015 only. A.B. 491 specified that the amount transferred shall not exceed \$20,813,716 from commissions and \$4,097,964 from penalties in FY 2015. A.B. 490 amended the commissions amount to \$23,724,000 and the penalties amount to \$5,037,000. This results in an estimated net increase in General Fund revenue of \$3,849,320 in FY 2015 from GST Commissions and Penalties.											
[21-16]	Estimated portion of the revenue generated from Court Administrative Assessment Fees to be deposited in the State General Fund (pursuant to subsection 9 of NRS 176.059), based on the legislatively approved projections and the authorized allocation for the Court Administrative Assessment Fee revenues (pursuant to subsection 8 of NRS 176.059) for FY 2016 and FY 2017.											
FY 2018: Note 1 represents legislative actions approved during the 2015 Legislative Session.												
[1-18]	Section 51 of S.B. 514 allows the Division of Enterprise Information Technology Services of the Department of Administration to use revenues from intergovernmental transfers to the State General Fund for the repayment of special appropriations that were made to the Division for the replacement of the state's microwave communications system. The legislatively approved repayment from the Division to the State General Fund is \$57,900 per year between FY 2018 and FY 2021, with increased repayments between FY 2022 and FY 2028.											

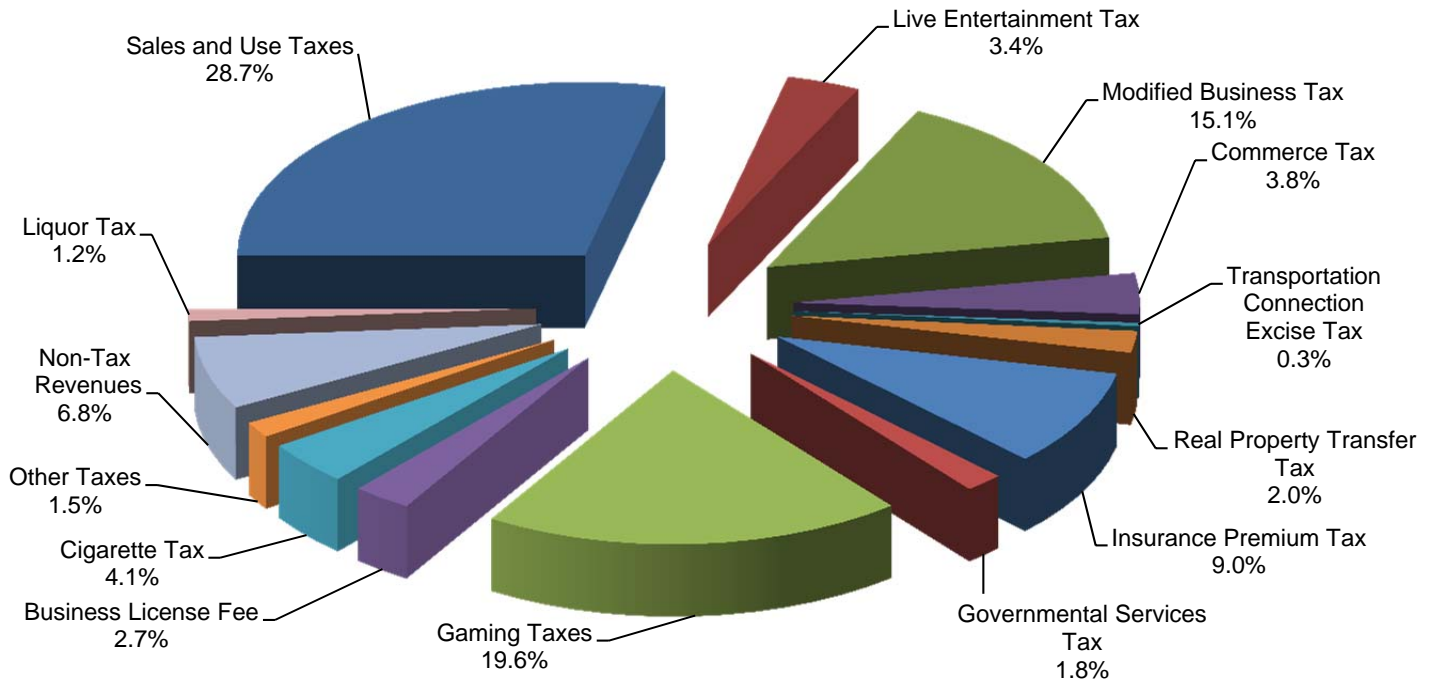
**GENERAL FUND REVENUES - ECONOMIC FORUM DECEMBER 6, 2016, FORECAST
 ACTUAL: FY 2014 THROUGH FY 2016 AND FORECAST: FY 2017 THROUGH FY 2019
 ECONOMIC FORUM'S FORECAST FOR FY 2017, FY 2018, AND FY 2019 APPROVED AT THE DECEMBER 6, 2016, MEETING**

DESCRIPTION	FY 2014		FY 2015		FY 2016		ECONOMIC FORUM DECEMBER 6, 2016, FORECAST					
	ACTUAL	% Change	ACTUAL	% Change	ACTUAL	% Change	FY 2017 FORECAST		FY 2018 FORECAST		FY 2019 FORECAST	
								% Change		% Change		% Change

TAX CREDIT PROGRAMS APPROVED BY THE LEGISLATURE IN THE 2013 AND 2015 REGULAR SESSIONS AND THE 24TH SPECIAL SESSION IN SEPTEMBER 2014

- [TC-1] Pursuant to S.B. 165 (2013), the Governor's Office of Economic Development (GOED) could issue up to \$20 million per fiscal year for a total of \$80 million for the four-year pilot program in transferrable tax credits that may be used against the Modified Business Tax, Insurance Premium Tax, and Gaming Percentage Fee Tax. The provisions of the film tax credit program were amended in S.B. 1 (28th Special Session (2014)) to reduce the total amount of the tax credits that may be approved by GOED to a total of \$10 million. The amounts shown reflect estimates based on information provided by GOED during the 2015 Session on the amount of tax credits that have been or will be approved for use in FY 2015 and FY 2016.
- [TC-2] Pursuant to S.B. 1 (28th Special Session (2014)), for certain qualifying projects, the Governor's Office of Economic Development (GOED) is required to issue transferrable tax credits that may be used against the Modified Business Tax, Insurance Premium Tax, and the Gaming Percentage Fee Tax. The amount of transferrable tax credits are equal to \$12,500 for each qualified employee employed by the participants in the project, to a maximum of 6,000 employees, plus 5 percent of the first \$1 billion of new capital investment in the State made collectively by the participants in the qualifying project, plus an additional 2.8 percent of the next \$2.5 billion in new capital investment in the State made collectively by the participants in the project. The amount of credits approved by GOED may not exceed \$45 million per fiscal year (though any unissued credits may be issued in subsequent fiscal years), and GOED may not issue total credits in excess of \$195 million. The forecast for FY 2017, 2018, and 2019 if \$45 million per year, which reflects the maximum amount of credits that may be approved in each fiscal year for the Tesla project.
- Pursuant to S.B. 1 (29th Special Session (2015)), for certain qualifying projects, the Governor's Office of Economic Development (GOED) is required to issue transferrable tax credits that may be used against the Modified Business Tax, Insurance Premium Tax, and the Gaming Percentage Fee Tax. The amount of transferrable tax credits are equal to \$9,500 for each qualified employee employed by the participants in the project, to a maximum of 4,000 employees. The amount of credits approved by GOED may not exceed \$7.6 million per fiscal year (though any unissued credits may be issued in subsequent fiscal years), and GOED may not issue total credits in excess of \$38 million. The forecast for FY 2018 and FY 2019 is \$7.6 million per year, which reflects the maximum amount of credits that may be approved in each fiscal year for the Faraday project.
- [TC-3] Pursuant to S.B. 357 (2013), the Nevada New Markets Jobs Act allows insurance companies to receive a credit against the tax imposed on insurance premiums in exchange for making qualified equity investments in community development entities, particularly those that are local and minority-owned. A total of \$200 million in qualified equity investments may be certified by the Department of Business and Industry. In exchange for making the qualified equity investment, insurance companies are entitled to receive a credit against the Insurance Premium Tax in an amount equal to 58 percent of the total qualified equity investment that is certified by the Department. The credits may be taken in increments beginning on the second anniversary date of the original investment, as follows:
 2 years after the investment is made: 12 percent of the qualified investment
 3 years after the investment is made: 12 percent of the qualified investment
 4 years after the investment is made: 12 percent of the qualified investment
 5 years after the investment is made: 11 percent of the qualified investment
 6 years after the investment is made: 11 percent of the qualified investment
- Under the provisions of S.B. 357, the insurance companies were allowed to begin taking tax credits in the third quarter of FY 2015. The amounts shown reflect estimates of the amount of tax credits that will be taken in each fiscal year based on information provided by the Department of Business and Industry and the Department of Taxation during the 2015 Session.
- [TC-4] S.B. 507 (2015) authorizes the Governor's Office of Economic Development (GOED) to approve transferrable tax credits that may be used against the Modified Business Tax, Insurance Premium Tax, and Gaming Percentage Fee Tax to new or expanding businesses to promote the economic development of Nevada. As approved in S.B. 507, the total amount of transferrable tax credits that may be issued is \$500,000 in FY 2016, \$2,000,000 in FY 2017, and \$5,000,000 for FY 2018 and each fiscal year thereafter. The amounts shown are the estimate based on the maximum amount that can be issued in each fiscal year.
- A.B. 1 of the 29th Special Session (2015) reduced the total amount of transferrable tax credits that may be issued by GOED to zero in FY 2016, \$1 million in FY 2017, \$2 million per year in FY 2018 and FY 2019, and \$3 million in FY 2020. For FY 2021 and future fiscal years, the amount of credits that may be issued by GOED remains at \$5 million per year.
- [TC-5] A.B. 165 (2015) allows taxpayers who make donations of money to certain scholarship organizations to receive a dollar-for-dollar credit against the taxpayer's liability for the Modified Business Tax (MBT). The total amount of credits that may be approved by the Department is \$5 million in FY 2016, \$5.5 million in FY 2017, and 110 percent of the total amount of credits authorized in the previous year, for all subsequent fiscal years. The amounts shown reflect the estimate based on the assumption that the total amount authorized for each fiscal year will be donated to a qualified scholarship organization and taken as credits against the MBT.
- [TC-6] S.B. 412 (2015) provides a tax credit against the Modified Business Tax (MBT) to certain employers who match the contribution of an employee to one of the college savings plans offered through the Nevada Higher Education Prepaid Tuition Program and the Nevada College Savings Program authorized under existing law. The amount of the tax credit is equal to 25 percent of the matching contribution, not to exceed \$500 per contributing employee per year, and any unused credits may be carried forward for 5 years. The provisions relating to the Nevada College Savings Program are effective January 1, 2016, and the Higher Education Prepaid Tuition Program are effective July 1, 2016. The amounts shown are estimates based on information provided by the Treasurer's Office on enrollment and contributions for the college savings plans.

NEVADA GENERAL FUND REVENUE ACTUAL BY SOURCE – FY 2016*



ACTUAL GENERAL FUND REVENUE - FY 2016 AMOUNTS SHOWN FOR EACH REVENUE SOURCE ARE BEFORE TAX CREDITS

	<u>Millions</u> <u>\$'s</u>	<u>% of</u> <u>Total (4.)</u>		<u>Millions</u> <u>\$'s</u>	<u>% of</u> <u>Total (4.)</u>
Taxes:			Other Taxes:		
State Gaming Taxes (2.)	\$733.4	19.6%	Mining Tax (1.)	\$34.8	0.9%
Sales and Use Taxes (1.)	\$1,077.0	28.7%	Annual Slot Tax Transfer	\$5.0	0.1%
Insurance Premium Taxes (2.)	\$336.2	9.0%	Other Tobacco Tax	\$13.1	0.4%
Cigarette Tax (1.)	\$153.0	4.1%	Branch Bank Excise Tax	\$2.8	0.1%
Live Entertainment Tax:			Subtotal Other Taxes	\$55.7	1.5%
Gaming Establishments (1.)	\$112.0	3.0%	Subtotal Taxes	\$3,495.1	93.2%
Non-Gaming Establishments (1.)	\$16.5	0.4%	Non-Tax Revenues		
Modified Business Tax (MBT) (1.)(2.)(3.)	\$566.3	15.1%	Licenses (1.)	\$131.9	3.5%
Commerce Tax (1.)	\$143.5	3.8%	Fees and Fines	\$59.2	1.6%
Transportation Connection Excise Tax (1.)	\$11.9	0.3%	Use of Money and Property	\$1.5	0.1%
Real Property Transfer Tax	\$75.8	2.0%	Miscellaneous Revenues (1.)	\$61.4	1.6%
Business License Fee (1.)	\$103.0	2.7%	Subtotal Non-Tax Revenues	\$254.0	6.8%
Liquor Tax	\$44.0	1.2%	Total General Fund - <u>Before</u> Tax Credit Programs	\$3,749.1	100.0%
Governmental Services Tax (GST) (1.)	\$66.7	1.8%	Tax Credit Programs	-\$55.2	
			Total General Fund - <u>After</u> Tax Credit Programs	\$3,693.9	

* Based on current statute which reflects that actions of the 2015 Legislative Session

(1.) Denotes a revenue source affected by legislative actions approved by the 2015 Legislature.

(2.) The Gaming Percentage Fee Tax, the Modified Business Tax, and the Insurance Premium Tax are impacted by one or more tax credit programs approved by the Legislature during the 2013 and 2015 Regular Sessions and the 2014 Special Session.

(3.) The amount shown for the Modified Business Tax (MBT) represents the nonfinancial, financial, and mining portions of the MBT.

(4.) % of Total for each revenue source computed based on Total General Fund - Before Tax Credit Programs amount.

GENERAL FUND APPROPRIATION TRENDS

Total General Fund appropriations, as approved by the Legislature, have grown 23.6 percent over the ten-year period from \$3.024 billion in FY 2007 to \$3.739 billion in FY 2017 (legislatively approved during the 78th Session [2015]). The average annual growth per fiscal year over this ten-year period is 2.3 percent. Over this ten-year period, inflation increased by an average of 1.8 percent per fiscal year and statewide population increased by an average of 0.9 percent per fiscal year. In inflation-adjusted per-capita terms, General Fund appropriations have actually decreased by 5.5 percent from FY 2007 to FY 2017 or an average decrease of 0.4 percent per fiscal year.

Total General Fund appropriations of \$4.037 billion in FY 2019, as recommended by the Governor, represent a 33.5 percent increase over the FY 2007 amount of \$3.024 billion. After accounting for growth in population and inflation over this 12-year period, the Governor's recommended General Fund appropriation amount for FY 2019 of \$4.037 billion is 6.1 percent below the FY 2007 amount in inflation-adjusted per-capita terms.

Total legislatively approved General Fund appropriations for the 2015-17 biennium of \$7.297 billion were 10.6 percent above the appropriations approved for the 2013-15 biennium of \$6.596 billion.

Total General Fund appropriations for the 2017-19 biennium of \$7.930 billion, as recommended by the Governor represent an 8.7 percent increase over the legislatively approved General Fund appropriations of \$7.297 billion for the 2015-17 biennium.

The chart on the following page displays the General Fund appropriations by functional area as approved by the Legislature during the 78th Session for the 2015-17 biennium. General Fund appropriations for Education accounted for 53.2 percent of total General Fund appropriations, while Human Services accounted for 29.8 percent.

TOTAL STATE BUDGET TRENDS

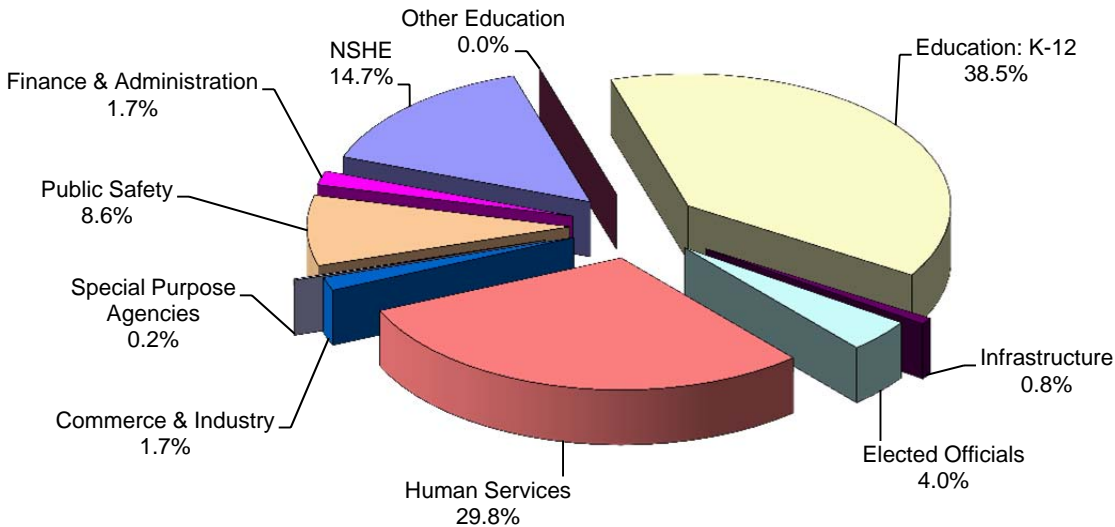
As recommended by the Governor in The Executive Budget, funding from all sources, which includes the General Fund, the Highway Fund, federal funds, and other funds available to state agencies for FY 2019 of \$11.557 billion represents a 61.0 percent increase over the legislatively approved amount for FY 2007 of \$7.181 billion. The Governor recommended amount for FY 2019 represents an average increase over this 12-year period of 4.2 percent per fiscal year.

Total legislatively approved funding from all sources for the 2015-17 biennium of \$20.940 billion was 17.8 percent above the total funding approved for the 2013-15 biennium of \$17.770 billion.

NEVADA GENERAL FUND APPROPRIATIONS

LEGISLATURE APPROVED – 2015-17 BIENNIUM

ADJUSTED FOR ACTIONS APPROVED IN A.B. 1 - 29TH SPECIAL SESSION



LEGISLATURE APPROVED APPROPRIATIONS - 2015-17 BIENNIUM

	<u>FY 2016</u>	<u>FY 2017</u>	<u>TOTAL</u>	<u>% of Total</u>
Elected Officials ^{a, b, d}	\$ 133,758,451	\$ 160,825,363	\$ 294,583,814	4.0%
Finance & Administration ^{a, c}	\$ 56,288,357	\$ 68,631,669	\$ 124,920,026	1.7%
Education:				
Kindergarten to 12th Grade	\$ 1,379,528,179	\$ 1,431,807,725	\$ 2,811,335,904	38.5%
Nevada System of Higher Education	\$ 530,862,990	\$ 541,622,619	\$ 1,072,485,609	14.7%
Other Education ^b	\$ 303,003	\$ 309,445	\$ 612,448	0.0%
Subtotal Education	\$ 1,910,694,172	\$ 1,973,739,789	\$ 3,884,433,961	53.2%
Commerce & Industry ^d	\$ 66,883,766	\$ 53,832,342	\$ 120,716,108	1.7%
Human Services	\$ 1,044,884,014	\$ 1,126,661,087	\$ 2,171,545,101	29.8%
Public Safety	\$ 311,926,105	\$ 316,902,043	\$ 628,828,148	8.6%
Infrastructure	\$ 30,645,160	\$ 31,411,513	\$ 62,056,673	0.8%
Special Purpose Agencies	\$ 5,477,591	\$ 5,707,691	\$ 11,185,282	0.2%
Total	\$ 3,560,557,616	\$ 3,737,711,497	\$ 7,298,269,113	100.0%

- a. The 2015 Legislature approved moving the Department of Administration, Budget Division and Division of Internal Audits to the newly created Office of Finance in the Office of the Governor. The operating appropriations for the Office of Finance were transferred from the Finance and Administration function to the Elected Officials function for Legislature Approved Appropriations 2015-17 Biennium.
- b. The 2015 Legislature transferred Western Interstate Commission for Higher Education (WICHE) from Other Education in the Education functional area to Elected Officials and the operating appropriation included in the new functional area in Legislature Approved Appropriations 2015-17 Biennium.
- c. The Finance and Administration function for Legislature Approved Appropriations 2015-17 Biennium includes \$4,231,214 pursuant to Section 4 of A.B. 489, \$13,185,284 pursuant to Section 5 of A.B. 489, and \$19,184,816 pursuant to Section 7 of A.B. 489 appropriated to the Board of Examiners for salary adjustment allocations.
- d. Includes actions by the Legislature in the 29th Special Session (A.B. 1) to transfer \$1.0 million from the Office of Science, Innovation and Technology from FY 2017 to the Workforce Innovations for a New Nevada Account in FY 2016. A.B. 1 also appropriated \$2.5 million to the Workforce Innovations for a New Nevada Account in FY 2016.

SECTION II

GENERAL FUND PROJECTED FUND BALANCE

Senate Bill 23 (1993) established an Economic Forum to forecast State General Fund revenues for use by all state agencies, the Governor and the Legislature (NRS 353.226 - NRS 353-229). The Economic Forum must forecast revenues by December 1 of even-numbered years and revise the forecast by May 1 during the legislative session, if necessary. If either the Governor or the Legislature wants to appropriate more than what is available pursuant to the official forecast, a revenue enhancement proposal must be made.

The Governor is recommending the following “new/redirected” General Fund revenues and Tax Credits for the 2017-19 biennium:

	FY 2018	FY 2019	Total 2017-19 Biennium
New or Redirected General Fund Revenue			
Redirect a portion of the Governmental Services Tax revenue from the 10% depreciation factor change. As approved in S.B. 483 (2015 Session), 10% of the proceeds from the Governmental Services Tax were to be deposited in the Highway Fund beginning in FY 2018. The Governor recommends that 25% of the revenue be deposited to the General Fund for FY 2018 and FY 2019 only.	\$19,272,000	\$19,483,500	\$ 38,755,500
Require a portion of the total estimated revenue generated from Court Administrative Assessment Fees that are not allocated to statutorily required programs to be deposited in the General Fund.	\$ 1,718,911	\$ 1,687,419	\$ 3,406,330
Authorizes funding for both FY 2018 and FY 2019 for the Film Tax Credit Program.	\$ (2,500,000)	\$(2,500,000)	\$ (5,000,000)
Total New/Redirected General Fund Revenue	\$18,490,911	\$18,670,919	\$ 37,161,830

Once the official forecast of state revenues has been completed, an estimate of the unappropriated General Fund balance (surplus) can be made. The schedule on page 22 displays the General Fund balance as estimated by the Governor’s Finance Office for Fiscal Years 2017 through 2019. This balance is estimated to be achieved based on the General Fund revenue projections as provided by the Economic Forum on December 6, 2016 (increase of \$77.9 million for FY 2017 from the May 1, 2015, projections, and the amount approved by the 2015 Legislature). The Governor is also recommending reversions and fund transfers of \$85.5 million in Fiscal Year 2017 (refer to the schedule for details).

The projected General Fund balance, before any legislative action, on June 30, 2017, is projected to be \$480.78 million. Pursuant to NRS 353.213, the recommended budget must provide for a reserve of not less than 5 percent, or more than 10 percent of the total proposed ongoing appropriations from the State General Fund. Based on this statute, the ending fund balance for FY 2017 requires a minimum reserve of \$186.3 million (5 percent of approved operating appropriations of \$3.7 billion); this results in \$294.4 million available for appropriation in FY 2017 by the 2017 Legislature.

Under the proposed budget, the balance would decrease from \$418.5 million on June 30, 2016, to \$215.8 million on June 30, 2019 (minimum 5 percent reserve would be \$202.9 million).

ACCOUNT TO STABILIZE THE OPERATION OF STATE GOVERNMENT (NRS 353.288)

In 1991, the Legislature created the Account to Stabilize the Operation of State Government (Rainy Day Account) to help stabilize the budget. The idea was to create a state trust account, which could be funded during good times and accessed in a fiscal emergency. When the State General Fund surplus reaches a certain threshold at the end of a fiscal year, a portion of the excess is to be held to help the state through financial emergencies. The conditions under which monies can be expended are defined in law (NRS 353.288) and provide that the Director of the Office of Finance in the Office of the Governor may submit a request to the State Board of Examiners to transfer funds from the Rainy Day Account to the State General Fund to offset a budget shortfall or fiscal emergency under certain circumstances. Any transfer from the Rainy Day Account to the State General Fund must be approved by either the Legislature, if in session, or the Interim Finance Committee, if the Legislature is not in session. The Interim Finance Committee is not bound by the recommendations of the State Board of Examiners.

The 2003 Legislature approved Assembly Bill 259, which provided for the transfer of \$135.0 million from the Rainy Day Account to the State General Fund. Following this transfer, approximately \$1.3 million remained in the Rainy Day Account. The 24th Special Session (2008) approved Senate Bill 1, which provided for the transfer of \$267.0 million from the Rainy Day Account to the State General Fund. The 26th Special Session (2010) of the Legislature approved Assembly Bill 3, which provided for the transfer of \$632,516 from the Rainy Day Account to the State General Fund. The 2013 Legislature approved the transfer of the combined total of \$84.7 million from the Rainy Day Account to the State General Fund (A.B. 507) in FY 2014 for unrestricted General Fund use. Senate Bill 490 of the 78th Session approved by the 2015 Legislature facilitated the transfer of \$28.1 million from the Rainy Day Account to the State General Fund for unrestricted General Fund use, resulting in a zero balance for FY 2016. In FY 2016 the General Fund balance exceeded the estimate, which initiated a transfer of \$63.9 million to the Rainy Day Account and is the starting balance of 2017 Legislative Session.

The chart on the following page summarizes the activities in the Account to Stabilize the Operation of State Government subsequent to the 2003 Legislature.

The Account to Stabilize the Operation of State Government	
Balance – Close of the 2003 Legislative Session	\$1,340,970
Transfer per NRS 353.288 – Close of FY 2004	\$70,609,836
Contingent Appropriation – Senate Bill 1, 20 th Special Session	\$50,000,000
Transfer per NRS 353.288 – Close of FY 2005	\$25,214,470
Appropriation Approved by 2005 Legislature – FY 2006	\$37,000,000
Transfer per NRS 353.288 – Close of FY 2006	\$49,467,240
Appropriation Approved by 2005 Legislature – FY 2007	\$34,000,000
Estimated Balance – Close of FY 2007	\$267,632,516
Senate Bill 1, 24 th Special Session	-\$267,000,000
Balance Start of 2009 Legislative Session	\$632,516
Assembly Bill 3, 26 th Special Session	-\$632,516
Transfer per NRS 353.288 – Close of FY 2010	\$41,321,014
Balance Start of 2011 Legislative Session	\$41,321,014
Assembly Bill 561, 76 th Session	-\$41,321,014
Transfer per NRS 353.288 – Close of FY 2011	\$39,237,222
Transfer per NRS 353.288 – Close of FY 2012	\$45,500,054
Balance Start of 2013 Legislative Session	\$84,737,276
Assembly Bill 507, 77 th Session	-\$84,737,276
Transfer per NRS 353.288 – Close of FY 2013	\$28,061,106
Balance Start of 2015 Legislative Session	\$28,061,106
Senate Bill 490, 78 th Session	-\$28,061,106
Transfer per NRS 353.288 – Close of FY 2016	\$63,935,955
Balance Start of 2017 Legislative Session	\$63,935,955

**Statement of Projected Unappropriated
General Fund Balance – Fiscal Years 2017-19 – Governor Recommends**

Unappropriated Balance July 1, 2016 (a.)	\$ 418,534,861
Unrestricted General Fund Revenue	
Projected Revenues FY 2017 - Economic Forum December 6, 2016	\$ 3,769,200,444
Restricted General Fund Revenue	
Unclaimed Property - Millennium Scholarships	\$ 7,600,000
Quarterly Slot Tax - Problem Gambling	\$ 1,336,504
Live Entertainment Tax (nongaming) - Nevada Arts Council	\$ 150,000
General Fund Reversions / Fund Transfers	
Unrestricted General Fund Reversions	\$ 85,500,000
Total Funds Available	\$ 4,282,321,809
Less Appropriations	
FY 2017 Operating Appropriations	\$ (3,737,711,497)
Appropriations Transferred Between Fiscal Years	\$ 11,216,167
One-Time Appropriations 2015 Legislature	\$ (100,000)
Total FY 2017 Appropriations Before Legislative Action	\$ (3,726,595,330)
Restricted General Fund Transfers	
Unclaimed Property - Millennium Scholarships	\$ (7,600,000)
Problem Gambling	\$ (1,336,504)
Nevada Arts Council	\$ (150,000)
Fund to Stabilize the Operation of State Government	\$ (63,935,955)
Transfer to Disaster Relief Account	\$ (2,000,000)
Total Estimated General Fund Balance July 1, 2017	\$ 480,704,020
5% Minimum Ending Fund Balance	\$ 186,324,767
Balance Over / (Under) 5% Minimum Ending Fund Balance	\$ 294,379,254
<small>(a.) Subject to reconciliation with the Controller's Annual Report.</small>	
Estimated General Fund Balance Before Legislative Action	
Unrestricted General Fund Revenue	
Projected Revenues FY 2018 - Economic Forum December 6, 2016	\$ 3,875,067,163
Restricted General Fund Revenue	
Unclaimed Property - Millennium Scholarships	\$ 7,600,000
Quarterly Slot Tax - Problem Gambling	\$ 1,324,463
Wholesale Excise Tax on Rec. Marijuana - Administrative Expenses	\$ 6,980,494
Live Entertainment Tax (nongaming) - Nevada Arts Council	\$ 150,000
General Fund Reversions	\$ 50,000,000
Restricted General Fund Transfers	
Unclaimed Property - Millennium Scholarships	\$ (7,600,000)
Quarterly Slot Tax - Problem Gambling	\$ (1,324,463)
Wholesale Excise Tax on Rec. Marijuana - Administrative Expenses	\$ (6,980,494)
Nevada Arts Council	\$ (150,000)
Transfer to Disaster Relief Account	\$ (2,000,000)
Fund to Stabilize the Operation of State Government	\$ (100,928,498)
Total Estimated Revenues & Reversions FY 2018	\$ 3,822,138,665
Unrestricted General Fund Revenue	
Projected Revenues FY 2019 - Economic Forum December 6, 2016	\$ 4,012,211,451
Restricted General Fund Revenue	
Unclaimed Property - Millennium Scholarships	\$ 7,600,000
Quarterly Slot Tax - Problem Gambling	\$ 1,317,797
Wholesale Excise Tax on Rec. Marijuana - Administrative Expenses	\$ 6,862,896
Live Entertainment Tax (nongaming) - Nevada Arts Council	\$ 150,000
General Fund Reversions	\$ 50,000,000
Restricted General Fund Transfers	
Unclaimed Property - Millennium Scholarships	\$ (7,600,000)
Quarterly Slot Tax - Problem Gambling	\$ (1,317,797)
Wholesale Excise Tax on Rec. Marijuana - Administrative Expenses	\$ (6,862,896)
Nevada Arts Council	\$ (150,000)
Transfer to Disaster Relief Account	\$ (2,000,000)
Fund to Stabilize the Operation of State Government	\$ (40,308,824)
Total Estimated Revenues & Reversions FY 2019	\$ 4,019,902,627
Estimated Unappropriated Balance July 1, 2019, Before Legislative Action	\$ 8,322,745,312

**Statement of Projected Unappropriated
General Fund Balance – Fiscal Years 2017-19 – Governor Recommends**

Recommended General Fund Revenues / Appropriations Before the 79th Nevada Legislature		
New / Redirected General Fund Revenues - FY 2018		
Redirect 25% of Governmental Services Tax to the General Fund	\$	19,272,000
Deposit Court Administrative Assessment Fees not allocated in <u>The Executive Budget</u>	\$	1,718,911
Authorize Funding for the Film Tax Credit program	\$	<u>(2,500,000)</u>
Total New / Redirected General Fund Revenues - FY 2018	\$	18,490,911
New / Redirected General Fund Revenues - FY 2019		
Redirect 25% of Governmental Services Tax to the General Fund	\$	19,483,500
Deposit Court Administrative Assessment Fees not allocated in <u>The Executive Budget</u>	\$	1,687,419
Authorize Funding for the Film Tax Credit program	\$	<u>(2,500,000)</u>
Total New / Redirected General Fund Revenues - FY 2019	\$	18,670,919
Total New / Redirected General Fund Revenues Before 79th Nevada Legislature	\$	37,161,830
2017 Supplemental Appropriations	\$	(40,616,875)
Estimated Cost of the 79 th Nevada Legislature	\$	<u>(20,000,000)</u>
2017 Recommended Appropriations	\$	(60,616,875)
2018 Operating Appropriations	\$	(3,893,559,321)
2018 One-Time Appropriations	\$	(79,155,479)
2018 Restoration of Fund Balances	\$	(7,500,000)
2018 2017 Capital Improvement Program	\$	<u>(44,525,830)</u>
2018 Recommended Appropriations	\$	(4,024,740,630)
2019 Operating Appropriations	\$	(4,036,661,496)
2019 Debt Service Payment	\$	(2,127,000)
Estimated Cost of the 80 th Nevada Legislature	\$	<u>(20,000,000)</u>
2019 Recommended Appropriations	\$	(4,058,788,496)
2017-19 Recommended Appropriations	\$	(8,144,146,001)
Estimated Unappropriated Balance July 1, 2019, Before Legislative Action	\$	8,322,745,312
Total New / Redirected General Fund Revenues Before 79th Nevada Legislature	\$	37,161,830
Recommended Appropriations Before the 79th Nevada Legislature	\$	(8,144,146,001)
Estimated Unappropriated General Fund Balance June 30, 2019	\$	215,761,141
Minimum 5% Ending Fund Balance	\$	202,939,425
Amount Over / (Under) Minimum 5% Ending Fund Balance	\$	12,821,716

SECTION III

TAX OVERVIEW

This section reviews the major tax policy changes approved by the Legislature for the 78th Regular Session (2015), the 29th Special Session (December 2015), and the 30th Special Session (October 2016). Summaries of tax policy changes between 1979 and 2015 are included in the *Revenue Reference Manual* prepared by the Fiscal Analysis Division, which is available from the Fiscal Analysis Division, or can be found on the Legislative Counsel Bureau's website at <http://www.leg.state.nv.us/Division/Fiscal/>.

78TH LEGISLATIVE SESSION (2015)

The Executive Budget submitted by Governor Sandoval in advance of the 2015 Session proposed total General Fund expenditures in excess of \$7.4 billion for the 2015-17 biennium, well over the \$6.3 billion in General Fund revenue forecast by the Economic Forum at its meeting on December 3, 2014. Though the budget submitted by Governor Sandoval proposed making many of the tax increases that were approved in the 2013 Session and set to expire on June 30, 2015, permanent, additional revenue sources would be necessary above the so-called "sunset" taxes in order to fund the budget that was submitted.

The budget submitted by Governor Sandoval, in addition to making permanent the increases in the Local School Support Tax and the Modified Business Tax, made changes to the state's Business License Fee that would have required all businesses to pay a minimum of \$400 per year, with businesses generating larger amounts of revenue in Nevada to pay an increasing amount depending on the industry classification of the business. Additionally, under the revenue proposal submitted by the Governor, businesses that pay the Net Proceeds of Minerals Tax would be required to pay a higher Modified Business Tax rate on all taxable wages, certain slot route operators would have been required to pay the gross gaming percentage fee tax on all restricted and non-restricted slot machines, and the cigarette tax would have been increased by 40 cents per pack.

Throughout the session, in addition to the proposals submitted by the Governor, additional proposals were submitted and considered by the Legislature, including one bill introduced in the Senate that would have created a gross receipts tax on all businesses making more than \$25,000 per year, as well as another bill introduced in the Assembly that would have increased the Modified Business Tax on Nonfinancial Institutions and the Business License Fee on certain corporations.

In the end, the proposal approved by the Legislature and signed by the Governor consisted of a hybrid proposal that took elements of the Governor's original proposal, as well as those alternative proposals introduced by the Legislature during the session, resulting in the imposition of a new Commerce Tax on businesses with more than \$4 million in Nevada gross revenue per year, as well as changes to the Modified

Business Tax, the Business License Fee, and the cigarette tax. The legislation approved also made the 0.35 percent increase in the Local School Support Tax permanent, as well as ending the prepayment provisions of the Net Proceeds of Minerals Tax beginning in Fiscal Year 2017.

During the 2015 Session, the Legislature also approved legislation imposing an excise tax of 3 percent on common motor carriers and companies who use a digital network or software application systems, as well as legislation that changed the rate of the Live Entertainment Tax to a flat rate, regardless of the amount of seats in the facility.

The Legislature, during the 2015 Session, also approved several tax credit programs, including credits that may be issued against the Modified Business Tax for donations to certain educational scholarship programs and for matching contributions by employers to college savings plans, as well as transferable tax credits that may be issued for economic development purposes.

29TH SPECIAL SESSION (2015)

In December 2015, during the 29th Special Session, the Legislature passed legislation that allows the Governor's Office of Economic Development (GOED) to approve abatements of property tax and sales and use taxes to certain qualifying projects that make a capital investment in Nevada of at least \$1 billion during the ten-year period immediately following the approval of the application. The legislation also allows for the issuance of up to \$38 million in transferable tax credits against the Gaming Percentage Fee Tax, Modified Business Tax, Branch Bank Excise Tax, and Insurance Premium Tax, in the amount of \$9,500 for each qualified employee employed by the participants of the project, up to a maximum of 6,000 employees.

The legislation allows GOED to issue up to \$7.6 million in tax credits per year (though additional credits may be issued in future years if GOED does not issue the maximum of \$7.6 million in any single year.)

30TH SPECIAL SESSION (2016)

In October 2016, during the 30th Special Session, the Legislature passed legislation that provides for the creation of a Stadium Authority Board to oversee the financing, acquisition, construction, and operation of a National Football League (NFL) stadium project in Clark County, including the creation of a stadium district within the county and authorization for the imposition of room tax rates within the county to fund the construction of the stadium. The legislation also provides for the creation of a campus improvement authority to oversee the financing, acquisition, construction, and operation of a college football stadium for the University of Nevada, Las Vegas, if the Stadium Authority fails to enter into a development and lease agreement with an NFL team within a specified period. The legislation additionally authorized an additional room tax rate countywide to fund the expansion of the Las Vegas Convention Center.

During the 30th Special Session, the Legislature also authorized an additional 0.1 percent sales and use tax rate to be imposed within the county for additional police protection, with a portion of the revenue allocated to the Las Vegas Metropolitan Police Department for the purpose of law enforcement in a defined “resort corridor.”

Tables 1 and 2 summarize the changes to General Fund revenue sources enacted by the Legislature during the 78th Legislative Session and the 29th Special Session for FY 2016 and FY 2017.

**TABLE 1
ADJUSTMENTS TO THE ECONOMIC FORUM MAY 1, 2015, FORECAST FOR THE 2015-17 BIENNIUM
BASED ON MEASURES APPROVED BY THE 2015 LEGISLATURE (78th SESSION)**

DESCRIPTION	ESTIMATED REVENUE IMPACT FROM LEGISLATIVE ACTIONS						
	FY 2015	% Change	FY 2016	% Change	FY 2017	% Change	2015-2017 BIENNIUM*
Economic Forum May 1, 2015, Forecast <u>Before</u> Tax Credits and <u>Without</u> Measures Approved by the 2015 Legislature	\$3,236,630,323	5.5%	\$3,068,536,235	-5.2%	\$3,242,480,185	5.7%	\$6,311,016,420
TAXES							
NET PROCEEDS OF MINERALS TAX - PREPAYMENT (S.B. 483) S.B. 483 extends the June 30, 2015, sunset (approved in S.B. 475 (2013)) to June 30, 2016, on the prepayment of the Net Proceeds of Minerals (NPM) tax. This extends the payment of taxes in the current fiscal year based on the estimated net proceeds for the current calendar year with a true-up against actual net proceeds for the calendar year in the next fiscal year. The one-year extension of the sunset yields NPM tax in FY 2016 but eliminates the tax payments for FY 2017 forecast by the Economic Forum with the sunset occurring. (This item was included in the Governor's Executive Budget.)			\$34,642,000		-\$34,642,000		
NET PROCEEDS OF MINERALS TAX - HEALTH & INDUSTRIAL INSURANCE DEDUCTION (S.B. 483) S.B. 483 extends the January 1, 2016, sunset (approved in S.B. 475 (2013)) to January 1, 2017, that eliminates health and industrial insurance deductions allowed against gross proceeds to determine net proceeds for the purpose of calculating the Net Proceeds of Minerals (NPM) tax liability for FY 2018 based on calendar year 2016 mining activity. (This item was included in the Governor's Executive Budget.)			\$4,221,000				\$4,221,000
BUSINESS LICENSE FEES (S.B. 483) S.B. 483 makes the \$100 increase in the Business License Fee (BLF) from \$100 to \$200 permanent for the initial and annual renewal, that was scheduled to sunset on June 30, 2015, (as approved in A.B. 475 (2013)) for all types of businesses, except for corporations. The initial and annual renewal fee for corporations, as specified in S.B. 483, is increased from \$200 to \$500 permanently. These provisions are effective July 1, 2015.			\$63,093,000		\$64,338,000		\$127,431,000
COMMERCE TAX (S.B. 483) S.B. 483 establishes the Commerce Tax as an annual tax on each business entity engaged in business in the state whose Nevada gross revenue in a fiscal year exceeds \$4,000,000 at a tax rate based on the industry in which the business is primarily engaged. The Commerce Tax is due on or before the 45th day immediately following the fiscal year taxable period (June 30th). Although the Commerce Tax collections are received after the June 30th end of the fiscal year tax period, the proceeds from the Commerce Tax will be accrued back and accounted for in that fiscal year, since that fiscal year is not officially closed until the third Friday in September. The Commerce Tax provisions are effective July 1, 2015, for the purpose of taxing the Nevada gross revenue of a business, but the first tax payment will not be made until August 14, 2016, for the FY 2016 annual taxable business activity period.			\$119,826,000		\$119,826,000		\$239,652,000
CIGARETTE TAX (S.B. 483) S.B. 483 increases the cigarette tax per pack of 20 by \$1.00 from 80 cents per pack (10 cents to Local Government Distribution Fund, 70 cents to State General Fund) to \$1.80 per pack (10 cents to Local Government Distribution Fund, \$1.70 to State General Fund), effective July 1, 2015. (The Governor's Executive Budget included a recommendation to increase the tax rate by 40 cents per pack.)			\$96,872,000		\$95,391,000		\$192,263,000

TABLE 1
ADJUSTMENTS TO THE ECONOMIC FORUM MAY 1, 2015, FORECAST FOR THE 2015-17 BIENNIUM
BASED ON MEASURES APPROVED BY THE 2015 LEGISLATURE (78th SESSION)

DESCRIPTION	ESTIMATED REVENUE IMPACT FROM LEGISLATIVE ACTIONS						
	FY 2015	% Change	FY 2016	% Change	FY 2017	% Change	2015-2017 BIENNIUM*
PASSENGER CARRIER EXCISE TAX (A.B. 175, S.B. 376) A.B. 175 requires the collection of an excise tax by the Nevada Transportation Authority or the Taxicab Authority, as applicable, on the connection of a passenger to a driver affiliated with a transportation network company, a common motor carrier of passengers, or a taxicab equal to 3% of the fare charged to the passenger. S.B. 376 transferred the responsibility to administer and collect these excise taxes from the Transportation Authority and Taxicab Authority to the Department of Taxation. The excise tax becomes effective on passage and approval (May 29, 2015) for transportation network companies and August 28, 2015, for common motor carrier and taxicab companies.			\$13,685,000		\$22,936,000		\$36,621,000
LIVE ENTERTAINMENT TAX - TOTAL			-\$3,682,000		-\$1,238,000		-\$4,920,000
LIVE ENTERTAINMENT TAX - GAMING			-\$19,165,000		-\$26,551,000		-\$45,716,000
LIVE ENTERTAINMENT TAX - NONGAMING			\$15,483,000		\$25,313,000		\$40,796,000
S.B. 266 makes changes to the structure of the tax base and tax rate for the Live Entertainment Tax (LET) in NRS Chapter 368A that is administered by the Gaming Control Board for live entertainment at licensed gaming establishments and the Department of Taxation for live entertainment provided at non-gaming establishments. Under existing law, the tax rate is 10% of the admission charge and amounts paid for food, refreshments, and merchandise, if the live entertainment is provided at a facility with a maximum occupancy of less than 7,500 persons, and 5% of the admission charge only, if the live entertainment is provided at a facility with a maximum occupancy equal to or greater than 7,500 persons. S.B. 266 removes the occupancy threshold and establishes a single 9% tax rate on the admission charge to the facility only. The tax rate does not apply to amounts paid for food, refreshments, and merchandise unless that is the consideration required to enter the facility for the live entertainment. S.B. 266 adds the total amount of consideration paid for escorts and escort services to the LET tax base and makes these activities subject to the 9% tax rate. The bill provides that the exemption from the LET for certain nonprofit organizations applies depending on the number of tickets sold and the type of live entertainment being provided. S.B. 266 establishes an exemption for the following: 1.) the value of certain admissions provided on a complimentary basis; 2.) a charge for access to a table, seat, or lounge or for food, beverages, and merchandise that are in addition to the admission charge to the facility; and 3.) certain license and rental fees of luxury suites, boxes, or similar products at a facility with a maximum occupancy of more than 7,500 persons. The provisions of S.B. 266 also make other changes to the types of activities that are included or excluded from the tax base as live entertainment events subject to the 9% tax rate. The provisions of S.B. 266 are effective October 1, 2015. The amounts shown reflect the estimated net change from the provisions of S.B. 266 on the amount of the LET collected from the portion administered by the Gaming Control Board and the Department of Taxation separately and the combined impact.							

TABLE 1
ADJUSTMENTS TO THE ECONOMIC FORUM MAY 1, 2015, FORECAST FOR THE 2015-17 BIENNIUM
BASED ON MEASURES APPROVED BY THE 2015 LEGISLATURE (78th SESSION)

DESCRIPTION	ESTIMATED REVENUE IMPACT FROM LEGISLATIVE ACTIONS						
	FY 2015	% Change	FY 2016	% Change	FY 2017	% Change	2015-2017 BIENNIUM*
<p>MODIFIED BUSINESS TAX - NONFINANCIAL INSTITUTIONS (MBT-NFI): NET AMOUNT MBT-NFI: 1.475% TAX RATE ON QUARTERLY TAXABLE WAGES OVER \$50,000 (S.B. 483) S.B. 483 permanently changes the structure and tax rate for the Modified Business Tax on General Business (nonfinancial institutions) by exempting quarterly taxable wages (gross wages less allowable health care expenses) paid by an employer to employees up to and including \$50,000 per quarter and taxable wages exceeding \$50,000 per quarter are taxed at 1.475%. The taxable wages exemption threshold was \$85,000 per quarter for FY 2014 and FY 2015 with a 1.17% tax rate on quarterly taxable wages exceeding \$85,000, based on S.B. 475 (2013). These provisions in S.B. 475 were scheduled to sunset effective June 30, 2015, at which time the tax rate would have been 0.63% on all taxable wages per quarter. The provisions in S.B. 483 are effective July 1, 2015. The amounts shown reflects the total estimated net increase in MBT-NFI tax collections from the 1.475% tax rate on quarterly taxable wages exceeding \$50,000 compared to the Economic Forum May 1, 2015, forecast, based on the 0.63% tax rate on all quarterly taxable wages before accounting for the estimated impact of any other legislatively approved changes to the MBT-NFI.</p>			\$254,677,000		\$266,989,000		\$521,666,000
			\$268,041,000		\$281,443,000		\$549,484,000
<p>MBT-NFI: EMPLOYEE LEASING COMPANIES (A.B. 389) A.B. 389 deems the client company of an employee leasing company to be the employer of the employees it leases for the purposes of NRS Chapter 612 (unemployment compensation). Under these provisions, the wages of employees leased from employee leasing companies by client companies will no longer be reported on an aggregated basis under the employee leasing company. The wages of the employees will now be reported on a disaggregated basis under each client company. Instead of the \$50,000 quarterly exemption applying to the employee leasing company, it will now apply to each client company. These provisions are effective October 1, 2015. The amounts shown reflects the total estimated amount that will be lost under the MBT-NFI from the wages paid to employees being reported on a disaggregated basis for each client company versus an aggregated basis for the employee leasing company. The amount shown for FY 2016 reflects three quarters of the fiscal year with the October 1, 2015, effective date.</p>			-\$2,758,000		-\$3,861,000		-\$6,619,000
<p>MBT-NFI: MINING BUSINESSES SUBJECT TO THE NET PROCEEDS OF MINERAL TAX (S.B. 483) S.B. 483 requires businesses that are subject to the Net Proceeds of Minerals (NPM) tax in NRS Chapter 362 to pay a 2.0% tax on all quarterly taxable wages paid by the employer to the employees, which is identical to the Modified Business Tax (MBT) paid by financial institutions under NRS Chapter 363A. These provisions are effective July 1, 2015. The amounts shown reflects the total estimated amount that will be lost under the MBT-NFI by mining companies subject to the NPM that will no longer pay the MBT at 1.475% on quarterly taxable wages exceeding \$50,000.</p>			-\$10,884,000		-\$10,884,000		-\$21,768,000
<p>MBT-NFI: PERSONS SELLING INSURANCE (S.B. 103) S.B. 103 exempts from the definition of "financial institution" in NRS Chapter 363A any person who is primarily engaged in the sale, solicitation, or negotiation of insurance, which makes such a person subject to the Modified Business Tax on General Business (nonfinancial institutions) in NRS Chapter 363B at 1.475% on quarterly taxable wages exceeding \$50,000 and not the 2.0% tax on all quarterly taxable wages in NRS Chapter 363A. These provisions are effective July 1, 2015. The amounts shown reflects the total estimated amount that will be paid by persons primarily engaged in selling insurance who will pay the MBT at 1.475% on quarterly taxable wages exceeding \$50,000.</p>			\$278,000		\$291,000		\$569,000

TABLE 1
ADJUSTMENTS TO THE ECONOMIC FORUM MAY 1, 2015, FORECAST FOR THE 2015-17 BIENNIUM
BASED ON MEASURES APPROVED BY THE 2015 LEGISLATURE (78th SESSION)

DESCRIPTION	ESTIMATED REVENUE IMPACT FROM LEGISLATIVE ACTIONS						
	FY 2015	% Change	FY 2016	% Change	FY 2017	% Change	2015-2017 BIENNIUM*
<p>MODIFIED BUSINESS TAX - FINANCIAL INSTITUTIONS (S.B. 103) S.B. 103 exempts from the definition of "financial institution" in NRS Chapter 363A any person who is primarily engaged in the sale, solicitation, or negotiation of insurance, which makes such a person subject to the Modified Business Tax on General Business (nonfinancial institutions) in NRS Chapter 363B at 1.475% on quarterly taxable wages exceeding \$50,000 and not the 2.0% tax on all quarterly taxable wages. These provisions are effective July 1, 2015. The amounts shown reflects the total estimated amount that will be lost under the MBT-FI by persons primarily engaged in selling insurance who will no longer pay the MBT at 2.0% on all quarterly taxable wages.</p>			-\$891,000		-\$936,000		-\$1,827,000
<p>MODIFIED BUSINESS TAX - MINING (S.B. 483) S.B. 483 requires businesses that are subject to the Net Proceeds of Minerals (NPM) tax in NRS Chapter 362 to pay a 2.0% tax on all quarterly taxable wages paid by the employer to employees, which is identical to the Modified Business Tax paid by financial institutions under NRS Chapter 363A. These provisions are effective July 1, 2015. The amounts shown reflects the total estimated amount that will be paid by mining companies subject to the NPM at the tax rate of 2.0% on all quarterly taxable wages.</p>			\$17,353,000		\$17,353,000		\$34,706,000
<p>MBT - NONFINANCIAL, FINANCIAL, AND MINING: 50% COMMERCE TAX CREDIT (S.B. 483) S.B. 483 provides for a credit against a business's Modified Business Tax (MBT) due during the current fiscal year not to exceed 50% of the Commerce Tax paid by the business for the preceding fiscal year. The credit can be taken against any or all of the four quarterly MBT payments for the current fiscal year, but any amount of credit not used cannot be carried forward and used in succeeding fiscal years.</p>					-\$59,913,000		-\$59,913,000
<p>GOVERNMENTAL SERVICES TAX - GST (S.B. 483) S.B. 483 requires 100% of the proceeds from the portion of the Governmental Services Tax (GST) generated from the 10% depreciation schedule change, approved in S.B. 429 (2009), to be allocated to the State General Fund in FY 2016. In FY 2017, 50% of the proceeds will be allocated to the State General Fund and 50% to the State Highway Fund. Under S.B. 483, 100% of the additional revenue generated from the GST 10% depreciation schedule change is required to be deposited in the State Highway Fund beginning in FY 2018 and going forward permanently.</p>			\$63,463,000		\$32,054,500		\$95,517,500
<p>SALES AND USE TAX - GENERAL FUND COMMISSIONS (S.B. 483) S.B. 483 makes the 0.35% increase in the Local School Support Tax (LSST) permanent, which generates additional revenue from the 0.75% General Fund Commission assessed against LSST proceeds before distribution to school districts in each county. (This item was included in the Governor's Executive Budget.)</p>			\$1,387,300		\$1,463,400		\$2,850,700
NET IMPACT - TOTAL TAXES			<u>\$664,646,300</u>		<u>\$523,621,900</u>		<u>\$1,188,268,200</u>

TABLE 1
ADJUSTMENTS TO THE ECONOMIC FORUM MAY 1, 2015, FORECAST FOR THE 2015-17 BIENNIUM
BASED ON MEASURES APPROVED BY THE 2015 LEGISLATURE (78th SESSION)

DESCRIPTION	ESTIMATED REVENUE IMPACT FROM LEGISLATIVE ACTIONS						
	FY 2015	% Change	FY 2016	% Change	FY 2017	% Change	2015-2017 BIENNIUM*
LICENSES							
SOS COMMERCIAL RECORDING FEES (S.B. 483) S.B. 483 permanently increases the fee for filing the initial and annual list of directors and officers by \$25 that is required to be paid by each business entity organizing under the various chapters in Title 7 of the NRS, effective July 1, 2015.			\$2,751,000		\$2,807,000		\$5,558,000
REAL ESTATE LICENSE FEES (A.B. 475) A.B. 475 changes the initial period from 24 to 12 months and the renewal period from 48 to 24 months for a license as a real estate broker, broker-salesperson, or salesperson and also changes the period for other licenses from 48 to 24 months, effective July 1, 2015. Existing licenses issued before July 1, 2015, do not need to be renewed until the expiration date required under statute prior to July 1, 2015.			-\$1,693,400		-\$1,404,200		-\$3,097,600
ATHLETIC COMMISSION FEES (A.B. 476) A.B. 476 increases the current 6% license fee on the gross receipts from admission charges to unarmed combat events, that is dedicated to the State General Fund, by 2% to 8% with 75% of the proceeds from the 8% fee deposited in the State General Fund and 25% retained by the Athletic Commission to fund the agency's operations. A.B. 476 repeals the two-tiered fee based on the revenues from the sale or lease of broadcast, television and motion picture rights that is dedicated to the State General Fund. A.B. 476 allows the promoter of an unarmed combat event a credit against the 8% license fee equal to the amount paid to the Athletic Commission or organization sanctioned by the Commission to administer a drug testing program for unarmed combatants. These provisions are effective June 9, 2015, based on the passage and approval effective date provisions of A.B. 476.			-\$600,000		-\$600,000		-\$1,200,000
NET IMPACT - LICENSES			<u>\$457,600</u>		<u>\$802,800</u>		<u>\$1,260,400</u>
FEES AND FINES							
REAL ESTATE DIVISION - LAND COMPANY FILING FEES (A.B. 478) A.B. 478 increased certain fees relating to application or renewals paid by developers for exemptions to any provisions administered by the Real Estate Division of the Department of Business and Industry, and required that all fees collected for this purpose be kept by the Division, effective July 1, 2015.			-\$152,600		-\$153,300		-\$305,900
NET IMPACT - FEES AND FINES			<u>-\$152,600</u>		<u>-\$153,300</u>		<u>-\$305,900</u>
OTHER REVENUE							
GST COMMISSIONS AND PENALTIES COLLECTED BY THE DMV (A.B. 490) A.B. 491 (2013) required the proceeds from the commission retained by the Department of Motor Vehicles from the amount of Governmental Services Tax (GST) collected and any penalties for delinquent payment of the GST to be transferred to the State General Fund in FY 2015 only. A.B. 491 specified that the amount transferred shall not exceed \$20,813,716 from commissions and \$4,097,964 from penalties in FY 2015. A.B. 490 amended the commissions amount to \$23,724,000 and the penalties amount to \$5,037,000.	\$3,849,320						
COURT ADMINISTRATIVE ASSESSMENTS Estimated portion of the revenue generated from Court Administrative Assessment Fees to be deposited in the State General Fund (pursuant to subsection 9 of NRS 176.059), based on the legislatively approved projections and the authorized allocation for the Court Administrative Assessment Fee revenues (pursuant to subsection 8 of NRS 176.059) for FY 2016 and FY 2017.			\$55,180		\$185,940		\$241,120
NET IMPACT - OTHER REVENUE	<u>\$3,849,320</u>		<u>\$55,180</u>		<u>\$185,940</u>		<u>\$241,120</u>

TABLE 1
ADJUSTMENTS TO THE ECONOMIC FORUM MAY 1, 2015, FORECAST FOR THE 2015-17 BIENNIUM
BASED ON MEASURES APPROVED BY THE 2015 LEGISLATURE (78th SESSION)

DESCRIPTION	ESTIMATED REVENUE IMPACT FROM LEGISLATIVE ACTIONS						
	FY 2015	% Change	FY 2016	% Change	FY 2017	% Change	2015-2017 BIENNIUM*
NET IMPACT - TOTAL GENERAL FUND BEFORE TAX CREDITS	<u>\$3,849,320</u>		<u>\$665,006,480</u>		<u>\$524,457,340</u>		<u>\$1,189,463,820</u>
ECONOMIC FORUM MAY 1, 2015, FORECAST BEFORE TAX CREDITS AND WITH ADJUSTMENTS BASED ON MEASURES APPROVED BY THE 2015 LEGISLATURE	<u>\$3,240,479,643</u>	5.7%	<u>\$3,733,542,715</u>	15.2%	<u>\$3,766,937,525</u>	0.9%	<u>\$7,500,480,240</u>

* The amounts shown in the 2015-2017 Biennium column represent the sum of the FY 2016 and FY 2017 amounts and do not include any amounts shown for FY 2015.

**TABLE 1
ADJUSTMENTS TO THE ECONOMIC FORUM MAY 1, 2015, FORECAST FOR THE 2015-17 BIENNIUM
ADJUSTMENTS TO THE DISTRIBUTIVE SCHOOL ACCOUNT (DSA) FOR THE 2015-17 BIENNIUM
BASED ON MEASURES APPROVED BY THE 2015 LEGISLATURE (78th SESSION)**

DESCRIPTION	ESTIMATED REVENUE IMPACT FROM LEGISLATIVE ACTIONS						
	FY 2015	% Change	FY 2016	% Change	FY 2017	% Change	2015-2017 BIENNIUM*
STATE 3% ROOM TAX - I.P. 1 (2009) (S.B. 515) S.B. 515 requires the proceeds generated from the State 3% Room Tax deposited in the State Supplemental School Support Fund, pursuant to I.P. 1 (2009 Session), to be transferred to the Distributive School Account (DSA) for FY 2016 and FY 2017. The transfer of the room tax proceeds to the DSA provides a State General Fund offset in FY 2016 and FY 2017. Beginning in FY 2018, the proceeds from the State 3% Room Tax will remain in the State Supplemental School Support Fund and will be used to provide funding for K-12 education as intended under I.P. 1.			\$154,736,000		\$159,212,000		\$313,948,000
LOCAL SCHOOL SUPPORT TAX (S.B. 483) S.B. 483 makes the 0.35% increase in the Local School Support Tax (LSST) rate from 2.25% to 2.60% permanent. The 0.35% rate increase was originally approved in the 2009 Session with the two year sunset, but the sunset on the rate increase was extended in both the 2011 and 2013 Sessions. The proceeds from the LSST 0.35% rate increase provide revenue for K-12 education and provide a State General Fund offset for FY 2016 and FY 2017 through the Nevada Plan funding mechanism.			\$183,587,000		\$193,660,000		\$377,247,000
NET PROCEEDS OF MINERALS TAX (S.B. 483) - PREPAYMENT The one-year extension of the prepayment sunset for the Net Proceeds of Minerals (NPM) tax in S.B. 483, discussed in the General Fund revenue table, yields revenue for those school districts with mining activity in FY 2017. The extension of the prepayment sunset actually requires a NPM tax payment for FY 2016, but the NPM tax revenue budgeted by the school districts each fiscal year is based on NPM tax paid in the prior fiscal year. The amount represents the estimate of the additional NPM revenue that is considered as local funds available under the Nevada Plan funding formula for K-12 education and provides a State General Fund offset.					\$10,975,000		\$10,975,000
NET PROCEEDS OF MINERALS TAX (S.B. 483) - HEALTH & INDUSTRIAL INSURANCE DEDUCTION The changes to health and industrial insurance deductions for the Net Proceeds of Minerals (NPM) tax in S.B. 483, discussed in the General Fund revenue table, also generate additional NPM revenue for those school districts with mining activity. The amount represents the estimate of the additional NPM revenue that is considered as local funds available under the Nevada Plan funding formula for K-12 education and provides a State General Fund offset.					\$1,339,000		\$1,339,000
NET IMPACT - DSA			<u>\$338,323,000</u>		<u>\$365,186,000</u>		<u>\$703,509,000</u>

**GENERAL FUND AND DISTRIBUTIVE SCHOOL ACCOUNT (DSA)
ADJUSTMENTS TO THE GENERAL FUND AND DSA FOR THE 2015-17 BIENNIUM
BASED ON MEASURES APPROVED BY THE 2015 LEGISLATURE (78th SESSION)**

DESCRIPTION	ESTIMATED REVENUE IMPACT FROM LEGISLATIVE ACTIONS						
	FY 2015	% Change	FY 2016	% Change	FY 2017	% Change	2015-2017 BIENNIUM*
GENERAL FUND	\$3,849,320		\$665,006,480		\$524,457,340		\$1,189,463,820
DISTRIBUTIVE SCHOOL ACCOUNT (DSA)			\$338,323,000		\$365,186,000		\$703,509,000
NET IMPACT - GENERAL FUND AND DSA	<u>\$3,849,320</u>		<u>\$1,003,329,480</u>		<u>\$889,643,340</u>		<u>\$1,892,972,820</u>

* The amounts shown in the 2015-2017 Biennium column represent the sum of the FY 2016 and FY 2017 amounts and do not include any amounts shown for FY 2015.

TABLE 2
ECONOMIC FORUM MAY 1, 2015, GENERAL FUND REVENUE FORECAST FOR FY 2015, FY 2016, AND FY 2017
BEFORE AND AFTER TAX CREDIT PROGRAMS APPROVED DURING THE 2013 AND 2015 LEGISLATIVE SESSIONS
AND WITH ADJUSTMENT FOR MEASURES APPROVED BY THE 2015 LEGISLATURE (78TH SESSION)
AND THE 29TH SPECIAL SESSION (DECEMBER 2015)

DESCRIPTION	ECONOMIC FORUM MAY 1, 2015, FORECAST BEFORE AND AFTER TAX CREDITS AND WITH ADJUSTMENT FOR MEASURES APPROVED BY THE 2015 LEGISLATURE						
	FY 2015	% Change	FY 2016	% Change	FY 2017	% Change	2015-2017 BIENNIUM*
Economic Forum May 1, 2015, Forecast <u>Before</u> Tax Credits and <u>Without</u> Measures Approved by the 2015 Legislature	\$3,236,630,323	5.5%	\$3,068,536,235	-5.2%	\$3,242,480,185	5.7%	\$6,311,016,420
Adjustments to the Economic Forum May 1, 2015, Forecast Based on Measures Approved by the 2015 Legislature (78th Session) <u>Before</u> Tax Credits	\$3,849,320		\$665,006,480		\$524,457,340		\$1,189,463,820
Economic Forum May 1, 2015, Forecast <u>Before</u> Tax Credits and <u>With</u> Measures Approved by the 2015 Legislature	\$3,240,479,643	5.7%	\$3,733,542,715	15.2%	\$3,766,937,525	0.9%	\$7,500,480,240
ESTIMATED TAX CREDITS							
TRANSFERRABLE FILM TAX CREDIT PROGRAM (S.B. 165 (2013))	-\$5,200,000		-\$4,800,000				-\$4,800,000
Pursuant to S.B. 165 (2013), the Governor's Office of Economic Development (GOED) could issue up to \$20 million per fiscal year for a total of \$80 million for the four-year pilot program in transferrable tax credits that may be used against the Modified Business Tax, Insurance Premium Tax, and Gaming Percentage Fee Tax. The film tax credit program was amended in S.B. 1 (28th Special Session (2014)) to reduce the total amount of the tax credits that may be approved by GOED to a total of \$10 million. The amounts shown reflect estimates based on information provided by GOED during the 2015 Session on the amount of tax credits that have been or will be approved for use in FY 2015 and FY 2016.							
NEVADA NEW MARKETS JOBS ACT TAX CREDIT PROGRAM (S.B. 357 (2013))	-\$13,800,000		-\$24,000,000		-\$24,000,000		-\$48,000,000
Pursuant to S.B. 357 (2013), the Nevada New Markets Jobs Act allows insurance companies to receive a credit against the tax imposed on insurance premiums in exchange for making qualified equity investments in community development entities, particularly those that are local and minority-owned. A total of \$200 million in qualified equity investments may be certified by the Department of Business and Industry. In exchange for making the qualified equity investment, insurance companies are entitled to receive a credit against the Insurance Premium Tax in an amount equal to 58 percent of the total qualified equity investment that is certified by the Department. The credits may be taken in increments beginning on the second anniversary date of the original investment, as follows: 2 years after the investment is made: 12 percent of the qualified investment 3 years after the investment is made: 12 percent of the qualified investment 4 years after the investment is made: 12 percent of the qualified investment 5 years after the investment is made: 11 percent of the qualified investment 6 years after the investment is made: 11 percent of the qualified investment							
Under the provisions of S.B. 357, the insurance companies were allowed to begin taking tax credits in the third quarter of FY 2015. The amounts shown reflect estimates of the amount of tax credits that will be taken in each fiscal year based on information provided by the Department of Business and Industry and the Department of Taxation during the 2015 Session.							

**TABLE 2
ECONOMIC FORUM MAY 1, 2015, GENERAL FUND REVENUE FORECAST FOR FY 2015, FY 2016, AND FY 2017
BEFORE AND AFTER TAX CREDIT PROGRAMS APPROVED DURING THE 2013 AND 2015 LEGISLATIVE SESSIONS
AND WITH ADJUSTMENT FOR MEASURES APPROVED BY THE 2015 LEGISLATURE (78TH SESSION)
AND THE 29TH SPECIAL SESSION (DECEMBER 2015)**

DESCRIPTION	ECONOMIC FORUM MAY 1, 2015, FORECAST BEFORE AND AFTER TAX CREDITS AND WITH ADJUSTMENT FOR MEASURES APPROVED BY THE 2015 LEGISLATURE						
	FY 2015	% Change	FY 2016	% Change	FY 2017	% Change	2015-2017 BIENNIUM*
<p>ECONOMIC DEVELOPMENT TRANSFERRABLE TAX CREDIT PROGRAM (S.B. 1 (28TH SS)) Pursuant to S.B. 1 (28th Special Session (2014)), for certain qualifying projects, the Governor's Office of Economic Development (GOED) is required to issue transferrable tax credits that may be used against the Modified Business Tax, Insurance Premium Tax, and the Gaming Percentage Fee Tax. The amount of transferrable tax credits are equal to \$12,500 for each qualified employee employed by the participants in the project, to a maximum of 6,000 employees, plus 5 percent of the first \$1 billion of new capital investment in the State made collectively by the participants in the qualifying project, plus an additional 2.8 percent of the next \$2.5 billion in new capital investment in the State made collectively by the participants in the project. The amount of credits approved by GOED may not exceed \$45 million per fiscal year (though any unissued credits may be issued in subsequent fiscal years), and GOED may not issue total credits in excess of \$195 million. The amounts shown reflect the maximum amount of credits that will be approved in each fiscal year for the Tesla project based on information provided by GOED during the 2015 Session.</p>			-\$45,000,000		-\$45,000,000		-\$90,000,000
<p>NEVADA EDUCATIONAL CHOICE SCHOLARSHIP TAX CREDIT PROGRAM (A.B. 165 (2015)) A.B. 165 (2015) allows taxpayers who make donations of money to certain scholarship organizations to receive a dollar-for-dollar credit against the taxpayer's liability for the Modified Business Tax (MBT). The total amount of credits that may be approved by the Department is \$5 million in FY 2016, \$5.5 million in FY 2017, and 110 percent of the total amount of credits authorized in the previous year, for all subsequent fiscal years. The amounts shown reflect the estimate based on the assumption that the total amount authorized for each fiscal year will be donated to a qualified scholarship organization and taken as credits against the MBT.</p>			-\$5,000,000		-\$5,500,000		-\$10,500,000
<p>CATALYST ACCOUNT TRANSFERRABLE TAX CREDIT PROGRAM (S.B. 507 (2015)) S.B. 507 (2015) authorizes the Governor's Office of Economic Development (GOED) to approve transferrable tax credits that may be used against the Modified Business Tax, Insurance Premium Tax, and Gaming Percentage Fee Tax to new or expanding businesses to promote the economic development of Nevada. The total amount of transferrable tax credits that may be issued is \$500,000 in FY 2016, \$2,000,000 in FY 2017, and \$5,000,000 for FY 2018 and each fiscal year thereafter. The amounts shown are the estimate based on the maximum amount that can be issued in each fiscal year.</p>			-\$500,000		-\$2,000,000		-\$2,500,000
<p>CATALYST ACCOUNT TRANSFERRABLE TAX CREDIT PROGRAM (A.B. 1 of the 29th S.S. (2015)) A.B. 1 of the 29th Special Session (2015) reduced the total amount of transferrable tax credits that may be issued by the Governor's Office of Economic Development (GOED) through the program approved by the Legislature in S.B. 507 (2015) to zero in FY 2016, \$1 million in FY 2017, \$2 million per year in FY 2018 and FY 2019, and \$3 million in FY 2020. For FY 2021 and future fiscal years, the amount of credits that may be issued by GOED remains at \$5 million per year.</p>			\$500,000		\$1,000,000		\$1,500,000

TABLE 2
ECONOMIC FORUM MAY 1, 2015, GENERAL FUND REVENUE FORECAST FOR FY 2015, FY 2016, AND FY 2017
BEFORE AND AFTER TAX CREDIT PROGRAMS APPROVED DURING THE 2013 AND 2015 LEGISLATIVE SESSIONS
AND WITH ADJUSTMENT FOR MEASURES APPROVED BY THE 2015 LEGISLATURE (78TH SESSION)
AND THE 29TH SPECIAL SESSION (DECEMBER 2015)

DESCRIPTION	ECONOMIC FORUM MAY 1, 2015, FORECAST BEFORE AND AFTER TAX CREDITS AND WITH ADJUSTMENT FOR MEASURES APPROVED BY THE 2015 LEGISLATURE						
	FY 2015	% Change	FY 2016	% Change	FY 2017	% Change	2015-2017 BIENNIUM*
COLLEGE SAVINGS PLAN EMPLOYER MATCHING EMPLOYEE CONTRIBUTION TAX CREDIT PROGRAM (S.B. 412 (2015)) S.B. 412 (2015) provides a tax credit against the Modified Business Tax (MBT) to certain employers who match the contribution of an employee to one of the college savings plans offered through the Nevada Higher Education Prepaid Tuition Program and the Nevada College Savings Program authorized under existing law. The amount of the tax credit is equal to 25 percent of the matching contribution, not to exceed \$500 per contributing employee per year, and any unused credits may be carried forward for 5 years. The provisions relating to the Nevada College Saving Program are effective January 1, 2016, and the Higher Education Prepaid Tuition Program are effective July 1, 2016. The amounts shown are estimates based on information provided by the Treasurer's Office on enrollment and contributions for the college savings plans.			-\$69,000		-\$138,000		-\$207,000
TOTAL TAX CREDITS APPROVED BY ECONOMIC FORUM AT THE MAY 1, 2015, MEETING ADJUSTED FOR MEASURES BY THE 2015 LEGISLATURE	<u>-\$19,000,000</u>		<u>-\$78,869,000</u>		<u>-\$75,638,000</u>		<u>-\$154,507,000</u>
Economic Forum May 1, 2015, Forecast <u>After</u> Tax Credits Approved on May 1, 2015, and <u>Without</u> Measures Approved by the 2015 Legislature	\$3,213,730,323	4.8%	\$2,989,236,235	-7.0%	\$3,165,980,185	5.9%	\$6,155,216,420
Economic Forum May 1, 2015, Forecast <u>After</u> Tax Credits Approved on May 1, 2015, and Adjusted for Measures Approved by the 2015 Legislature and <u>With</u> Measures Approved by the 2015 Legislature	\$3,221,479,643	5.0%	\$3,654,673,715	13.4%	\$3,691,299,525	1.0%	\$7,345,973,240
Difference <u>After</u> Tax Credits: Economic Forum May 1, 2015, Forecast <u>With</u> less <u>Without</u> Measures Approved by the 2015 Legislature	\$7,749,320		\$665,437,480		\$525,319,340		\$1,190,756,820

* The amounts shown in the 2015-2017 Biennium column represent the sum of the FY 2016 and FY 2017 amounts and do not include any amounts shown for FY 2015.

SECTION IV

GENERAL FUND APPROPRIATIONS AND TOTAL BUDGET

On January 17, 2017, Governor Brian Sandoval transmitted The 2017-19 Executive Budget to the 79th Nevada Legislature. The budget includes recommendations for a capital improvement program, supplemental and one-shot appropriations, as well as operating appropriations and authorizations for Fiscal Years 2018 and 2019.

EXPENDITURE CAP

The 1979 Legislature established the state's current expenditure limitation (NRS 353.213), which applies to all General Fund appropriations recommended by the Governor, except appropriations recommended for construction. The base period is the 1975-77 biennium (Fiscal Years 1976 and 1977), and the base amount is increased by the growth in population and the rate of inflation each biennium. The limitation can be exceeded to the extent necessary to meet situations involving a threat to life or property.

Historically, the expenditure limitation has been higher than the amount of General Fund appropriations recommended in The Executive Budget and therefore has not been a factor in the budgeting process. However, the difference between the expenditure limitation and General Fund appropriations recommended in The Executive Budget began to narrow, resulting in the recommended General Fund appropriations in The Executive Budget submitted to the 2005 Legislature being only slightly under the expenditure limitation. Due to the recent economic downturn and the subsequent moderate recovery of General Fund revenues, the expenditure limitation is not a factor in the 2017-19 budgeting process.

The current expenditure limitation and the General Fund appropriations recommended by the Governor for each biennium under review by the 2017 Legislature are outlined below:

	<u>2015-17 Biennium</u>	<u>2017-19 Biennium</u>
Expenditure Limitation (c.) (d.)	\$8,938,825,864	\$9,377,543,764
General Fund Appropriations		
2015 Legislature Approves (a.)	\$7,324,133,434	
2017 Governor Recommends (b.)	<u>62,571,702</u>	<u>\$8,051,448,803</u>
Total Appropriations	\$7,386,705,136	\$8,051,448,803
Over/(Under) Expenditure Limitation	(\$1,552,120,728)	(\$1,326,094,961)

(a.) Source – 2015 – Legislative Appropriations Report, page 53

(b.) The Executive Budget, BUDGET OVERVIEW – 15 and 16 Unrestricted Appropriations/Transfers for FY 2017, FY 2018 and FY 2019

(c.) The expenditure limitation for the 2015-17 biennium is based on the July 1, 2014, population estimate certified by the Governor of 2,843,301.

(d.) The expenditure limitation for the 2017-19 biennium is prepared by the Fiscal Analysis Division and based on the State Demographer's preliminary July 1, 2016, statewide population estimate of 2,953,373.

2017-19 EXECUTIVE BUDGET

The Governor's recommended budget includes approximately \$7.930 billion in General Fund operating appropriations for the 2017-19 biennium. Supplemental appropriations, appropriations to restore various fund balances, one-time appropriations, Capital Improvement Program and the estimated cost of the 79th Legislature total \$193.9 million, as noted in the table below. Additionally, the Governor has recommended reserving \$20.0 million to fund the estimated cost of the 80th Legislature.

Purpose	FY 2017	FY 2018	FY 2019	Total
Supplemental Appropriations	\$ 40,616,875	\$ -	\$ -	\$ 40,616,875
Restoration of Fund Balances	\$ -	\$ 7,500,000	\$ -	\$ 7,500,000
Estimated Cost of the 79th Legislature	\$ 20,000,000	\$ -	\$ -	\$ 20,000,000
One-Time Appropriations	\$ -	\$ 79,155,479	\$ -	\$ 79,155,479
Capital Improvement Program	\$ -	\$ 44,525,830	\$ -	\$ 44,525,830
Debt Service Payment	\$ -	\$ -	\$ 2,127,000	\$ 2,127,000
Subtotal	\$ 60,616,875	\$131,181,309	\$ 2,127,000	\$193,925,184
Estimated Cost of the 80th Legislature (a.)	\$ -	\$ -	\$ 20,000,000	\$ 20,000,000
Total	\$ 60,616,875	\$131,181,309	\$ 22,127,000	\$213,925,184

(a.) Reserved for appropriation by the 2019 Legislature.

Total General Fund appropriations for the 2017-19 biennium (including supplemental appropriations for Fiscal Year 2017) as recommended in The Executive Budget are \$8.124 billion. This represents an increase of 9.6 percent from General Fund appropriations as approved by the 2015 Legislature for the 2015-17 biennium (\$7.413 billion).

In The 2017-19 Executive Budget, the Governor recommends a 2 percent cost-of-living adjustment for state employees and the employees of the Nevada System of Higher Education effective July 1, 2017, and an additional 2 percent effective July 1, 2018. Recognizing salary disparities in certain key areas, the Governor also recommends for a one grade increase for officers employed by the Department of Corrections and information technology professionals across all agencies.

After adjusting for interagency transfers, appropriations and authorizations for the 2017-19 biennium from all revenue sources total \$22.999 billion, which compares to the \$20.940 billion approved by the 2015 Legislature. This represents an increase of 9.8 percent in total funding recommended for the 2017-19 biennium compared to the 2015-17 biennium.

The schedules that follow contain all of the appropriations recommended by the Governor for the 2017-19 biennium. Also included is a "pie chart" that illustrates the proposed distribution of General Fund appropriations among the various governmental functions.

Following are summaries and schedules that reflect the proposed spending in the Governor's budget. Included is a "Source of Funds Summary," which compares the proposed operating appropriations and authorizations to those in the current biennium

by funding source; a list of proposed supplemental appropriations for the current year; the amounts recommended to restore certain fund balances; and information on the Governor's proposed Capital Improvement Program.

**Nevada Legislative Counsel Bureau
Source of Funds Summary
2017-19 Fiscal Report**

	2015-2016 Actual	2016-2017 Work Program	2017-2018 GOVERNOR RECOMMENDS	% Change	2018-2019 GOVERNOR RECOMMENDS	% Change
ELECTED OFFICIALS						
GENERAL FUND	122,228,289	132,616,195	144,183,995	8.72	156,304,864	8.41
BALANCE FORWARD	-4,371,086	181,641,279	185,256,230	1.99	182,944,925	-1.25
FEDERAL FUND	4,835,299	7,050,478	5,253,143	-25.49	5,074,800	-3.39
HIGHWAY FUND	5,000	5,000	5,000		5,000	
INTERAGENCY TRANSFER	48,185,999	93,206,691	59,880,830	-35.75	59,498,848	-.64
INTERIM FINANCE	244,768					
OTHER FUND	213,415,190	236,229,512	207,761,815	-12.05	209,834,981	1.00
REVERSIONS	-6,847,193					
TOTAL FOR ELECTED OFFICIALS	377,696,266	650,749,155	602,341,013	-7.44	613,663,418	1.88
Less: INTER-AGENCY TRANSFER	48,185,999	93,206,691	59,880,830	-35.75	59,498,848	-.64
NET ELECTED OFFICIALS	329,510,267	557,542,464	542,460,183	-2.71	554,164,570	2.16
FINANCE & ADMINISTRATION						
GENERAL FUND	55,440,813	69,479,213	66,154,176	-4.79	85,881,323	29.82
BALANCE FORWARD	-10,579,878	43,699,656	36,801,249	-15.79	31,872,044	-13.39
FEDERAL FUND	3,884,075	4,284,797	2,935,180	-31.50	2,942,300	.24
HIGHWAY FUND	1,216,797	6,627,913	3,472,000	-47.62	7,163,000	106.31
INTERAGENCY TRANSFER	106,890,505	108,958,063	107,781,515	-1.08	109,764,183	1.84
OTHER FUND	20,180,409	16,992,208	24,069,960	41.65	24,577,679	2.11
REVERSIONS	-7,585,572					
TOTAL FOR FINANCE & ADMINISTRATION	169,447,149	250,041,850	241,214,080	-3.53	262,200,529	8.70
Less: INTER-AGENCY TRANSFER	106,890,505	108,958,063	107,781,515	-1.08	109,764,183	1.84
NET FINANCE & ADMINISTRATION	62,556,644	141,083,787	133,432,565	-5.42	152,436,346	14.24
EDUCATION						
GENERAL FUND	1,942,766,697	1,962,796,098	2,020,170,822	2.92	2,043,432,819	1.15
BALANCE FORWARD	-15,765,481	22,559,956	11,818,934	-47.61	11,361,521	-3.87
FEDERAL FUND	273,744,689	295,000,282	283,118,406	-4.03	276,696,612	-2.27
INTERAGENCY TRANSFER	177,974,439	176,710,512	202,422,462	14.55	208,097,940	2.80
INTERIM FINANCE		11,188,800				
OTHER FUND	645,046,543	637,039,408	742,632,391	16.58	781,797,611	5.27
REVERSIONS	-11,025,553					
TOTAL FOR EDUCATION	3,012,741,334	3,105,295,056	3,260,163,015	4.99	3,321,386,503	1.88
Less: INTER-AGENCY TRANSFER	177,974,439	176,710,512	202,422,462	14.55	208,097,940	2.80
NET EDUCATION	2,834,766,895	2,928,584,544	3,057,740,553	4.41	3,113,288,563	1.82
COMMERCE & INDUSTRY						
GENERAL FUND	66,883,766	53,832,342	56,647,709	5.23	57,648,765	1.77
BALANCE FORWARD	-12,782,957	86,562,989	67,891,033	-21.57	61,667,932	-9.17
FEDERAL FUND	176,837,741	155,856,172	202,308,620	29.80	212,412,398	4.99
HIGHWAY FUND	2,798,079	2,973,639	2,609,770	-12.24	2,503,264	-4.08
INTERAGENCY TRANSFER	26,197,839	31,656,011	29,747,529	-6.03	29,942,445	.66
OTHER FUND	149,855,939	201,754,898	160,728,414	-20.33	165,361,276	2.88
REVERSIONS	-7,666,569					
TOTAL FOR COMMERCE & INDUSTRY	402,123,838	532,636,051	519,933,075	-2.38	529,536,080	1.85
Less: INTER-AGENCY TRANSFER	26,197,839	31,656,011	29,747,529	-6.03	29,942,445	.66
NET COMMERCE & INDUSTRY	375,925,999	500,980,040	490,185,546	-2.15	499,593,635	1.92

**Nevada Legislative Counsel Bureau
Source of Funds Summary
2017-19 Fiscal Report**

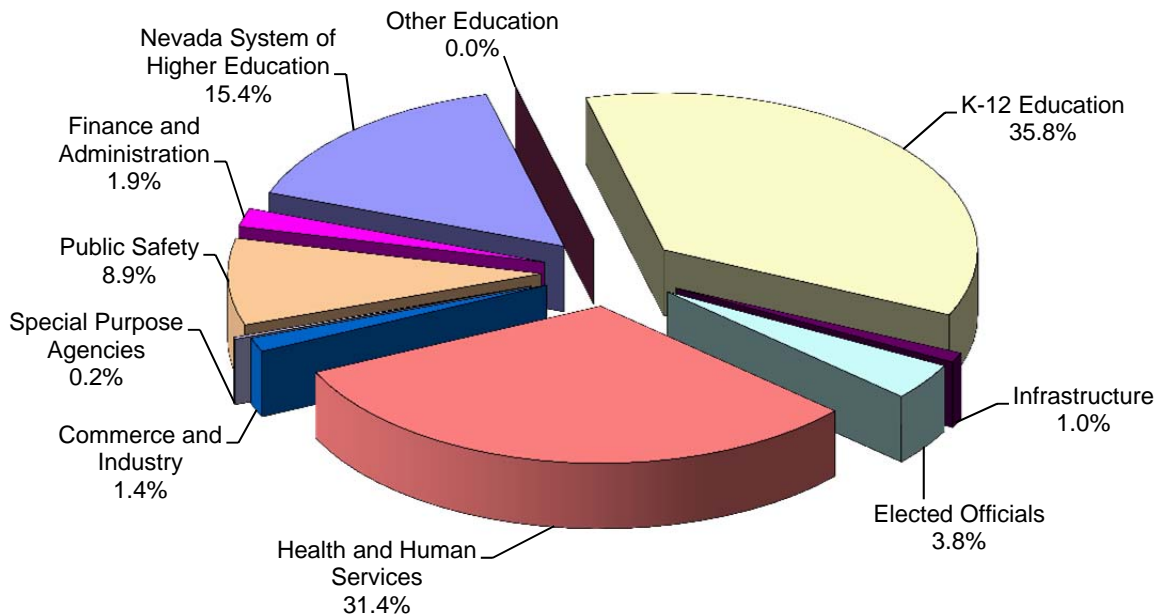
	2015-2016 Actual	2016-2017 Work Program	2017-2018 GOVERNOR RECOMMENDS	% Change	2018-2019 GOVERNOR RECOMMENDS	% Change
HEALTH AND HUMAN SERVICES						
GENERAL FUND	1,042,798,221	1,128,746,877	1,208,661,428	7.08	1,284,727,815	6.29
BALANCE FORWARD	1,540,514	113,624,021	63,560,071	-44.06	61,649,588	-3.01
FEDERAL FUND	3,156,611,166	3,459,732,710	3,496,392,854	1.06	3,639,828,413	4.10
INTERAGENCY TRANSFER	447,731,793	507,169,546	500,151,170	-1.38	512,628,495	2.49
INTERIM FINANCE	104,890	4,895,110				
OTHER FUND	348,399,404	352,132,615	360,363,993	2.34	362,595,056	.62
REVERSIONS	-36,176,243					
TOTAL FOR HEALTH AND HUMAN SERVICES	4,961,009,745	5,566,300,879	5,629,129,516	1.13	5,861,429,367	4.13
Less: INTER-AGENCY TRANSFER	447,731,793	507,169,546	500,151,170	-1.38	512,628,495	2.49
NET HEALTH AND HUMAN SERVICES	4,513,277,952	5,059,131,333	5,128,978,346	1.38	5,348,800,872	4.29
PUBLIC SAFETY						
GENERAL FUND	311,883,573	316,944,574	351,541,619	10.92	356,273,664	1.35
BALANCE FORWARD	-1,159,476	36,210,586	32,881,496	-9.19	34,128,103	3.79
FEDERAL FUND	24,173,291	37,547,673	28,699,162	-23.57	28,118,177	-2.02
HIGHWAY FUND	124,446,933	124,265,657	139,703,940	12.42	140,950,523	.89
INTERAGENCY TRANSFER	41,907,565	52,056,824	43,020,433	-17.36	43,194,163	.40
INTERIM FINANCE	1,839,343	12,166,953				
OTHER FUND	144,853,970	146,708,866	152,973,695	4.27	155,428,518	1.60
REVERSIONS	-30,668,522					
TOTAL FOR PUBLIC SAFETY	617,276,677	725,901,133	748,820,345	3.16	758,093,148	1.24
Less: INTER-AGENCY TRANSFER	41,907,565	52,056,824	43,020,433	-17.36	43,194,163	.40
NET PUBLIC SAFETY	575,369,112	673,844,309	705,799,912	4.74	714,898,985	1.29
INFRASTRUCTURE						
GENERAL FUND	33,539,303	31,453,500	40,103,798	27.50	39,151,991	-2.37
BALANCE FORWARD	-140,376,267	229,907,665	33,899,888	-85.25	33,057,656	-2.48
FEDERAL FUND	488,203,034	373,063,629	380,480,678	1.99	380,591,435	.03
HIGHWAY FUND	391,944,719	329,884,036	341,359,026	3.48	333,294,756	-2.36
INTERAGENCY TRANSFER	45,304,304	54,438,576	49,703,593	-8.70	49,701,915	-.00
OTHER FUND	299,865,594	317,406,304	303,414,733	-4.41	116,329,010	-61.66
REVERSIONS	-120,089,406					
TOTAL FOR INFRASTRUCTURE	998,391,281	1,336,153,710	1,148,961,716	-14.01	952,126,763	-17.13
Less: INTER-AGENCY TRANSFER	45,304,304	54,438,576	49,703,593	-8.70	49,701,915	-.00
NET INFRASTRUCTURE	953,086,977	1,281,715,134	1,099,258,123	-14.24	902,424,848	-17.91
SPECIAL PURPOSE AGENCIES						
GENERAL FUND	5,477,591	5,707,691	6,095,773	6.80	13,240,254	117.20
BALANCE FORWARD	6,782,446	154,156,056	115,879,633	-24.83	97,728,203	-15.66
FEDERAL FUND	29,998,960	38,583,247	33,886,062	-12.17	33,129,409	-2.23
INTERAGENCY TRANSFER	494,376,374	506,675,694	551,118,764	8.77	589,705,056	7.00
OTHER FUND	120,797,109	122,497,018	127,736,850	4.28	127,442,645	-.23
REVERSIONS	-569,455					
TOTAL FOR SPECIAL PURPOSE AGENCIES	656,863,025	827,619,706	834,717,082	.86	861,245,567	3.18
Less: INTER-AGENCY TRANSFER	494,376,374	506,675,694	551,118,764	8.77	589,705,056	7.00
NET SPECIAL PURPOSE AGENCIES	162,486,651	320,944,012	283,598,318	-11.64	271,540,511	-4.25

Nevada Legislative Counsel Bureau
 Source of Funds Summary
 2017-19 Fiscal Report

	2015-2016 Actual	2016-2017 Work Program	2017-2018 GOVERNOR RECOMMENDS	% Change	2018-2019 GOVERNOR RECOMMENDS	% Change
STATEWIDE						
GENERAL FUND	3,581,018,253	3,701,576,490	3,893,559,320	5.19	4,036,661,495	3.68
BALANCE FORWARD	-176,712,185	868,362,208	547,988,534	-36.89	514,409,972	-6.13
FEDERAL FUND	4,158,288,255	4,371,118,988	4,433,074,105	1.42	4,578,793,544	3.29
HIGHWAY FUND	520,411,528	463,756,245	487,149,736	5.04	483,916,543	-.66
INTERAGENCY TRANSFER	1,388,568,818	1,530,871,917	1,543,826,296	.85	1,602,533,045	3.80
INTERIM FINANCE	2,189,001	28,250,863				
OTHER FUND	1,942,414,158	2,030,760,829	2,079,681,851	2.41	1,943,366,776	-6.55
REVERSIONS	-220,628,513					
TOTAL FOR STATEWIDE	11,195,549,315	12,994,697,540	12,985,279,842	-.07	13,159,681,375	1.34
Less: INTER-AGENCY TRANSFER	1,388,568,818	1,530,871,917	1,543,826,296	.85	1,602,533,045	3.80
NET STATEWIDE	9,806,980,497	11,463,825,623	11,441,453,546	-.20	11,557,148,330	1.01

NEVADA GENERAL FUND APPROPRIATIONS

GOVERNOR RECOMMENDS – 2017-19 BIENNIUM



GOVERNOR RECOMMENDS GENERAL FUND APPROPRIATIONS - 2017-19 BIENNIUM

	FY 2018	FY 2019	2017-19 Biennium	% of Total
Elected Officials	\$ 144,183,995	\$ 156,304,864	\$ 300,488,859	3.8%
Finance and Administration	\$ 66,154,176	\$ 85,881,323	\$ 152,035,499	1.9%
Education				
Kindergarten to 12th Grade	\$ 1,414,250,429	\$ 1,424,681,358	\$ 2,838,931,787	35.8%
Nevada System of Higher Education	\$ 605,544,019	\$ 618,363,439	\$ 1,223,907,458	15.4%
Other Education	\$ 376,374	\$ 388,022	\$ 764,396	0.0%
Subtotal Education	\$ 2,020,170,822	\$ 2,043,432,819	\$ 4,063,603,641	51.2%
Commerce and Industry	\$ 56,647,709	\$ 57,648,765	\$ 114,296,474	1.4%
Health and Human Services	\$ 1,208,661,428	\$ 1,284,727,815	\$ 2,493,389,243	31.4%
Public Safety	\$ 351,541,619	\$ 356,273,664	\$ 707,815,283	8.9%
Infrastructure	\$ 40,103,798	\$ 39,151,991	\$ 79,255,789	1.0%
Special Purpose Agencies	\$ 6,095,773	\$ 13,240,254	\$ 19,336,027	0.2%
Total	\$ 3,893,559,320	\$ 4,036,661,495	\$ 7,930,220,815	100.0%

Note: Percentages of total do not sum to 100 percent due to rounding.

**GENERAL FUND SUPPLEMENTAL APPROPRIATIONS
GOVERNOR RECOMMENDS - 2017 LEGISLATURE
2017-19 BIENNIUM**

DEPARTMENT/DIVISION	PURPOSE	EXECUTIVE BUDGET		
		FY 2017	FY 2018	FY 2019
ELECTED OFFICIALS				
State Treasurer	Provides funding for information system programming costs associated with the implementation of the Education Savings Accounts program.	\$ 105,720		
	SUBTOTAL - ELECTED OFFICIALS	\$ 105,720	\$ -	\$ -
EDUCATION				
Department of Education - Distributive School Account	Provides funding for an unanticipated increase in K-12 enrollment for the 2015-2016 and 2016-2017 school years.	\$ 22,217,169		
	SUBTOTAL - EDUCATION	\$ 22,217,169	\$ -	\$ -
HEALTH AND HUMAN SERVICES				
Department of Health and Human Services - Division of Health Care Financing and Policy - Medicaid Title XIX	Provides funding for an increase in caseload over what was legislatively approved for Fiscal Years 2016 and 2017.	\$ 16,391,696		
Department of Health and Human Services - Division of Child and Family Services - UNITY/SACWIS	Provides funding for an increase in IT hosted mainframe expenditures.	\$ 72,047		
Department of Health and Human Services - Division of Child and Family Services - Washoe County Child Welfare	Provides funding for an anticipated shortfall for Adoption Subsidies.	\$ 3,378		
Department of Health and Human Services - Division of Child and Family Services - Clark County Child Welfare	Provides funding for an anticipated shortfall for Adoption Subsidies.	\$ 340,067		
	SUBTOTAL - HEALTH AND HUMAN SERVICES	\$ 16,807,188	\$ -	\$ -
PUBLIC SAFETY				
Department of Corrections - Prison Medical Care	Provides funding for an anticipated shortfall in outside medical expenditures.	\$ 1,327,561		
Department of Public Safety - Justice Grant	Provides funding for operations of the office due to diminishing federal grant administrative funding.	\$ 88,308		
	SUBTOTAL - PUBLIC SAFETY	\$ 1,415,869	\$ -	\$ -
INFRASTRUCTURE				
Department of Conservation and Natural Resources - Administration	Provides funding for terminal leave payout costs.	\$ 70,929		
	SUBTOTAL - INFRASTRUCTURE	\$ 70,929		
TOTAL GENERAL FUND SUPPLEMENTAL APPROPRIATIONS		\$ 40,616,875	\$ -	\$ -

**GENERAL FUND ONE-SHOT AND SPECIAL APPROPRIATIONS
GOVERNOR RECOMMENDS - 2017 LEGISLATURE
2017-19 BIENNIUM**

DEPARTMENT/DIVISION	PURPOSE	EXECUTIVE BUDGET		
		FY 2017	FY 2018	FY 2019
ELECTED OFFICIALS				
Governor's Finance Office - Special Appropriations	Provides funding for the replacement of the state's 20-year old CGI Advantage Financial and Human Resource System with a modern Enterprise Resource Planning (ERP) System.		\$ 15,000,000	
Governor's Finance Office - Special Appropriations	Provides funding for Governor Sandoval's portrait.		\$ 25,000	
Governor's Finance Office - Special Appropriations	Provides funding for a one-shot appropriation to the Governor Guinn Millennium Scholarship fund.		\$ 20,000,000	
Governor's Finance Office - Special Appropriations	Provides funding for a one-time transfer to the Silicosis and Disabled Pensions account.		\$ 80,000	
Secretary of State's Office - Secretary of State	Provides funding for the second phase of the agency's technology investment request project to replace the eSOS system.		\$ 6,334,319	
Legislative Counsel Bureau	Provides funding for dues and registration costs and computer hardware replacements for the 2017-19 biennium.		\$ 1,062,855	
	SUBTOTAL - ELECTED OFFICIALS		\$ 42,502,174	
COMMERCE AND INDUSTRY				
Gaming Control Board	Provides funding for phase three of the Alpha Migration Project.		\$ 2,091,590	
Gaming Control Board	Provides funding for in-state travel costs for IT staff in support of phase three of the Alpha Migration Project.		\$ 124,908	
Department of Business and Industry - Labor Commissioner	Provides funding for the implementation of an electronic management system for the Public Works Projects and Prevailing Wage Surveys.		\$ 48,920	
	SUBTOTAL - COMMERCE AND INDUSTRY		\$ 2,265,418	
HEALTH AND HUMAN SERVICES				
Department of Health and Human Services - Aging and Disability Services Division - Early Intervention Services	Provides funding to migrate the Early Intervention Services to the Harmony Information System platform used by other programs within the division.		\$ 454,915	
Department of Health and Human Services - Aging and Disability Services Division - Desert Regional Center	Provides funding for deferred maintenance projects essential for the security and operation of the facility.		\$ 453,533	

**GENERAL FUND ONE-SHOT AND SPECIAL APPROPRIATIONS
GOVERNOR RECOMMENDS - 2017 LEGISLATURE
2017-19 BIENNIUM**

DEPARTMENT/DIVISION	PURPOSE	EXECUTIVE BUDGET		
		FY 2017	FY 2018	FY 2019
Department of Health and Human Services - Division of Health Care Financing and Policy - Administration	Provides funding for the completion of the Medicaid Management Information System modernization project.		\$ 3,259,902	
Department of Health and Human Services - Division of Public and Behavioral Health - Behavioral Health Administration	Provides funding for an integrated medication management system across the Nevada Department of Health and Human Services.		\$ 1,653,039	
Department of Health and Human Services - Division of Public and Behavioral Health - Southern Nevada Adult Mental Health Services	Provides funding for a Laboratory Information System (LIS) to support onsite medical laboratory testing.		\$ 293,774	
Department of Health and Human Services - Division of Welfare and Supportive Services - Administration	Provides funding for a Master Client Index (MCI) to develop a cross index of all department databases.		\$ 127,500	
Department of Health and Human Services - Division of Welfare and Supportive Services - Administration	Provides funding for the modernization of Access Nevada.		\$ 1,000,000	
Department of Health and Human Services - Division of Welfare and Supportive Services - Administration	Provides funding for a case management system to allow for the "no wrong door" approach to serving clients throughout the department.		\$ 407,673	
Department of Health and Human Services - Division of Welfare and Supportive Services - Child Support Enforcement Program	Provides funding for the second phase to modernize the automated processing system for child support enforcement.		\$ 9,304,699	
Department of Health and Human Services - Division of Child and Family Services - Summit View Youth Center	Provides funding for deferred maintenance projects.		\$ 152,000	
Department of Health and Human Services - Division of Child and Family Services - Caliente Youth Center	Provides funding for deferred maintenance projects.		\$ 900,256	
Department of Health and Human Services - Division of Child and Family Services - Nevada Youth Training Center	Provides funding for deferred maintenance projects.		\$ 1,429,662	
Department of Health and Human Services - Division of Child and Family Services - Northern Nevada Child and Adolescent Services	Provides funding for deferred maintenance projects.		\$ 70,927	

**GENERAL FUND ONE-SHOT AND SPECIAL APPROPRIATIONS
GOVERNOR RECOMMENDS - 2017 LEGISLATURE
2017-19 BIENNIUM**

DEPARTMENT/DIVISION	PURPOSE	EXECUTIVE BUDGET		
		FY 2017	FY 2018	FY 2019
Department of Health and Human Services - Division of Child and Family Services - Southern Nevada Child and Adolescent Services	Provides funding for deferred maintenance projects.		\$ 286,865	
Department of Employment, Training and Rehabilitation - Rehabilitation Division	Provides funding for an enhancement to the division's client information system.		\$ 474,660	
Department of Employment, Training and Rehabilitation - Services to the Blind and Visually Impaired	Provides funding for an enhancement to the division's client information system.		\$ 118,665	
	SUBTOTAL - HEALTH AND HUMAN SERVICES		\$ 20,388,070	
PUBLIC SAFETY				
Department of Corrections - Director's Office	Provides funding for contractors to continue the transition from the current Nevada Offender Tracking Information System (NOTIS) to a new internal system.		\$ 1,285,440	
Department of Corrections - Director's Office	Provides funding for the installation of a new telephonic system for the department.		\$ 2,263,231	
Department of Corrections - Director's Office	Provides funding for the replacement of the Nevada Staffing Information System (NSIS) used to schedule correctional officers.		\$ 637,085	
Department of Corrections - Prison Medical Care	Provides funding for an electronic medical records system to store inmate medical records electronically and interface with the department's offender management system and other vendor software systems.		\$ 2,339,477	
	SUBTOTAL - PUBLIC SAFETY		\$ 6,525,233	
INFRASTRUCTURE				
Department of Conservation and Natural Resources - Administration	Provides funding for the Sagebrush Ecosystem Conservation Credit System program in the amount equal to anticipated unspent funds from the 2015-17 biennium.		\$ 1,690,718	
Department of Conservation and Natural Resources - State Parks	Provides funding for the stabilization and restoration project at the Fort Churchill State Historic Park.		\$ 1,200,000	
Department of Conservation and Natural Resources - State Parks	Provides funding for the construction of cabins at the Walker River State Recreation Area.		\$ 550,000	
Department of Conservation and Natural Resources - State Parks	Provides funding for the construction of campgrounds with full hook-ups at the Walker River State Recreation Area.		\$ 1,420,000	
Department of Conservation and Natural Resources - State Parks	Provides funding for the construction of pull-through campsites at ten state park campgrounds.		\$ 168,000	
Department of Conservation and Natural Resources - State Parks	Provides funding for the construction of cabins at Wild Horse State Recreation Area.		\$ 159,000	

**GENERAL FUND ONE-SHOT AND SPECIAL APPROPRIATIONS
GOVERNOR RECOMMENDS - 2017 LEGISLATURE
2017-19 BIENNIUM**

DEPARTMENT/DIVISION	PURPOSE	EXECUTIVE BUDGET		
		FY 2017	FY 2018	FY 2019
Department of Conservation and Natural Resources - Forestry	Provides funding for a rescue hoist for the Air Operations Program.		\$ 313,280	
Department of Conservation and Natural Resources - Forestry	Provides funding for three wildland fire engines and a helitack mechanic truck.		\$ 1,152,932	
Department of Conservation and Natural Resources - Forestry	Provides funding for deferred maintenance projects.		\$ 472,650	
Department of Conservation and Natural Resources - Forestry Conservation Camps	Provides funding for deferred maintenance projects.		\$ 348,004	
	SUBTOTAL - INFRASTRUCTURE		\$ 7,474,584	
TOTAL GENERAL FUND ONE-SHOT OR SPECIAL APPROPRIATIONS			\$ 79,155,479	

**HIGHWAY FUND ONE-SHOT AND SPECIAL APPROPRIATIONS
GOVERNOR RECOMMENDS - 2017 LEGISLATURE
2017-19 BIENNIUM**

DEPARTMENT/DIVISION	PURPOSE	EXECUTIVE BUDGET		
		FY 2017	FY 2018	FY 2019
PUBLIC SAFETY				
Department of Public Safety - Highway Patrol	Provides funding for the replacement of vehicles and pickup trucks.		\$ 8,531,643	
Department of Public Safety - Highway Patrol	Provides funding for the replacement of motorcycles.		\$ 385,252	
Department of Public Safety - General Services	Provides funding for the replacement of dispatch center consoles and portable hand-held radios.		\$ 1,329,123	
Department of Public Safety - General Services	Provides for the reduction of dispatch center consoles and portable hand-held radios to be replaced if the Elko dispatch center is closed. Companion with Decision Unit E-225 in Budget 4702.		\$ (192,014)	
	SUBTOTAL - PUBLIC SAFETY		\$ 10,054,004	
TOTAL HIGHWAY FUND ONE-SHOT OR SPECIAL APPROPRIATIONS			\$ 10,054,004	

**GENERAL FUND APPROPRIATIONS TO RESTORE FUND BALANCES
GOVERNOR RECOMMENDS - 2017 LEGISLATURE
2017-19 BIENNIUM**

FUND	PURPOSE	EXECUTIVE BUDGET		
		FY 2017	FY 2018	FY 2019
State Claims Account	Provides restoration of fund balance.		\$ 500,000	
Statutory Contingency Account	Provides restoration of fund balance.		\$ 2,000,000	
Interim Finance Contingency Account	Provides restoration of fund balance.		\$ 5,000,000	
TOTAL GENERAL FUND RESTORATION OF FUND BALANCE APPROPRIATIONS		\$ -	\$ 7,500,000	\$ -

CAPITAL IMPROVEMENT PROGRAM

The Governor recommends a Capital Improvement Program (CIP) for the 2017-19 biennium in the amount of \$344.5 million which compares to programs of \$215.3 million approved by the 2015 Legislature, \$102.7 million approved by the 2013 Legislature, and \$53.2 million approved by the 2011 Legislature. The Governor recommends financing the 2017 program as depicted in the following table:

Funding Sources – 2017 CIP (Recommended):	Amount
General Obligation Bonds ¹	\$ 157,108,441
Agency Funds	\$ 45,460,820
General Funds	\$ 44,525,830
Lease Purchase ²	\$ 41,500,000
Federal Funds	\$ 36,488,970
Bond Funds Reallocated From Prior CIPs	\$ 11,546,354
Highway Funds	\$ 4,346,066
Special Higher Education Capital Construction Fund (SHECC)	\$ 3,533,842
Total	\$ 344,510,323

Notes:

¹ General Obligation Bonds recommended by the Governor include \$115.1 million in bonds with debt service paid from the ad valorem tax, and \$42.0 million in bonds with debt service paid from Highway Fund and Pollution Control Account for CIP 17-C04, Department of Motor Vehicles (DMV) Facility in South Reno. The total General Obligation Bond amount excludes \$11.6 million of Historic Preservation, Tahoe EIP, Question 1, and Water Infrastructure bonds that the Governor recommends be sold over the biennium. The General Obligation Bonds total was reduced by \$2 due to cost estimate sheet and Appendix reconciliation discrepancies.

² The Governor is recommending lease purchase financing to fund a portion of the construction for CIP Project 17-C06 (New Engineering Building (UNR), with lease payments funded by General Fund appropriations beginning in FY 2019.

The following table displays state funding, other funding, and total funding, with the percentage of each funding source that is recommended to be received by each state agency in the Governor's recommended 2017 CIP:

2017 CIP Recommended State Funding, Other Funding, and Total Funding						
Agency	State Funding	% of State Funding	Other Funding	% of Other Funding	Total Funding	% of Total Funding
Nevada System of Higher Education	\$ 57,900,000	26.8%	\$ 42,900,000	33.4%	\$100,800,000	29.3%
Department of Corrections	\$ 64,344,435	29.8%	\$ -	0.0%	\$ 64,344,435	18.7%
Department of Motor Vehicles	\$ -	0.0%	\$ 42,016,797	32.7%	\$ 42,016,797	12.2%
Office of the Military	\$ 4,003,561	1.9%	\$ 35,868,605	28.0%	\$ 39,872,166	11.6%
Department of Administration	\$ 30,296,292	14.0%	\$ 6,594,215	5.1%	\$ 36,890,507	10.7%
Office of Veterans' Services	\$ 36,647,185	17.0%	\$ -	0.0%	\$ 36,647,185	10.6%
Department of Health and Human Services	\$ 15,749,950	7.3%	\$ -	0.0%	\$ 15,749,950	4.6%
Department of Tourism and Cultural Affairs	\$ 5,112,909	2.4%	\$ 147,000	0.1%	\$ 5,259,909	1.5%
Department of Conservation and Natural Resources	\$ 1,881,326	0.9%	\$ -	0.0%	\$ 1,881,326	0.5%
Department of Wildlife	\$ 262,012	0.1%	\$ 786,036	0.6%	\$ 1,048,048	0.3%
Total:	\$216,197,670	100.0%	\$128,312,653	100.0%	\$344,510,323	100.0%

Percentages of funding displayed do not sum to 100 due to rounding.

The Governor recommends continuing the current property tax rate of \$0.1545 for general obligation debt for each year of the 2017-19 biennium to meet the state's current general obligation debt liabilities. The total tax rate for the 2017-19 biennium for state debt service is recommended to remain unchanged at \$0.17 per \$100 of assessed valuation, and the property tax rate for the Question 1 bond program is recommended to remain unchanged at \$0.0155. The Treasurer's Office indicates that based on projected revenues from the \$0.17 ad valorem tax, a portion of the reserves in the Consolidated Bond Interest and Redemption Fund will be required to support the current and projected general obligation debt service payments through FY 2021. The Treasurer is projecting \$125.0 million of general obligation bonding affordability in the 2019-21 biennium, and a minimum of \$100 million in subsequent biennia. (Source: *Debt Capacity Report, Office of the State Treasurer – 2017-2019 Biennium*). According to information contained in the Governor's recommended 2017 CIP and the State Treasurer's Debt Capacity Report, the property tax rate for debt service is predicated upon the issuance of general obligation bonds in the 2017-19 biennium as follows:

Governor Recommended General Obligation Bonding 2017-19 Biennium		
<u>Purpose</u>	<u>Authority</u>	<u>Amount</u>
Capital Improvement Bonds	2017 CIP Bill	\$ 115,091,646
Water Systems Bonds	NRS 349.980 - 349.987	\$ 1,000,000
Tahoe Environmental Improvement Bonds	A.B. 18 (2009)	\$ 5,000,000
Cultural Affairs Bonds	NRS 233C.225 ¹	\$ 1,000,000
Question 1 Bonds (Q1)	A.B. 9 (17th Spec Sess 2001)	
Q1 - State Lands		\$ 1,000,000
Q1 - State Parks		\$ 1,700,000
Q1 - State Wildlife		\$ 1,900,000
Total:		\$ 126,691,646
¹ Current statutory limit is \$3 million per year		

In addition to the general obligation bonds noted above and supported with ad valorem tax collections, the Governor recommends financing of \$41.5 million in a lease-purchase agreement to fund a portion of the construction for CIP Project 17-C06 (New Engineering Building (UNR)). The lease payments are recommended to be funded with General Fund appropriations beginning in FY 2019. The Governor also recommends \$42.0 million in general obligation bonds with debt service paid from the Highway Fund and Pollution Control Account for CIP 17-C04, Department of Motor Vehicles (DMV) Facility in South Reno.

The Office of the State Treasurer computes the estimated constitutional debt capacity as of June 30, 2017, as follows:

State's Estimated Assessed Valuation	\$ 108,331,564,829
Multiplied by the 2 Percent Constitutional Limit	\$ 2,166,631,297
Minus the Bonds Outstanding	\$ (1,034,015,000)
Equals the State's Unused Bonding Capacity	\$ 1,132,616,297
Source: <i>Debt Capacity Report, Office of the State Treasurer – 2017-19 Biennium</i>	

Assessed Valuations – Assessed valuations are prepared and certified by the Department of Taxation and are used for those portions of The Executive Budget dependent upon property assessments and/or local property tax collections. The forecasts for FY 2017, FY 2018, and FY 2019 from the Treasurer’s Debt Capacity Report for the 2017-19 biennium are presented in the following table, along with historical information of assessed valuations from the Department of Taxation’s annual reports on property tax rates, or the Redbook. The assessed valuation amounts are reported annually in April and include Net Proceeds of Minerals and redevelopment agencies, and exclude general exemptions.

Assessed Values and FY 17-19 Projections		
Fiscal Year	Assessed Value	Percent Change
Actual:		
2012	\$ 82,215,209,351	
2013	\$ 83,667,127,841	1.8%
2014	\$ 91,045,746,662	8.8%
2015	\$ 99,268,504,848	9.0%
2016	\$ 105,831,886,324	6.6%
Forecast:		
2017	\$ 108,331,564,829	2.3%
2018	\$ 113,114,403,416	4.4%
2019	\$ 117,883,306,664	4.2%

Sources: Annual Redbook Publication – Department of Taxation (through 2016)
Debt Capacity Report, Office of the State Treasurer -- 2017-19 Biennium

The following pages present the Governor’s recommended CIP program for the 2017-19 biennium.

**GOVERNOR'S RECOMMENDED CIP PROGRAM
FOR THE 2017-19 BIENNIUM**

Project Number	Agency	Location	Project Title	State Funding	Other Funding	Project Total	Other Funding Source	Remarks
CONSTRUCTION PROJECTS								
17-C01	Corrections	Carson City	NNCC ADA Retrofit (Northern Nevada Correctional Center)	\$ 11,287,393	\$ -	\$ 11,287,393		Design and construct renovation of the medical unit, housing units, visitation area, gym, chapel, law library and gate house to meet Americans with Disability Act compliance. This project consists of renovations to the restrooms, showers, and cells including plumbing fixtures and finishes.
17-C02	NSHE	Las Vegas	Furniture, Fixtures & Equipment for the UNLV Hotel College Building	\$ 1,400,000	\$ 1,400,000	\$ 2,800,000	Agency Funds	Funds the purchase of Furniture, Fixtures, and Equipment (FF&E) for the new Hotel College Building currently under construction. This is a continuation of CIP 15-C78, Hotel College Academic Building (UNLV).
17-C04	DMV	Reno	DMV Facility in South Reno	\$ -	\$ 42,016,797	\$ 42,016,797	General Obligation Bonds - Debt Service to be paid from Highway & Pollution Control	Construction of a new 57,825 sf Department of Motor Vehicles service office, commercial drivers license office, testing center, motorcycle area, inspection station, and emissions lab in South Reno. This project is a continuation of CIP 11-E02, Advanced planning - DMV building in South Reno. Fiscal staff notes that the construction project's scope is greater than the 28,000 sf facility identified in CIP 11-E02.
17-C05	Military	N. Las Vegas	National Guard Readiness Center (North Las Vegas)	\$ 2,891,586	\$ 34,247,163	\$ 37,138,749	Federal Funds	Complete design and construction of a new 78,000 sf National Guard Readiness Center. The facility would include administration offices, storage, classrooms, locker rooms, break area, restroom/showers and parking for soldiers of the 17th Sustainment Brigade (WPDNAA) and the Explosive Ordnance Disposal company of the Nevada Army National Guard (NANG). This is a continuation of CIP 15-P02, Advance Planning: Nevada National Guard Readiness Center. Fiscal staff notes that the construction project's scope is less than the 97,000 sf facility identified in CIP 15-P02.
17-C06	NSHE	Reno	New Engineering Building (UNR)	\$ 41,500,000	\$ 41,500,000	\$ 83,000,000	Agency Funds	Complete design and construction of a new 86,242 sf Engineering Building (UNR). The facility would include 40 research laboratories, 3 instructional laboratories, classrooms, a computer lab, 50 offices, and 150 graduate student workstations. The funding for the project is recommended at 50% state funds and 50% university funding with the state portion funded by a lease-purchase agreement and the university portion funded from a combination of private gifts and UNR funds.
17-C07	Health/Human Svcs	Las Vegas	Protective Barriers at Nursing Stations (Rawson Neal Hospital)	\$ 852,156	\$ -	\$ 852,156		Design and construct protective barriers at the nurse's stations in the Rawson Neal Hospital to reduce patient incidents.
17-C08	Tourism & Cultural Affairs	Carson City	Cultural and Welcome Centers (Stewart Campus)	\$ 4,508,168	\$ 147,000	\$ 4,655,168	Agency	Construction of the Stewart Indian School Cultural Center (7,100 sf) and Welcome Center (352 sf) at the Stewart Campus. This project is a renovation of historic buildings deeded to the state by the federal government. The Cultural Center, Bldg. #1, would display memorabilia, house interpretative exhibits, provide research facilities, celebrate the arts, and tell the history of the Stewart Indian School. The Welcome Center would be an information center. This is a continuation of 15-P03, Cultural Center and Welcome Center (Stewart Facility). A grant for \$147,000 was received from the Commission of Cultural Center and Historic Preservation (CCHP) for this project.
17-C09	Administration	Carson City	Roof Replacement and Roof Seismic Stabilization (Old Gym - Stewart)	\$ 1,255,207	\$ -	\$ 1,255,207		Replace the roof on the Old Gym at the Stewart Campus. The facility is unoccupied and this project would fund the seismic upgrade of the roof structural system and roof replacement.
17-C12	Corrections	Indian Springs	Building Systems and Finishes Renovation (SDCC Housing Unit 8)	\$ 6,656,502	\$ -	\$ 6,656,502		Renovation of various building systems at Southern Desert Correctional Center Housing Unit 8. This project includes refurbishment of failing interior/exterior finishes and shower enclosures.
17-C13	Veterans Services	Sparks	Northern Nevada Veterans Home	\$ 36,044,468	\$ -	\$ 36,044,468		This is a supplemental project to CIP 15-C77, Northern Nevada State Veterans Home (Construction). This project advances funding for the construction of the facility due to delays in approved funding from the federal government. CIP 15-C77 approved construction of a new 102,000 sf, 96-bed veterans nursing facility on the grounds of the Northern Nevada Adult Mental Health Services campus, including administration offices, receiving/storage, nursing offices and other support operations to serve veterans.
17-C14	Administration	Carson City	Building Demolition (Kinkead Building)	\$ 1,696,128	\$ -	\$ 1,696,128		Demolition of the Kinkead building located in Carson City. The project also funds the removal and relocation of utility services and limited site restoration. The demolition project was originally approved in the 2007 CIP, but was deferred due to General Fund shortfalls.
CONSTRUCTION PROJECTS				\$ 108,091,608	\$ 119,310,960	\$ 227,402,568	Project Count: 11	

Project Number	Agency	Location	Project Title	State Funding	Other Funding	Project Total	Other Funding Source	Remarks
MAINTENANCE PROJECTS								
17-M01	NSHE	Various	Deferred Maintenance (HECC/SHECC)	\$ 15,000,000	\$ -	\$ 15,000,000		Deferred maintenance projects for various NSHE campuses. Note: The Executive Budget includes \$3.5 million in SHECC funding (APPENDIX - 9) for this project (slot tax revenue).
17-M02	Corrections	Indian Springs	Upgrade of Building Door Controls-Phase 2 (HDSP)	\$ 5,752,965	\$ -	\$ 5,752,965		Phase II Project - Replace the existing secure door control system with logic controlled system using touch screens for actuation and door status. The project replaces door control systems in four housing units and replaces damaged wiring. Phase I was completed in CIP 13-M05.
17-M03	Veterans Services	Boulder City	Secondary Water Treatment Installation (Veterans Home)	\$ 309,542	\$ -	\$ 309,542		Install secondary water treatment system at Veterans Home in Boulder City.
17-M04	Corrections	Winnemucca	Water Supply Nitrate Treatment (Humboldt Conservation Camp)	\$ 1,244,457	\$ -	\$ 1,244,457		Design and install two new Water Supply Nitrate Treatment Systems at the Humboldt Conservation Camp.
17-M05	Corrections	Las Vegas	Replace Transformers (FMWCC)	\$ 248,407	\$ -	\$ 248,407		Replace electrical transformers at Florence McClure Women's Correctional Center with higher efficiency transformers. The project also includes a metering component.
17-M07	Health/Human Svcs	Las Vegas	Emergency Generator and Transfer Switch Replacement (Building 3-Stein Hospital)	\$ 697,769	\$ -	\$ 697,769		Replace emergency generator and automatic transfer switch with a new 500 kW generator at Stein Hospital - Bldg. 3.
17-M08	Health/Human Svcs	Las Vegas	Replace Emergency Generator (Desert Regional Center)	\$ 708,051	\$ -	\$ 708,051		Replace emergency generator with a new 150 kW generator, fuel tank, automatic transfer switch, and sound attenuating housing at Desert Regional Center. The project also includes replacing the existing pad, fencing service panels on Bldgs. 1307-1310, and the main service panel on Bldg. 1300.
17-M09	Administration	Las Vegas	Central Plant Renovation (Sawyer Building)	\$ 3,362,317	\$ -	\$ 3,362,317		Replace central heating and cooling plant at the Grant Sawyer Office building with a reliable and more efficient heating and cooling system.
17-M10	Corrections	Carson City	Heating Water and Electrical Distribution System Replacement (NNCC)	\$ 9,867,890	\$ -	\$ 9,867,890		Phase I Project - Replace the entire heating water distribution system at Northern Nevada Correctional Center with pre-insulated polyethylene piping system. This project also includes installation of a new domestic hot water distribution center and new electrical distribution duct bank adjacent to the main heating water piping trench. This is a continuation of CIP 15-P01, Advanced Planning: Boiler Plant & Hot Water Distribution Upgrades (NNCC).
17-M11	Health/Human Svcs	Reno	Emergency Generator Upgrade (NNCAS)	\$ 375,263	\$ -	\$ 375,263		Replace emergency generator with a new 200 kW generator to power the Family Learning Homes and administration/classroom buildings at Northern Nevada Child & Adolescent Services.
17-M12	Military	Stead	Power Service Upgrade (Army Aviation Support Facility)	\$ 32,381	\$ 484,783	\$ 517,164	Federal Funds	Upgrade the main service entrance, conductors, switch boards, and controls at the Stead Army Aviation Support Facility.
17-M13	Military	Carson City	Power Service Upgrade (United States Property & Fiscal Office)	\$ 23,256	\$ 345,125	\$ 368,381	Federal Funds	Replace and upgrade the main service entrance, conductors, switch boards, and controls at the United State Property and Fiscal Office in Carson City.
17-M14	Administration	Carson City	Upgrade Electrical Distribution & Circuitry (Attorney General's Complex)	\$ 799,329	\$ -	\$ 799,329		Replace main electrical service entrance, distribution panels, switches, and receptacles in the Attorney General's Office Building.
17-M15	Corrections	N. Las Vegas	Upgrade Intercom, Door Controls & Security Camera Systems (FMWCC)	\$ 3,468,136	\$ -	\$ 3,468,136		Upgrade existing door controls, communication and security camera systems, software, firmware, and programmable logic controllers at Florence McClure Women's Correctional Center.
17-M16	Health/Human Svcs	Sparks	Access Control System (Dini-Townsend Hospital)	\$ 646,741	\$ -	\$ 646,741		Replace the Access Control System (ACS) which controls all 56 doors of the Dini-Townsend Hospital including security doors used to access the psychiatric units used by Lake's Crossing.
17-M17	Corrections	Indian Springs	Surge Protection (Southern Desert Correctional Center)	\$ 524,909	\$ -	\$ 524,909		Install surge protection to the Quonset Hut, Old Camp, Wastewater Plant, Towers 1-5, Medical building, New Culinary, Education Building, Solar Photovoltaics Field, and the four wells at the Southern Desert Correctional Center.
17-M18	Corrections	Wells	Upgrade Wastewater Treatment Facilities (WCC)	\$ 524,736	\$ -	\$ 524,736		Design and construct improvements to the waste water treatment facilities at the Wells Conservation Camp. The project includes removal and replacement of the underground septic and dosing tanks, removal of the existing leach field, construction of a Rapid Infiltration Basin, and installation of an additional nitrogen removal system.
17-M19	Corrections	Indian Springs	Power Panel & Switchgear Infrared Survey (HDSP)	\$ 276,553	\$ -	\$ 276,553		Funds a power panel and switchgear infrared survey at High Desert State Prison to complete inspections for loose connections and other electrical deficiencies. This project also includes oil sampling, oil/filter, and transformer replacement as needed once survey is complete.

Project Number	Agency	Location	Project Title	State Funding	Other Funding	Project Total	Other Funding Source	Remarks
17-M20	Health/Human Svcs	Caliente	Communications System Upgrade (Caliente Youth Center)	\$ 2,143,624	\$ -	\$ 2,143,624		Replace existing communication system campus wide at the Caliente Youth Center. The project includes replacement of phones, radios, intercoms, radio tower, radio repeaters, and also includes any applicable Federal Communications Commissions licensing.
17-M21	Health/Human Svcs	Las Vegas	Security System Installation (Desert Regional Center)	\$ 1,990,824	\$ -	\$ 1,990,824		Installation of new card swipe door controls, cameras in living units with continuous recording, and additional security lighting for street and building areas.
17-M22	Corrections	Carson City	Replace Locks, Control Panels, Distress Buttons and Wing Gates (NNCC)	\$ 3,032,675	\$ -	\$ 3,032,675		Replace door control and lock hardware in housing unit 4, 5, and 6 at Northern Nevada Correctional Center. The project also includes upgrades to wing gates in housing unit 4 and 5. The project would include replacement of distress buttons, wiring, control panels, gate motors and hardware, and lock replacements in housing unit 4.
17-M23	Administration	Carson City	Upgrade Transformers, Switches & Sub-metering (Stewart Campus)	\$ 570,197	\$ -	\$ 570,197		Upgrade existing pad-mounted transformers, switches, and sub-metering at the Stewart Facility. The project includes installation of sub-metering for buildings 1, 3, 12, 13, 32, and 84, which are occupied, and for twelve unoccupied buildings.
17-M24	Administration	Carson City	Generator Replacement (DMV Carson City)	\$ -	\$ 959,833	\$ 959,833	Highway Funds	Replace existing generators with a 750kW emergency generator at the Department of Motor Vehicles building in Carson City.
17-M25	Corrections	Ely	Install Water Storage Tank (Ely Conservation Camp)	\$ 1,198,044	\$ -	\$ 1,198,044		Design and Construct a new 70,000 gallon water storage tank and recondition the existing 70,000 gallon water tank at the Ely Conservation Camp. The existing tank would remain in service as a back-up for the facility.
17-M26	Health/Human Svcs	Las Vegas	Temperature Controls Replacement (SNAMHS)	\$ 332,687	\$ -	\$ 332,687		Replace HVAC direct digital controls systems for building 1 and 3a at the Southern Nevada Adult Mental Health Services campus.
17-M27	Health/Human Svcs	Elko	HVAC Systems Renovation (Nevada Youth Training Center, Gym Building)	\$ 1,161,808	\$ -	\$ 1,161,808		Renovation of the heating, cooling, and domestic hot water systems servicing the Gym building at Nevada Youth Training Center. The project includes replacement of the existing boiler, water heater, storage tanks, air handler, fan coils, exhaust fans, piping, pumps, ductwork, and related controls.
17-M28	Corrections	Ely	Heat Exchanger Replacement (Ely State Prison)	\$ 2,638,781	\$ -	\$ 2,638,781		Replace heat exchangers through the facility at Ely State Prison. The heat exchangers provide domestic water to showers, sinks, and provide space heating for inmates.
17-M29	Corrections	Indian Springs	Install Water Storage Tank & Connect Well 6 (SDCC)	\$ 3,788,465	\$ -	\$ 3,788,465		Design and construct an additional water tank and connect well 6 to the water distribution system at the Southern Desert Correctional Center. This project includes construction of a 1.2 million gallon water storage tank adjacent to tank 2, reconditioning of tanks 1 and 2, upgrading of the electronic tank control system, installation of production pump in well 6, construction of a well house, and connection to the existing water distribution system. The wells at Southern Desert Correctional Center(SDCC) service approximately 6,000 inmates total that are housed at SDCC, Three Lakes Valley Conservation Camp, and High Desert State Prison.
17-M30	Corrections	Lovelock	Replace Air Handling Units at Building 3 (Lovelock Correctional Center)	\$ 2,324,318	\$ -	\$ 2,324,318		Replace existing roof-mounted heating and air conditioning units serving building 3 at Lovelock Correctional Center. The heating and air conditioning units at building 3 service the kitchen, gymnasium, and youth isolation housing unit.
17-M31	Health/Human Svcs	Caliente	HVAC Replacement - Multiple Buildings (Caliente Youth Center)	\$ 820,779	\$ -	\$ 820,779		Replace rooftop HVAC units on various building at the Caliente Youth Center.
17-M32	Health/Human Svcs	Las Vegas	Door & Lock Replacement (Summit View Youth Correctional Center)	\$ 437,844	\$ -	\$ 437,844		Replace doors and locks for the sleeping rooms, medical area sleeping rooms, and secure area entry points at the Summit View Youth Correctional Center. This project replaces approximately 20% of the doors and locks at the facility.
17-M33	Corrections	Wells	Domestic Water Pump House Replacement (Wells Conservation Camp)	\$ 329,499	\$ -	\$ 329,499		Replace domestic water pump house building at the Wells Conservation Camp. This project includes replacement of the existing pump house building, domestic water booster pumps, piping, and related controls.
17-M34	Administration	Carson City	Ventilation & Temperature Control System Upgrades (Stewart Buildings 6 & 107)	\$ 682,306	\$ -	\$ 682,306		Phase II Project - Replace existing outside air ventilation systems for Bldg. 6 and 107 at the Stewart Complex. This project includes upgrades to the outdated controls servicing a portion of the mechanical equipment in these two buildings. Phase I was authorized in CIP 15-M26.
17-M35	Health/Human Svcs	Las Vegas	Boiler Replacement (Desert Willow Treatment Center)	\$ 305,907	\$ -	\$ 305,907		Replace two existing boilers at the Desert Willow Treatment Center.

Project Number	Agency	Location	Project Title	State Funding	Other Funding	Project Total	Other Funding Source	Remarks
17-M36	Administration	Carson City	Replace Domestic and Fire Water Main (Stewart Facility)	\$ 2,925,215	\$ -	\$ 2,925,215		Construction of a new domestic and fire water main throughout the Stewart Complex which would connect the facility to Carson City water system. SPWD indicates that the facility has been placed on notice by the State Fire Marshal's Office for non-compliance with a lack of adequate water storage for firefighting. If this project is approved and completed the new domestic water system would be turned over to Carson City and the State would purchase water from Carson City. The existing well would be used for irrigation purposes.
17-M37	Conservation	Minden	HVAC System Renovation (Sierra Front Interagency Dispatch Center)	\$ 933,049	\$ -	\$ 933,049		Replace central plant equipment, four-pipe fan coil units, and temperature control system servicing the dispatch center buildings at the Sierra Front Interagency Dispatch Center.
17-M38	Corrections	Wells	Boiler Plant Upgrades (Wells Conservation Camp)	\$ 544,843	\$ -	\$ 544,843		Renovation of the existing boiler plant at Wells Conservation Camp. This project includes replacement of the existing boilers, water heaters, piping, pumps, and related controls as well as architectural modifications needed to bring the room into compliance with current code.
17-M40	Administration	Carson City	Central Plant Renovation - Phase 2 (Supreme Court Building)	\$ 1,866,240	\$ -	\$ 1,866,240		Phase II Project - Renovation of existing central plant including heating and cooling equipment at the Supreme Court Building. This project is a continuation of CIP 15-M22, which during the investigation phase of the project, the cooling tower failed requiring a scope modification (approved at the October 25, 2016 IFC meeting). The project was split into two phases. This project would replace the cooling tower, associated pumps, piping, controls, metal roof of the cooling enclosure and relocation of the existing emergency generator.
17-M41	Health/Human Svcs	Las Vegas	Chiller Replacement (Building No. 7)	\$ 263,165	\$ -	\$ 263,165		Replace air cooled chiller at Building 7 at the Southern Nevada Child and Adolescent Services campus.
17-M42	Health/Human Svcs	Sparks	Chiller Replacement (NNAMHS Building 8)	\$ 304,885	\$ -	\$ 304,885		Replace air cooled chiller, pumps, piping, and associated controls at Building 8 located at the Northern Nevada Adult Mental Health Services.
17-M43	Military	Reno	Power Service Upgrade (Plumb Lane Readiness Center)	\$ 57,367	\$ 135,143	\$ 192,510	Federal Funds	Replace main electrical service entrance, conductors, switch boards, and controls at the Plumb Lane Readiness Center.
17-M44	Health/Human Svcs	Elko	Communications System Upgrade (NYTC)	\$ 637,938	\$ -	\$ 637,938		Replace intercom, phone wiring, door control and bell clock systems at the Nevada Youth Training Center.
17-M45	Administration	Carson City	Complete Phone & Data Network - Phase II (Stewart Campus)	\$ 536,630	\$ -	\$ 536,630		Phase II Project - Replace phone and data network at the Stewart Campus. This project includes fiber and cabling installation as well as termination boxes to each building. The project would also include removal of aging overhead pole infrastructure. Phase I was completed in CIP 11-M08.
17-M46	Corrections	Carson City	HVAC System Renovation, Regional Medical Facility (Northern Nevada Correctional Center)	\$ 2,052,587	\$ -	\$ 2,052,587		Replace existing fan powered terminal units, exhaust fans, piping, ductwork, and related controls servicing the Regional Medical Facility located at Northern Nevada Correctional Center. This project also includes removal and replacement of ceilings to access mechanical equipment.
17-M47	Health/Human Svcs	Las Vegas	HVAC Replacement (Buildings 11, 13, and 14)	\$ 214,098	\$ -	\$ 214,098		Replace HVAC units that serve residential units 11, 13, and 14 at the Southern Nevada Child and Adolescent Services campus.
17-M48	Corrections	Carson City	Plumbing Fixture & Water Control Renovations (Housing Units 1 through 3, Northern Nevada Correctional)	\$ 2,000,539	\$ -	\$ 2,000,539		Replace plumbing fixtures, fixture water controls, piping, valves and access panels at Housing Units 1, 2, and 3 located at the Northern Nevada Correctional Center.
17-M49	Health/Human Svcs	Sparks	Air Handling Unit Replacement (NNAMHS Administration Building 1)	\$ 1,087,645	\$ -	\$ 1,087,645		Replace existing multi-zone handling units, ductwork on the roof, and associated temperature controls serving Northern Nevada Adult Mental Health Services Administration Bldg. 1. This project would also include modifications to the temperature controls and updates to the exhaust provisions of the air handling systems servicing Bldg. 2.
17-M51	Veterans Services	Boulder City	Air Handler Renovation (Southern Nevada Veterans Home)	\$ 293,175	\$ -	\$ 293,175		Replace variable frequency drives (VFD) and motors for four air handling units at the Southern Nevada Veterans Home in Boulder City.
17-M52	Health/Human Svcs	Sparks	Air Handling Unit Replacement (Lake's Crossing)	\$ 1,012,204	\$ -	\$ 1,012,204		Replace existing custom air handling units, exposed ductwork on the roof, and associated temperature controls at Lake's Crossing. This project would include testing of the existing fiberboard ductwork, and removal/replacement of asbestos-containing material.
17-M53	Health/Human Svcs	Las Vegas	Upgrade Access Door Controls (Rawson Neal Psychiatric Hospital)	\$ 1,551,253	\$ -	\$ 1,551,253		Replace door control system at the Rawson Neal Psychiatric Hospital located at Southern Nevada Adult Mental Health Services. This project would also add the powered door operators for the employee and public access doors.
17-M54	Conservation	Elko	HVAC System Renovation (Elko Interagency Dispatch Center)	\$ 948,277	\$ -	\$ 948,277		Replace central plant HVAC equipment, four-pipe fan coils units, and the temperature control system serving the dispatch center building at the Elko Interagency Dispatch Center.

Project Number	Agency	Location	Project Title	State Funding	Other Funding	Project Total	Other Funding Source	Remarks
17-M57	Military	Carlin	Central Plant Renovation and Building Remodel (Carlin Readiness Center)	\$ 957,735	\$ 214,520	\$ 1,172,255	Federal Funds	Renovation of the central plant heating and cooling equipment located at the Nevada Army National Guard in Carlin. This project would include a roof addition, replacement of existing boilers, interior cooling tower, plate and frame heat exchanger, piping, pumps, and controls. This project would also include a boiler room exterior door, and fire riser room with an exterior door.
17-M58	Corrections	Indian Springs	Upgrade Site Water Pressure Control (SDCC)	\$ 273,462	\$ -	\$ 273,462		Design and construct an upgrade site water pressure control system at Southern Nevada Desert Correctional Center. This project includes a design study to develop a post construction water model, waterline upsiz, relocation of the heat exchange building service, upgrades to Pump Station 1 controls, and upgrades to the variable frequency drive (VFD) system.
17-M59	Tourism & Cultural Affairs	Carson City	Boiler Plant Renovation (Nevada State Museum in Carson City)	\$ 239,003	\$ -	\$ 239,003		Replace existing boilers, pumps, piping, and related controls at the State Museum in Carson City.
17-M60	Administration	Reno	Central Plant and Control System Upgrades (NHP Headquarters)	\$ -	\$ 549,113	\$ 549,113	Highway Funds	Replace central heating plant boilers, water heater, pumps, piping, and controls at the NHP Headquarters in Reno.
17-M62	Corrections	Carson City	Remodel Showers & Restrooms (5 Housing Units - Stewart Conservation Camp)	\$ 3,007,651	\$ -	\$ 3,007,651		Design and construct renovations to the showers and restrooms at Stewart Conservation Camp. This project would include replacement of showers, restroom fixtures, stainless steel inserts, shower enclosures, exhaust fans, lighting, and new flooring/wall finishes in the showers and restrooms.
17-M63	Administration	Various	Lighting Upgrades (DMV & NHP Facilities Managed By B&G)	\$ -	\$ 500,577	\$ 500,577	Highway Funds	Upgrade exterior site lighting at five Department of Motor Vehicle facilities and one Nevada Highway Patrol facility. This project includes high efficiency LED fixtures/lamp upgrades at two of the five DMV locations.
17-M64	Military	Stead	Remodel Restrooms & Showers (AASF)	\$ 41,236	\$ 441,871	\$ 483,107	Federal Funds	Design and construct renovations to the showers and restrooms at Stead Army Aviation Support Facility (AASF). This project would include replacement of tile and shower fixtures, toilets, privacy walls, sinks and sink fixtures.
17-M65	Administration	Carson City	Replace Exterior Entry Doors and Glazing Systems (DMV East & West Wings)	\$ -	\$ 514,721	\$ 514,721	Highway Funds	Replace existing exterior main entry doors systems, exterior doors, adjacent glass sidelights, and storefront window systems at the Department of Motor Vehicles in Carson City. This project also includes replacement of wall systems in connecting corridors bridges in the East and West wings.
17-M66	Corrections	Indian Springs	Plumbing Fixture Water Control Renovations (Housing Units 1 through 4 at SDCC)	\$ 1,628,990	\$ -	\$ 1,628,990		Replace plumbing fixture water controls serving Housing units 1, 2, 3 and 4 at the Southern Desert Correctional Center. This project also includes replacement of existing water controls, piping and valves.
17-M67	Tourism & Cultural Affairs	Reno	Refurbish Compact Shelving (Nevada Historical Society Building)	\$ 148,960	\$ -	\$ 148,960		Renovation of the compact shelving located at the Nevada Historical Society in Reno. This project includes repairs to the electrical paneling, motors, belts and sensors.
17-M68	Administration	Carson City	Roofing Replacement and Roof Seismic Stabilization (Heroes Memorial Building Annex)	\$ 577,668	\$ -	\$ 577,668		Replace roofing system on the Heroes Memorial Annex located in Carson City. This project also includes seismic stabilization.
17-M69	Health/Human Svcs	Sparks	Direct Digital Control System Upgrade (NNAMHS Administration Building 1)	\$ 205,309	\$ -	\$ 205,309		Replace existing direct digital control system hardware and software at the Northern Nevada Adult Mental Health Service Administration Building 1.
17-M70	Administration	Carson City	Exterior Renovation (Nevada State Capitol and Annex Building)	\$ 1,875,964	\$ -	\$ 1,875,964		Repair exterior finishes at the Capitol Building and Annex. This project includes painting and repair of the windows and doors, repairs to the fascia and soffits, roof balustrade and doom repairs, painting the columns, repairing copper gutters, and cleaning and re-pointing sandstone mortar joints.
17-M72	Administration	Carson City	Replace Plumbing Fixtures (DMV Building in Carson City)	\$ -	\$ 149,358	\$ 149,358	Highway Funds	Replace existing urinals and existing lavatory faucets in the Department of Motor Vehicles building located in Carson city.
17-M74	Tourism & Cultural Affairs	Las Vegas	Remodel Loading Dock (Nevada State Museum, Las Vegas)	\$ 216,778	\$ -	\$ 216,778		Repair existing loading dock at the Nevada State Museum in Las Vegas. This project also relocates the existing walk ramp.
17-M75	Wildlife	Other	Water System Improvements (Mason Valley WMA Headquarters)	\$ 262,012	\$ 786,036	\$ 1,048,048	Agency Funds	Design and construct an additional domestic water well and reconstruct the existing site water system at the Mason Valley Wildlife Management Area Headquarters. This project also includes construction of a well equipment building, reconfiguration of the existing well to provide non-potable water, and construction of a potable and non-potable water system.
MAINTENANCE PROJECTS TOTAL				\$ 92,284,338	\$ 5,081,080	\$ 97,365,418	Project Count: 67	
PLANNING PROJECTS								
17-P01	Administration	Carson City	Advance Planning: Central Plant Renovation (State Library and Archives)	\$ 141,918	\$ -	\$ 141,918		Design development through construction documents to complete renovations of the existing central plant heating and cooling equipment.

Project Number	Agency	Location	Project Title	State Funding	Other Funding	Project Total	Other Funding Source	Remarks
17-P02	Corrections	Lovelock	Advance Planning: Replace Air Handling Units at Building 2 (LCC)	\$ 158,506	\$ -	\$ 158,506		Design development through construction documents to replace the roof-mounted heating and air conditioning units, and associated terminal units servicing Building 2 at the Lovelock Correctional Center.
17-P03	Administration	Carson City	Advance Planning: Computer Room Cooling System Upgrade (State Computer Facility)	\$ 74,827	\$ -	\$ 74,827		Design development through construction documents to replace existing air conditioning equipment that services the main server room at the State Computer Facility in Carson City.
17-P04	Administration	Las Vegas	Advance Planning: Southern Nevada Fleet Services Maintenance Facility (Grant Sawyer Site)	\$ -	\$ 541,783	\$ 541,783	Agency Funds	Design development through construction documents for a new 6,000 sf fleet support facility on the grounds of the Grant Sawyer Building. This facility would be in addition to the existing Las Vegas fleet services facility.
17-P06	Corrections	Indian Springs	Advance Planning: Housing Unit (Southern Desert Correctional Center)	\$ 1,514,127	\$ -	\$ 1,514,127		Design development through construction documents to construct a new "T" style housing unit at Southern Desert Correctional Center. This project includes provisions for mechanical systems modifications, infrastructure improvements, and code updates.
PLANNING PROJECTS TOTAL				\$ 1,889,378	\$ 541,783	\$ 2,431,161	Project Count: 5	
STATEWIDE PROJECTS								
17-S01	Administration	Statewide	Statewide Roofing Program	\$ 8,606,942	\$ -	\$ 8,606,942		State funded statewide roofing projects.
17-S01g	Administration	Reno	Statewide Roofing Program (Military)	\$ 684,404	\$ 620,365	\$ 1,304,769	Federal Funds	Single ply roofing system at the Washoe County Armory and the Office of the Adjutant General building in Carson City.
17-S01h	Administration	Las Vegas	Roofing Replacement, Henderson DMV and Inspection Station	\$ -	\$ 585,329	\$ 585,329	Highway Funds	Single ply roofing system at the Henderson Department of Motor Vehicles and Inspection Station.
17-S02	Administration	Statewide	Statewide ADA Program	\$ 2,374,275	\$ -	\$ 2,374,275		State funded statewide program accessibility under Title II of the Americans with Disabilities Act.
17-S03	Administration	Caliente	Statewide Fire & Life Safety Program	\$ 569,558	\$ -	\$ 569,558		Install and maintain a fire alarm system at the Caliente Youth Center, including anti-ligature soffits on the fire suppression piping.
17-S04	Administration	Statewide	Statewide Advance Planning Program	\$ 1,596,664	\$ -	\$ 1,596,664		Preparation of the 2017 Capital Improvement Program (CIP).
17-S05h	Administration	Carson City	DMV Pavement Maintenance & Construction (Carson City DMV)	\$ -	\$ 1,087,135	\$ 1,087,135	Highway Funds	Renovation of the Commercial Driver's (CDL) course at the Carson City Department of Motor Vehicles. This project also includes construction of an employee parking lot and maintenance to the existing parking lot.
17-S06	Administration	Statewide	Statewide Indoor Air Quality - Environmental Program	\$ 100,503	\$ 100,000	\$ 200,503	Agency Funds	Statewide project to address environmental issues such as asbestos, indoor air quality, lead paint, and mold.
17-S09	Administration	Statewide	Statewide Building Official Program	\$ -	\$ 986,001	\$ 986,001	Agency Funds	Project to accept and spend funds from various state agencies for plan review and inspection of building projects not managed by the SPWB.
STATEWIDE PROJECTS TOTAL				\$ 13,932,346	\$ 3,378,830	\$ 17,311,176	Project Count: 9	
TOTAL ALL PROJECTS				\$ 216,197,670	\$ 128,312,653	\$ 344,510,323	Project Count: 92	

POSITION SUMMARY

The following table displays the eliminated and new positions recommended in The Executive Budget by functional area for the 2017-19 biennium. The FY 2017 (work program year) is displayed to provide a perspective of the total number of positions in the current fiscal year compared to the total number of positions approved by the 2015 Legislature for FY 2017. A comparison can then be made to the total number of eliminated and new positions recommended by the Governor for the 2017-19 biennium. The total number of positions for the Nevada System of Higher Education (NSHE) is detailed separately, and only includes authorized positions in FY 2017.

Over the 2015-17 biennium, the number of positions, excluding NSHE, increased from 19,377.87, as approved by the 2015 Legislature for FY 2017, to 19,575.52, a net increase of 197.65 positions. Significant position additions include 67.00 positions for the Department of Corrections, 28.97 positions for the Department of Health and Human Services, and 36.00 positions for the Department of Taxation. For FY 2018, excluding NSHE, the Governor recommends a total of 19,706.19 positions. The recommendation includes the elimination of 371.23 existing positions when compared to FY 2017 (work program year) and the addition of 501.90 new positions. The net increase in positions (new less eliminated) is 130.67 when compared to the FY 2017 work program.

For FY 2019, excluding NSHE, the Governor recommends a total of 19,742.46 positions. The recommendation includes the elimination of 68.75 positions and the addition of 105.02 new positions. The net increase in positions (new less eliminated) is 36.27. This results in a total of 439.98 (371.23 + 68.75) eliminated positions and 606.92 (501.90 + 105.02) new positions over the 2017-19 biennium. The net increase in positions (new less eliminated) for the 2017-19 biennium is 166.94 when compared to the number of positions in the FY 2017 work program year.

Significant position additions recommended by the Governor include the addition of 259.00 positions in FY 2018 and 76.02 positions in FY 2019 (335.02 positions total) in the Health and Human Services functional area and the addition of 99.00 positions in FY 2018 and 26.00 positions (125.00 positions total) in FY 2019 in the Public Safety functional area. The 335.02 additional positions for the Health and Human Services functional area are primarily recommended to meet increased demand for services provided by the Aging and Disability Services Division and the Division of Public and Behavioral Health. The additional 125.00 positions recommended by the Governor for the Public Safety functional area would primarily provide for new staffing ratios and caseload adjustments for the Division of Parole and Probation. Significant position reductions recommended by the Governor include 280.21 positions in FY 2018 and 63.51 positions in FY 2019 in the Health and Human Services functional area, primarily resulting from clients being served by the private sector and operational efficiencies in the Division of Public and Behavioral Health and the proposed closure of the Desert Willow Treatment Center.

The Governor recommends transferring the Public Employees' Benefits Program and Deferred Compensation Committee from the Special Purpose Agencies functional area to the Finance and Administration functional area, including 33.75 existing positions. The Governor also recommends transferring the Commission on Ethics and its 6.00 existing positions from the Elected Officials functional area to the Special Purpose Agencies functional area. Finally, The Executive Budget recommends transferring the Commission on Postsecondary Education and its 4.00 existing positions from the Education functional area to the Health and Human Services functional area and Nevada P20 Workforce Reporting and its 1.00 existing position from the Health and Human Services functional area to the Elected Officials functional area.

Since formula funding recommendations are not translated into position counts until after the close of the legislative session, no information is being provided on authorized positions for NSHE for the 2017-19 biennium.

**Nevada Legislative Counsel Bureau
Governor Recommends Position Count
(Full-Time Equivalency Count)**

	FY 2017 Legislature Approved	FY 2017 Work Program ^a	Governor Recommends FY 2018				Governor Recommends FY 2019			
			Eliminated Positions	Net Transfers ^c	New Positions	Total ^b	Eliminated Positions	Net Transfers ^c	New Positions	Total ^b
Government Function										
Constitutional Agencies ^c	1,215.18	1,234.20	(23.00)	(1.00)	10.00	1,220.20	(3.75)	-	-	1,216.45
Finance and Administration ^c	895.26	933.02	(9.51)	33.75	27.51	984.77	(1.00)	-	2.00	985.77
Education ^c	183.02	187.02	-	(6.00)	6.00	187.02	-	-	-	187.02
Human Services ^c	6,766.11	6,806.51	(280.21)	1.00	259.00	6,786.30	(63.51)	-	76.02	6,798.81
Commerce and Industry	1,480.57	1,492.57	(18.00)	-	20.02	1,494.59	(0.49)	-	1.00	1,495.10
Public Safety	5,578.15	5,656.15	(27.51)	-	99.00	5,727.64	-	-	26.00	5,753.64
Infrastructure	2,770.81	2,776.30	(8.00)	-	64.37	2,832.67	-	-	-	2,832.67
Special Purpose Agencies ^c	488.77	489.75	(5.00)	(27.75)	16.00	473.00	-	-	-	473.00
Sub-Total	19,377.87	19,575.52	(371.23)	-	501.90	19,706.19	(68.75)	-	105.02	19,742.46
Nevada System of Higher Education										
Professional ^e	5,303.15	5,379.11				N/A ^f				N/A ^f
Classified ^e	2,068.44	2,067.12				N/A ^f				N/A ^f
Sub-Total	7,371.59	7,446.23								
Total ^g	26,749.46	27,021.75								

a. The FY 2017 work program sub-total by Government Function in The Fiscal Report differs from The Executive Budget due to necessary adjustments for those items which are not reflected in The Executive Budget work program. Reconciliation is on file in the Fiscal Analysis Division.

b. The FY 2018 and FY 2019 Governor Recommends sub-total for the Infrastructure governmental function in The Fiscal Report differs from The Executive Budget due to necessary adjustments for seasonal FTE. Reconciliation is on file in the Fiscal Analysis Division.

c. The Governor recommends transferring the Commission on Ethics (6.0 existing FTE) from the Constitutional Agencies function to the Special Purpose Agencies function, the Public Employees' Benefits Program (32.0 existing FTE) and the Deferred Compensation Committee (1.75 existing FTE) from the Special Purpose Agencies function to the Finance and Administration function, the Commission on Postsecondary Education from the Education function to the Human Services function (4.00 FTE), and Nevada P20 Workforce Reporting from the Human Services function to the Constitutional Agencies function (1.00 FTE).

d. Net transfers reflect the net change in transferred positions from functional areas.

e. The FY 2017 work program NSHE Professional FTE count includes 12.80 Resident Physician FTE. (FY 2017 Source: Board of Regents Approved 2016-17 State Operating Budget)

f. Funding recommendations are not translated into position counts until after the close of the Legislative Session. Therefore, information is not provided on authorized positions for the NSHE for the 2017-19 biennium.

g. Total does not include Boards, Commissions, or the Tahoe Regional Planning Agency.

SECTION V

GOVERNOR'S RECOMMENDATIONS BY FUNCTION

This section includes a schedule by budget of the Governor's recommended level of spending by funding source. Narratives at the beginning of each functional section include comparisons of the amounts recommended by the Governor for the 2017-19 biennium, to the amounts approved by the Legislature for the 2015-17 biennium. Each section concludes with a report of the actual year expenditures for FY 2016, the current year budget FY 2017 and the Governor's recommendation for FY 2018 and FY 2019 for comparison purposes. The percentage change for each year is also displayed. Expenditure and percentage figures are rounded, but all calculations are extracted from the unrounded numbers.

Each functional area's schedule of recommended spending is preceded by a brief narrative description of the major program changes and issues reflected in the proposed budgets. This narrative is not exhaustive, nor does it address issues in great depth. It is designed to alert the reader to those issues that may arise during the 2017 Legislative Session.

ELECTED OFFICIALS

The Elected Officials function encompasses three subfunctions: Executive Branch elected offices and their various agencies, Legislative Branch agencies, and Judicial Branch agencies. The Executive Branch elected offices include the Governor, Lieutenant Governor, Attorney General, Secretary of State, State Treasurer and State Controller. The Legislative Branch agencies include the Legislative Counsel Bureau and the Interim Nevada Legislature. Judicial Branch agencies include the Supreme Court, Court of Appeals, Specialty Courts, Administrative Office of the Courts, and Commission on Judicial Discipline. The Elected Officials functional area also includes the Western Interstate Commission for Higher Education and the Commission on Ethics.

The recommended General Fund appropriations for Elected Officials total \$144.2 million in FY 2018, a decrease of 10.3 percent compared to the legislatively approved amount of \$160.8 million for FY 2017, and \$156.3 million in FY 2019, which represents an 8.4 percent increase over FY 2018. Budget recommendations for all funding sources total \$542.5 million in FY 2018, a decrease of 2.9 percent when compared to the amount approved by the 2015 Legislature of \$558.7 million for FY 2017 and \$554.2 million in FY 2019, an increase of 2.2 percent over FY 2018 after interagency transfers are deducted.

OFFICE OF THE GOVERNOR

The Governor is the Chief Executive Officer of the state and is elected to a four-year term. The responsibilities of the Governor include, but are not limited to, serving as the Commander in Chief of the state's military forces and as the Chairman of the Board of Examiners, the Board of Directors of the Department of Transportation, the

Executive Branch Audit Committee, the Board of Prisons Commissioners, and the Board of Pardons Commissioners. The Office of the Governor is supported entirely by General Fund appropriations. For the 2017-19 biennium, The Executive Budget recommends \$4.70 million over the biennium, which is \$42,614, or a 0.9 percent increase from the \$4.66 million approved by the 2015 Legislature for the 2017-19 biennium. The Executive Budget recommends 17 non-classified positions, in addition to the Governor, for the Office of the Governor, which is the same number of non-classified positions included in the budget approved by the 2015 legislature.

MANSION MAINTENANCE

The Mansion Maintenance budget provides for the staffing, operation and maintenance of the Governor's Mansion in Carson City and is supported entirely by General Fund appropriations. General Fund support for the Mansion is recommended to decrease from \$698,745 as approved for the 2015-17 biennium, to \$669,076 for the 2017-19 biennium, which is a decrease of 4.3 percent. The budget proposes to fund \$63,500 in facility maintenance projects for the Governor's Mansion over the 2017-19 biennium. The Executive Budget recommends funding for 2.64 non-classified positions to staff the Mansion, which is a continuation of the positions approved by the 2015 Legislature.

WASHINGTON OFFICE

The establishment of the Washington, D.C. Office was authorized by the 1985 Legislature to identify, monitor and provide information on selected federal issues of high priority to Nevada, such as nuclear waste, transportation funding, gaming, and economic development. The Governor recommends funding support of \$518,868 for the 2017-19 biennium, which is flat when compared to the \$518,866 approved by the 2015 Legislature for the 2015-17 biennium. The Washington Office is funded through transfers from the Department of Transportation, the Commission on Tourism and the Governor's Office of Economic Development.

OFFICE OF WORKFORCE INNOVATION

The Executive Budget recommends funding totaling \$1.0 million over the 2017-19 biennium, including \$188,172 in General Fund appropriations, to permanently establish the Office of Workforce Innovation. The purpose of the office, which was initially established by Executive Order in 2016, is to develop statewide strategies to ensure that employers are able to recruit Nevadans for jobs requiring high-level training and skills, and to implement statewide career pathways, talent development, and workforce training. Five non-classified positions are recommended for the office, including one new position and four positions transferred from the Department of Employment, Training and Rehabilitation. Additionally, the Apprenticeship Council is recommended to transfer from the Office of the Labor Commissioner to the office. The Governor recommends transferring the Nevada P20 Workforce Reporting budget from the Department of Employment, Training and Rehabilitation to the Office of Workforce Innovation.

GOVERNOR'S OFFICE OF ENERGY

The Governor's Office of Energy is responsible for implementing the Governor's Nevada Energy Protection Plan and for serving as the state's point of contact with the United States Department of Energy's (DOE) State Energy Program (SEP). The office administers grants and contracts that promote the economic development of the state, encourages conservation and energy efficiency, encourages the development and utilization of Nevada's renewable energy resources, and promotes alternative fuel use in Nevada. The activities of the Governor's Office of Energy include energy emergency support, energy policy formulation and implementation, technical assistance and public information and education. The Governor's Office of Energy was transferred from the Department of Business and Industry to the Office of the Governor following the passage of Assembly Bill 661 by the 2001 Legislature.

Funding for the Governor's Office of Energy is provided through a mix of federal funds, property tax receipts transferred from the Renewable Energy Account and the Renewable Energy, Efficiency, and Conservation Loan (REECL) program. For the 2017-19 biennium, the Governor recommends total transfers for the office from the Renewable Energy Account and the REECL at \$2.5 million, which is the same amount approved for the office by the 2015 Legislature. The Executive Budget includes the continuation of General Fund appropriations of \$100 in each year of the 2017-19 biennium, which provides access to the Interim Finance Committee Contingency Account should the need arise.

RENEWABLE ENERGY ACCOUNT

The 2009 Legislature authorized the creation of the Renewable Energy Account and provides that 45 percent of the property taxes paid by a qualifying renewable energy facility during the period of partial abatement of property taxes be deposited to the fund. Of that amount, not less than 75 percent of the property taxes received in the fund must be used to offset the cost of electricity to retail customers of a public utility subject to a renewable energy portfolio standard established by the Public Utilities Commission. The remaining 25 percent of the property taxes received in the fund may be used by the director as prescribed by regulation. To continue funding the Direct Energy Assistance Loan (DEAL) program, The Executive Budget recommends transfers of \$750,000 in each year of the biennium to the Nevada Housing Division in the Department of Business and Industry. The Housing Division utilizes its expertise to provide oversight and administration of energy upgrades and retrofit programs for the Governor's Office of Energy. Further, to continue support for the Home Energy Retrofit Opportunity for Seniors (HEROS) program, The Executive Budget recommends transfers of \$750,000 in each year of the biennium to the Nevada Housing Division.

RENEWABLE ENERGY, EFFICIENCY, AND CONSERVATION LOAN

The 2009 Legislature authorized the creation of the Renewable Energy, Efficiency, and Conservation Loan account for the purpose of granting low-interest loans for renewable energy systems as defined in NRS 704.7815. The federal government granted \$8.2 million to the State of Nevada under the American Recovery and Reinvestment

Act (ARRA) for loans. The purpose of the program is to create a sustainable revolving loan program to help Nevada meet its renewable energy portfolio standard goals, to promote energy independence and to create jobs by providing short-term, low-cost loans to developers of renewable energy systems in Nevada. The loans serve as a bridge financing option to provide necessary funding for the various start-up costs associated with these projects. Once the projects reach a mature level and total project financing is in place, the loans will be repaid. The program provides below-market rate financing at an interest rate of 3 percent for projects that develop or expand renewable energy systems in Nevada, for a term not to exceed 15 years. Loans are granted to the highest ranked applicants based on criteria such as the number of jobs created or retained, renewable energy generated, fossil fuel reduction, leveraging of additional financial resources, and readiness of the project to be implemented.

In the Renewable Energy, Efficiency, and Conservation Loan account, The Executive Budget recommends energy loan repayments of \$500,330 in FY 2018 and \$145,668 in FY 2019, and energy loans of \$100,000 in FY 2018 and \$645,996 in FY 2019.

OFFICE OF SCIENCE, INNOVATION AND TECHNOLOGY

For the 2017-19 biennium, the Governor recommends General Fund support of \$4.0 million in each year of the biennium for the Office of Science, Innovation, and Technology (OSIT). The office was established in the Office of the Governor through Senate Bill 401 approved by the 2001 Legislature; however, it was inactive from FY 2003 until FY 2016, when the 2015 Legislature approved General Fund appropriations of \$2.0 million in each year of the 2015-17 biennium to reestablish the OSIT. The purpose of the office is to promote the development of a skilled workforce in the areas of science, technology, engineering, or math (STEM) and to improve broadband availability, adoption, and use.

In order to increase the availability of STEM grant funds, the Governor recommends General Fund appropriations of \$1.0 million in each year of the biennium for OSIT. Further, in order to develop a statewide E-Rate consortium to leverage E-Rate dollars from the Federal Communications Commission, the Governor recommends the transfer of the Wide Area Network Incentive program, including the existing General Fund support of \$1.0 million in each year of the 2017-19 biennium, from the Other State Education Programs budget in the Nevada Department of Education, to the OSIT. E-Rate is the schools and libraries universal service support program that helps schools and libraries obtain affordable broadband. Finally, to develop a website to market STEM careers to students, the Governor recommends General Fund appropriations of \$25,000 for the OSIT.

AGENCY FOR NUCLEAR PROJECTS

The Agency for Nuclear Projects was established by Executive Order in 1983 following passage of the federal Nuclear Waste Policy Act of 1982. The 1985 Legislature formally established the office as a statutorily authorized agency and created a seven-member Commission on Nuclear Projects to support the work of the agency and provide guidance to the Governor and Legislature on matters concerning the

high-level nuclear waste program. In 1995, the Legislature made the agency an organizational component of the Governor's Office. The agency consists of the Division of Technical Programs and the Division of Planning. The Executive Director is appointed by the Governor and serves at the pleasure of the Commission. Funding for the agency consists of General Fund appropriations, an annual grant from the Western Governors' Association, and an annual transfer of Highway Funds.

The Executive Budget recommends total funding of \$3.75 million over the 2017-19 biennium for the agency, which is a 2.1 percent decrease compared to the \$3.83 million legislatively approved for the 2015-17 biennium. The Governor recommends General Fund appropriations totaling \$545,414 over the biennium to support anticipated administrative licensing proceedings before the federal Nuclear Regulatory Commission (NRC). Including base funding, The Executive Budget recommends General Fund appropriations totaling \$1.35 million over the biennium to defend the state's efforts regarding a high-level nuclear waste depository at Yucca Mountain. Administrative proceedings before the NRC were stayed by Congress for six fiscal years; however the stay was lifted in State Fiscal Year 2014. Scheduling of administrative proceedings has not occurred so a portion of the additional General Fund appropriations approved by both the Interim Finance Committee in FY 2015 and the 2015 Legislature for FY 2016 to support the state's efforts related to Yucca Mountain were reverted. General Fund appropriations for the Nuclear Projects Office are primarily used to support contract costs including outside attorney's fees and technical experts.

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 assistance to students seeking education in various professional fields of study not offered by higher education institutions within the state. The Governor recommends General Fund appropriations of \$714,066 and \$832,369 in Fiscal Years 2018 and 2019, respectively, for the Loan and Stipend budget compared to FY 2017 appropriations of \$773,572. Total Loan and Stipend budget funding recommended by the Governor is \$1.1 million and \$1.2 million in FY 2018 and FY 2019, respectively, which includes funding for new occupational therapy slots in the Professional Student Exchange Program, and new social worker and Master of Science Nursing slots in the Health Care Access Program.

ATTORNEY GENERAL

The Office of the Attorney General (OAG) serves as legal advisor to nearly all state agencies, boards, and commissions and assists the county district attorneys throughout the state. As the state's Chief Law Enforcement Office, the Attorney General represents the people of the State of Nevada before trial and appellate courts of Nevada and the United States in criminal and civil matters. The OAG includes the following five bureaus:

- Criminal Justice – includes the Fraud Unit, Mortgage Fraud Unit, the Workers' Compensation and Insurance Fraud units, and the Medicaid Fraud Control Unit
- Litigation – includes the Transportation Division and Public Safety Division
- Consumer Protection – includes the Civil Mortgage Fraud Unit, Mortgage Settlement Administration and Financial Fraud Unit
- Gaming and Government Affairs – includes the Gaming Division, the Boards and Open Government Division, and the Government and Natural Resources Division
- Business and State Services – includes the Business and Taxation Division, the Personnel Division, and Health and Human Services

The OAG also includes an Administration Division comprising the Fiscal, Information Technology and Personnel units; and the Investigations Division which includes Tobacco Enforcement, Missing and Exploited Children, Human Sex Trafficking, High Technology Crime and General Fraud units.

The Executive Budget recommends total funding of \$101.4 million (less interagency transfer) over the 2017-19 biennium for the OAG, a 1.6 percent decrease from the \$103.0 million approved for the 2015-17 biennium. The General Fund portion of The Executive Budget totals \$13.1 million for the 2017-19 biennium, a 62.0 percent decrease from the legislatively approved General Fund amount of \$34.2 million for the 2015-17 biennium. The decrease is due to a proposed revision made by the Governor's Finance Office regarding how the Attorney General Cost Allocation Plan (AGCAP) assessed to Executive Branch agencies is reported. Historically, after the AGCAP assessments to Executive Branch agencies have been determined, the recommended General Fund appropriation for those budgets supported by General Funds would be included in the OAG Administrative budget, rather than the individual budgets being assessed. For the 2017-19 biennium, The Executive Budget includes the General Fund appropriation computed for the AGCAP in the individual Executive budgets, for transfer to the OAG Administrative budget, rather than as a direct General Fund appropriation in the OAG budget.

To promote management efficiencies, The Executive Budget proposes to eliminate ten positions and reclassify two positions within the Administrative Fund which would result in budget reductions totaling \$2.0 million (\$796,316 General Fund) over the 2017-19 biennium. The Governor recommends one new Budget Analyst position to implement new programs requiring fiscal oversight associated with the Office's growing workload. The Executive Budget also proposes to eliminate one Deputy Attorney General position due to expiring federal grant funds in the Grants Unit, and one Legal Secretary position within the Consumer Advocate budget that has been vacant for over one year.

The Executive Budget recommends establishing General Fund appropriations in the Grants Unit totaling \$110,072 over the 2017-19 biennium to be compliant with federal requirements. The Executive Budget also continues the new Forfeitures budget established in FY 2016 for the federal forfeitures awarded to the OAG through the United States Department of Treasury Equitable Sharing program.

NATIONAL MORTGAGE SETTLEMENT

The National Mortgage Settlement Administration (NMS) budget was established during the 2011-13 Interim to administer the funds received from the National Mortgage Multi-Bank Settlement and the Bank of America Mortgage Settlement. Using NMS funds, the OAG established the Home Again program, including 4 positions, to assist Nevada consumers with mortgage and foreclosure issues. The 2015 Legislature approved the transfer-in of the Criminal Mortgage Fraud unit from the Administration Fund to the NMS budget due to expiring Wells Fargo settlement funds that previously supported the unit. The Criminal Mortgage Fraud unit consists of 8 positions. In FY 2017, the Interim Finance Committee approved \$1.3 million to expand the Home Again program to address an increase in financial fraud and guardianship abuse cases, which included the addition of 10 new positions, and additional transfers of NMS funds for legal services in Southern Nevada. The Governor recommends to continue those 10 positions over the 2017-19 biennium. The Executive Budget recommends the transfer-in of an Administrative Assistant position to the NMS budget, for a total of 23 positions supported with NMS funds over the 2017-19 biennium.

The Governor's recommendations for the NMS budget total \$12.7 million over the 2017-19 biennium to continue providing services to Nevadans related to the housing crisis, mortgage fraud, financial fraud, and guardianship abuse, within the provisions of the NMS agreement. The \$12.7 million supports the positions outlined above, associated operating costs, and contractual expenditures for legal services, financial guidance and a call center. The Executive Budget includes reserve funds totaling \$11.5 million at the end of FY 2019 to continue these programs in future biennia. The Governor recommends eliminating \$1.4 million in NMS fund transfers to the Department of Business and Industry that were used to support position and operating costs for the Consumer Affairs Unit and the Real Estate Division. The reductions were determined using FY 2016 actual transfer amounts for both years of the 2017-19 biennium.

SPECIAL LITIGATION FUND

The Executive Budget includes General Fund appropriations totaling \$3.4 million over the 2017-19 biennium to support the state's efforts regarding litigation and administrative licensing proceedings to establish a high-level nuclear waste repository at Yucca Mountain. Compared to the \$5.0 million approved by the 2015 Legislature for the 2015-17 biennium, the appropriation represents a 32.0 percent decrease. The \$5.0 million appropriation was based on the federal Nuclear Regulatory Commission (NRC) ordering the restart of certain licensing proceedings two years ago that had previously been suspended, using remaining available federal funds. However, of the \$5.0 million approved for the 2015-17 biennium, the OAG expended only \$1.5 million in FY 2016 and has expended \$721,270 in FY 2017 as of January 2017. The \$3.4 million General Fund appropriation recommended in The Executive Budget would support attorney's fees, technical experts, and associated costs to address the licensing activities and ongoing litigation related to Yucca Mountain over the 2017-19 biennium.

SECRETARY OF STATE

The Secretary of State maintains the official records of the acts of the Nevada Legislature and of the Executive Branch of state government. The office is responsible for ensuring the integrity of elections, receiving and recording business entity filings, administering the uniform commercial code, protecting consumers against securities fraud, preserving public records, and promoting public awareness and education in these areas. For the 2017-19 biennium, the Governor recommends General Fund appropriations totaling \$36.1 million, which is a \$5.7 million decrease (13.7 percent) from the \$41.8 million approved by the Legislature for the 2015-17 biennium. The decrease is due primarily to the continuation of the technology investment request (TIR) to replace the eSoS Reporting System (eSoS) being recommended for the 2017-19 biennium in a one-shot appropriation, instead of being included in the office's budget as it was for the 2015-17 biennium.

As noted above, the Governor's recommended budget includes one-shot General Fund appropriations totaling \$6.3 million over the 2017-19 biennium to fund years three and four of the five-year TIR, begun in the 2015-17 biennium, to replace the eSoS, the primary application used by the office for processing, archiving, and receipting Commercial Recording business entity filings electronically. The Executive Budget indicates the application is over ten years old, is insufficient to handle the complexity and volume of increased business entity filings, and the original vendor responsible for designing the system is no longer able to provide support or expertise related to the system.

The Executive Budget recommends transferring the funding source for the Securities Division's operating expenses from fees and recovery monies to General Fund appropriations of \$409,600 over the 2017-19 biennium, as well as enhancing the amount for operating expenditures for the Securities Investigation and Enforcement program. A bill draft request has been submitted to provide that any monies collected as a result of enforcement actions be deposited to the State General Fund.

The Governor recommends additional General Fund appropriations over the 2017-19 biennium for enhancements to the Securities Division's operating and travel expenditures (\$72,375); the reinstatement of a Compliance Investigator position that was removed from the base budget due to the long-term vacancy of the position (\$156,574); and replacement equipment (\$286,433).

HELP AMERICA VOTE ACT (HAVA) ELECTION REFORM

Since its inception in FY 2003, the HAVA Election Reform budget has been funded primarily from reserves from federal grants carried forward from prior years. Due to the exhaustion of federal HAVA funding and associated reserves, The Executive Budget recommends the elimination of this budget. The Governor's recommendation would move two existing positions and all program operating costs to the Secretary of State's main budget, and fund the HAVA positions and costs with General Fund appropriations instead of federal funding. General Fund appropriations to support this recommendation total \$2.0 million for the 2017-19 biennium.

STATE TREASURER

The State Treasurer, which has offices located in Carson City and Las Vegas, is responsible for investing state and local governments' funds, issuing and servicing debt on behalf of the state, managing the state's pooled collateral program, distributing interest earnings to statutorily approved funds and budgets, managing the state's banking relationships, reconciling bank transactions, drawing federal funds, and distributing state checks. The Treasurer's Office is also responsible for the administration of the Governor Guinn Millennium Scholarship program, Nevada Prepaid Tuition program, the Nevada 529 College Savings Plans program, the Education Savings Accounts program and the Unclaimed Property program.

The Executive Budget recommends \$739.0 million in total funding in the Treasurer's Office budgets for the 2017-19 biennium, of which \$596.9 million is related to the Bond Interest and Redemption Account. This is an increase of 2.8 percent over the \$718.9 million in total funding approved by the 2015 Legislature for the 2015-17 biennium.

EDUCATION SAVINGS ACCOUNTS

The 2015 Legislature approved Senate Bill 302, which established authority for the Treasurer's Office to provide an education savings account grant to any child who has been enrolled in a public school in the state for not less than 100 school days immediately preceding the establishment of an education savings account. In September 2016, the Nevada Supreme Court determined the mechanism proposed to fund the accounts was unconstitutional, so no education savings accounts were funded during the 2015-17 biennium. The Executive Budget proposes to create a new Education Savings Accounts budget within the Treasurer's Office, and fund it with General Fund appropriations of \$60.0 million over the 2017-19 biennium. Of the \$60.0 million, \$1.6 million would be used to support four new positions to administer the program, while the remaining \$58.4 million would be used to fund education savings account grants.

COLLEGE SAVINGS TRUST

The College Savings Trust Division administers the Nevada Prepaid Tuition and the Nevada 529 College Savings Plans programs. The programs are designed to help parents and students take advantage of the Internal Revenue Service 529 College Savings Plans. The programs are administered by the State Treasurer through the five-member Board of Trustees of the College Savings Plans of Nevada.

The 2015 Legislature approved the continuation of the College Kick Start program, a three-year pilot project that commenced in FY 2014. In this program, all kindergarten students who enroll in Nevada's public schools receive a contribution of \$50 to a 529 college savings account established on their behalf. The pilot program expired at the end of FY 2016; however, the Interim Finance Committee approved a request from the Treasurer's Office to transfer Endowment Funds of \$2.2 million to the College Savings

Trust to support the pilot program through FY 2017. The Governor recommends continuing this program with fund transfers from the Endowment Fund of \$2.2 million in each year of the 2017-19 biennium.

MILLENNIUM SCHOLARSHIP ADMINISTRATION

The Millennium Scholarship program was recommended by Governor Guinn and approved by the 1999 Legislature to increase the number of Nevada students who attend and graduate from Nevada institutions of higher education. In general, to be eligible for a Millennium Scholarship, a student must graduate with a diploma from a Nevada high school with at least a 3.25 grade point average, pass all areas of the Nevada High School Proficiency Examination, and have been a resident of Nevada for at least two years of high school. Alternative eligibility paths have been established for students who receive at least the minimum score established by the Board of Regents on a college entrance examination or have a documented physical disability, mental disability, or were previously subject to an individualized education plan. The Millennium Scholarship provides \$40 per enrolled lower division credit hour and \$60 per enrolled upper division credit hour at a Nevada System of Higher Education (NSHE) community college; \$60 per enrolled credit hour at a NSHE state college; and \$80 per enrolled credit hour at all other eligible institutions, excluding remedial courses. The funding is limited to a maximum of 15 credits per semester, counting all coursework at all institutions with a lifetime maximum award of \$10,000 per student.

The Governor recommends a one-time General Fund appropriation of \$20.0 million in FY 2018 to augment the Millennium Scholarship Fund, which would extend the fund's solvency through the 2017-19 biennium.

UNCLAIMED PROPERTY

The primary mission of the Nevada Unclaimed Property Division is to return abandoned property to the original owners or their heirs. According to the Treasurer's Office website, the Nevada Unclaimed Property Division is currently safeguarding over \$650.0 million in unclaimed property. The Executive Budget includes fund transfers from the Abandoned Property Fund of \$43,493 in FY 2018 and \$59,570 in FY 2019 to support a new Administrative Assistant position to assist customers and process claims. The Executive Budget also includes \$119,404 in each year of the 2017-19 biennium to augment annual advertising expenditures used to notify the public of abandoned property that has been paid by, or delivered to, the Treasurer's Office.

STATE CONTROLLER

The State Controller's Office maintains the state's accounting system, pays claims against the state, administers the state's debt collection program and publishes the annual financial statements. The Executive Budget recommends funding the office with General Fund appropriations of \$9.2 million over the 2017-19 biennium, which represents a 17.9 percent decrease from the \$11.2 million approved for the 2015-17 biennium. The Governor recommends transferring debt collection responsibilities from the Controller's Office to the Governor's Finance Office (GFO), as recommended

in the June 2016 Audit Report (16-05) by the GFO's Division of Internal Audits (DIA). More specifically, the Debt Recovery budget, which receives debt collection monies and pays for the state's debt collection contract, and four positions in the Controller's Office budget assigned to debt collection, are recommended to transfer to the DIA within the GFO. Assembly Bill 51 has been submitted to statutorily authorize this transfer.

The Governor recommends closing the agency's training facility and eliminating the associated Training Officer position, providing General Fund savings of \$140,579 in FY 2018 and \$147,169 in FY 2019. The Governor also recommends eliminating the Assistant Controller position, which was previously eliminated during the 2011 Legislative Session and subsequently reinstated by the 2013 Legislature specifically to improve debt collection efforts. This recommendation provides total savings of \$231,608 (General Fund savings of \$43,531) over the 2017-19 biennium. The Governor further recommends eliminating one university intern position, providing General Fund savings of \$12,924 in each year of the 2017-19 biennium.

The Governor recommends General Fund appropriations of \$684,202 in FY 2018 and \$500,373 in FY 2019 in support of the Debt Recovery budget. Historically, the Debt Recovery budget has not contained any General Fund appropriations. The Debt Recovery Account was created by Assembly Bill 87 (2009 Legislative Session), and all funds in the account may only be used to support debt collection efforts of the State Controller upon approval of the Interim Finance Committee (IFC). The Executive Budget recommends reserves of \$261,035 in FY 2018, decreasing slightly to \$230,334 at the end of FY 2019 for the Debt Recovery Account, with the projected state share of collections totaling \$325,000 in FY 2018 and \$350,000 in FY 2019. The Governor recommends the transfer of \$677,672 in FY 2018 and \$510,730 in FY 2019 to the DIA budget to pay the contractual obligations associated with the new Debt Collection System authorized by the IFC at its August 2014 meeting.

COMMISSION ON ETHICS

The Commission on Ethics, which consists of eight members (four appointed by the Governor and four appointed by the Legislative Commission), is responsible for receiving and investigating inquiries and complaints involving the ethical conduct of public officials and employees, and providing ethical guidance through published opinions. Overall, The Executive Budget recommends total funding of \$1.57 million (\$440,249 in General Fund appropriations and \$1.13 million in County Reimbursements) over the 2017-19 biennium. Total General Fund appropriations increase by \$92,059 compared to the \$348,190 approved by the 2015 Legislature.

Since the 2003 Legislative Session, local governments have participated in the funding of the Commission on Ethics based on the usage of the agency (number of Requests for Opinions submitted) and the population of the local governments (counties with a population of 10,000 or more and cities with a population of 15,000 or more are assessed). For the 2017-19 biennium, The Executive Budget recommends basing the funding split between local governments and the state on the number of state and local

government public officers and employees. The funding split recommended in The Executive Budget for the 2017-19 biennium is 28 percent state support and 72 percent local government support, which compares to the funding split of 22 percent state support and 78 percent local government support approved by the 2015 Legislature for the 2015-17 biennium.

LEGISLATIVE BRANCH

The Legislative Counsel Bureau is the administrative support agency for the Nevada Legislature. The Bureau includes the Administrative Division, Audit Division, Fiscal Analysis Division, Legal Division and Research Division. The Legal Division includes the State Printing Office. The Interim Nevada Legislature provides for support staff between legislative sessions. The interim staff of the Legislature is responsible for finalizing the work of the preceding session, preparing for the next session, assisting Legislators and providing assistance to the public.

General Fund appropriations of \$32.9 million in each year of the 2017-19 biennium are included in The Executive Budget to support the operations of the Legislative Branch during the 2017-19 biennium. This represents an increase of approximately \$2.4 million, or 3.8 percent, compared to the General Fund appropriations legislatively approved for the 2015-17 biennium.

JUDICIAL BRANCH

The budgets of the Judicial Branch are included in The Executive Budget, but are not subject to review by the Governor, pursuant to NRS 353.246. Therefore, the Judicial Branch budgets presented in The Executive Budget represent the Judicial Branch's request without any adjustments by the Governor's Finance Office.

The budgets of the Judicial Branch include funding for the Supreme Court, the Administrative Office of the Courts, the Judicial Programs and Services Division, the Uniform System of Judicial Records, the Supreme Court Law Library, the Commission on Judicial Selection, and the Court of Appeals

The Judicial Branch budgets also include funding for the salaries, travel expenses, and pension costs of district court judges; the continuing education requirements of judges, justices of the peace, municipal court judges, appellate court judges and Supreme Court personnel; and the salaries and travel expenses of retired judges and justices who are recalled to active service by the Chief Justice to expedite judicial business. Additionally, the judiciary budgets include funding for Specialty Courts throughout the state and the Commission on Judicial Discipline.

The Judicial Branch budgets are supported primarily through General Fund appropriations and administrative court assessments. As prescribed in NRS 176.059, administrative court assessments are the fees charged to defendants in misdemeanor criminal and traffic cases. Other sources of funding include peremptory challenge fees

(i.e., fees paid by attorneys or litigants to exclude particular judges in civil cases), filing fees, justice court fees, federal grants, fines and penalties, and user fees.

The Executive Budget includes funding of \$125.9 million for the Judicial Branch over the 2017-19 biennium, which is a 0.9 percent increase over the funding approved by the 2015 Legislature of \$124.7 million. Of the amount requested for the 2017-19 biennium, General Fund appropriations represent \$82.4 million of the total, which is a 7.5 percent increase over the \$76.6 million in General Fund appropriations approved by the 2015 Legislature. The General Fund increase is primarily attributable to an increase to Specialty Courts, a reduction in projected administrative court assessment revenue, and information technology enhancements.

Pursuant to NRS 176.059, not less than 51.0 percent of the administrative court assessment revenues received by the State Controller must be distributed to the Administrative Office of the Courts for allocation among the various Judicial Branch budgets based on percentages defined in statute. Not more than 49.0 percent of the administrative court assessment revenues must be allocated to various Executive Branch budgets to the extent of legislative authority. The 2015 Legislature distributed 56.5 percent of administrative court assessment revenues annually to the Judicial Branch for the 2015-17 biennium. The Executive Budget increases the annual distribution to 60.0 percent.

The Judicial Branch projects a 5.4 percent decrease in the projected total administrative court assessment revenue for FY 2018 when compared to the legislatively approved amount for FY 2017. However, with the proposed allocation percentage increase, administrative court assessment revenues distributed to the Judicial Branch are anticipated to increase by 0.4 percent in FY 2018 as compared to FY 2017 legislatively approved amounts.

The Supreme Court is the highest court of record in Nevada's court system. The Supreme Court reviews appeals of judgments or orders from the state's district courts, provides admittance to the legal profession in Nevada, and provides administrative oversight of Nevada's court system. The Supreme Court consists of seven justices, chambers staff, the Office of the Court Clerk, central legal staff, the Law Library, and the Administrative Office of the Courts. The Supreme Court is funded primarily through a combination of General Fund appropriations and administrative court assessments. The Executive Budget includes a General Fund appropriation of \$590,089 over the 2017-19 biennium for the development and implementation of a new document management system.

Senate Bill 431 (2015 Legislative Session) authorized the Supreme Court to enter into a 25-year lease for office space in Clark County. The new Las Vegas facility is anticipated to open in March 2017, and will be used for both Supreme Court and Court of Appeals cases. The Judicial Branch anticipates the new facility will save \$466,117 over the next nine years when compared to leasing office space at the current Clark County Regional Justice Center. The Executive Budget includes three new positions (one full-time and two part-time) to provide for security at the new Las Vegas facility. The three new positions would be hired during FY 2017.

The Nevada Court of Appeals (NCoA), was created in January 2015, after being approved by the 2013 Legislature (Senate Joint Resolution [SJR] 14), and ratified by the voters in the 2014 General Election. Cases received by the Supreme Court are screened and assigned on a case-by-case basis to the NCoA. By Supreme Court Rule, the NCoA evaluates appeals from petitions for judicial review of administrative agency decision; appeals from petitions for post-conviction relief, except in cases involving a death sentence; and fast-track criminal appeals. Additionally, the NCoA evaluates original proceedings challenging a ruling in a criminal case, except in cases that involve the death penalty. The NCoA is funded solely with General Funds. The Executive Budget includes General Fund appropriations totaling \$185,250 in FY 2018 for the development and implementation of a web-based case management system.

The Administrative Office of the Courts (AOC) serves as the Office of the Court Administrator and provides payroll, personnel, budget, accounting, and information technology support to the Nevada Supreme Court. The AOC also provides support to the statewide court system by managing the judicial education program, statewide court statistics, and trial courts' technology grants and loan programs. The AOC is responsible for recommending operational improvements in the trial courts to the Supreme Court. The AOC is funded primarily by administrative court assessments collected pursuant to NRS 176.059. The Executive Budget includes \$113,711 over the 2017-19 biennium for the development and implementation of a new document management system using reserves.

The Uniform System of Judicial Records (USJR) is responsible for the standardization and implementation of technology to assist the Supreme Court and the state's 75 trial courts in managing their caseloads, judicial records, and the reporting of court and judicial statistics. The USJR also helps produce the *Annual Report of the Nevada Judiciary*, which provides statistical information about caseloads throughout the Nevada Court System (NCS). Funding in this budget is also used for the development of standards and the purchase and development of information technology systems that meet those standards. The USJR manages two major systems, the NCS and the Multi-County Integrated Justice Information System (MCIJIS). The USJR is funded primarily by administrative court assessments, filing fees, and user charges. The Executive Budget includes \$58,988 in FY 2018 for an additional data storage device, using reserves.

Specialty Courts facilitate testing, treatment and oversight of persons over whom the court has jurisdiction and whom the court determines suffer from mental illness, alcohol or drug abuse, or other addictions or behaviors. The Executive Budget includes General Fund appropriations of \$6.0 million over the 2017-19 biennium to increase the availability of specialty courts to participants and support criminal justice reform measures. The Judicial Branch indicates reserve levels are insufficient to continue funding programs at existing levels. As a result, The Executive Budget includes additional General Fund appropriations totaling \$2.3 million over the 2017-19 biennium to address the anticipated decline in revenues.

Senate Bill 512 (2015 Legislative Session) ends the Foreclosure Mediation Program (FMP) effective June 30, 2017. Established in 2009, the FMP allows for mediation between a homeowner and their lender in an attempt to avoid foreclosure. The FMP is funded through a fee paid by the lender to record a Notice of Default with the county. The Executive Budget includes the elimination of six positions and related expenses. Senate Bill 512 requires any FMP funds uncommitted for expenditure before June 30, 2017, be reverted to the General Fund.

The Judicial Branch's budget includes the reclassification of all unclassified positions within the Judicial Branch (excluding the Judicial Discipline budget) to non-classified positions. Additionally, the Judicial Branch budget includes a 2 percent salary increase for each year of the 2017-19 biennium for all non-classified positions (excluding the Judicial Discipline budget).

Nevada Legislative Counsel Bureau
Source of Funds Summary
2017-19 Fiscal Report

	2015-2016 Actual	2016-2017 Work Program	2017-2018 GOVERNOR RECOMMENDS	% Change	2018-2019 GOVERNOR RECOMMENDS	% Change
ELECTED OFFICIALS						
ELECTED OFFICIALS						
OFFICE OF THE GOVERNOR	2,394,868	2,341,149	2,344,477	.14	2,357,422	.55
GENERAL FUND	2,318,136	2,341,149	2,344,477	.14	2,357,422	.55
BALANCE FORWARD	85,165					
INTERAGENCY TRANSFER	10,150					
OTHER FUND	12,282					
REVERSIONS	-30,865					
GOVERNOR'S MANSION MAINTENANCE	301,944	372,594	321,229	-13.79	347,847	8.29
GENERAL FUND	326,151	372,594	321,229	-13.79	347,847	8.29
REVERSIONS	-24,207					
GOVERNOR'S WASHINGTON OFFICE	259,433	259,433	259,434	.00	259,434	.00
INTERAGENCY TRANSFER	259,433	259,433	259,434	.00	259,434	
GOVERNOR'S OFFICE HIGH LEVEL NUCLEAR WASTE	1,504,542	2,248,685	1,896,525	-15.66	1,850,268	-2.44
GENERAL FUND	1,035,991	1,707,281	1,346,525	-21.13	1,300,268	-3.44
INTERAGENCY TRANSFER	400,000	400,000	400,000		400,000	
OTHER FUND	135,884	141,404	150,000	6.08	150,000	
REVERSIONS	-67,333					
GOVERNOR'S OFFICE OF ENERGY	1,658,969	1,921,465	1,708,050	-11.11	1,698,352	-.57
GENERAL FUND	100	100	100		100	
BALANCE FORWARD	-11,162	12,972				
FEDERAL FUND	364,626	423,032	345,430	-18.34	345,430	
INTERAGENCY TRANSFER	1,196,127	1,419,361	1,258,020	-11.37	1,248,322	-.77
OTHER FUND	109,278	66,000	104,500	58.33	104,500	
RENEWABLE ENERGY ACCOUNT	2,743,971	13,952,498	13,476,411	-3.41	13,422,956	-.40
BALANCE FORWARD	-1,682,256	8,992,006	9,568,354	6.41	9,552,390	-.17
OTHER FUND	4,426,227	4,960,492	3,908,057	-21.22	3,870,566	-.96
OFFICE OF SCIENCE, INNOVATION AND TECHNOLOGY	1,890,002	2,078,659	4,020,569	93.42	4,022,578	.05
GENERAL FUND	1,998,935	2,000,558	4,020,569	100.97	4,022,578	.05
BALANCE FORWARD	-8,101	8,101				
INTERAGENCY TRANSFER		70,000				
OTHER FUND	10,000					
REVERSIONS	-110,832					
RENEWABLE ENERGY, EFFICIENCY AND CONSERVATION LOAN	45,761	651,175	1,007,726	54.76	1,041,507	3.35
BALANCE FORWARD	-202,670	415,566	462,726	11.35	861,965	86.28
OTHER FUND	248,431	235,609	545,000	131.32	179,542	-67.06
OFFICE OF WORKFORCE INNOVATION			511,198		516,684	1.07
GENERAL FUND			84,069		104,103	23.83
INTERAGENCY TRANSFER			427,129		412,581	-3.41

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	2015-2016 Actual	2016-2017 Work Program	2017-2018 GOVERNOR RECOMMENDS	% Change	2018-2019 GOVERNOR RECOMMENDS	% Change
LIEUTENANT GOVERNOR	531,581	589,558	570,427	-3.24	612,314	7.34
GENERAL FUND	551,864	589,558	570,427	-3.24	612,314	7.34
OTHER FUND	24					
REVERSIONS	-20,307					
AG - EXTRADITION COORDINATOR	528,804	674,972	545,708	-19.15	552,321	1.21
GENERAL FUND	587,710	584,022	494,572	-15.32	501,185	1.34
OTHER FUND	51,015	90,950	51,136	-43.78	51,136	
REVERSIONS	-109,921					
AG - ADMINISTRATIVE FUND	28,543,023	30,812,891	27,841,848	-9.64	27,996,983	.56
GENERAL FUND	13,548,787	12,472,065	2,433,398	-80.49	3,895,790	60.10
BALANCE FORWARD	-1,619,049	1,761,421	17,188	-99.02	17,188	
FEDERAL FUND	6,677					
INTERAGENCY TRANSFER	14,391,928	15,227,239	24,774,314	62.70	23,368,021	-5.68
OTHER FUND	2,856,075	1,352,166	616,948	-54.37	715,984	16.05
REVERSIONS	-641,395					
AG - SPECIAL LITIGATION FUND	1,833,845	3,090,373	4,769,511	54.33	4,492,378	-5.81
GENERAL FUND	2,500,000	2,500,000	1,767,003	-29.32	1,754,949	-.68
BALANCE FORWARD	139,931	381,047	2,045,281	436.75	1,762,826	-13.81
INTERAGENCY TRANSFER	189,684	209,326	293,912	40.41	295,498	.54
OTHER FUND			663,315		679,105	2.38
REVERSIONS	-995,770					
AG - WORKERS' COMP FRAUD	3,599,882	4,166,261	4,256,739	2.17	4,368,985	2.64
BALANCE FORWARD	-26,394	306,311	306,311		297,137	-2.99
INTERAGENCY TRANSFER	971,125	965,278	971,125	.61	971,125	
OTHER FUND	2,978,696	2,894,672	2,979,303	2.92	3,100,723	4.08
REVERSIONS	-323,545					
AG - CRIME PREVENTION	313,567	387,587	442,101	14.06	453,727	2.63
GENERAL FUND	332,205	350,028	404,129	15.46	415,755	2.88
BALANCE FORWARD	-898	1,060				
OTHER FUND	38,149	36,499	37,972	4.04	37,972	
REVERSIONS	-55,889					
AG - MEDICAID FRAUD	2,143,403	3,645,987	3,468,460	-4.87	3,430,813	-1.09
GENERAL FUND	100	100	100		100	
BALANCE FORWARD	368,695	1,240,158	1,368,067	10.31	1,242,217	-9.20
FEDERAL FUND	1,385,866	1,846,420	1,669,682	-9.57	1,757,885	5.28
OTHER FUND	388,842	559,309	430,611	-23.01	430,611	
REVERSIONS	-100					
AG - CONSUMER ADVOCATE	3,194,700	6,676,840	6,490,064	-2.80	5,943,450	-8.42
GENERAL FUND	657,261	666,375	646,094	-3.04	651,887	.90
BALANCE FORWARD	-120,534	3,103,934	2,663,120	-14.20	2,944,311	10.56
OTHER FUND	2,728,438	2,906,531	3,180,850	9.44	2,347,252	-26.21
REVERSIONS	-70,465					

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	2015-2016 Actual	2016-2017 Work Program	2017-2018 GOVERNOR RECOMMENDS	% Change	2018-2019 GOVERNOR RECOMMENDS	% Change
AG - GRANTS UNIT	2,610,164	4,572,949	2,720,021	-40.52	2,636,187	-3.08
GENERAL FUND			53,979		56,093	3.92
BALANCE FORWARD	-12,762	12,763				
FEDERAL FUND	2,612,080	4,227,843	2,666,042	-36.94	2,580,094	-3.22
INTERAGENCY TRANSFER	10,846	332,343				
AG - COUNCIL FOR PROSECUTING ATTORNEYS	167,995	420,297	350,849	-16.52	295,057	-15.90
GENERAL FUND	100	100	100		100	
BALANCE FORWARD	-23,298	207,896	218,132	4.92	160,781	-26.29
OTHER FUND	191,293	212,301	132,617	-37.53	134,176	1.18
REVERSIONS	-100					
AG - VICTIMS OF DOMESTIC VIOLENCE	327,232	441,502	343,448	-22.21	345,675	.65
BALANCE FORWARD	44,701	104,048	11,153	-89.28	13,380	19.97
INTERAGENCY TRANSFER	155,000	205,000	205,000		205,000	
OTHER FUND	127,531	132,454	127,295	-3.89	127,295	
AG - FORFEITURE	86,674	279,930	221,541	-20.86	199,866	-9.78
BALANCE FORWARD	-279,929	279,930	221,541	-20.86	199,866	-9.78
OTHER FUND	366,603					
AG - ATTORNEY GENERAL TORT CLAIM FUND	4,806,083	8,763,792	8,800,014	.41	8,798,980	-.01
BALANCE FORWARD	602,987	4,012,011	4,221,791	5.23	4,220,587	-.03
INTERAGENCY TRANSFER	4,190,596	4,746,781	4,573,223	-3.66	4,573,393	.00
OTHER FUND	12,500	5,000	5,000		5,000	
AG - NATIONAL SETTLEMENT ADMINISTRATION	5,133,263	31,366,782	24,014,617	-23.44	17,857,134	-25.64
BALANCE FORWARD	5,010,613	21,291,782	23,884,004	12.17	17,726,521	-25.78
INTERAGENCY TRANSFER		10,000,000				
OTHER FUND	122,650	75,000	130,613	74.15	130,613	
CONTROLLER - CONTROLLER'S OFFICE	5,562,086	5,802,909	4,655,748	-19.77	4,569,621	-1.85
GENERAL FUND	6,388,441	4,843,272	4,655,748	-3.87	4,569,621	-1.85
INTERAGENCY TRANSFER	112,802	959,637				
REVERSIONS	-939,157					
GOVERNOR'S FINANCE OFFICE - DEBT RECOVERY ACCOUNT	113,360	1,252,869	1,318,799	5.26	1,129,271	-14.37
GENERAL FUND			684,202		500,373	-26.87
BALANCE FORWARD	72,022	197,598	292,234	47.89	261,035	-10.68
OTHER FUND	41,338	1,055,271	342,363	-67.56	367,863	7.45
SOS - SECRETARY OF STATE	15,363,539	26,894,805	18,445,775	-31.42	18,536,713	.49
GENERAL FUND	15,822,731	26,004,192	17,968,436	-30.90	18,112,661	.80
BALANCE FORWARD	137,708	337,410	76,766	-77.25	198,317	158.34
FEDERAL FUND		57,735	180,598	212.81		
INTERAGENCY TRANSFER		33,910				
OTHER FUND	182,986	461,558	219,975	-52.34	225,735	2.62
REVERSIONS	-779,886					

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	2015-2016 Actual	2016-2017 Work Program	2017-2018 GOVERNOR RECOMMENDS	% Change	2018-2019 GOVERNOR RECOMMENDS	% Change
SOS - HAVA ELECTION REFORM	721,840	883,032				
GENERAL FUND	100	100				
BALANCE FORWARD	614,891	880,896				
FEDERAL FUND	100,000					
OTHER FUND	6,849	2,036				
TREASURER - STATE TREASURER	2,635,548	2,804,885	3,276,397	16.81	3,395,123	3.62
GENERAL FUND	544,167	519,881	917,758	76.53	968,967	5.58
BALANCE FORWARD	-75,404	75,405				
INTERAGENCY TRANSFER	799,161	901,049	969,517	7.60	986,134	1.71
INTERIM FINANCE	244,768					
OTHER FUND	1,159,461	1,308,550	1,389,122	6.16	1,440,022	3.66
REVERSIONS	-36,605					
TREASURER - HIGHER EDUCATION TUITION ADMIN	617,322	657,001	651,775	-0.80	648,563	-0.49
OTHER FUND	617,322	657,001	651,775	-0.80	648,563	-0.49
TREASURER - BOND INTEREST & REDEMPTION	165,184,860	311,751,007	297,316,660	-4.63	299,621,739	.78
BALANCE FORWARD	-7,032,355	124,082,258	128,519,349	3.58	133,330,892	3.74
INTERAGENCY TRANSFER	15,247,550	27,681,891	15,201,353	-45.09	12,740,202	-16.19
OTHER FUND	156,969,665	159,986,858	153,595,958	-3.99	153,550,645	-0.03
TREASURER - MUNICIPAL BOND BANK REVENUE	7,087,775	26,418,181	7,548,780	-71.43	6,428,030	-14.85
BALANCE FORWARD	-1,202	1,203				
OTHER FUND	7,088,977	26,416,978	7,548,780	-71.42	6,428,030	-14.85
TREASURER - MUNICIPAL BOND BANK DEBT SERVICE	7,259,864	26,589,800	7,724,445	-70.95	6,603,370	-14.51
INTERAGENCY TRANSFER	7,087,428	26,413,825	7,548,144	-71.42	6,427,394	-14.85
OTHER FUND	172,436	175,975	176,301	.19	175,976	-0.18
TREASURER - MILLENNIUM SCHOLARSHIP ADMINISTRATION	324,804	361,243	364,742	.97	369,029	1.18
OTHER FUND	324,804	361,243	364,742	.97	369,029	1.18
TREASURER - NEVADA COLLEGE SAVINGS TRUST	3,810,174	4,398,328	4,615,069	4.93	9,049,330	96.08
OTHER FUND	3,810,174	4,398,328	4,615,069	4.93	9,049,330	96.08
TREASURER - EDUCATION SAVINGS ACCOUNTS			25,000,000		35,000,000	40.00
GENERAL FUND			25,000,000		35,000,000	40.00
TREASURER - ENDOWMENT ACCOUNT	6,037,014	11,875,033	10,989,827	-7.45	15,894,350	44.63
BALANCE FORWARD	71,583	5,082,437	5,599,329	10.17	5,893,001	5.24
INTERAGENCY TRANSFER					4,425,319	
OTHER FUND	5,965,431	6,792,596	5,390,498	-20.64	5,576,030	3.44
TREASURER - UNCLAIMED PROPERTY	1,926,916	2,058,152	2,212,036	7.48	2,260,130	2.17
OTHER FUND	1,926,916	2,058,152	2,212,036	7.48	2,260,130	2.17

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	2015-2016 Actual	2016-2017 Work Program	2017-2018 GOVERNOR RECOMMENDS	% Change	2018-2019 GOVERNOR RECOMMENDS	% Change
ETHICS - COMMISSION ON ETHICS	742,446	841,931	848,453	.77	859,116	1.26
GENERAL FUND	174,489	173,701	218,632	25.87	221,617	1.37
BALANCE FORWARD	43,305	67,625	67,625		67,625	
OTHER FUND	545,034	600,605	562,196	-6.40	569,874	1.37
REVERSIONS	-20,382					
GOVERNOR'S FINANCE OFFICE - BUDGET DIVISION	3,447,363	4,006,387	3,516,054	-12.24	4,011,407	14.09
GENERAL FUND	3,546,921	4,006,387	3,516,054	-12.24	4,011,407	14.09
REVERSIONS	-99,558					
GOVERNOR'S FINANCE OFFICE - DIV OF INTERNAL AUDITS	1,346,815	1,534,307	1,548,248	.91	1,562,434	.92
GENERAL FUND	1,464,382	1,534,307	1,548,248	.91	1,562,434	.92
REVERSIONS	-117,567					
W.I.C.H.E. ADMINISTRATION	336,174	354,026	383,905	8.44	383,092	-.21
GENERAL FUND	350,165	354,026	383,905	8.44	383,092	-.21
REVERSIONS	-13,991					
W.I.C.H.E. LOAN & STIPEND	1,367,654	1,286,703	1,125,370	-12.54	1,222,798	8.66
GENERAL FUND	765,994	893,572	714,066	-20.09	832,369	16.57
BALANCE FORWARD	8,312	25,953				
OTHER FUND	593,348	367,178	411,304	12.02	390,429	-5.08
TOTAL ELECTED OFFICIALS	288,505,260	549,485,978	501,923,050	-8.66	515,045,034	2.61
GENERAL FUND	52,914,730	61,913,368	70,093,820	13.21	82,183,032	17.25
BALANCE FORWARD	-3,896,101	172,881,791	179,542,971	3.85	178,750,039	-.44
FEDERAL FUND	4,469,249	6,555,030	4,861,752	-25.83	4,683,409	-3.67
INTERAGENCY TRANSFER	45,021,830	89,825,073	56,881,171	-36.68	56,312,423	-1.00
INTERIM FINANCE	244,768					
OTHER FUND	194,208,659	218,310,716	190,543,336	-12.72	193,116,131	1.35
REVERSIONS	-4,457,875					
LEGISLATIVE BRANCH						
LEG - LEGISLATIVE COUNSEL BUREAU	32,011,127	31,475,438	33,122,368	5.23	32,816,115	-.92
GENERAL FUND	31,070,003	30,856,805	32,075,814	3.95	32,177,327	.32
HIGHWAY FUND	5,000	5,000	5,000		5,000	
INTERAGENCY TRANSFER	311,278	258,401	309,391	19.73	254,391	-17.78
OTHER FUND	624,846	355,232	732,163	106.11	379,397	-48.18
LEG - NEVADA LEGISLATURE INTERIM	794,745	682,860	860,183	25.97	721,371	-16.14
GENERAL FUND	794,745	682,860	860,183	25.97	721,371	-16.14
LEG - PRINTING OFFICE	2,279,335	3,039,777	2,705,518	-11.00	2,951,584	9.09
BALANCE FORWARD	-449,225					
INTERAGENCY TRANSFER	2,702,441	3,032,977	2,689,818	-11.31	2,931,584	8.99
OTHER FUND	26,119	6,800	15,700	130.88	20,000	27.39

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	2015-2016 Actual	2016-2017 Work Program	2017-2018 GOVERNOR RECOMMENDS	% Change	2018-2019 GOVERNOR RECOMMENDS	% Change
TOTAL LEGISLATIVE BRANCH	35,085,207	35,198,075	36,688,069	4.23	36,489,070	-.54
GENERAL FUND	31,864,748	31,539,665	32,935,997	4.43	32,898,698	-.11
BALANCE FORWARD	-449,225					
HIGHWAY FUND	5,000	5,000	5,000		5,000	
INTERAGENCY TRANSFER	3,013,719	3,291,378	2,999,209	-8.88	3,185,975	6.23
OTHER FUND	650,965	362,032	747,863	106.57	399,397	-46.59
JUDICIAL BRANCH						
SUPREME COURT	10,298,550	10,985,356	12,199,612	11.05	11,724,922	-3.89
GENERAL FUND	4,834,495	4,870,562	6,095,868	25.16	5,681,710	-6.79
INTERAGENCY TRANSFER		24,490				
OTHER FUND	5,866,969	6,090,304	6,103,744	.22	6,043,212	-.99
REVERSIONS	-402,914					
COURT OF APPEALS	2,044,016	2,207,643	2,448,636	10.92	2,270,401	-7.28
GENERAL FUND	2,205,302	2,207,643	2,448,636	10.92	2,270,401	-7.28
REVERSIONS	-161,286					
STATE JUDICIAL ELECTED OFFICIALS	21,731,629	22,039,369	22,317,839	1.26	22,659,201	1.53
GENERAL FUND	21,740,081	22,039,369	22,317,839	1.26	22,659,201	1.53
REVERSIONS	-8,452					
JUDICIAL SELECTION	1,614	15,349	15,349	.00	15,349	.00
GENERAL FUND	15,349	15,349	15,349		15,349	
REVERSIONS	-13,735					
SENIOR JUSTICE & SENIOR JUDGE PROGRAM	1,368,183	1,492,610	1,492,503	-.01	1,492,518	.00
GENERAL FUND	991,457	987,112	985,123	-.20	989,552	.45
OTHER FUND	492,721	505,498	507,380	.37	502,966	-.87
REVERSIONS	-115,995					
LAW LIBRARY	1,629,352	1,860,567	1,884,385	1.28	2,011,126	6.73
GENERAL FUND	1,743,050	1,857,870	1,882,353	1.32	2,009,094	6.73
INTERAGENCY TRANSFER	450	750	450	-40.00	450	
OTHER FUND	1,703	1,947	1,582	-18.75	1,582	
REVERSIONS	-115,851					
ADMINISTRATIVE OFFICE OF THE COURTS	3,283,883	5,340,357	5,126,802	-4.00	4,250,549	-17.09
BALANCE FORWARD	-124,120	2,084,617	1,822,657	-12.57	979,444	-46.26
INTERAGENCY TRANSFER	150,000					
OTHER FUND	3,258,003	3,255,740	3,304,145	1.49	3,271,105	-1.00
JUDICIAL PROGRAMS AND SERVICES DIVISION	1,048,486	1,322,977	1,165,572	-11.90	1,191,066	2.19
GENERAL FUND	709,357	735,867	744,366	1.15	769,860	3.42
FEDERAL FUND	366,050	495,448	391,391	-21.00	391,391	
INTERAGENCY TRANSFER		65,000				
OTHER FUND	27,840	26,662	29,815	11.83	29,815	
REVERSIONS	-54,761					

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	2015-2016 Actual	2016-2017 Work Program	2017-2018 GOVERNOR RECOMMENDS	% Change	2018-2019 GOVERNOR RECOMMENDS	% Change
UNIFORM SYSTEM OF JUDICIAL RECORDS	1,063,781	3,137,155	2,356,517	-24.88	1,665,834	-29.31
BALANCE FORWARD	130,149	2,243,938	1,391,358	-37.99	702,919	-49.48
OTHER FUND	933,632	893,217	965,159	8.05	962,915	-.23
JUDICIAL EDUCATION	929,558	1,434,148	1,292,029	-9.91	1,219,180	-5.64
BALANCE FORWARD	145,921	674,489	525,694	-22.06	460,449	-12.41
OTHER FUND	783,637	759,659	766,335	.88	758,731	-.99
SPECIALTY COURT	6,452,617	10,603,597	10,492,879	-1.04	10,340,759	-1.45
GENERAL FUND	2,521,692	3,652,852	4,158,971	13.86	4,158,971	
BALANCE FORWARD	150,559	1,943,277	1,899,802	-2.24	1,791,011	-5.73
OTHER FUND	5,127,832	5,007,468	4,434,106	-11.45	4,390,777	-.98
REVERSIONS	-1,347,466					
FORECLOSURE MEDIATION PROGRAM	1,528,441	1,671,753				
BALANCE FORWARD	-159,688	1,013,834				
OTHER FUND	1,688,129	657,919				
JUDICIAL SUPPORT, GOVERNANCE AND SPECIAL EVENTS	206,519	1,157,683	432,098	-62.68	619,413	43.35
BALANCE FORWARD	-168,581	799,333	73,748	-90.77	261,063	253.99
OTHER FUND	375,100	358,350	358,350		358,350	
JUDICIAL RETIREMENT SYSTEM STATE SHARE	1,815,862	1,971,801	1,598,389	-18.94	1,738,217	8.75
GENERAL FUND	1,815,862	1,971,801	1,598,389	-18.94	1,738,217	8.75
JUDICIAL DISCIPLINE	703,308	824,737	907,284	10.01	930,779	2.59
GENERAL FUND	872,166	824,737	907,284	10.01	930,779	2.59
REVERSIONS	-168,858					
TOTAL JUDICIAL BRANCH	54,105,799	66,065,102	63,729,894	-3.53	62,129,314	-2.51
GENERAL FUND	37,448,811	39,163,162	41,154,178	5.08	41,223,134	.17
BALANCE FORWARD	-25,760	8,759,488	5,713,259	-34.78	4,194,886	-26.58
FEDERAL FUND	366,050	495,448	391,391	-21.00	391,391	
INTERAGENCY TRANSFER	150,450	90,240	450	-99.50	450	
OTHER FUND	18,555,566	17,556,764	16,470,616	-6.19	16,319,453	-.92
REVERSIONS	-2,389,318					
ELECTED OFFICIALS						
GENERAL FUND	122,228,289	132,616,195	144,183,995	8.72	156,304,864	8.41
BALANCE FORWARD	-4,371,086	181,641,279	185,256,230	1.99	182,944,925	-1.25
FEDERAL FUND	4,835,299	7,050,478	5,253,143	-25.49	5,074,800	-3.39
HIGHWAY FUND	5,000	5,000	5,000		5,000	
INTERAGENCY TRANSFER	48,185,999	93,206,691	59,880,830	-35.75	59,498,848	-.64
INTERIM FINANCE	244,768					
OTHER FUND	213,415,190	236,229,512	207,761,815	-12.05	209,834,981	1.00
REVERSIONS	-6,847,193					
TOTAL FOR ELECTED OFFICIALS	377,696,266	650,749,155	602,341,013	-7.44	613,663,418	1.88
Less: INTER-AGENCY TRANSFER	48,185,999	93,206,691	59,880,830	-35.75	59,498,848	-.64
NET ELECTED OFFICIALS	329,510,267	557,542,464	542,460,183	-2.71	554,164,570	2.16

FINANCE AND ADMINISTRATION

Finance and Administration encompasses those agencies that generally coordinate, assist, and provide services and information to other agencies and programs in state government. It includes the Department of Taxation in addition to the Department of Administration, which is comprised of several state agencies such as the Division of Enterprise Information Technology Services, the Division of Human Resource Management, the Nevada State Library, Archives and Public Records, and the State Public Works Division.

The Executive Budget recommends General Fund support for the Finance and Administration function totaling \$66.2 million for FY 2018, a decrease of 3.6 percent compared to \$68.6 million of General Fund support approved for FY 2017 by the 2015 Legislature, and \$85.9 million for FY 2019, an increase of 29.8 percent compared to the amount recommended for FY 2018. The Executive Budget recommends total funding from all revenue sources, less interagency transfers, of \$133.4 million for FY 2018, an increase of 7.1 percent when compared to the funding of \$124.6 million approved for FY 2017 and \$152.4 million for FY 2019, a 14.2 percent increase from FY 2018.

DEPARTMENT OF ADMINISTRATION

DIRECTOR'S OFFICE

The Department of Administration's Director's Office is responsible for the administration of the state's internal service agencies consisting of Administrative Services; Enterprise Information Technology Services; Fleet Services; Grant Procurement, Coordination and Management; Hearings and Appeals including Victims of Crime; Human Resource Management; Library, Archives and Public Records; Purchasing; Risk Management and Public Works which includes the management of all Capital Improvement Projects and state-owned buildings and grounds.

The Executive Budget recommends \$209,230 over the 2017-19 biennium for an IT cloud solution that would afford employees the ability to access data from any device anywhere. The recommendation is part of the statewide infrastructure initiative. The Governor also recommends eliminating an Administrative Assistant position that would reduce expenditures by \$107,644 over the 2017-19 biennium.

SPECIAL APPROPRIATIONS

The Special Appropriations budget is used by the Department of Administration, Administrative Services Division to pass through legislatively approved General Fund appropriations to other governmental entities and not-for-profit organizations. The Governor recommends General Fund appropriations totaling \$49.4 million for operating and one-time major initiatives in the 2017-19 biennium. The Governor recommends transferring the Special Appropriations budget from the Department of Administration to the Governor's Finance Office.

The Executive Budget recommends General Fund appropriations of \$10.0 million over the 2017-19 biennium to continue grants to expand graduate medical education. Public and private institutions in Nevada that can provide graduate medical education would be eligible to apply for these grant funds.

The Governor also recommends General Fund appropriations of \$2.8 million over the biennium for loans to Enterprise IT Services for cyber security, the SilverNet bandwidth and last mile connectivity to facilitate customer usage, disaster recovery, redundancy and infrastructure for cloud computing.

The Executive Budget recommends General Fund appropriations of \$699,575 to supplement the pilot reentry program in the Department of Public Safety, Parole and Probation Division by providing five additional full-time positions in the event the number of parolees requiring supervision is greater than projected during the 2017-19 biennium.

The Governor recommends one-shot General Fund appropriations of \$15.0 million in FY 2018 to replace the state's 20-year-old financial and human resource system with a modern enterprise resource planning system and \$20.0 million in FY 2018 to continue to fund the Governor Guinn Millennium Scholarship fund.

NATIONAL JUDICIAL COLLEGE & NATIONAL COLLEGE OF JUVENILE & FAMILY COURT JUDGES

The mission of the National Judicial College (NJC) is to improve justice by providing judge proficiency, performance and productivity training and education. The National College of Juvenile and Family Court Judges (NCJFCJ) provides assistance to judges, court administrators and related professionals whose primary concerns are the care of children and their families. The Executive Budget recommends General Fund appropriations totaling \$139,140 over the 2017-19 biennium to expand educational programs at the NJC and to allow the NCJFCJ to address emerging issues.

DIVISION OF HUMAN RESOURCE MANAGEMENT

The Division of Human Resource Management (DHRM) is responsible for attracting and retaining a qualified workforce that serves the citizens of Nevada. The DHRM includes six sections: Employee and Management Services; Compensation, Classification, and Recruitment; Agency Human Resources (HR) Services; Payroll and Records; Equal Employment Opportunity; and the Office of Employee Development. The DHRM is primarily funded by uniform assessments to all state agencies for personnel and payroll services. In addition, the DHRM performs personnel services for select state agencies through its Agency HR Services section. Only those agencies receiving personnel services from Agency HR Services are assessed for those services.

The Executive Budget recommends modifying the methodology by which state agencies are assessed for personnel and payroll services. In the current biennium, state agencies are assessed for these services as a percentage of gross employee salaries. For the 2017-19 biennium, the Governor recommends annual assessments based on

full-time equivalent positions. The recommended personnel assessment is \$250.66 for FY 2018 and \$259.91 for FY 2019 per full-time equivalent position. Payroll assessments of \$84.59 and \$82.96 per full-time equivalent position are recommended for FY 2018 and FY 2019, respectively.

The Governor recommends the elimination of written employment testing for state job applicants to reduce recruitment time, increase job applicant pools, and allow applicants to be better matched to job opportunities. The recommendation, which would result in savings totaling \$350,263 over the biennium, includes the elimination of two Personnel Technician positions. Additionally, the Governor recommends the elimination of one Administrative Assistant position from the Employee and Management Services Section, which would result in savings totaling \$89,838 over the 2017-19 biennium.

ENTERPRISE INFORMATION TECHNOLOGY SERVICES

The Division of Enterprise Information Technology Services (EITS) provides state agencies and elected officials with centralized information technology (IT) related services, including programming, database management, computing, communications and other technical services. The Executive Budget recommends funding totaling \$97.8 million for the 2017-19 biennium, a 9.5 percent increase from the legislatively approved amount of \$89.4 million for the 2015-17 biennium. The EITS consists of six operational units: Office of the Chief Information Officer (CIO), Client Services, Computing, Communications, Development, and Information Security.

The Executive Budget includes revised EITS cost pools and rates to better align costs with the information technology services provided. During the 2015 Legislative Session, the money committees directed EITS to analyze its billing models, including the division's standard cost pools and specialized IT services, in order to determine if any cost pools could be added, combined, or deleted. The Executive Budget incorporates recommended changes.

To align functions between enterprise-wide services and agency-level services, the Governor recommends the realignment of 23 positions within the agency, including the transfer-in of a position from the Department of Administration's Director's Office and a transfer-out of a position to the Department of Taxation. The realignment would result in a \$1.2 million increase to the EITS Infrastructure Assessment, a \$1.5 million decrease to the Security Assessment, and a \$808,928 increase to the PC-LAN Tech Cost Allocation.

OFFICE OF THE CHIEF INFORMATION OFFICER

The Office of the CIO provides statewide IT strategy and leadership as well as centralized oversight of EITS operational units. The division-wide reorganization would transfer four positions out of and three positions into the Office of the CIO budget, resulting in a decrease to the CIO Cost Allocation of \$214,147 over the 2017-19 biennium. The Governor also recommends decreasing the CIO Cost Allocation by \$180,900 over the

biennium to support the elimination of one full-time and one half-time unclassified position historically used for a variety of planning, research, and administrative functions, and to support the addition of a half-time public service intern that would be open to college students in the IT field.

CLIENT SERVICES UNIT

The Client Services Unit is responsible for interfacing with customer agencies and consists of 24/7 help desk operations, desktop support and project management services. The Client Services Unit is currently staffed with positions from the Application Support and Computer Facility budgets. The Application Support budget would be impacted by the reorganization with the transfer-in of 11 positions and the transfer-out of 7 positions, including the transfer of 1 position to the Department of Taxation. The realignment of personnel would allow the Client Services Unit to be consolidated into the Development Unit and would decrease the number of organizational units from six to five. To fund the net increase of 4 positions in the Application Support budget, the PC-LAN Technician Cost Allocation is recommended to increase by \$808,928 and the Application Support Services revenue is recommended to decrease by \$257,406 over the 2017-19 biennium.

DEVELOPMENT UNIT

The Development Unit provides application development and maintenance programming, enterprise application support, web page support, database development and administration as well as business integration services. The Development Unit would retain its name after the merger with the Client Services Unit, and all personnel in the Application Support budget would be assigned to the Development Unit. Currently, personnel in the Application Support budget are assigned to either the Client Services Unit or the Development Unit.

An electronic work flow and e-signature program, funded with Infrastructure Assessment funds of \$247,500 in FY 2018 and \$220,000 in FY 2019, is recommended for statewide use to facilitate online form submission by the public, streamline internal work flow processes, and improve tracking.

COMPUTING UNIT

The Computing Unit, which consists of the Computer Facility budget, is responsible for managing, operating, and supporting servers in the state data center, including the mainframe enterprise server, internet servers, and application servers in a secure 24/7 environment. The division-wide reorganization would result in a net increase of three positions in the Computer Facility budget, with the recommended transfer-out of six positions and transfer-in of nine positions. Combined, these transfers would result in an increase of \$1.5 million to the Infrastructure Assessment revenue and a decrease of \$102,006 to the Computer Facility Charges over the 2017-19 biennium.

The Governor also recommends additional Computer Facility Charges totaling \$724,418 for three new IT Professionals, master service agreement contractors, and associated operating equipment to support the migration of the Department of Administration and other agencies that currently have Office 365 to new cloud based office and productivity applications. A statewide cyber security initiative recommended in the Computer Facility budget is summarized in the Information Security Unit section.

COMMUNICATIONS UNIT

The Communications Unit, comprised of the Telecommunications, Data Communications and Network Engineering, and Network Transport Services budgets, provides the planning, procurement, operation, and maintenance services necessary to support the communications infrastructure that delivers information transport services, including e-mail, voice, radio, internet access, and information data exchanges to state agencies.

In the Data Communication and Network Engineering and the Network Transport Services budgets, the Governor recommends \$4.9 million to increase the bandwidth and connectivity of the state's wide area network (SilverNet) to facilitate customer usage, disaster recovery, redundancy, and infrastructure for cloud computing initiatives. This request funds four new IT Professional positions. The Governor also recommends a \$2.0 million loan from the General Fund, which the Governor recommends the division repay in annual installments over four years, for computer hardware for the SilverNet bandwidth enhancement. As part of the division-wide reorganization, the Governor recommends transferring two positions out of the Telecommunications budget to the Application Support budget, resulting in a decrease to Infrastructure Assessment revenue of \$239,260 over the biennium.

The Governor recommends reducing Telecommunications Charges by \$4.2 million over the biennium to support the elimination of 56 microwave circuits that are no longer needed because of improvements in technology. The Executive Budget includes additional fees of \$201,354 over the biennium for upgrades to the 911 system to allow the system to correctly display the location of a 911 call made from a state phone over a broadband internet connection (VoIP).

The Governor recommends additional fees of \$712,913 over the biennium to replace communications-related equipment for the Communications Unit. Recommended replacements include back-up generators, 24-volt direct current battery plants, trucks, controllers and card readers for 39 microwave sites, and computer hardware in accordance with EITS' replacement schedule. A statewide cyber security initiative recommended for the Communications Unit is summarized in the Information Security Unit section.

INFORMATION SECURITY UNIT

The Information Security Unit supports the state information infrastructure through standardizing security policies, ensuring compliance with security procedures, responding to security incidents and mitigating vulnerabilities to networks and systems. The Information Security Unit is currently staffed with positions from the

Security, Computer Facility, and Application Support budgets. As part of EITS' reorganization, three existing positions and one new position are recommended to be transferred to the Computer Facility budget, which would result in a \$1.5 million decrease to EITS Security Assessment revenue over the biennium.

The Governor recommends \$3.4 million over the biennium to enhance the state's cyber security resources and to protect information technology infrastructure and sensitive data. Four budgets are recommended to fund this project: EITS Computer Facility (\$489,743), EITS Data Communication and Network Engineering (\$96,761), EITS Security (\$2.0 million) and the balance (\$804,315) would be a state General Fund loan. The Governor recommends the division repay the loan in annual installments over four years.

ADMINISTRATIVE SERVICES DIVISION

The Administrative Services Division (ASD) provides fiscal and administrative support to the divisions of the Department of Administration, as well as fiscal services to the Board of Examiners, the Office of the Governor, Governor's Mansion, Agency for Nuclear Projects, Office of Energy, Civil Air Patrol, Deferred Compensation Committee, Commission on Ethics, and the Commission for Women. The division is funded entirely through an administrative assessment charged to the other divisions within the Department of Administration and other agencies utilizing its services.

The Governor recommends eliminating three Accounting Assistant positions and adding a new Administrative Services Officer position to supervise ten employees and manage the internal service fund analysis and compliance. The proposed change would result in a net decrease in expenditures of \$90,879 over the 2017-19 biennium.

GRANTS OFFICE

The Grants Office provides a full range of grant support for state agencies including identifying funding opportunities, grant writing and editing, review, coordination, budget assistance, project management and technical assistance. The Nevada Grants Office also develops, provides and coordinates grant-related training workshops and resources for state agencies, ensures the state has submitted mandated and accurate state and federal grant information, serves as the single point of contact for state grant applications and works with agencies and subgrantees to ensure compliance with federally mandated activities.

The Governor recommends General Fund appropriations of \$423,822 over the 2017-19 biennium to purchase a statewide grant management system that would integrate grant reports and correspondence into a unified customizable solution. Additionally, the Governor recommends General Fund appropriations of \$112,683 over the 2017-19 biennium for an Administrative Assistant position that would support the Nevada Advisory Council on Federal Assistance.

STATE PUBLIC WORKS DIVISION

The duties of the State Public Works Division (SPWD) of the Department of Administration include implementing the state's Capital Improvement Program (CIP); providing the physical building and grounds maintenance and housekeeping for state-owned buildings; procuring office space leases for state agencies; and managing the Marlette Lake Water System that provides water to Carson City and Storey County. The Buildings and Grounds (B&G) section of the SPWD also funds security services provided by the Capitol Police Division of the Department of Public Safety.

Total General Fund appropriations over the 2017-19 biennium are recommended to increase to \$749,713 from the \$690,870 approved for the 2015-17 biennium, or by 8.5 percent. Total funding from project management and inspection fees collected from the CIP is recommended to increase by 6.1 percent from the \$9.0 million approved for the 2015-17 biennium to \$9.5 million over the 2017-19 biennium.

The primary source of funding for the B&G section is rent charged to state agencies for the use of state-owned building office and storage space. Rents collected by B&G are recommended to total \$30.2 million over the 2017-19 biennium, an increase of 2.3 percent from the \$29.5 million approved for the 2015-17 biennium. The rental rate charged by B&G for state-owned office space, which is the primary source of rental income, is recommended to decrease by 1.8 percent to \$0.978 per square foot for FY 2018 compared to \$0.996 per square foot approved for FY 2017. The Governor is recommending an increase of 6.7 percent to \$1.044 per square foot for state-owned office rent in FY 2019 compared to the recommended FY 2018 rate.

The Governor recommends rental fee revenues of \$1.5 million over the 2017-19 biennium in the B&G budget to address deferred maintenance and renovation projects in state-owned facilities.

The Executive Budget recommends transferring the Deputy Administrator of Professional Services from the division's Administration budget to the Engineering and Planning budget to align the position's oversight and management functions with the appropriate funding source. Currently, this position is funded with costs allocated to both the B&G and Engineering and Planning budgets. The Governor's recommendation would fund 100 percent of the position's costs with project management and inspection fees in the 2017-19 biennium.

PURCHASING DIVISION

The Purchasing Division is responsible for procuring services and obtaining supplies, materials and equipment on behalf of state agencies and local governments in a timely cost effective manner. The Purchasing Division ensures the procurement process provides an equal opportunity for all vendors to do business with the state.

The Governor recommends total expenditures of \$1.2 million in FY 2018 and \$300,000 in FY 2019 to purchase a new E-Procurement system that would fully automate the procurement of products and services statewide. The new system would automate solicitation, requisition, receipt, payment, purchase orders and contract management processes, which are currently performed manually. This request is contingent upon passage of legislation assessing a vendor administrative fee on master service agreement contracts, which would pay for a portion of the system.

The Preferred Purchase Program, currently funded in the DETR Rehabilitation Division Administration budget, is recommended to be transferred to State Purchasing. The program is described in more detail in the Department of Employment, Training and Rehabilitation section of the Fiscal Report.

The Executive Budget also recommends eliminating one Administrative Services Officer position and adding one unclassified Attorney position to assist with solicitation and procurement processes. The net increase in salary and operating expenditures related to the proposed changes would be \$19,163 over the 2017-19 biennium.

FLEET SERVICES DIVISION

The Fleet Services Division provides safe, dependable and economical transportation solutions for state employees and is responsible for the administration of the state's vehicle fleet in Carson City, Reno, and Las Vegas. Funding for the division is primarily generated from vehicle rental charges.

The Governor recommends reserve reductions of \$541,783 in FY 2018 to fund the costs associated with designing an approximately 6,000 square foot Fleet Services maintenance facility in Las Vegas. Additionally, The Executive Budget recommends expenditure authority of \$37,422 in FY 2018 and \$50,829 in FY 2019 to fund a new Fleet Service Worker position that would be located at the existing Las Vegas facility.

The Executive Budget recommends funding of \$2.5 million over the 2017-19 biennium for capital equipment purchases through the Fleet Services-Capital Purchase budget including the purchase of 98 vehicles, 2 tire machines and fuel systems.

NEVADA STATE LIBRARY ARCHIVES AND PUBLIC RECORDS

The Nevada State Library Archives and Public Records (NSLA) includes the Nevada State Archives and Records, which administers programs for the creation, maintenance, retention, preservation, and disposition of records of the Executive Branch. Additionally, Archives and Records provides a range of information services to state agencies, public libraries, and the public, including reference, research and support services; and services designed for people with disabilities. The NSLA includes the Nevada State Library, which houses the State Data Center, the State Publications Distribution Center, and the Nevada Talking Book services. The Library provides leadership, grants, and development services to Nevada's local libraries, archives, and literacy agencies. Additionally, the NSLA includes the Cooperative Libraries Automation Network (CLAN), which is a consortium of libraries and related agencies that share library and technological resources, including an automated library catalog to organize, publish,

and check materials in and out to library users. Currently, CLAN provides library and technological services to 41 service locations throughout Nevada. Finally, the NSLA's Mail Services section provides a wide range of mail delivery and pick-up services statewide.

The Executive Budget recommends total funding of \$28.3 million for the 2017-19 biennium for the NSLA, which is a nominal increase of 0.5 percent over the 2015-17 legislatively approved funding of \$28.2 million. The NSLA funding comes primarily from a combination of General Fund appropriations, Federal Title I Library Grant revenues, and Interagency Transfers, such as, data processing services, mail services administration charge, and interoffice mail services.

The agency has submitted a bill draft request to repeal NRS 239.125, which currently requires the NSLA Administrator to establish and approve minimum periods of retention for local government records. As a result, The Executive Budget proposes to eliminate one Program Officer position and to reduce General Fund appropriations by \$182,721 over the 2017-19 biennium. For the Nevada State Library, the Governor recommends the reduction of various printed publications, that are available at other libraries, and eliminates the World Book encyclopedia online subscription given that equivalent resources are available for free, reducing General Fund appropriations by \$191,112 over the 2017-19 biennium. Additionally, the Governor recommends excess county participation revenues totaling \$64,024 over the 2017-19 biennium, to fund the CLAN Emergency Contingency Fund. The Emergency Contingency Fund would allow CLAN to respond timely to equipment or software failures with approval of the CLAN board.

Two bills affecting the budgets of the NSLA were prefiled for the 79th Legislative Session. Senate Bill 38 proposes to revise provisions governing the state's Mail Services section authorizing local and other governmental entities to use the services of the NSLA Mail Services section for payment. Additionally, Assembly Bill 41 would reclassify the NSLA Administrator from classified to unclassified service of the state.

DEPARTMENT OF TAXATION

The Department of Taxation is responsible for the administration of the majority of the state's non-gaming tax laws, as well as the Local Government Budget Act. The Executive Budget recommends General Fund support for the department in the amount of \$64.3 million over the 2017-19 biennium, an increase of \$2.8 million or 4.5 percent, compared to General Fund support legislatively approved for the 2015-17 biennium.

The Governor proposes to eliminate contracted Information Technology (IT) application support services provided by the Division of Enterprise Information Technology Services (EITS) and to transfer an IT Professional position from EITS to the Department of Taxation, which would result in a net General Fund reduction of \$117,925 over the 2017-19 biennium.

The Executive Budget also recommends General Fund appropriations totaling \$134,052 over the 2017-19 biennium and corresponding reductions in Tobacco Settlement Income to change the funding source for an IT Professional position assigned to the department's Tobacco Master Settlement Agreement (MSA) Enforcement Unit. The position is currently funded entirely with MSA revenues. The Executive Budget proposes a funding split of 75 percent General Fund appropriations and 25 percent Tobacco MSA funds for the IT Professional position as the position provides primary support to General Fund activities and secondary support to MSA activities.

MARIJUANA REGULATION AND CONTROL

The Executive Budget recommends Other Funds (revenues from application and license fees and the 15 percent excise tax on marijuana wholesale sales) totaling \$13.8 million over the 2017-19 biennium to carry out the provisions of the Regulation and Taxation of Marijuana Act (the Act), established in Initiative Petition 1 (Ballot Question 2 - 2016) and approved by Nevada voters on November 8, 2016.

The Act requires the department to adopt regulations to carry out the provisions of the Act, including procedures for the issuance, renewal, suspension and revocation of a license to operate a marijuana establishment. In addition, the department is responsible for regulating marijuana establishments, collecting fees associated with the licensing of marijuana establishments, and collecting the new 15 percent excise tax on marijuana wholesale sales.

The Governor recommends \$3.8 million over the 2017-19 biennium for the department's administrative costs, which would fund 16 new positions and associated travel, operating, office equipment, and programming costs. The remaining \$10.0 million (\$5.0 million for each fiscal year), recommended by the Governor, would be available to local governments for reimbursement of their costs to carry out the provisions of the Act. The table below outlines the new positions recommended for the department to administer the Act:

Position Title	Number of Positions
Deputy Director (unclassified)	1
Chief Investigator Compliance/Audit	1
Compliance/Audit Investigators	3
Tax Program Supervisor	1
Tax Examiner	2
Revenue Officer	1
Medical Marijuana Program Inspectors	4
Information Technology Technician	1
Administrative Assistant	2
Total Positions	16

Nevada Legislative Counsel Bureau
 Source of Funds Summary
 2017-19 Fiscal Report

	2015-2016 Actual	2016-2017 Work Program	2017-2018 GOVERNOR RECOMMENDS	% Change	2018-2019 GOVERNOR RECOMMENDS	% Change
FINANCE & ADMINISTRATION						
DEPARTMENT OF ADMINISTRATION						
ADMINISTRATION - DIRECTOR'S OFFICE						
BALANCE FORWARD	-108,616	108,617	125,933	15.94	40,833	-67.58
INTERAGENCY TRANSFER	692,335	659,586	674,889	2.32	752,190	11.45
GOVERNOR'S FINANCE OFFICE - SPECIAL APPROPRIATIONS	5,402,456	12,097,544	8,416,755	-30.43	5,956,030	-29.24
GENERAL FUND	5,402,456	8,197,544	8,416,755	2.67	5,956,030	-29.24
HIGHWAY FUND		3,900,000				
ADMINISTRATION - ADMINISTRATIVE SERVICES	2,596,713	3,174,388	3,203,573	.92	3,319,923	3.63
BALANCE FORWARD	144,543	462,710	368,323	-20.40	379,088	2.92
INTERAGENCY TRANSFER	2,452,159	2,711,678	2,835,250	4.56	2,940,835	3.72
OTHER FUND	11					
ADMINISTRATION - INSURANCE & LOSS PREVENTION	21,298,735	29,300,074	29,907,064	2.07	29,297,481	-2.04
BALANCE FORWARD	-353,206	9,341,254	9,370,346	.31	8,760,763	-6.51
INTERAGENCY TRANSFER	20,623,714	19,733,276	20,462,425	3.70	20,462,425	
OTHER FUND	1,028,227	225,544	74,293	-67.06	74,293	
ADMINISTRATION - FLEET SERVICES	5,498,395	6,972,176	6,342,846	-9.03	5,986,763	-5.61
BALANCE FORWARD	108,375	1,222,741	1,215,145	-.62	614,177	-49.46
INTERAGENCY TRANSFER	5,355,590	5,720,844	5,090,861	-11.01	5,335,746	4.81
OTHER FUND	34,430	28,591	36,840	28.85	36,840	
ADMINISTRATION - FLEET SERVICES CAPITAL PURCHASE	5,520,189	2,098,553	1,866,528	-11.06	1,526,240	-18.23
GENERAL FUND	2,960,562	90,544				
BALANCE FORWARD	-8,962	40,195	120,019	198.59	207,104	72.56
HIGHWAY FUND	325,072					
INTERAGENCY TRANSFER	2,069,008	1,859,259	1,506,007	-19.00	1,078,634	-28.38
OTHER FUND	244,957	108,555	240,502	121.55	240,502	
REVERSIONS	-70,448					
ADMINISTRATION - PURCHASING	2,640,881	4,001,143	4,256,410	6.38	4,191,961	-1.51
BALANCE FORWARD	-489,984	845,035	1,261,144	49.24	375,588	-70.22
INTERAGENCY TRANSFER	2,827,951	2,691,617	2,128,637	-20.92	2,399,744	12.74
OTHER FUND	302,914	464,491	866,629	86.58	1,416,629	63.46
ADMINISTRATION - HEARINGS DIVISION	4,590,927	4,829,794	5,015,918	3.85	5,021,564	.11
INTERAGENCY TRANSFER	124,501	38,530	64,455	67.29	64,455	
OTHER FUND	4,728,884	4,791,264	4,951,463	3.34	4,957,109	.11
REVERSIONS	-262,458					
ADMINISTRATION - VICTIMS OF CRIME	6,119,515	19,505,685	15,978,980	-18.08	14,846,843	-7.09
BALANCE FORWARD	-2,322,554	11,322,135	10,981,190	-3.01	9,849,053	-10.31
FEDERAL FUND	2,449,000	2,332,000	1,057,432	-54.66	1,057,432	
OTHER FUND	5,993,069	5,851,550	3,940,358	-32.66	3,940,358	

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 Source of Funds Summary
 2017-19 Fiscal Report

	2015-2016 Actual	2016-2017 Work Program	2017-2018 GOVERNOR RECOMMENDS	% Change	2018-2019 GOVERNOR RECOMMENDS	% Change
ADMINISTRATION - SPWD - ADMINISTRATION	931,125	1,056,527	1,064,583	.76	1,118,298	5.05
BALANCE FORWARD	-31,243					
INTERAGENCY TRANSFER	962,368	1,056,527	1,064,583	.76	1,118,298	5.05
ADMINISTRATION - SPWD - ENGINEERING AND PLANNING	4,039,443	4,514,030	4,680,478	3.69	4,822,902	3.04
BALANCE FORWARD	-1,255,267	1,336,098				
OTHER FUND	5,294,710	3,177,932	4,680,478	47.28	4,822,902	3.04
ADMINISTRATION - SPWD - FACILITY COND & ANALYSIS	288,664	350,532	371,437	5.96	378,276	1.84
GENERAL FUND	340,338	350,532	371,437	5.96	378,276	1.84
REVERSIONS	-51,674					
ADMINISTRATION - SPWD - BUILDINGS & GROUNDS	15,666,991	19,327,305	17,326,111	-10.35	17,975,793	3.75
BALANCE FORWARD	-60,533	3,628,068	1,761,470	-51.45	1,455,354	-17.38
INTERAGENCY TRANSFER	15,582,299	15,631,667	15,504,250	-.82	16,460,048	6.16
OTHER FUND	145,225	67,570	60,391	-10.62	60,391	
ADMINISTRATION - SPWD - MARLETTE LAKE	1,166,149	1,536,189	1,513,507	-1.48	1,489,467	-1.59
BALANCE FORWARD	34,679	274,216	307,802	12.25	299,462	-2.71
OTHER FUND	1,131,470	1,261,973	1,205,705	-4.46	1,190,005	-1.30
ADMINISTRATION - IT - OFFICE OF CIO	1,639,036	1,931,410	1,600,120	-17.15	1,381,436	-13.67
BALANCE FORWARD	-125,365	217,828	207,717	-4.64	63,505	-69.43
INTERAGENCY TRANSFER	1,764,194	1,713,582	1,392,196	-18.76	1,317,724	-5.35
OTHER FUND	207		207		207	
ADMINISTRATION - IT - APPLICATION SUPPORT	7,946,479	11,679,446	10,526,546	-9.87	10,366,178	-1.52
BALANCE FORWARD	-1,232,684	1,992,258	2,097,508	5.28	1,500,491	-28.46
INTERAGENCY TRANSFER	9,176,848	9,687,188	8,428,358	-12.99	8,865,007	5.18
OTHER FUND	2,315		680		680	
ADMINISTRATION - IT - COMPUTER FACILITY	13,385,348	16,417,957	18,210,061	10.92	18,978,749	4.22
BALANCE FORWARD	-71,273	2,109,989	1,970,883	-6.59	2,623,507	33.11
INTERAGENCY TRANSFER	13,454,939	14,307,846	16,239,178	13.50	16,355,242	.71
OTHER FUND	1,682	122				
ADMINISTRATION - IT - DATA COMM & NETWORK ENGIN	5,203,195	6,080,555	6,376,667	4.87	6,865,758	7.67
BALANCE FORWARD	-188,125	772,868	634,987	-17.84	1,191,576	87.65
INTERAGENCY TRANSFER	5,389,596	5,307,687	5,741,680	8.18	5,674,182	-1.18
OTHER FUND	1,724					
ADMINISTRATION - IT - TELECOMMUNICATIONS	3,451,209	3,937,196	3,265,504	-17.06	3,148,086	-3.60
BALANCE FORWARD	-26,458	328,774	329,228	.14	31,018	-90.58
INTERAGENCY TRANSFER	3,472,942	3,597,748	2,936,276	-18.39	3,117,068	6.16
OTHER FUND	4,725	10,674				

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	2015-2016 Actual	2016-2017 Work Program	2017-2018 GOVERNOR RECOMMENDS	% Change	2018-2019 GOVERNOR RECOMMENDS	% Change
ADMINISTRATION - IT - NETWORK TRANSPORT SERVICES	3,524,129	5,298,815	6,940,788	30.99	4,758,261	-31.44
BALANCE FORWARD	-423,924	840,282	1,755,436	108.91	834,741	-52.45
INTERAGENCY TRANSFER	3,658,193	4,458,533	5,184,227	16.28	3,922,395	-24.34
OTHER FUND	289,860		1,125		1,125	
ADMINISTRATION - IT - SECURITY	2,270,464	3,409,678	2,495,851	-26.80	2,916,336	16.85
BALANCE FORWARD	-214,969	475,184	464,294	-2.29	226,083	-51.31
INTERAGENCY TRANSFER	2,485,432	2,934,494	2,031,557	-30.77	2,690,253	32.42
OTHER FUND	1					
ADMINISTRATION - HRM - HUMAN RESOURCE MANAGEMENT	8,439,129	10,476,763	10,245,189	-2.21	10,483,045	2.32
BALANCE FORWARD	-464,538	1,133,066	1,536,980	35.65	1,538,998	.13
INTERAGENCY TRANSFER	8,869,728	9,307,012	8,674,986	-6.79	8,910,824	2.72
OTHER FUND	33,939	36,685	33,223	-9.44	33,223	
ADMINISTRATION - HRM - UNEMPLOYMENT COMPENSATION	1,344,955	2,793,942	2,092,807	-25.09	2,041,469	-2.45
BALANCE FORWARD	548,145	2,150,158	1,143,942	-46.80	747,852	-34.63
INTERAGENCY TRANSFER	796,810	643,784	948,865	47.39	1,293,617	36.33
ADMINISTRATION - NSLA - NEVADA STATE LIBRARY	4,010,758	4,638,021	4,450,446	-4.04	4,538,964	1.99
GENERAL FUND	2,667,695	2,700,975	2,571,520	-4.79	2,652,918	3.17
BALANCE FORWARD	1,923					
FEDERAL FUND	1,430,459	1,932,635	1,877,748	-2.84	1,884,868	.38
OTHER FUND	3,208	4,411	1,178	-73.29	1,178	
REVERSIONS	-92,527					
ADMINISTRATION - NSLA - ARCHIVES AND RECORDS	1,500,137	1,587,819	1,479,744	-6.81	1,502,989	1.57
GENERAL FUND	1,482,357	1,506,575	1,442,802	-4.23	1,466,047	1.61
FEDERAL FUND	4,616	20,162				
INTERAGENCY TRANSFER	47,655	60,028	36,440	-39.29	36,440	
OTHER FUND		1,054	502	-52.37	502	
REVERSIONS	-34,491					
ADMINISTRATION - GRANTS OFFICE	328,290	401,530	697,221	73.64	710,889	1.96
GENERAL FUND	384,442	401,530	697,221	73.64	710,889	1.96
REVERSIONS	-56,152					
ADMINISTRATION - NSLA - CLAN	312,569	506,667	436,991	-13.75	443,962	1.60
BALANCE FORWARD	-17,893	134,475	34,475	-74.36	98,499	185.71
INTERAGENCY TRANSFER	53,611	68,408	51,161	-25.21	51,161	
OTHER FUND	276,851	303,784	351,355	15.66	294,302	-16.24
ADMINISTRATION - NSLA - MAIL SERVICES	6,676,455	7,380,306	7,450,447	.95	7,482,837	.43
BALANCE FORWARD	-183,450	908,680	893,176	-1.71	798,926	-10.55
INTERAGENCY TRANSFER	6,858,818	6,471,626	6,557,271	1.32	6,683,911	1.93
OTHER FUND	1,087					

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	2015-2016 Actual	2016-2017 Work Program	2017-2018 GOVERNOR RECOMMENDS	% Change	2018-2019 GOVERNOR RECOMMENDS	% Change
ADMINISTRATION - NSLA - MAIL SERVICES EQUIPMENT	43,369	193,624	193,525	-.05	192,137	-.72
BALANCE FORWARD	28,080	178,236	193,525	8.58	192,137	-.72
INTERAGENCY TRANSFER	15,289	15,388				
ADMINISTRATION - NSLA - IPS EQUIPMENT/SOFTWARE	3,047	48,969	58,289	19.03	73,852	26.70
BALANCE FORWARD	-12,516	22,726	27,726	22.00	43,289	56.13
INTERAGENCY TRANSFER	15,563	26,243	30,563	16.46	30,563	
JUDICIAL COLL & COLL OF JUVENILE & FAMILY JUSTICE	130,430	130,430	225,000	72.51	200,000	-11.11
GENERAL FUND	130,430	130,430	225,000	72.51	200,000	-11.11
ADMINISTRATION - MERIT AWARD BOARD	636	1,100	1,424	29.45	1,424	.00
GENERAL FUND	1,100	1,100	1,424	29.45	1,424	
REVERSIONS	-464					
BOE - GENERAL FUND SALARY ADJUSTMENT	4,540,568	27,568,874	20,455,000	-25.80	42,143,000	106.03
GENERAL FUND	9,032,440	27,568,874	20,455,000	-25.80	42,143,000	106.03
REVERSIONS	-4,491,872					
BOE - HIGHWAY FUND SALARY ADJUSTMENT		2,727,913	3,472,000	27.28	7,163,000	106.31
HIGHWAY FUND	891,725	2,727,913	3,472,000	27.28	7,163,000	106.31
REVERSIONS	-891,725					
TOTAL DEPARTMENT OF ADMINISTRATION	141,094,105	216,743,158	201,418,632	-7.07	222,116,936	10.28
GENERAL FUND	22,401,820	40,948,104	34,181,159	-16.53	53,508,584	56.54
BALANCE FORWARD	-6,725,815	39,845,593	36,801,249	-7.64	31,872,044	-13.39
FEDERAL FUND	3,884,075	4,284,797	2,935,180	-31.50	2,942,300	.24
HIGHWAY FUND	1,216,797	6,627,913	3,472,000	-47.62	7,163,000	106.31
INTERAGENCY TRANSFER	106,749,543	108,702,551	107,584,115	-1.03	109,560,762	1.84
OTHER FUND	19,519,496	16,334,200	16,444,929	.68	17,070,246	3.80
REVERSIONS	-5,951,811					
DEPARTMENT OF TAXATION						
DEPARTMENT OF TAXATION	28,353,044	33,298,692	32,814,954	-1.45	33,220,697	1.24
GENERAL FUND	33,038,993	28,531,109	31,973,017	12.06	32,372,739	1.25
BALANCE FORWARD	-3,854,063	3,854,063				
INTERAGENCY TRANSFER	140,962	255,512	197,400	-22.74	203,421	3.05
OTHER FUND	660,913	658,008	644,537	-2.05	644,537	
REVERSIONS	-1,633,761					
TAXATION - MARIJUANA REGULATION AND CONTROL ACCT			6,980,494		6,862,896	-1.68
OTHER FUND			6,980,494		6,862,896	-1.68
TOTAL DEPARTMENT OF TAXATION	28,353,044	33,298,692	39,795,448	19.51	40,083,593	.72
GENERAL FUND	33,038,993	28,531,109	31,973,017	12.06	32,372,739	1.25
BALANCE FORWARD	-3,854,063	3,854,063				
INTERAGENCY TRANSFER	140,962	255,512	197,400	-22.74	203,421	3.05
OTHER FUND	660,913	658,008	7,625,031	1,058.81	7,507,433	-1.54
REVERSIONS	-1,633,761					

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	2015-2016 Actual	2016-2017 Work Program	2017-2018 GOVERNOR RECOMMENDS	% Change	2018-2019 GOVERNOR RECOMMENDS	% Change
FINANCE & ADMINISTRATION						
GENERAL FUND	55,440,813	69,479,213	66,154,176	-4.79	85,881,323	29.82
BALANCE FORWARD	-10,579,878	43,699,656	36,801,249	-15.79	31,872,044	-13.39
FEDERAL FUND	3,884,075	4,284,797	2,935,180	-31.50	2,942,300	.24
HIGHWAY FUND	1,216,797	6,627,913	3,472,000	-47.62	7,163,000	106.31
INTERAGENCY TRANSFER	106,890,505	108,958,063	107,781,515	-1.08	109,764,183	1.84
OTHER FUND	20,180,409	16,992,208	24,069,960	41.65	24,577,679	2.11
REVERSIONS	-7,585,572					
TOTAL FOR FINANCE & ADMINISTRATION	169,447,149	250,041,850	241,214,080	-3.53	262,200,529	8.70
Less: INTER-AGENCY TRANSFER	106,890,505	108,958,063	107,781,515	-1.08	109,764,183	1.84
NET FINANCE & ADMINISTRATION	62,556,644	141,083,787	133,432,565	-5.42	152,436,346	14.24

EDUCATION

The Education function includes three subfunctions: The Department of Education (inclusive of K-12 and the State Public Charter School Authority); the Nevada System of Higher Education (NSHE); and other education programs, which consists of the Commission on Postsecondary Education.

The Governor recommends General Fund appropriations for Education of \$2.020 billion in FY 2018, an increase of 2.4 percent compared to the \$1.974 billion approved for FY 2017 by the 2015 Legislature, and \$2.043 billion in FY 2019, which represents an additional increase of 1.2 percent. Budget recommendations from all funding sources (net of interagency transfers) total \$3.058 billion in FY 2018, an increase of 6.0 percent compared to the legislatively approved amount of \$2.886 billion for FY 2017, and \$3.113 billion in FY 2019, which represents an increase of 1.8 percent from FY 2018.

EDUCATION (K-12)

The K-12 Education budgets are discussed separately from the Department of Education operating budgets and include: the Distributive School Account, Other State Education Programs, Professional Development Programs, Contingency Account for Special Education Services (formerly School Remediation Trust Fund), State Supplemental School Support Account, Teach Nevada Scholarship Program, Teachers' School Supplies Reimbursement Account, Incentives for Licensed Educational Personnel and the state match requirement for the federal Nevada Ready Preschool Development grant in the budget of the Office of Early Learning and Development. Funding recommended in The Executive Budget for K-12 Education (excluding the Department of Education budgets) represents 35.1 percent of the General Fund for the 2017-19 biennium, representing a decrease compared to the 38.0 percent of the General Fund approved for K-12 Education by the 2015 Legislature for the 2015-17 biennium.

DISTRIBUTIVE SCHOOL ACCOUNT

Supporting 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. The Distributive School Account (DSA) budget does not include the entire funding for K-12 Education but rather includes only the state's portion of the school district and charter school operating funds that provide the basic support guarantee and other state-supported programs.

The table that follows summarizes the elements (in millions) that are the basis for the DSA as approved by the 2015 Legislature for the 2015-17 biennium and as recommended by the Governor for the 2017-19 biennium. While the "Total Required 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							
	<u>Legislatively Approved</u> (Millions)			<u>Governor Recommended</u> (Millions)			Percent Change
	FY 16	FY 17	2015-17 Biennium	FY18	FY19	2017-19 Biennium	
Total Operating Expenditures	\$ 3,353	\$ 3,458	\$ 6,811	\$ 3,691	\$ 3,799	\$ 7,490	10.0%
Less: Outside (Non-Guaranteed) Local Revenues	\$ (647)	\$ (661)	\$ (1,308)	\$ (791)	\$ (817)	\$ (1,608)	22.9%
Less: Non-Basic Support Programs	\$ (139)	\$ (169)	\$ (308)	\$ (184)	\$ (200)	\$ (384)	24.7%
 Total Regular Basic Support	 \$ 2,567	 \$ 2,628	 \$ 5,195	 \$ 2,716	 \$ 2,782	 \$ 5,498	 5.8%
Plus: Programs Other Than Basic Support	\$ 295	\$ 331	\$ 626	\$ 336	\$ 356	\$ 692	10.5%
State Guarantee							
Total Required Support	\$ 2,862	\$ 2,959	\$ 5,821	\$ 3,052	\$ 3,138	\$ 6,190	6.3%
Less: Inside (Guaranteed) Local Revenues	\$ (1,445)	\$ (1,520)	\$ (2,965)	\$ (1,562)	\$ (1,642)	\$ (3,204)	8.1%
Distributive School Account							
Total State Share*	\$ 1,417	\$ 1,439	\$ 2,856	\$ 1,490	\$ 1,496	\$ 2,986	4.5%
Less: Miscellaneous DSA Revenues	\$ (318)	\$ (330)	\$ (648)	\$ (250)	\$ (251)	\$ (501)	-22.7%
General Fund Support Before Recommended Transfer	\$ 1,099	\$ 1,109	\$ 2,208	\$ 1,240	\$ 1,245	\$ 2,485	12.5%
Adjustment: Transfer of Categorical Funding**	\$ (5)	\$ (7)	\$ (12)	\$ 84	\$ 86	\$ 170	
 General Fund Support	 \$ 1,094	 \$ 1,102	 \$ 2,196	 \$ 1,324	 \$ 1,331	 \$ 2,655	 20.9%
* Totals may not balance due to rounding							
** Categorical funding transferred to the Other State Education Programs budget (BA 2699) and School Remediation Trust Fund (BA 2615).							
** The Governor's budget transfers the Full-Day Kindergarten Program funding from the School Remediation Trust Fund (BA 2615) to the DSA budget.							

The Executive Budget anticipates that the total of all Nevada school district and charter school operating budgets will increase 10.0 percent to \$3.691 billion for FY 2018 and \$3.799 billion for FY 2019, compared to legislatively approved budgets of \$3.353 billion and \$3.458 billion in FY 2016 and FY 2017, respectively. As recommended by the Governor, the total required support of school district and charter school expenditures (before the recommended transfers) totals \$6.190 billion over the 2017-19 biennium, an increase of 6.3 percent from the total of \$5.821 billion approved by the 2015 Legislature for the current biennium.

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.

- Non-Guaranteed Local Revenues

As indicated in the previous table, certain locally-generated revenues are considered before the state's funding responsibility is determined. These revenues are considered non-guaranteed or "outside" of the Nevada Plan (the state's responsibility). Because these local revenue sources outside the Nevada Plan are not guaranteed, state aid is not increased or decreased based on actual realized revenue from these local revenue sources.

- 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 or guaranteed by the state, while the remaining two-thirds of the proceeds of the 75-cent property tax rate is "outside" the Nevada Plan.

For FY 2017, the two-thirds portion is projected to increase 1.0 percent to \$425.5 million. The Executive Budget projects that the two-thirds portion will generate \$438.0 million in FY 2018, which represents a 3.0 percent increase over the amount projected for FY 2017 and \$463.7 million in FY 2019, an increase of 5.9 percent over FY 2018.

- Local Governmental Services Tax: This tax is estimated to generate \$92.0 million in FY 2018 and \$92.9 million in FY 2019, compared to FY 2016 actual collections of \$92.0 million.
- Other Local Sources: Franchise taxes, federal revenue, interest, tuition and other local revenue and opening balances are estimated to contribute \$260.3 million in each year of the 2017-19 biennium.

For the 2017-19 biennium, revenues outside of the Nevada Plan (non-guaranteed) are budgeted to generate 21.5 percent of the revenue necessary to support the budgets of school districts and charter schools (19.2 percent in the 2015-17 biennium), with the balance being funded through the Nevada Plan.

- Nevada Plan - Guaranteed Local 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 LSST, and the remaining one-third of the proceeds from the 75-cent property tax rate. 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 General Fund support is reduced.

- LSST: For the 2017-19 biennium, the 2.60 LSST is estimated at \$1.343 billion for FY 2018 (5.4 percent increase over the \$1.274 billion estimated for FY 2017) and at \$1.410 billion for FY 2019 (5.0 percent increase over projected FY 2018).

- Property Tax: Local funding from the one-third portion of the proceeds from the 75-cent property tax rate is recommended at \$219.0 million for FY 2018 (3.0 percent increase over FY 2017 projections of \$212.7 million) and at \$231.9 million for FY 2019 (5.9 percent increase over budgeted FY 2018).

Combined, these two local sources provide approximately 58.3 percent of the basic support amount with the state contributing the remaining 41.7 percent for the 2017-19 biennium, compared to a 57.1 percent local and a 42.9 percent state share approved for the 2015-17 biennium.

State Support

In the Governor's budget, the state's share of funding in the DSA is largely provided by General Fund appropriations of \$1.324 billion in FY 2018 and \$1.331 billion in FY 2019, totaling \$2.655 billion for the 2017-19 biennium (inclusive of a recommended \$170 million General Fund transfer of the Full-Day Kindergarten (FDK) program to the DSA budget). Excluding the \$170 million transfer-in of the FDK program funding, recommended General Fund appropriations of \$2.485 billion for the upcoming biennium are \$289 million or 13.2 percent more than the total General Fund appropriations of \$2.196 billion approved for the 2015-17 biennium.

The General Fund increase in the DSA is primarily due to projected increases in enrollment, a recommended decrease in the transfer of Initiative Petition 1 (IP1) Room Tax revenue to the DSA budget and a recommended General Fund increase of \$30 million over the 2017-19 biennium for students with disabilities.

Recommendations for Revenue Change and New Revenue

The Governor recommends proceeds from the IP1 revenue totaling \$25.5 million continue to be transferred from the State Supplemental School Support Account to the DSA as a state funding source through the 2017-19 biennium. The Governor further recommends the remaining balance of the IP1 revenue totaling \$350.6 million over the biennium be transferred to the Other State Education Programs budget to fund 11 education programs that are currently funded with General Fund appropriations.

The Governor also proposes a new 10 percent retail tax on recreational marijuana with the revenues directed to the DSA as a state funding source. For the 2017-19 biennium, The Executive Budget projects a total of \$69.3 million for the new retail tax on recreational marijuana, with a corresponding reduction of General Fund appropriations in the DSA budget.

Other sources of revenue that provide funding for the DSA are included in the "Nevada Plan" table above 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, LSST from sales that cannot be attributed to a specific county, medical marijuana license fees and 75 percent of the medical marijuana excise tax.

BASIC SUPPORT PER PUPIL

The 2015 Legislature approved basic support per pupil of \$5,710 for FY 2016 and \$5,774 for FY 2017. The Executive Budget recommends a statewide average basic support of \$5,900 per pupil for FY 2018 and \$5,967 per pupil for FY 2019, increases of \$126 per pupil and \$193 per pupil in FY 2018 and FY 2019, respectively, when compared to the FY 2017 legislatively approved statewide average basic support per pupil of \$5,774. 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. Effective July 1, 2017, pupils enrolled in kindergarten will be counted as full-time pursuant to Section 2 of the NRS 387.1223.

The following chart compares audited weighted enrollment numbers (excluding hold harmless) by fiscal year and the percent of change each year compared to the preceding year:

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Projected	FY 2018 Gov. Rec.	FY 2019 Gov. Rec.
421,387	422,482	423,849	429,762	435,522	439,882	449,986	455,588	460,372	466,126
	0.26%	0.32%	1.40%	1.34%	1.00%	2.30%	1.24%	1.05%	1.25%

The Governor recommends General Fund appropriations of \$34.8 million in FY 2018 and \$70.3 million in FY 2019 to provide for the projected enrollment growth for K-12 pupils (inclusive of the Special Education and Class-Size Reduction programs).

HOLD HARMLESS PROVISION

To protect school districts and charter schools during times of declining enrollment, Section 3 of NRS 387.1223 contains a "hold harmless" provision. Under this provision, the guaranteed level of funding is based on the current year's quarter enrollment, unless the decline in enrollment is 5.0 percent or more from the previous year, in which case the funding is based on the higher of the current or the previous year's quarter enrollment. Prior to the passage and approval of Senate Bill 508 by the 2015 Legislature, for declining enrollment less than 5.0 percent, the hold harmless provision provided a guaranteed level of funding based on the higher of the current or the previous year's enrollment. If a decline in enrollment was 5.0 percent or more from

the previous year, the funding was based on the higher of the previous two years' enrollment.

For the 2015-17 biennium, the hold harmless provision for eligible school districts and charter schools increased the state responsibility by \$7.1 million, compared to the hold harmless costs of \$26.7 million for the 2013-15 biennium. Due to the uncertainty of projected enrollments, the cost of the hold harmless provision is not budgeted in the DSA.

POSITIONS AND SALARIES

To determine the number of employees needed to accommodate increased enrollment, the Governor's Finance Office calculated the actual student-employee ratios for each major job classification in the FY 2016 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 Executive Budget estimates that an additional 264 licensed, instructional personnel will be needed over the 2017-19 biennium to maintain the FY 2016 average of 21.8 student-to-teacher ratio.

In addition to the actual expenditures in FY 2016, the adjusted base budget for the DSA includes "roll-up" costs of 2 percent each year to cover the cost of advancement by school district employees on their salary schedules. The Department of Education calculates the cost of the 2 percent roll-up to be approximately \$154.8 million over the 2017-19 biennium. The Executive Budget does not include cost of living salary adjustments (COLAs) for school district and charter school employees for the 2017-19 biennium.

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. The following table provides the actual and projected statewide average teacher salaries and benefits, inclusive of the 2 percent roll-up, for FY 2016 through FY 2019:

Statewide Average Teacher Salaries and Benefits

	FY 2016 Actual	FY 2017 Projected	FY 2018 Gov. Rec.	FY 2019 Gov. Rec.
Average Salary	\$ 54,942	\$ 56,041	\$ 57,162	\$ 58,305
% Change Salaries		2.00%	2.00%	2.00%
Benefits	\$ 22,483	\$ 22,794	\$ 23,364	\$ 23,974
Total	\$ 77,425	\$ 78,835	\$ 80,526	\$ 82,279

FRINGE BENEFIT ADJUSTMENTS

The Executive Budget increases funding for group insurance costs for school personnel by 3.6 percent in FY 2018 and 4.0 percent in FY 2019, based on the projected rate increase for state agencies. The General Fund appropriations recommended for these increases (inclusive of the Special Education and Class-Size Reduction programs) is \$10.0 million in FY 2018 and \$21.9 million in FY 2019.

SUPPLEMENTAL APPROPRIATION

The Executive Budget recommends a General Fund appropriation of \$22.2 million in FY 2017 for the DSA due to unanticipated enrollment growth and lower-than-projected sales tax revenue collections inside the Nevada Plan, which are guaranteed by the state.

TEXTBOOK FUNDING

The Executive Budget recommends funding for textbooks, instructional supplies, instructional hardware and instructional software in FY 2018 and FY 2019 totaling \$81.5 million and \$82.4 million, respectively, reflecting the total actual expenditures incurred by school districts and charter schools for these items in FY 2016, increased for projected enrollment growth.

FUNDING FOR STUDENTS WITH DISABILITIES

The Executive Budget recommends General Fund appropriations of \$10.0 million in FY 2018 and \$20.0 million in FY 2019 to provide additional support for students with disabilities. Total funding recommended for students with disabilities is \$183.7 million in FY 2018 and \$199.8 million in FY 2019, representing a 25 percent increase over legislatively approved funding for the 2015-17 biennium.

Prior to FY 2017, Nevada provided state funding for special education on the basis of special education program units, which were 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. Senate Bill 508, which was approved by the 2015 Legislature, changed the methodology used to distribute funding for students with disabilities beginning in FY 2017 from special education units to weighted funding on a per-pupil basis. In addition, in order to mitigate the issue of over-identification of students with disabilities, the new methodology requires that the funding provided to each school district or charter school must not exceed 13 percent of total pupil enrollment for the school district or charter school.

CLASS-SIZE REDUCTION PROGRAM

To finance salaries and fringe benefits of teachers hired to meet the required ratios of 17 pupils per teacher in first and second grades and 20 pupils per teacher in third grade pursuant to Senate Bill 515, the 2015 Legislature appropriated a total of \$306.3 million over the 2015-17 biennium to continue the Class-Size Reduction (CSR) program. Subject to state Board of Education approval, Section 2 of NRS 388.720 authorizes rural school districts (counties whose populations are under 100,000) to use CSR funding to operate a program of alternative pupil-teacher ratios in grades 1 through 6, which may not exceed 22:1 in grades 1, 2 and 3 and may not exceed 25:1 in grades 4 and 5, or grades 4, 5 and 6 in school districts that include grade 6 in elementary school.

The Executive Budget continues ratios of 17 pupils per teacher in first and second grades and 20 pupils per teacher in third grade and recommends General Fund appropriations totaling \$307.3 million to continue the CSR program in grades 1 through 3 for the 2017-19 biennium, representing a slight increase of 0.35 percent over legislatively approved funding for the 2015-17 biennium. The Governor's recommended budget would provide funding for 1,986 and 2,011 CSR teachers for grades 1 through 3 in FY 2018 and FY 2019, respectively.

OTHER STATE EDUCATION PROGRAMS

The Other State Education Programs budget provides pass-through of state funds to school districts for programs including Read By Three, Social or Other Licensed Mental Health Worker, Nevada Ready 21 Technology, Career and Technical Education (CTE), Underperforming Schools, Gifted and Talented Education, College and Career Readiness, Early Childhood Education, Adult High School Diploma, Jobs for America's Graduates, Public Broadcasting, National Board Teacher Certification Reimbursement, Speech Pathologist Increment, and various other smaller programs.

Recommended Program Transfers

The Governor recommends the transfer of General Fund appropriations totaling \$170.0 million over the 2017-19 biennium for the New Teacher Incentives (\$20.0 million), English Learner (\$100.0 million) and Victory Schools (\$50.0 million) programs from the Contingency Account for Special Education Services budget (formerly the School Remediation Trust Fund) to the Other State Education Programs budget, with no change in purpose

Additionally, the Governor recommends the transfer of General Fund appropriations totaling \$266,004 over the 2017-19 biennium for the support of career and technical student organization leadership activities from the CTE budget to the Other State Education Programs budget. The Governor further proposes the transfer of General Fund appropriations totaling \$2.0 million over the 2017-19 biennium for the Wide Area Network Incentive program to the Office of Science, Innovation and Technology budget to develop a statewide E-Rate consortium to leverage E-Rate funding from the Federal Communications Commission.

Recommended New Funding

The Governor recommends General Fund appropriations of \$7.5 million in FY 2018 and \$19.5 million in FY 2019 to provide additional support for English Learner (EL) programs with a primary focus in secondary schools. The recommended funding would support rural and charter school EL programs as well as increase the number of schools participating in the Zoom Schools program by 25 over the 2017-19 biennium. Additionally, the Governor recommends transfers of \$7.5 million in each year from the New Teacher Incentive program to increase funding for recruitment and retention incentives for both the rural and charter schools EL program, and the Zoom Schools program.

Inclusive of the proposed enhancements, total recommended funding over the 2017-19 biennium for rural and charter school EL programs is \$10.9 million (a 51.1 percent increase compared to legislatively approved amounts for 2015-17 biennium); \$131.0 million for the Zoom Schools program (a 41.3 percent increase compared to legislatively approved amounts for the current biennium) and \$5.0 million for the New Teacher Incentives program (a 75.0 percent decrease compared to legislatively approved amounts for the current biennium).

The Governor proposes General Fund appropriations of \$1.2 million in FY 2018 and \$3.1 million in FY 2019 to increase funding for Gifted and Talented Education (GATE) programs. Total recommended funding for the GATE program is \$14.6 million over the 2017-19 biennium, which represents an increase of 41.6 percent when compared to the \$10.3 million legislatively approved for the 2015-17 biennium

The Governor also recommends General Fund appropriations of \$10.0 million in FY 2018 and \$20.0 million in FY 2019 for the Victory Schools program to provide support for an estimated 30 additional underperforming schools. Total recommended funding for the Victory Schools program is \$80.0 million over the 2017-19 biennium, which represents a 60 percent increase when compared to the \$50.0 million legislatively approved for the 2015-17 biennium.

Recommended Funding Source Change

The Governor recommends a funding source change for 11 programs (inclusive of the recommended program transfers) that have previously been funded with General Fund appropriations. The Governor's budget proposes the transfer of IP1 Room Tax revenue in the amount of \$163.4 million in FY 2018 and \$187.3 million in FY 2019 from the State Supplemental School Support Account to the Other State Education Programs budget. The table that follows lists the programs recommended for the funding source change beginning in the 2017-19 biennium.

Other State Education Programs Programs Recommended for Funding Source Change	Governor Recommended		
	Description	FY 2018	FY 2019
Read by Three	\$ 22,250,574	\$ 22,250,574	\$ 44,501,148
New Teacher Incentives	\$ 2,500,000	\$ 2,500,000	\$ 5,000,000
Underperforming Schools	\$ 2,500,000	\$ 2,500,000	\$ 5,000,000
EL - Zoom	\$ 59,950,751	\$ 71,027,103	\$ 130,977,854
EL - Rurals	\$ 4,999,249	\$ 5,922,897	\$ 10,922,146
Nevada Ready 21 Technology Grant Program	\$ 10,000,000	\$ 10,000,000	\$ 20,000,000
Victory Schools	\$ 35,000,000	\$ 45,000,000	\$ 80,000,000
Social or Other Licensed Mental Health Worker Grant Program	\$ 11,188,800	\$ 11,188,800	\$ 22,377,600
Jobs for America's Graduates Program Expansion	\$ 3,586,645	\$ 3,586,645	\$ 7,173,290
College and Career Readiness Grant Program	\$ 5,000,000	\$ 5,000,000	\$ 10,000,000
Gifted and Talented Education	\$ 6,374,243	\$ 8,274,243	\$ 14,648,486
Total Recommended IP1 Room Tax Revenue Transfer	\$ 163,350,262	\$ 187,250,262	\$ 350,600,524

The Executive Budget further recommends General Fund appropriations totaling \$38.3 million in FY 2018 and \$37.9 million in FY 2019 to support the 14 remaining ongoing programs, as listed in the following table:

Other State Education Programs Programs with No Funding Source Change	Governor Recommended		
	Description	FY 2018	FY 2019
LEA Library Books	\$ 449,142	\$ 449,142	\$ 898,284
Public Broadcasting	\$ 462,725	\$ 462,725	\$ 925,450
Early Childhood Education	\$ 3,338,875	\$ 3,338,875	\$ 6,677,750
Special Elementary Counseling	\$ 850,000	\$ 850,000	\$ 1,700,000
School Library Media Specialist	\$ 18,798	\$ 18,798	\$ 37,596
Project GAIN	\$ 44,583	\$ 44,583	\$ 89,166
National Board Teacher Certification Reimbursement	\$ 49,285	\$ 49,285	\$ 98,570
Counselor Certification	\$ 668,740	\$ 668,740	\$ 1,337,480
Speech Pathologist Increment	\$ 526,785	\$ 526,785	\$ 1,053,570
CTE Programs	\$ 12,543,822	\$ 12,543,822	\$ 25,087,644
Adult Education	\$ 18,260,398	\$ 18,260,398	\$ 36,520,796
KLVX Satellite	\$ 392,329	\$ -	\$ 392,329
Advanced Placement Exams	\$ 462,750	\$ 462,750	\$ 925,500
Vocational Student Organizations	\$ 240,000	\$ 240,000	\$ 480,000
Total Recommended General Fund Appropriations	\$ 38,308,232	\$ 37,915,903	\$ 76,224,135

The 2015 Legislature appropriated \$3.3 million each year of the 2015-17 biennium for the support of the Early Childhood Education (ECE) program. The Executive Budget recommends General Fund appropriations of \$3.3 million in each year of the 2017-19 biennium to continue the ECE program, representing no change from the legislatively approved funding for the 2015-17 biennium. Since the 2001 Legislative Session, these funds have been distributed as competitive grants to school districts and community-based organizations for ECE programs.

ADULT HIGH SCHOOL DIPLOMA PROGRAM

The Adult High School Diploma (AHSD) program provides funding for the general public in 14 school districts and for the state's correctional system inmates in the 4 school districts that operate programs within correctional facilities. The AHSD programs provide free academic counseling and instruction to eligible students who lack a high school diploma or a General Educational Development certificate. For the 2017-19 biennium, The Executive Budget recommends General Fund appropriations of \$18.3 million in each fiscal year, representing no change from the legislatively approved amounts for the 2015-17 biennium.

CONTINGENCY ACCOUNT FOR SPECIAL EDUCATION SERVICES (FORMERLY KNOWN AS THE 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.

The 2015 Legislature approved a \$5.0 million General Fund appropriation in FY 2017 for the establishment of a Special Education Contingency Account to reimburse school districts and charter schools for extraordinary expenses related to the education of students with disabilities; however a separate budget was not created, rather the funding was placed in the School Remediation Trust Fund budget. Beginning with the 2017-19 biennium, the Governor proposes to repurpose the School Remediation Trust Fund budget to the Contingency Account for Special Education Services.

For the 2017-19 biennium, the Governor recommends the Special Education Contingency program be funded with a carry forward of unexpended funding from the prior year and with General Fund appropriations of \$100 in each fiscal year for a total of \$5.0 million each year. If the Special Education Contingency program funding is fully expended in either year of the biennium, the Department of Education may request funding from the Interim Finance Contingency Account to replenish the expended program funds to the legislatively approved level of \$5.0 million.

NEW TEACHER INCENTIVES PROGRAM

The 2015 Legislature approved Senate Bill 511, which among other things, appropriated \$10.0 million over the 2015-17 biennium to create a new grant program to provide incentive pay for newly hired teachers who are employed to teach in certain at-risk schools during their first two years of employment. Senate Bill 515, also approved in the 2015 Legislative Session, appropriated another \$10.0 million to increase the available funding for this new grant program to \$20.0 million over the 2015-17 biennium.

The Executive Budget recommends transferring the New Teacher Incentives grant program totaling \$20.0 million over the 2017-19 biennium to the Other State Education Programs budget, with no change in purpose. The Governor also proposes to transfer \$15.0 million from the New Teacher Incentives grant program to the Zoom Schools program, leaving \$5.0 million available to provide new teacher incentive grants over the 2017-19 biennium. Details of this proposal are discussed further in the Other State Education Programs section.

ENGLISH LEARNER PROGRAMS

The 2013 Legislature appropriated approximately \$25.0 million each fiscal year of the 2013-15 biennium for the support of English Learners. To direct the use of the funding, Senate Bill 504 (2013 Legislative Session) prescribed a comprehensive package of educational services targeted to elementary schools that had the highest percentage of pupils who were limited English proficient and who were the lowest performing academically in the two largest districts in the state: Clark County School District (CCSD) and Washoe County School District (WCSD). This EL program in the CCSD and in the WCSD is known as the Zoom Schools program. In addition, from the annual appropriation, the Department of Education was authorized to provide grants of money to rural school districts (other than CCSD or WCSD) and to charter schools sponsored by the State Public Charter School Authority (SPCSA) in support of additional programs and services for EL students.

The 2015 Legislature approved additional General Fund appropriations to increase funding for the Zoom Schools and the EL grant programs for rural school districts and SPCSA-sponsored charter schools, bringing the total to \$50.0 million in each fiscal year. In addition, Senate Bill 405 (2015 Legislative Session) provided for additional eligible uses of Zoom School funding to include professional development, family engagement and teacher incentives.

For the 2017-19 biennium, The Executive Budget recommends the transfer of \$50.0 million in each fiscal year for the support of the Zoom Schools and rural schools EL grant programs to the Other State Education Programs budget, with no change in purpose. The Governor further recommends additional General Fund appropriations totaling \$27.0 million over the 2017-19 biennium to increase support of the EL grant programs as well as the transfer of existing funding in the amount of \$15.0 million from the New Teacher Incentives grant program to the Zoom Schools program and the EL grant programs for rural school districts and SPCSA-sponsored charter schools, the details of which are discussed in the Other State Education Programs section.

VICTORY SCHOOLS PROGRAM

As recommended by the Governor, the 2015 Legislature approved a new Victory Schools grant program to provide additional services to underperforming elementary, middle and high schools identified as one or two star schools in the highest poverty zip codes of a school district. The 2015 Legislature approved General Fund appropriations totaling nearly \$50.0 million over the 2015-17 biennium to fund an estimated 33 schools that would be known as Victory Schools.

For the 2017-19 biennium, The Executive Budget recommends the transfer of \$50.0 million in each year for the support of the Victory Schools program to the Other State Education Programs budget, with no change in purpose. The Governor further recommends additional General Fund appropriations totaling \$30.0 million over the 2017-19 biennium to expand the number of schools supported by the Victory Schools program, the details of which are discussed in the Other State Education Programs section.

FULL-DAY KINDERGARTEN PROGRAM

The 2015 Legislature concurred with the Governor's recommendation to complete the expansion of the state's Full-Day Kindergarten (FDK) program to all school district and charter school kindergartens by FY 2017, at a targeted student-to-teacher ratio of 21:1. The state-funded FDK program continues to be optional. As such, school districts and charter schools may elect to continue operating some half-day kindergarten programs.

With the enactment of Senate Bill 508 (2015), effective July 1, 2017, students in kindergarten will be funded as a 1.0 full-time student in the average daily enrollment for all students in grades 1 to 12, instead of as a 0.60 weighted part-time student.

In order to comply with the provisions of Senate Bill 508 (2015), The Executive Budget proposes to transfer General Fund appropriations in the amount of \$83.8 million in FY 2018 and \$85.8 million in FY 2019 for the state-funded FDK program to the DSA budget. This recommendation funds full-day kindergarten through the Nevada Plan formula funding as opposed to funding full-day kindergarten through a categorical grant program, as has been the practice since the program's inception.

PROFESSIONAL DEVELOPMENT PROGRAMS

The Executive Budget recommends total General Fund appropriations of \$12.43 million in each year of the 2017-19 biennium for the Great Teaching and Leading grant program and the Regional Professional Development Programs (RPDPs) funded in this budget. Of this amount, the Governor recommends \$4.87 million each year for the Great Teaching and Leading grant program where, based on criteria established by the state Board of Education, entities including the RPDPs, school districts, higher education and nonprofit organizations are eligible to apply for grant funding to provide programs professional development. The Governor also recommends General Fund appropriations of \$7.56 million each fiscal year for the RPDPs, representing no change from the funding level approved by the 2015 Legislature for the current biennium.

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 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, 2013 and 2015 Legislatures have approved the transfer of IP1 Room Tax revenues to the DSA as a state funding source for the 2011-13 biennium, the 2013-15 biennium and the 2015-17 biennium, respectively.

The IP1 Room Tax revenues, inclusive of interest earnings, are forecast in The Executive Budget at \$185.3 million for FY 2018 and \$190.8 million for FY 2019. Of the \$376.1 million total IP1 Room Tax revenue, the Governor recommends \$25.5 million continue to be transferred to the DSA as a state funding source for the 2017-19 biennium and \$350.6 million be transferred to the Other State Education Programs budget to fund several education programs supported in the 2015-17 biennium with General Fund appropriations.

TEACH NEVADA SCHOLARSHIP PROGRAM

The Governor recommends General Fund appropriations of \$500,000 in each year of the upcoming biennium, which would increase total recommended funding to \$3.0 million in each fiscal year, to provide grants to fund additional scholarships for

students entering certain teaching programs. The Teach Nevada Scholarship program was created through Senate Bill 511, as approved by the 2015 Legislature. Scholarships may be awarded up to \$3,000 per semester or \$24,000 in the aggregate per student.

TEACHERS' SCHOOL SUPPLIES REIMBURSEMENT ACCOUNT

The Governor's budget continues General Fund appropriations of \$2.5 million in each year of the 2017-19 biennium to reimburse teachers (up to \$250 annually) for out-of-pocket expenses. An eligible teacher is defined as a licensed employee of a school district who devotes the majority of his or her working time providing direct educational services to pupils. The term does not include a substitute teacher. Through the passage of Senate Bill 133, the 2015 Legislature created the Teachers' School Supplies Reimbursement Account in the General Fund and appropriated \$2.5 million in each fiscal year of the 2015-17 biennium.

INCENTIVES FOR LICENSED EDUCATIONAL PERSONNEL

The Governor recommends General Fund appropriations of \$1.0 million in each fiscal year to continue funding the estimated outstanding liability for the 1/5 Retirement Credit Purchase program for the 2017-19 biennium. The 2015 Legislature approved \$2.0 million in each fiscal year to fund the program. Actual expenditures in FY 2016 (FY 2015 service year) totaled \$1.0 million. The Governor continues a change implemented by the 2009 Legislature to approve funding the cost of the 1/5 Retirement Credit Purchase program in the year following the obligation being incurred.

The 23rd Special Session through the passage of Assembly Bill 1 repealed the statutory language of NRS 391.165, which required the purchase of retirement credits for teachers in at-risk schools, psychologists, and teachers in the fields of mathematics, science, special education and English as a second language. However, Assembly Bill 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. 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 continue to be funded until all participants have earned one full year of retirement service credit.

DEPARTMENT OF EDUCATION

The Executive Budget recommends total funding for the Department of Education (excluding the Distributive School Account, Other State Education Programs, Professional Development Programs, Contingency Account for Special Education Services (formerly School Remediation Trust Fund), State Supplemental School Support Account, Teachers' School Supplies Reimbursement, Teach Nevada Scholarship Program, Incentives for Licensed Instructional Personnel, and the state match requirement for the federal Nevada Ready Preschool Development grant) in the

amount of \$613.6 million (net of interagency transfers) for the 2017-19 biennium, an increase of 4.5 percent when compared to the legislatively approved amount of \$587.1 million for the 2015-17 biennium. Of this amount, the Governor recommends General Fund appropriations totaling \$56.0 million for the upcoming biennium, an increase of 16.5 percent when compared to the legislatively approved amount of \$48.1 million for the 2015-17 biennium. The General Fund increase is primarily due to recommended enhancements to the Nevada School Performance Framework system.

DEPARTMENT-WIDE

The Executive Budget includes \$506,131 over the 2017-19 biennium for new software as well as computer hardware and software replacement in various department budgets. Of this total, \$101,876 is funded with General Fund appropriations and \$404,255 is funded with federal or other funds.

OFFICE OF THE SUPERINTENDENT

The Office of the Superintendent is responsible for the administration of the provisions of law relating to the jurisdiction, duties and functions of the three divisions of the department, which include Business and Support Services, Educator Effectiveness and Family Engagement and Student Achievement. The Governor recommends General Fund appropriations totaling \$40,960 over the 2017-19 biennium to accelerate the compensation of an existing Management Analyst position.

STANDARDS AND INSTRUCTIONAL SUPPORT

The Standards and Instructional Support budget supports the positions that coordinate the monitoring and technical support to school districts' and regional training programs' implementation of standards through the approval of textbooks and other instructional support measures. The operational expenses of the Commission on Educational Technology are also funded in this budget.

The Governor recommends reductions in federal funding of \$2.0 million over the 2017-19 biennium to eliminate authority for the federal Math and Science Partnerships grant. The Executive Budget indicates this grant is no longer funded. The Governor also recommends General Fund appropriations of \$14,953 over the 2017-19 biennium to continue various operational expenditures that were previously funded with federal Math and Science Partnerships grant revenue.

ASSESSMENTS AND ACCOUNTABILITY

The Assessments and Accountability budget includes funding for the Nevada Proficiency Examination Program (NPEP) and supports the costs of administering student assessments that are required pursuant to Chapters 389 and 390 of the NRS, including criterion-referenced tests (CRTs), the End of Course Examinations, the Nevada State Writing Assessment, and the National Assessment of Educational

Progress. This budget also includes funding for the Council to Establish Academic Standards.

The Governor recommends General Fund appropriations totaling \$8.6 million over the 2017-19 biennium to enhance the Nevada School Performance Framework system to comply with the federal Every Student Succeeds Act.

EDUCATOR LICENSURE

The Educator Licensure budget funds the Office of Educator Licensure as well as the Commission on Professional Standards in Education. The Office of Educator Licensure is responsible for determining eligibility for licensure; approving and issuing licenses for administrators, teachers, and other educational personnel; and maintaining a competency-testing program for educational personnel. The Commission on Professional Standards in Education, which consists of nine members appointed by the Governor, sets licensure standards for state educational personnel. The Educator Licensure budget is funded by the fees collected for educator licenses, renewals, endorsements, fingerprinting, and testing.

The Governor recommends reserve reductions of \$73,326 (net of operating expense offsets totaling \$20,054) over the 2017-19 biennium for an Administrative Assistant position to assist with the statewide educator background check program and support the Commission on Professional Standards in Education.

OFFICE OF EARLY LEARNING AND DEVELOPMENT

The Office of Early Learning and Development manages and administers programs for at-risk children who are ready for kindergarten, as well as administers the federal Head Start, certain Child Care Development Fund programs and the federal Nevada Ready High Quality Preschool Development Grant to improve access and quality of early childhood programs throughout the state.

The Governor recommends the General Fund match required for the federal Nevada Ready Preschool Development Grant increase by \$3.5 million, from \$10.3 million legislatively approved for the 2015-17 biennium to \$13.8 million over the 2017-19 biennium. The federal Nevada Ready Preschool Development Grant is recommended at \$25.1 million over the 2017-19 biennium.

SAFE AND RESPECTFUL LEARNING

The Governor recommends a new Safe and Respectful Learning budget for the department, which would isolate revenue and expenditure activity associated with the Office of Safe and Respectful Learning and the department's anti-bullying program that are currently reflected in the department's Student and School Support budget. This recommendation transfers four positions, General Fund appropriations of \$906,171, and federal grant funds of \$6.7 million in the 2017-19 biennium from the Student and School Support budget to the new Safe and Respectful Learning budget.

STUDENT AND SCHOOL SUPPORT

The Student and School Support budget provides for the distribution and administration of federal Title I assistance to Nevada schools for economically and educationally disadvantaged students.

The Governor recommends federal 21st Century Community Learning Center grant funds of \$145,457 over the 2017-19 biennium for a new Program Officer position to assist with the management of this federal grant. The Executive Budget includes new grant funds in the amount of \$83,197 in each year of the upcoming biennium to continue support for the anti-bullying hotline, which has been funded in the current biennium with one-time funds. The Governor also recommends transferring an Administrative Assistant position to the Student and School Support budget from the Standards and Instructional Support budget, and funding this position with federal 21st Century Community Learning Center grant revenue.

LITERACY PROGRAMS

The Literacy Program office receives federal funds for the Striving Readers literacy program grant for staff, programs, and related costs to improve reading proficiency. General Fund appropriations are also included in this budget to support the state's Read by Grade Three program. The Governor recommends a reduction of federal grant revenue of \$23.4 million over the 2017-19 biennium to eliminate authority for the Striving Readers grant that expired in FY 2017.

CAREER AND TECHNICAL EDUCATION

The Career and Technical Education budget, funded primarily by a federal grant authorized by the Carl D. Perkins Career and Technical Education Improvement Act of 2006, supports occupational education programs. The Governor recommends transferring expenditures totaling \$266,004 over the 2017-19 biennium to the Other State Education Programs budget. These expenditures, which are funded utilizing General Fund appropriations, support various student organizations associated with career and technical education.

CONTINUING EDUCATION

The Continuing Education budget funds classes for adults to improve basic literacy skills; obtain the knowledge and skills necessary for employment and self-sufficiency; assist in the completion of secondary school education; and teach parents the educational skills necessary to become full partners in the education of their children. The budget is funded primarily through a federal grant authorized by the Adult Education and Family Literacy Act.

As part of the proposed reorganization of the Department of Employment, Training and Rehabilitation (DETR), the Governor recommends transferring the Adult Basic Education Program, inclusive of the state match and two positions, to DETR. The

Governor also recommends additional General Fund appropriations totaling \$22,567 over the 2017-19 biennium to fund department operating expenditures that were previously funded utilizing the federal Adult Basic Education grant.

DATA SYSTEMS MANAGEMENT

The department maintains an automated system of accountability information to provide and report information, make longitudinal comparisons and analyses, and assist in the improvement of student achievement, classroom instruction, and educator performance. This budget funds the position, contract, and hardware/software costs associated with student data systems. The Governor recommends General Fund appropriations totaling \$800,000 over the 2017-19 biennium to enhance the Nevada School Performance Framework system to comply with the federal Every Student Succeeds Act.

ACCOUNT FOR ALTERNATIVE SCHOOLS

The Account for Alternative Schools, a new budget established in FY 2016, is funded with a three-year federal Charter School Program (CSP) grant totaling \$16.5 million. For the 2017-19 biennium, the Governor recommends CSP grant revenue totaling \$8.0 million. The purpose of the grant is to expand the number of high-quality charter schools throughout Nevada (especially those serving students who are at greater risk of not meeting state academic standards) by providing financial assistance for charter school planning, program design, and initial implementation.

The Governor recommends transferring General Fund appropriations of \$183,562 associated with an Education Programs Professional position that oversees the licensure and regulation of private schools from the Parent Involvement and Family Engagement budget to the Account for Alternative Schools budget.

COMMISSION ON POSTSECONDARY EDUCATION

The Commission on Postsecondary Education (CPE) consists of seven members appointed by the Governor. The Commission sets policy, adopts regulations, grants licenses to operate private postsecondary institutions, and administers the CPE Student Indemnification budget. The CPE budget is largely funded with General Fund appropriations, with additional funding provided by a U.S. Department of Veterans Affairs grant.

As part of the Governor's initiative to train and develop a competitive workforce, the Governor recommends transferring the CPE, its four positions, and the associated budget to the Department of Employment, Training and Rehabilitation (DETR). The Governor recommends General Fund appropriations totaling \$764,396 for the CPE over the 2017-19 biennium, which is a 24.8 percent increase when compared to the legislatively approved total for the 2015-17 biennium. The increase is due primarily to the addition of a new cost allocation assessment that would result from the CPE becoming part of DETR.

STATE PUBLIC CHARTER SCHOOL AUTHORITY

The State Public Charter School Authority (SPCSA) is responsible for providing oversight and technical assistance to state-sponsored charter schools, as well as fostering a climate in which all charter schools can succeed. As of school year 2016-2017, the number of charter schools throughout the state totals 40, of which, 24 charter schools are sponsored by the SPCSA as shown in the table below.

<i>Total Number of Charter Schools Statewide</i>	
Sponsor	Total
State Public Charter School Authority	24
Clark County School District	7
Washoe County School District	8
Carson City School District	1
Total Number of Charter Schools Statewide*	40

*Represents the total number of charters authorized and not the total number of school campuses and does not include the university school for profoundly gifted pupils (Davidson Academy).

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 388A.414 authorizes the SPCSA to collect up to a 2 percent administrative fee. Additionally, the SPCSA, as a Local Education Agency, receives federal funding authorized by the Elementary and Secondary Education Act and the Individuals with Disabilities Education Act (IDEA) as well as funding from various state K-12 education grants.

The Executive Budget recommends administrative fee revenue of \$6.4 million over the 2017-19 biennium, an increase of \$1.3 million or 24.7 percent, when compared to the legislatively approved amount of \$5.1 million for the 2015-17 biennium. In addition, the Governor recommends fund transfers from the Nevada Department of Education totaling \$18.8 million over the 2017-19 biennium from federal and state grants, representing an increase of \$10.6 million or 129.8 percent when compared to the legislatively approved amount of \$8.2 million for the 2015-17 biennium. The increase in fund transfers is primarily due to an increase in the number of schools participating in the Nevada Ready Preschool Development federal grant program and a projected increase in the number of students qualifying for the federal IDEA grant for students with disabilities.

The Executive Budget also recommends reserve reductions of \$950,137 over the 2017-19 biennium to fund four new positions to support the agency's charter authorizer responsibilities. The recommended new positions include an Education Programs Director, an Education Programs Supervisor, a Management Analyst and an unclassified Staff Attorney.

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 (UNRSOM); the UNLV School of Medicine; the UNLV Law School; the UNLV Dental School; and the Desert Research Institute (DRI).

The Executive Budget includes \$1.897 billion for NSHE's total operating budget over the 2017-19 biennium. The recommendation represents an 11.5 percent or \$195.5 million increase above the \$1.702 billion approved by the Legislature for the 2015-17 biennium.

Funding Source	2015-17 Leg. App. (Millions)	2017-19 Gov. Rec. (Millions)	2017-19 Dollar Change (Millions)	Percent Change
State General Fund	\$ 1,094.7	\$ 1,223.9	\$ 129.2	11.8%
Student Fee/Tuition Revenue ¹	\$ 595.9	\$ 661.9	\$ 66.0	11.1%
Other Sources	\$ 10.9	\$ 11.2	\$ 0.3	3.0%
TOTAL	\$ 1,701.5	\$ 1,897.0	\$ 195.5	11.5%

¹ Registration (per credit hour) fees, Non-Resident Tuition, Miscellaneous Student Fees. These revenues are discussed in detail under the "Budgeting of Student Derived Revenues" section.

GOVERNOR RECOMMENDS 11.8 PERCENT GENERAL FUND INCREASE

The Executive Budget recommends an 11.8 percent or \$129.2 million increase in General Fund appropriations, to \$1.224 billion for the 2017-19 biennium. Compared to the FY 2017 General Fund appropriations approved by the 2015 Legislature, the Governor recommends an increase to the seven campus formula budgets of 10.3 percent or \$42.0 million in FY 2018 and 11.3 percent or \$46.3 million in FY 2019. The increase for the seven instructional formula budgets is primarily attributed to recommended caseload increases due to growth in completed Weighted Student Credit Hours systemwide.

Recommended General Fund appropriations for the University of Nevada, Reno School of Medicine decrease in each year of the 2017-19 biennium compared to FY 2017, mostly due to the removal of one-time expenditures. However, cumulatively, General Fund appropriations for the Desert Research Institute (DRI) and the professional schools increase by 3.7 percent or \$3.0 million in FY 2018, and 14.0 percent or \$11.4 million in FY 2019 compared to FY 2017 appropriations approved by the 2015 Legislature. The balance of the increase recommended in The Executive Budget occurs across NSHE's non-formula budgets. The following table provides a comparison with the FY 2017 General Fund appropriation levels approved by the 2015 Legislature.

2017-19 Biennium Governor Recommended Total General Fund Appropriations Compared to FY 2017 (Inclusive of Performance Funding)					
Institution	FY 2017 General Fund (Leg. App.)	FY 2018 General Fund (Gov. Rec.)	% Change Over FY 2017	FY 2019 General Fund (Gov. Rec.)	% Change Over FY 2017
UNLV	\$ 145,613,360	\$ 163,013,031	11.9%	\$ 162,800,935	11.8%
UNR	\$ 104,678,472	\$ 116,354,015	11.2%	\$ 116,327,813	11.1%
CSN	\$ 88,861,090	\$ 95,003,558	6.9%	\$ 97,339,629	9.5%
GBC	\$ 12,185,842	\$ 13,457,836	10.4%	\$ 14,121,209	15.9%
TMCC	\$ 30,441,184	\$ 33,826,027	11.1%	\$ 34,827,249	14.4%
WNC	\$ 12,764,163	\$ 13,499,889	5.8%	\$ 13,985,909	9.6%
NSC	\$ 14,505,746	\$ 15,877,784	9.5%	\$ 15,963,648	10.1%
Formula Accounts SUBTOTAL	\$ 409,049,857	\$ 451,032,140	10.3%	\$ 455,366,392	11.3%
MEDICAL (UNR) ¹	\$ 36,987,363	\$ 36,170,755	-2.2%	\$ 36,009,466	-2.6%
MEDICAL (UNLV) ¹	\$ 19,567,702	\$ 21,784,804	11.3%	\$ 30,196,250	54.3%
LAW	\$ 9,416,652	\$ 9,778,431	3.8%	\$ 9,791,709	4.0%
DENTAL	\$ 8,300,440	\$ 9,187,278	10.7%	\$ 9,104,549	9.7%
DRI	\$ 7,295,028	\$ 7,675,783	5.2%	\$ 7,908,046	8.4%
Professional School SUBTOTAL	\$ 81,567,185	\$ 84,597,051	3.7%	\$ 93,010,020	14.0%
Non-Formula Budgets SUBTOTAL	\$ 65,472,847	\$ 69,914,828	6.8%	\$ 69,987,027	6.9%
NSHE TOTAL	\$ 556,089,889	\$ 605,544,019	8.9%	\$ 618,363,439	11.2%

¹ The FY 2017 legislatively approved amounts for the UNR School of Medicine and UNLV School of Medicine include the \$2.0 million and \$12.5 million, respectively, appropriated to IFC for allocation to the medical schools in FY 2017 (S.B. 514, 2015 Legislative Session). The allocations were approved at the October 2015 meeting of the IFC.

NSHE FUNDING FORMULA AND PERFORMANCE FUNDING POOL FOR INSTRUCTIONAL BUDGETS

The Executive Budget follows the funding formula policies adopted by the 2013 and 2015 Legislatures. The following summarizes the major components of the NSHE funding formula for the seven instructional budgets:

- **Weighted Student Credit Hours (WSCH)**: The General Fund appropriations recommended for the 2017-19 biennium instructional budgets for UNR, UNLV, CSN, GBC, TMCC, WNC and NSC are primarily based upon the count of WSCHs completed by Nevada resident students. The WSCHs for non-resident students are excluded. As recommended by the Governor, and consistent with the policy continued by the 2015 Legislature, the value of each WSCH is uniform across all institutions and is calculated by dividing the available General Fund appropriations in each fiscal year, after any “pre-formula allocations” are distributed, by the total number of FY 2016 WSCH.

For FY 2018 and FY 2019, the calculated General Fund value of a WSCH is \$155.88 and \$152.80, respectively, in The Executive Budget compared to the legislatively approved WSCH calculated value of \$153.55 for FY 2017. After

calculating the value of the WSCH, The Executive Budget reallocates available General Fund appropriations through the formula in the M-204 decision unit. Available General Fund appropriations are determined through the traditional base, maintenance, and enhancement methodology, less any pre-formula allocations (i.e., small institution and research space operations and maintenance funding).

The Executive Budget utilizes the same credit hour weighting values (taxonomy) for FY 2016 WSCH as approved by the 2013 and 2015 Legislatures. The Governor is recommending an increase to the weighting of Career and Technical Education credit hours. However, this recommendation does not impact the count of FY 2016 WSCH used to calculate caseload growth nor to reallocate General Fund appropriations through the funding formula in FY 2018 and FY 2019 in The Executive Budget.

- WSCH Caseload Adjustment: Consistent with the policy adopted by the 2015 Legislature, the Governor recommends General Fund appropriations of \$28.6 million in each year or \$57.2 million over the 2017-19 biennium based on a 7.2 percent system-wide increase in FY 2016 WSCH compared to FY 2014. The caseload adjustment is based on the legislatively approved WSCH calculated General Fund value of \$153.55 for FY 2017, and is recommended in the M-203 decision unit, as reflected in the following table. The caseload adjustments are included in the available funding (pre-formula) used to calculate the recommended value of the WSCH for FY 2018 and FY 2019.

Governor's Recommended Weighted Student Credit Hour Caseload Adjustment by Institution					
	FY 2014 WSCH	FY 2016 WSCH	WSCH Difference	FY 2017 WSCH Calculated Value (Leg. App.)	FY 2018/2019 Caseload Adjustment (Gov. Rec.)
UNLV	915,704	1,009,083	93,379	\$ 153.55	\$ 14,338,345
UNR	655,013	721,836	66,823	\$ 153.55	\$ 10,260,672
CSN	578,716	580,102	1,386	\$ 153.55	\$ 212,820
GBC	62,209	69,321	7,112	\$ 153.55	\$ 1,092,048
TMCC	198,251	204,816	6,565	\$ 153.55	\$ 1,008,056
WNC	72,151	75,616	3,465	\$ 153.55	\$ 532,051
NSC	94,470	101,857	7,387	\$ 153.55	\$ 1,134,274
Total	2,576,514	2,762,631	186,117	\$ 153.55	\$ 28,578,266

Note: M-203 decision unit recommends the caseload adjustment resulting from the increase in WSCH for each institution in FY 2016 compared to FY 2014.

- Small Institution Funding: The Governor recommends that GBC and WNC cumulatively receive General Fund appropriations totaling \$1.7 million in each fiscal year of the 2017-19 biennium for small institution funding. This funding is allocated prior to the calculation of the WSCH value. This funding is recommended in recognition that all institutions have certain fixed administrative costs regardless of size. The level of recommended funding for GBC and WNC is determined by the actual number of WSCHs greater than 50,000, but less than 100,000, with a maximum amount for each institution of \$1.5 million per year. As the institutions'

WSCHs grow closer to 100,000, the level of small institution funding decreases. For the purposes of calculating the small institution funding, each WSCH is valued at \$30.00. The small institution funding recommended for the 2017-19 biennium is as follows:

Governor's Recommended 2017-19 Biennium Small Institution Funding Allocations for GBC and WNC					
	FY 2017 Leg. App.	FY 2018 Gov. Rec.	FY 2019 Gov. Rec.	Annual % Change Compared to FY 2017	2017-19 Biennium Total Gov. Rec.
GBC	\$ 1,133,730	\$ 920,370	\$ 920,370	-18.82%	\$ 1,840,740
WNC	\$ 835,470	\$ 734,520	\$ 734,520	-12.08%	\$ 1,469,040
Total	\$ 1,969,200	\$ 1,654,890	\$ 1,654,890	-15.96%	\$ 3,309,780

Note: M-201 decision unit reflects net change in funding as base funding includes General Fund appropriations for the Small Institution Funding. This table reflects the total amount requested.

- **Research Space Operations and Maintenance:** The Governor recommends General Fund appropriations of \$9.5 million in research space operations and maintenance (O&M) funding for UNR (\$3.8 million) and UNLV (\$5.7 million) in each year of the 2017-19 biennium. The recommended funding for UNLV represents an annual increase of 14.1 percent or \$705,854 compared to the \$5.0 million approved by the 2015 Legislature for FY 2017. The recommended funding for UNR represents an annual decrease of 6.6 percent or \$270,089 compared to the \$4.1 million approved by the 2015 Legislature for FY 2017. This funding is allocated prior to the calculation of the WSCH value.

University Research Space Operation and Maintenance (O&M) Funding Governor's Recommended 2017-19 Biennium					
	FY 2017 Research O&M (Leg. App.)	FY 2018 Research O&M (Gov. Rec.)	FY 2019 Research O&M (Gov. Rec.)	Annual % Change Compared to FY 2017	2017-19 Biennium Research O&M (Gov. Rec.)
UNLV	\$ 5,008,199	\$ 5,714,053	\$ 5,714,053	14.09%	\$ 11,428,106
UNR	\$ 4,102,076	\$ 3,831,987	\$ 3,831,987	-6.58%	\$ 7,663,974
Total	\$ 9,110,275	\$ 9,546,040	\$ 9,546,040	4.78%	\$ 19,092,080

Note: M-200 decision unit reflects net change in funding as base funding includes General Fund appropriations for Research O&M. This table reflects the total amount requested.

- **Performance Funding Pool Set-Aside:** Consistent with the policy continued by the 2015 Legislature, the Governor recommends a 20.0 percent set-aside of General Fund appropriations for the performance funding pool in FY 2018 (\$90.2 million) and FY 2019 (\$91.1 million). These General Fund appropriations are transferred from each institution's instructional budget to the Performance Funding Pool budget. Based on the institution's performance, funds would then be transferred from the Performance Funding Pool budget to the applicable institution's instructional budget. In order to allow for sufficient advance planning of operational costs and budgeting, the performance funding earned for a fiscal year is based on actual performance

from two years preceding the fiscal year in which funds are appropriated. For example, the recommended FY 2018 performance funding transfer would be based on actual FY 2016 performance. This allows for the performance funding to be made available for, and transferred to the institutions at the beginning of the fiscal year in which they will be expended. The majority of the performance metrics are based on the number of students graduating/earning certificates. The following reflects the amount of General Fund appropriations in FY 2018 and FY 2019 that are transferred to the Performance Funding Pool in The Executive Budget.

FY 2018 General Fund Appropriation Performance Funding Set-Aside			FY 2019 General Fund Appropriation Performance Funding Set-Aside		
Institution	FY 2018 Total Budgeted General Fund (Gov. Rec.)	FY 2018 20% Performance Funding Set-Aside	Institution	FY 2019 Total Budgeted General Fund (Gov. Rec.)	FY 2019 20% Performance Funding Set-Aside
UNLV	\$ 163,013,031	\$ 32,602,605	UNLV	\$ 162,800,935	\$ 32,560,185
UNR	\$ 116,354,015	\$ 23,270,803	UNR	\$ 116,327,813	\$ 23,265,562
CSN	\$ 95,003,558	\$ 19,000,712	CSN	\$ 97,339,629	\$ 19,467,926
GBC	\$ 13,457,836	\$ 2,691,567	GBC	\$ 14,121,209	\$ 2,824,242
TMCC	\$ 33,826,027	\$ 6,765,205	TMCC	\$ 34,827,249	\$ 6,965,450
WNC	\$ 13,499,889	\$ 2,699,978	WNC	\$ 13,985,909	\$ 2,797,182
NSC	\$ 15,877,784	\$ 3,175,557	NSC	\$ 15,963,648	\$ 3,192,730
TOTAL	\$ 451,032,140	\$ 90,206,427	TOTAL	\$ 455,366,392	\$ 91,073,277

- Community College Career and Technical Education WSCH Weighting Increase: The Governor recommends new General Fund appropriations of \$9.2 million in FY 2018 and \$12.2 million in FY 2019 based upon an increase in the WSCH weighting for Career and Technical Education (CTE) courses by a factor of 1.5 and 2.0 points in FY 2018 and FY 2019, respectively, at the community colleges. The NSHE indicates that the CTE courses often have lower student-to-faculty ratios, large lab and training space maintenance, and high equipment replacement costs, resulting in overall higher per student costs. The NSHE indicates that in addition to higher per student costs, the funding recommendation is based on a review of the colleges' current capacities compared to what capacities could potentially be for CTE programs. As recommended policy for the 2017-19 biennium, the funding is treated as a carve out for each of the four community colleges, and is allocated prior to the calculation of the WSCH cost.

Increase in Weighting of Career and Technical Education WSCHs for Community Colleges			
	FY 2018 General Fund (Gov. Rec.)	FY 2019 General Fund (Gov. Rec.)	2017-19 Biennium Total
CSN	\$ 4,575,464	\$ 6,100,619	\$ 10,676,083
GBC	\$ 1,731,494	\$ 2,308,659	\$ 4,040,153
TMCC	\$ 1,898,675	\$ 2,531,567	\$ 4,430,242
WNC	\$ 978,113	\$ 1,304,150	\$ 2,282,263
Total	\$ 9,183,746	\$ 12,244,995	\$ 21,428,741

Note: The Board of Regents requested budget included FTE position figures for each of the colleges; however, FTEs were not included as part of the enhancement (E-286) recommendation in The Executive Budget.

BUDGETING OF STUDENT-DERIVED REVENUES

The budgeting of student-derived revenues is based upon budget policy decisions adopted by prior Legislatures rather than being a function of the funding formula or a statutory requirement. In addition, whether student-derived revenues are counted first and/or considered an offset to General Fund appropriations is not dictated by the funding formula. The 2015 Legislature continued the policy adopted by the 2013 Legislature, that for purposes of determining the level of General Fund appropriations to be budgeted in NSHE's state-supported operating budgets, projected non-General Fund revenues should not offset the amount of General Fund appropriations that would otherwise be appropriated. The 2015 Legislature also approved the continued budgeting of fee and tuition revenues in the institutions' state-supported operating budgets for transparency purposes. The Governor's recommended budget carries forward this policy for the 2017-19 biennium.

APPROVED STUDENT REGISTRATION FEE AND NON-RESIDENT TUITION LEVELS

For the 2017-19 biennium, the Board of Regents approved increases in registration fees and non-resident tuition ranging from 2 to 4 percent at the universities, state college, and community colleges, in each of the next two academic years. The following table displays the Board of Regents approved fees upon which registration fee and non-resident tuition revenues contained in The Executive Budget are based.

Type of Institution/Fee	Regents' Approved Charges FY 2017	Regents' Approved Charges FY 2018	% Change	Regents' Approved Charges FY 2019	% Change
<u>Community Colleges</u>					
Lower Division	\$91.50/credit	\$95.00/credit	3.8%	\$98.75/credit	3.9%
Upper Division	\$149.50/credit	\$155.50/credit	4.0%	\$161.75/credit	4.0%
Non-Resident ¹	\$6,645/year	\$6,778/year	2.0%	\$6,913/year	2.0%
<u>Nevada State College</u>					
Resident	\$146.75/credit	\$151.75/credit	3.4%	\$157.00/credit	3.5%
Non-Resident ¹	\$11,113/year	\$11,558/year	4.0%	\$12,020/year	4.0%
<u>Universities</u>					
Undergraduate	\$207.25/credit	\$215.50/credit	4.0%	\$224.00/credit	3.9%
Graduate	\$264.00/credit	\$269.25/credit	2.0%	\$274.75/credit	2.0%
Non-Resident ¹	\$13,910/year	\$14,188/year	2.0%	\$14,472/year	2.0%

¹ Non-residents pay the tuition charge in addition to the per credit hour registration fee.

As shown in the following tables, The Executive Budget recommends student registration fee and non-resident tuition revenues over the 2017-19 biennium of \$512.0 million and \$145.4 million, respectively, for the seven teaching institutions and three professional schools.

Governor's Recommended 2017-19 Biennium Registration Fee Revenues					
Institution	FY 2017 Leg. App.	FY 2018 Gov. Rec.	% Change FY 2018/ FY 2017	FY 2019 Gov. Rec.	% Change FY 2019/ FY 2018
UNLV	\$ 81,952,037	\$ 88,775,901	8.3%	\$ 92,265,488	3.9%
UNR ¹	\$ 72,428,698	\$ 75,423,183	4.1%	\$ 79,437,477	5.3%
CSN	\$ 38,637,964	\$ 38,441,658	-0.5%	\$ 40,083,285	4.3%
GBC	\$ 3,924,899	\$ 4,111,885	4.8%	\$ 4,309,711	4.8%
TMCC ¹	\$ 11,473,342	\$ 11,937,955	4.0%	\$ 12,487,226	4.6%
WNC	\$ 4,531,050	\$ 4,531,050	0.0%	\$ 4,531,050	0.0%
NSC	\$ 6,266,644	\$ 7,579,083	20.9%	\$ 8,227,998	8.6%
Subtotal	\$ 219,214,634	\$ 230,800,715	5.3%	\$ 241,342,235	4.6%
UNR Medical	\$ 5,184,115	\$ 5,906,283	13.9%	\$ 6,089,113	3.1%
UNLV Medical	-	\$ 1,134,000	-	\$ 2,268,000	100.0%
UNLV Dental	\$ 7,481,352	\$ 7,604,228	1.6%	\$ 7,768,155	2.2%
UNLV Law	\$ 3,928,354	\$ 4,551,511	15.9%	\$ 4,551,511	0.0%
Subtotal	\$ 16,593,821	\$ 19,196,022	15.7%	\$ 20,676,779	7.7%
Totals	\$ 235,808,455	\$ 249,996,737	6.0%	\$ 262,019,014	4.8%

1. UNR FY 2017 amount includes \$802,521 in unexpended Registration Fees collected in FY 2016 to be balanced forward into FY 2017. TMCC includes \$2,426 in FY 2016 Registration Fees to be balanced forward into FY 2017. Both actions are pursuant to Section 18 of A.B. 521 (Authorizations Act) of the 2015 Session.

Governor's Recommended 2017-19 Biennium Non-Resident Tuition Revenues					
Institution	FY 2017 Leg. App.	FY 2018 Gov. Rec.	% Change FY 2018/ FY 2017	FY 2019 Gov. Rec.	% Change FY 2019/ FY 2018
UNLV	\$ 30,089,244	\$ 30,465,038	1.2%	\$ 30,829,387	1.2%
UNR	\$ 24,874,442	\$ 29,800,000	19.8%	\$ 30,401,920	2.0%
CSN	\$ 7,404,986	\$ 6,800,612	-8.2%	\$ 6,973,805	2.5%
GBC	\$ 164,000	\$ 175,000	6.7%	\$ 180,000	2.9%
TMCC	\$ 1,559,661	\$ 1,559,661	0.0%	\$ 1,559,661	0.0%
WNC	\$ 352,901	\$ 317,611	-10.0%	\$ 317,611	0.0%
NSC	\$ 482,304	\$ 404,114	-16.2%	\$ 420,083	4.0%
Subtotal	\$ 64,927,538	\$ 69,522,036	7.1%	\$ 70,682,467	1.7%
UNR Medical	\$ 528,300	\$ 713,772	35.1%	\$ 779,421	9.2%
UNLV Medical	-	\$ 522,000	-	\$ 522,000	0.0%
UNLV Dental	\$ 1,361,035	\$ 1,064,434	-21.8%	\$ 1,085,747	2.0%
UNLV Law	\$ 260,279	\$ 236,617	-9.1%	\$ 236,617	0.0%
Subtotal	\$ 2,149,614	\$ 2,536,823	18.0%	\$ 2,623,785	3.4%
Totals	\$ 67,077,152	\$ 72,058,859	7.4%	\$ 73,306,252	1.7%

NON-FORMULA ENHANCEMENTS

- Increasing Capacity Systemwide: The Governor recommends General Fund appropriations of \$10.0 million in FY 2019 to build capacity systemwide and support workforce growth and development of the state. The recommendation includes funding for each of the seven instructional institutions and also for the Desert Research Institute (DRI). Each institution provided a four-year plan for the development and sustainability of capacity for programs that align with workforce and economic development needs of the state. The funding for the instructional

institutions is treated as a carve out, and is allocated prior to the calculation of the WSCH cost. Funding for DRI is allocated separately from the DRI funding formula.

Governor's Recommended 2017-19 Biennium Increasing Capacity Enhancement General Fund Appropriation			
NSHE Budget Account	FY 2018 General Fund (Gov. Rec.)	FY 2019 General Fund (Gov. Rec.)	2017-19 Biennium Total General Fund
University of Nevada, Las Vegas	\$ -	\$ 2,900,000	\$ 2,900,000
University of Nevada, Reno	\$ -	\$ 2,200,000	\$ 2,200,000
College of Southern Nevada	\$ -	\$ 2,600,000	\$ 2,600,000
Great Basin College	\$ -	\$ 300,000	\$ 300,000
Truckee Meadows Community College	\$ -	\$ 1,000,000	\$ 1,000,000
Western Nevada College	\$ -	\$ 393,189	\$ 393,189
Nevada State College	\$ -	\$ 399,999	\$ 399,999
Desert Research Institute	\$ -	\$ 200,000	\$ 200,000
TOTAL REQUESTED APPROPRIATIONS	\$ -	\$ 9,993,188	\$ 9,993,188

Note: The Board of Regents requested budget included position figures for each of the colleges; however, positions were not included as part of the enhancement recommendation in The Executive Budget.

The following briefly describes the focus of each institution's four-year plan to increase capacity:

UNLV: Put an emphasis on health care with the Health for Nevada Initiative through research and economic growth and workforce development of health care jobs as part of UNLV's Top Tier Initiative.

UNR: Support the state's growing and evolving advanced manufacturing economic sector.

CSN: Increase college readiness in collaboration with the Clark County School District, establish a pilot prison education program, establish a pilot technical skills grant program for adults who demonstrate college readiness, and a workforce redesign initiative to address Southern Nevada's changing economy.

GBC: Increase capacity in Nursing, Teacher Education, Paramedic and Human Services/Substance Abuse Counseling.

TMCC: Increase capacity in Science, Math, and English gateway courses.

WNC: Expand Jump Start, establish a nursing program at the Fallon campus, support recruitment and retention of underserved populations, and establish a STEM secondary education.

NSC: Build the teacher pipeline in the state with a focus on Early Childhood Education, Speech Pathology, Deaf Studies, and expand the UTeach model statewide. With UTeach, students simultaneously earn dual majors in a content discipline and a secondary teaching major.

DRI: Increase external funding through private-sector business development, grow research and business development in autonomous mobility and related vehicles, and support economic development efforts in water innovation.

- UNLV School of Medicine: In addition to base level General Fund appropriations of \$19.5 million in each year of the 2017-19 biennium, the Governor recommends new General Fund appropriations of \$2.3 million in FY 2018 and \$10.6 million in FY 2019 to continue the build out, implementation and accreditation efforts of the new allopathic medical school approved by the 2015 Legislature. The Executive Budget recommends total General Fund appropriations of \$52.0 million over the 2017-19 biennium, which is consistent with previous communications from NSHE. The UNLV School of Medicine received preliminary accreditation status from the Liaison Committee on Medical Education in October 2016, confirming that the school could accept students for its charter class beginning in the fall of 2017. The UNLV School of Medicine is planning to accept 60 students in its initial class.
- Desert Research Institute: Consistent with the policy adopted by the 2015 Legislature, The Executive Budget recommends that funding continue to be based on the DRI formula model for institutional support and research administration functions at DRI. The DRI operations and maintenance costs are recommended to continue to be based on the Base, Maintenance, and Enhancement methodology. The Governor recommends new General Fund appropriations of \$195,326 in FY 2018 and \$198,149 in FY 2019 to account for inflationary increases that are not otherwise accounted for in the DRI formula. Finally, The Executive Budget recommends General Fund appropriations of \$683,656 in FY 2018 and \$683,760 in FY 2019 to fund the Nevada State Cloud Seeding Program. In total, the Governor recommends General Fund appropriations of \$15.6 million over the 2017-19 biennium for the DRI budget.
- Silver State Opportunity Grant Funding: The Governor's recommended budget continues base level General Fund appropriations of \$2.5 million a year in the 2017-19 biennium to support the Silver State Opportunity Grant Program, which was established through the passage and approval of Senate Bill 227 (2015 Legislative Session). The program provides need-based grants to pay a portion of the cost of education for eligible students enrolled in a state or community college within NSHE. Moreover, The Executive Budget recommends additional General Fund appropriations of \$2.5 million in each fiscal year of the 2017-19 biennium, for a total of \$5.0 million annually.

CAPITAL IMPROVEMENT PROJECTS

The Executive Budget recommends funding of \$100.8 million for NSHE-related projects in the 2017 CIP, of which \$57.9 million is state funding. Total recommended funding includes \$83.0 million for construction of a new Engineering Building at UNR, with a recommended funding split of 50 percent state funds and 50 percent university funds.

The \$41.5 million in state funds for the project are recommended as lease purchase financing. In addition, \$2.8 million (50 percent state funds, 50 percent university funds) is recommended to purchase the furniture, fixtures and equipment for the UNLV Hotel College Building approved by the 2015 Legislature in CIP Project 15-C78. The Governor's recommended 2017 CIP also includes \$15.0 million in state funding for NSHE-related deferred maintenance projects, which is inclusive of \$3.5 million of slot tax funding.

2017-19 Biennium Governor Recommended NSHE Capital Improvement Projects					
Project Number	Institution	Projection Description	State Funds (Millions)	Other Funds (Millions)	Total Request (Millions)
Construction Projects					
17-C02	UNLV	Furniture, Fixture & Equipment for the UNLV Hotel College Building	\$1.40	\$1.40	\$2.80
17-C06	UNR	New Engineering Building	\$41.50	\$41.50	\$83.00
Construction Subtotal			\$42.90	\$42.90	\$85.80
Systemwide Deferred Maintenance					
17-M01	NSHE	Deferred Maintenance: HECC/SHECC Projects ¹	\$15.0	-	\$15.00
		UNLV	\$4.87	-	\$4.87
		UNR	\$5.16	-	\$5.16
		CSN	\$2.25	-	\$2.25
		TMCC	\$0.84	-	\$0.84
		WNC	\$0.49	-	\$0.49
		GBC	\$0.36	-	\$0.36
		DRI	\$0.41	-	\$0.41
		NSC	\$0.18	-	\$0.18
		System Administration	\$0.10	-	\$0.10
		Contingency Pool & SPWB Proj. Management	\$0.35	-	\$0.35
Deferred Maintenance Subtotal			\$15.00	-	\$15.00
NSHE CIP TOTAL			\$57.90	\$42.90	\$100.80

¹ HECC: Capital Construction Fund for Higher Education. SHECC: Special Capital Construction Fund for Higher Education.
NRS 463.385

NSHE RELATED ITEMS

- The Nevada Knowledge Fund: The Executive Budget recommends General Fund appropriations of \$10.0 million over the 2017-19 biennium in the Nevada Knowledge Fund budget within the Governor's Office of Economic Development (GOED). *Nevada Revised Statutes* 231.1592 established the Nevada Knowledge Fund for the development and commercialization of research and technology at UNLV, UNR, and DRI. The Executive Director of GOED allocates the money in the Nevada 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 Nevada Knowledge Fund.

- Governor's Office of Science, Innovation and Technology: The Governor recommends General Fund appropriations totaling \$1.9 million in each fiscal year of the 2017-19 biennium, to fund Science, Technology, Engineering and Math (STEM) Workforce Challenge grant programs in the Office of Science, Innovation and Technology budget. The office coordinates and aligns efforts by K-12, higher education, workforce development and employers to improve STEM education and workforce development to meet the demands of the state's growing and diversifying economy.
- Special Appropriations: The Governor recommends General Fund appropriations of \$10.0 million over the 2017-19 biennium in the Special Appropriations budget for the purpose of providing grants to expand graduate medical education. The grants, for which NSHE is eligible to apply, would fund efforts to train quality doctors through residencies and fellowships, with the goal of retaining those doctors in the state to improve the quality of available health care.
- One-Time Appropriations: The Governor recommends \$20.0 million in one-time appropriations in FY 2018 for the Governor Guinn Millennium Scholarship fund. Nevada high school graduates attending Nevada institutions of higher education are eligible to apply for awards from the scholarship fund.

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Source of Funds Summary
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	2015-2016 Actual	2016-2017 Work Program	2017-2018 GOVERNOR RECOMMENDS	% Change	2018-2019 GOVERNOR RECOMMENDS	% Change
EDUCATION						
DEPARTMENT OF EDUCATION						
NDE - DISTRIBUTIVE SCHOOL ACCOUNT	1,461,991,284	1,403,379,133	1,573,963,034	12.16	1,581,659,673	.49
GENERAL FUND	1,120,856,513	1,072,053,031	1,324,140,158	23.51	1,330,915,015	.51
BALANCE FORWARD		1,254,002				
FEDERAL FUND	4,014,732	7,000,000	4,000,000	-42.86	4,000,000	
INTERAGENCY TRANSFER	167,351,188	160,269,900	23,280,247	-85.47	4,303,271	-81.52
OTHER FUND	169,768,851	162,802,200	222,542,629	36.70	242,441,387	8.94
NDE - OTHER STATE EDUCATION PROGRAMS	63,402,669	110,931,531	201,658,494	81.79	225,166,165	11.66
GENERAL FUND	70,626,686	99,654,164	38,308,232	-61.56	37,915,903	-1.02
BALANCE FORWARD	-88,567	88,567				
INTERAGENCY TRANSFER			163,350,262		187,250,262	14.63
INTERIM FINANCE		11,188,800				
REVERSIONS	-7,135,450					
NDE - PROFESSIONAL DEVELOPMENT PROGRAMS	11,857,161	13,017,646	12,427,426	-4.53	12,427,426	.00
GENERAL FUND	12,447,381	12,427,426	12,427,426		12,427,426	
BALANCE FORWARD	-590,220	590,220				
NDE - CONTINGENCY ACCOUNT FOR SPECIAL ED SERVICES	152,308,841	196,252,397	5,000,000	-97.45	5,000,000	.00
GENERAL FUND	160,873,244	187,331,674	100	-100.00	100	
BALANCE FORWARD	-8,787,921	8,864,705	4,999,900	-43.60	4,999,900	
OTHER FUND	478,127	56,018				
REVERSIONS	-254,609					
NDE - STATE SUPPLEMENTAL SCHOOL SUPPORT ACCOUNT	167,351,187	159,212,000	185,334,000	16.41	190,757,000	2.93
OTHER FUND	167,351,187	159,212,000	185,334,000	16.41	190,757,000	2.93
NDE - TEACH NEVADA SCHOLARSHIP PROGRAM	2,125,117	2,874,883	3,000,000	4.35	3,000,000	.00
GENERAL FUND	2,500,000	2,500,000	3,000,000	20.00	3,000,000	
BALANCE FORWARD	-374,883	374,883				
NDE - EDUCATIONAL TRUST ACCOUNT	12,056	602,325	608,782	1.07	729,942	19.90
BALANCE FORWARD	12,056	462,325	475,095	2.76	596,255	25.50
INTERAGENCY TRANSFER		140,000	133,687	-4.51	133,687	
NDE - TEACHERS' SCHOOL SUPPLIES REIMBURSEMENT	1,941,140	3,058,978	2,500,000	-18.27	2,500,000	.00
GENERAL FUND	2,500,000	2,500,000	2,500,000		2,500,000	
BALANCE FORWARD	-558,977	558,978				
OTHER FUND	117					
NDE - INCENTIVES FOR LICENSED EDUCATION PERSONNEL	1,033,875	2,966,126	1,000,000	-66.29	1,000,000	.00
GENERAL FUND	2,000,000	2,000,000	1,000,000	-50.00	1,000,000	
BALANCE FORWARD	-966,125	966,126				

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	2015-2016 Actual	2016-2017 Work Program	2017-2018 GOVERNOR RECOMMENDS	% Change	2018-2019 GOVERNOR RECOMMENDS	% Change
NDE - OFFICE OF THE SUPERINTENDENT	1,359,110	1,485,498	1,534,087	3.27	1,577,187	2.81
GENERAL FUND	1,439,359	1,484,498	1,534,087	3.34	1,577,187	2.81
OTHER FUND		1,000				
REVERSIONS	-80,249					
NDE - DISTRICT SUPPORT SERVICES	1,289,964	1,423,758	1,463,857	2.82	1,515,690	3.54
GENERAL FUND	772,656	803,028	804,060	.13	835,420	3.90
INTERAGENCY TRANSFER	517,308	620,730	659,797	6.29	680,270	3.10
NDE - DEPARTMENT SUPPORT SERVICES	2,379,184	4,291,812	4,065,225	-5.28	3,648,343	-10.25
BALANCE FORWARD	427,779	767,149	1,536,324	100.26	1,183,941	-22.94
INTERAGENCY TRANSFER	1,951,405	3,524,663	2,528,901	-28.25	2,464,402	-2.55
NDE - STANDARDS AND INSTRUCTIONAL SUPPORT	2,393,918	2,277,973	1,508,728	-33.77	1,476,730	-2.12
GENERAL FUND	1,172,047	1,169,822	1,160,842	-.77	1,130,142	-2.64
BALANCE FORWARD	-11,126	11,127				
FEDERAL FUND	1,358,936	1,096,912	347,886	-68.28	346,588	-.37
INTERAGENCY TRANSFER	42,868	112				
REVERSIONS	-168,807					
NDE - ASSESSMENTS AND ACCOUNTABILITY	20,437,234	18,139,729	21,740,098	19.85	23,507,573	8.13
GENERAL FUND	13,669,014	13,410,571	17,327,110	29.20	19,117,903	10.34
BALANCE FORWARD	-51,166	64,032	30,743	-51.99	9,268	-69.85
FEDERAL FUND	6,819,386	4,665,126	4,382,245	-6.06	4,380,402	-.04
NDE - DATA SYSTEMS MANAGEMENT	4,223,038	3,999,105	2,843,435	-28.90	2,884,708	1.45
GENERAL FUND	3,487,336	3,740,452	2,717,491	-27.35	2,755,623	1.40
FEDERAL FUND	809,713	258,653	125,944	-51.31	129,085	2.49
REVERSIONS	-74,011					
NDE - EDUCATOR LICENSURE	1,564,619	3,865,060	3,917,479	1.36	3,939,915	.57
GENERAL FUND	100	100	100		100	
BALANCE FORWARD	-569,656	2,013,943	2,110,095	4.77	2,132,531	1.06
OTHER FUND	2,134,275	1,851,017	1,807,284	-2.36	1,807,284	
REVERSIONS	-100					
NDE - EDUCATOR EFFECTIVENESS	9,243,584	10,847,050	12,602,713	16.19	12,607,541	.04
GENERAL FUND	314,347	341,978	439,348	28.47	444,176	1.10
BALANCE FORWARD	-28,588	28,588				
FEDERAL FUND	9,068,696	10,476,370	12,163,365	16.10	12,163,365	
INTERAGENCY TRANSFER		114				
REVERSIONS	-110,871					
NDE - GEAR UP	4,194,046	6,899,945	4,159,179	-39.72	4,161,670	.06
BALANCE FORWARD	-896,669	899,004				
FEDERAL FUND	3,953,287	3,000,550	3,000,000	-.02	3,000,000	
INTERAGENCY TRANSFER	1,137,428	3,000,391	1,159,179	-61.37	1,161,670	.21

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	2015-2016 Actual	2016-2017 Work Program	2017-2018 GOVERNOR RECOMMENDS	% Change	2018-2019 GOVERNOR RECOMMENDS	% Change
NDE - PARENTAL INVOLVEMENT AND FAMILY ENGAGEMENT	166,468	222,897	127,486	-42.80	134,164	5.24
GENERAL FUND	197,332	205,335	127,486	-37.91	134,164	5.24
BALANCE FORWARD	969	9,528				
INTERAGENCY TRANSFER		34				
OTHER FUND	6,100	8,000				
REVERSIONS	-37,933					
NDE - OFFICE OF EARLY LEARNING AND DEVELOPMENT	10,128,078	23,903,919	23,224,352	-2.84	26,575,031	14.43
GENERAL FUND	4,631,036	5,929,932	5,933,173	.05	8,062,039	35.88
BALANCE FORWARD	-333,915	334,809				
FEDERAL FUND	4,671,326	13,864,630	12,065,606	-12.98	13,287,419	10.13
INTERAGENCY TRANSFER	4,303,918	3,774,548	5,225,573	38.44	5,225,573	
REVERSIONS	-3,144,287					
NDE - SAFE AND RESPECTFUL LEARNING			3,785,654		3,782,985	-.07
GENERAL FUND			451,853		454,318	.55
FEDERAL FUND			3,333,801		3,328,667	-.15
NDE - STUDENT AND SCHOOL SUPPORT	146,243,697	157,217,135	145,092,604	-7.71	145,111,916	.01
GENERAL FUND	1,314,987	1,245,744	844,575	-32.20	863,887	2.29
BALANCE FORWARD	-2,441,869	2,683,828				
FEDERAL FUND	147,108,902	153,263,851	144,248,029	-5.88	144,248,029	
INTERAGENCY TRANSFER	261,678	23,712				
REVERSIONS	-1					
NDE - LITERACY PROGRAMS	12,256,824	6,377,657	286,347	-95.51	288,103	.61
GENERAL FUND	116,416	248,383	286,347	15.28	288,103	.61
FEDERAL FUND	12,140,408	6,129,274				
NDE - CAREER AND TECHNICAL EDUCATION	9,074,782	8,832,287	10,297,173	16.59	10,297,173	.00
GENERAL FUND	688,233	688,233	555,231	-19.33	555,231	
FEDERAL FUND	8,386,924	8,144,054	9,741,942	19.62	9,741,942	
REVERSIONS	-375					
NDE - CONTINUING EDUCATION	6,388,444	6,215,973	602,821	-90.30	611,048	1.36
GENERAL FUND	661,861	661,861	602,821	-8.92	611,048	1.36
FEDERAL FUND	5,741,857	5,554,112				
REVERSIONS	-15,274					
NDE - INDIVIDUALS WITH DISABILITIES	66,726,389	73,477,479	78,812,571	7.26	78,816,513	.01
GENERAL FUND	100	100				
BALANCE FORWARD	72,327					
FEDERAL FUND	66,653,962	73,477,076	78,812,571	7.26	78,816,513	.01
INTERAGENCY TRANSFER		303				
NDE - ACCOUNT FOR ALTERNATIVE SCHOOLS	37,850	4,966,444	7,903,800	59.14	255,521	-96.77
GENERAL FUND			89,989		93,573	3.98
BALANCE FORWARD			9,448			
FEDERAL FUND	37,850	4,966,444	7,797,213	57.00	154,798	-98.01
OTHER FUND			7,150		7,150	

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	2015-2016 Actual	2016-2017 Work Program	2017-2018 GOVERNOR RECOMMENDS	% Change	2018-2019 GOVERNOR RECOMMENDS	% Change
NDE - ACHIEVEMENT SCHOOL DISTRICT	28,711	103,106	127,014	23.19	127,118	.08
INTERAGENCY TRANSFER	28,711	103,106	127,014	23.19	127,118	.08
TOTAL DEPARTMENT OF EDUCATION	2,160,159,270	2,226,841,846	2,309,586,359	3.72	2,343,559,135	1.47
GENERAL FUND	1,400,268,648	1,408,396,332	1,414,250,429	.42	1,424,681,358	.74
BALANCE FORWARD	-15,186,551	19,971,814	9,161,605	-54.13	8,921,895	-2.62
FEDERAL FUND	270,765,979	291,897,052	280,018,602	-4.07	273,596,808	-2.29
INTERAGENCY TRANSFER	175,594,504	171,457,613	196,464,660	14.58	201,346,253	2.48
INTERIM FINANCE		11,188,800				
OTHER FUND	339,738,657	323,930,235	409,691,063	26.48	435,012,821	6.18
REVERSIONS	-11,021,967					
COMMISSION ON POSTSECONDARY EDUCATION						
DETR - COMMISSION ON POSTSECONDARY EDUCATION	386,501	412,576	476,374	15.46	488,022	2.45
GENERAL FUND	303,003	309,445	376,374	21.63	388,022	3.09
FEDERAL FUND	87,044	103,131	100,000	-3.04	100,000	
OTHER FUND	40					
REVERSIONS	-3,586					
TOTAL COMMISSION ON POSTSECONDARY EDUCATION	386,501	412,576	476,374	15.46	488,022	2.45
GENERAL FUND	303,003	309,445	376,374	21.63	388,022	3.09
FEDERAL FUND	87,044	103,131	100,000	-3.04	100,000	
OTHER FUND	40					
REVERSIONS	-3,586					
STATE PUBLIC CHARTER SCHOOL AUTHORITY						
STATE PUBLIC CHARTER SCHOOL AUTHORITY	6,391,784	12,439,130	14,095,020	13.31	15,151,566	7.50
BALANCE FORWARD	-116,590	1,584,307	2,120,927	33.87	1,987,892	-6.27
INTERAGENCY TRANSFER	2,379,935	5,138,015	5,957,802	15.96	6,751,687	13.33
OTHER FUND	4,128,439	5,716,808	6,016,291	5.24	6,411,987	6.58
PUBLIC CHARTER SCHOOL LOAN PROGRAM		702,915	635,315	-9.62	576,472	-9.26
GENERAL FUND	400,000					
BALANCE FORWARD	-462,340	640,112	502,915	-21.43	435,315	-13.44
OTHER FUND	62,340	62,803	132,400	110.82	141,157	6.61
TOTAL STATE PUBLIC CHARTER SCHOOL AUTHORITY	6,391,784	13,142,045	14,730,335	12.09	15,728,038	6.77
GENERAL FUND	400,000					
BALANCE FORWARD	-578,930	2,224,419	2,623,842	17.96	2,423,207	-7.65
INTERAGENCY TRANSFER	2,379,935	5,138,015	5,957,802	15.96	6,751,687	13.33
OTHER FUND	4,190,779	5,779,611	6,148,691	6.39	6,553,144	6.58
NEVADA SYSTEM OF HIGHER EDUCATION						
NSHE - SYSTEM ADMINISTRATION	4,707,450	4,726,027	4,930,277	4.32	4,926,258	-.08
GENERAL FUND	4,595,990	4,499,683	4,703,933	4.54	4,699,914	-.09
INTERAGENCY TRANSFER		114,884				
OTHER FUND	111,460	111,460	226,344	103.07	226,344	
NSHE - SPECIAL PROJECTS	1,085,499	1,988,649	2,008,299	.99	2,007,251	-.05
GENERAL FUND	1,085,499	1,988,649	2,008,299	.99	2,007,251	-.05

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	2015-2016 Actual	2016-2017 Work Program	2017-2018 GOVERNOR RECOMMENDS	% Change	2018-2019 GOVERNOR RECOMMENDS	% Change
NSHE - UNIVERSITY PRESS	422,404	422,711	429,371	1.58	428,786	-.14
GENERAL FUND	422,404	422,711	429,371	1.58	428,786	-.14
NSHE - SYSTEM COMPUTING CENTER	17,521,825	17,741,761	18,144,339	2.27	18,145,268	.01
GENERAL FUND	17,521,825	17,741,761	18,144,339	2.27	18,145,268	.01
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 - EDUCATION FOR DEPENDENT CHILDREN	300	50,637	33,569	-33.71	17,150	-48.91
GENERAL FUND	300	5,288			649	
BALANCE FORWARD		45,267	33,487	-26.02	16,419	-50.97
OTHER FUND		82	82		82	
NSHE - UNIVERSITY OF NEVADA - RENO	200,619,585	201,888,091	199,088,707	-1.39	203,683,960	2.31
GENERAL FUND	105,047,603	104,678,472	93,083,212	-11.08	93,062,251	-.02
OTHER FUND	95,571,982	97,209,619	106,005,495	9.05	110,621,709	4.35
NSHE - INTERCOLLEGIATE ATHLETICS - UNR	5,194,121	5,204,487	5,390,606	3.58	5,399,390	.16
GENERAL FUND	5,194,121	5,204,487	5,390,606	3.58	5,399,390	.16
NSHE - STATEWIDE PROGRAMS - UNR	8,127,971	8,105,671	8,182,865	.95	8,191,943	.11
GENERAL FUND	8,127,971	8,105,671	8,182,865	.95	8,191,943	.11
NSHE - UNR SCHOOL OF MEDICINE	40,139,558	40,713,215	42,802,195	5.13	42,889,385	.20
GENERAL FUND	34,608,297	34,987,795	36,170,755	3.38	36,009,466	-.45
OTHER FUND	5,531,261	5,725,420	6,631,440	15.82	6,879,919	3.75
NSHE - HEALTH LABORATORY AND RESEARCH	1,576,133	1,585,174	1,691,457	6.70	1,698,083	.39
GENERAL FUND	1,576,133	1,585,174	1,691,457	6.70	1,698,083	.39
NSHE - AGRICULTURAL EXPERIMENT STATION	6,840,431	6,820,003	7,029,694	3.07	7,037,940	.12
GENERAL FUND	5,130,170	5,109,742	5,319,433	4.10	5,327,679	.16
FEDERAL FUND	1,710,261	1,710,261	1,710,261		1,710,261	
NSHE - COOPERATIVE EXTENSION SERVICE	5,521,541	5,631,934	5,492,913	-2.47	5,503,326	.19
GENERAL FUND	3,770,654	3,750,941	3,600,392	-4.01	3,610,805	.29
FEDERAL FUND	1,181,405	1,289,838	1,289,543	-.02	1,289,543	
OTHER FUND	569,482	591,155	602,978	2.00	602,978	
NSHE - BUSINESS CENTER NORTH	1,947,903	1,951,815	2,031,715	4.09	2,047,681	.79
GENERAL FUND	1,947,903	1,951,815	2,031,715	4.09	2,047,681	.79
NSHE - UNIVERSITY OF NEVADA - LAS VEGAS	261,736,716	260,403,897	251,325,365	-3.49	255,025,625	1.47
GENERAL FUND	146,015,426	145,613,360	130,410,426	-10.44	130,240,750	-1.13
BALANCE FORWARD		318,456				
OTHER FUND	115,721,290	114,472,081	120,914,939	5.63	124,784,875	3.20

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	2015-2016 Actual	2016-2017 Work Program	2017-2018 GOVERNOR RECOMMENDS	% Change	2018-2019 GOVERNOR RECOMMENDS	% Change
NSHE - UNLV SCHOOL OF MEDICINE	7,097,569	19,567,702	23,440,804	19.79	32,986,250	40.72
GENERAL FUND	7,097,569	19,567,702	21,784,804	11.33	30,196,250	38.61
OTHER FUND			1,656,000		2,790,000	68.48
NSHE - INTERCOLLEGIATE ATHLETICS - UNLV	7,334,607	7,323,849	7,802,863	6.54	7,800,703	-0.3
GENERAL FUND	7,334,607	7,323,849	7,802,863	6.54	7,800,703	-0.3
NSHE - STATEWIDE PROGRAMS - UNLV	3,449,855	3,503,948	3,720,028	6.17	3,717,956	-0.06
GENERAL FUND	3,449,855	3,503,948	3,720,028	6.17	3,717,956	-0.06
NSHE - UNLV LAW SCHOOL	13,940,603	13,637,285	14,592,559	7.00	14,605,837	.09
GENERAL FUND	9,460,198	9,416,652	9,778,431	3.84	9,791,709	.14
OTHER FUND	4,480,405	4,220,633	4,814,128	14.06	4,814,128	
NSHE - DENTAL SCHOOL - UNLV	16,521,334	17,228,327	17,941,440	4.14	18,043,951	.57
GENERAL FUND	8,283,703	8,300,440	9,187,278	10.68	9,104,549	-0.90
OTHER FUND	8,237,631	8,927,887	8,754,162	-1.95	8,939,402	2.12
NSHE - BUSINESS CENTER SOUTH	1,737,011	1,743,335	1,853,734	6.33	1,875,126	1.15
GENERAL FUND	1,737,011	1,743,335	1,853,734	6.33	1,875,126	1.15
NSHE - DESERT RESEARCH INSTITUTE	7,517,002	7,443,514	7,824,269	5.12	8,056,532	2.97
GENERAL FUND	7,368,516	7,295,028	7,675,783	5.22	7,908,046	3.03
OTHER FUND	148,486	148,486	148,486		148,486	
NSHE - GREAT BASIN COLLEGE	16,046,295	16,325,991	15,123,154	-7.37	15,858,678	4.86
GENERAL FUND	12,229,943	12,185,842	10,766,269	-11.65	11,296,967	4.93
OTHER FUND	3,816,352	4,140,149	4,356,885	5.23	4,561,711	4.70
NSHE - WESTERN NEVADA COLLEGE	17,847,826	17,694,053	15,701,323	-11.26	16,241,478	3.44
GENERAL FUND	13,049,921	12,764,163	10,799,911	-15.39	11,188,727	3.60
OTHER FUND	4,797,905	4,929,890	4,901,412	-0.58	5,052,751	3.09
NSHE - COLLEGE OF SOUTHERN NEVADA	131,865,215	135,581,530	121,907,758	-10.09	125,591,435	3.02
GENERAL FUND	89,073,309	88,861,090	76,002,846	-14.47	77,871,703	2.46
OTHER FUND	42,791,906	46,720,440	45,904,912	-1.75	47,719,732	3.95
NSHE - TRUCKEE MEADOWS COMMUNITY COLLEGE	43,398,103	43,676,496	40,773,438	-6.65	42,123,686	3.31
GENERAL FUND	30,614,357	30,441,184	27,060,822	-11.10	27,861,799	2.96
OTHER FUND	12,783,746	13,235,312	13,712,616	3.61	14,261,887	4.01
NSHE - NEVADA STATE COLLEGE AT HENDERSON	21,071,129	21,402,694	20,864,985	-2.51	21,598,560	3.52
GENERAL FUND	14,515,968	14,505,746	12,702,227	-12.43	12,770,918	.54
OTHER FUND	6,555,161	6,896,948	8,162,758	18.35	8,827,642	8.15
NSHE - PERFORMANCE FUNDING POOL			90,206,427		91,073,277	.96
GENERAL FUND			90,206,427		91,073,277	.96
NSHE - SILVER STATE OPPORTUNITY GRANT PROGRAM	2,500,000	2,500,000	5,000,000	100.00	5,000,000	.00
GENERAL FUND	2,500,000	2,500,000	5,000,000	100.00	5,000,000	

**Nevada Legislative Counsel Bureau
Source of Funds Summary
2017-19 Fiscal Report**

	2015-2016 Actual	2016-2017 Work Program	2017-2018 GOVERNOR RECOMMENDS	% Change	2018-2019 GOVERNOR RECOMMENDS	% Change
TOTAL NEVADA SYSTEM OF HIGHER EDUCATION	845,803,779	864,898,589	935,369,947	8.15	961,611,308	2.81
GENERAL FUND	541,795,046	554,090,321	605,544,019	9.29	618,363,439	2.12
BALANCE FORWARD		363,723	33,487	-90.79	16,419	-50.97
FEDERAL FUND	2,891,666	3,000,099	2,999,804	-.01	2,999,804	
INTERAGENCY TRANSFER		114,884				
OTHER FUND	301,117,067	307,329,562	326,792,637	6.33	340,231,646	4.11
EDUCATION						
GENERAL FUND	1,942,766,697	1,962,796,098	2,020,170,822	2.92	2,043,432,819	1.15
BALANCE FORWARD	-15,765,481	22,559,956	11,818,934	-47.61	11,361,521	-3.87
FEDERAL FUND	273,744,689	295,000,282	283,118,406	-4.03	276,696,612	-2.27
INTERAGENCY TRANSFER	177,974,439	176,710,512	202,422,462	14.55	208,097,940	2.80
INTERIM FINANCE		11,188,800				
OTHER FUND	645,046,543	637,039,408	742,632,391	16.58	781,797,611	5.27
REVERSIONS	-11,025,553					
TOTAL FOR EDUCATION	3,012,741,334	3,105,295,056	3,260,163,015	4.99	3,321,386,503	1.88
Less: INTER-AGENCY TRANSFER	177,974,439	176,710,512	202,422,462	14.55	208,097,940	2.80
NET EDUCATION	2,834,766,895	2,928,584,544	3,057,740,553	4.41	3,113,288,563	1.82

COMMERCE AND INDUSTRY

The Commerce and Industry function of state government includes those agencies responsible for licensing or regulating various businesses and financial activities within the state, as well as agencies responsible for the promotion of commerce and industry in Nevada. These agencies include the Department of Business and Industry, Department of Agriculture, Division of Minerals, Gaming Control Board, Public Utilities Commission, Governor's Office of Economic Development, and the Department of Tourism and Cultural Affairs.

The Executive Budget recommends General Fund support for the Commerce and Industry functional area totaling \$56.7 million in FY 2018, which is a 5.2 percent increase compared to the \$53.8 million approved by the Legislature for FY 2017, and \$57.7 million in FY 2019, which represents a 1.8 percent increase above amounts recommended for FY 2018. Budget recommendations from all funding sources total \$490.2 million in FY 2018, an increase of 19.9 percent compared to the legislatively approved amount of \$408.8 million for FY 2017, and \$499.6 million in FY 2019, which represents an increase of 1.9 percent from FY 2018 after interagency transfers are deducted.

DEPARTMENT OF AGRICULTURE

The Department of Agriculture is responsible for encouraging, advancing and protecting the livestock and agricultural industries of the state and encouraging sound agricultural resource management. The Department of Agriculture consists of the following divisions: Administration, Plant Industry, Animal Industry, Consumer Equitability and Food and Nutrition. The Executive Budget recommends total funding for the department in the amount of \$451.7 million for the 2017-19 biennium, an increase of \$127.6 million or 39.4 percent when compared to the legislatively approved amounts for the 2015-17 biennium. The Governor recommends total General Fund appropriations of \$6.4 million for the department over the 2017-19 biennium, which represents a 1.6 percent decrease from the total legislatively approved General Fund appropriations of \$6.5 million for the 2015-17 biennium.

ADMINISTRATION DIVISION

The Administration Division provides oversight to all programs and activities in the department. The Executive Budget recommends total funding of \$303,477 over the 2017-19 biennium for two new positions for the division. A new Grants and Project Analyst position would oversee and monitor departmental and agency grants, and a new Business Process Analyst position would collect, manage and validate departmental data.

PLANT INDUSTRY DIVISION

The Plant Industry Division is responsible for licensing and regulating plant nurseries, regulating the use of fertilizers and pesticides, and controlling insects, pests, and noxious weeds. The Governor recommends a new Federal Food and Drug Administration grant

of \$797,691 over the 2017-19 biennium to support the department's Produce Safety Program as mandated by the Food Safety Modernization Act. The grant includes funding for a full-time Agriculturist position and a part-time Agriculturist position that would assist in produce safety assessments and the development of a farm inventory system and Nevada produce safety program.

The Executive Budget also recommends General Fund appropriations of \$966,347 over the 2017-19 biennium to create a multi-agency coordination of data to drive a drought monitoring program and recommendation system for the Governor's Office. The program includes funding for a full-time Environmental Scientist position and a part-time Agriculturist position; a water conservation incentive pool; and a network to monitor drought statewide and collect data and reports related to water resources, vegetation and snowpack.

ANIMAL INDUSTRY DIVISION

The Animal Industry Division provides diagnostic services to protect domestic and wild animals from communicable, infectious, nutritional, and parasitic diseases, and to protect people from animal diseases that are transmissible to humans. The division is also responsible for protecting livestock owners from the theft or loss of their animals as well as regulating the branding and dealer licensing related to the sale of livestock animals.

The Governor recommends General Fund appropriations of \$307,254 over the 2017-19 for a new Biologist position and equipment for the Elko laboratory. The department's animal health laboratory in Elko closed when the position needed to operate the laboratory was eliminated in the 2011-13 biennium due to budget reductions.

CONSUMER EQUITABILITY

The Consumer Equitability Division offers consumer and marketplace protection through the Petroleum Technology and Weights and Measures programs. The Governor recommends \$259,589 over the 2017-19 biennium to add two new Weights and Measures Inspector positions to perform inspections on commercial weighing, measuring and metering devices.

FOOD AND NUTRITION DIVISION

The Food and Nutrition Division is comprised of Nutrition Education Programs, the Commodity Food Program, and the state Dairy Commission. The Governor recommends two new positions for the division including one Buyer position to manage procurement processes for all food programs and one Quality Assurance Specialist to perform administrative reviews at a total cost of \$261,607 over the 2017-19 biennium.

The Executive Budget also recommends General Fund appropriations of \$196,796 over the 2017-19 biennium for the Commodity Food Program to support a required match requirement for the Food Distribution Program on Indian Reservations and the Emergency Food Assistance Program.

LIVESTOCK INSPECTION DIVISION

The Livestock Inspection Division is responsible for protecting livestock owners from loss of livestock by enforcing inspection and brand statutes; returning estrayed livestock; and licensing livestock dealers, agents, buyers, and public sale yards. The division also investigates livestock thefts and performs a road interdiction program, which seeks to prevent the ingress/egress of livestock that have not met the mandated requirements of both animal health and livestock identification. The Livestock Inspection budget is funded with brand inspection fees, brand recording and rerecording fees, a livestock inspection tax, dealer licensing fees, publication sales, and a transfer from the non-executive Nevada Beef Council budget.

The Governor recommends transitioning current Brand Inspectors from seasonal state employees to contracted Manpower employees as recommended in the December 2014 Executive Branch audit report. To effect this transition, the Governor recommends, over the 2017-19 biennium, transferring \$707,642 in existing authority from the Personnel and In-state Travel expenditure categories to Operating contract expense (\$476,523) and Reserve (\$231,119). The requested transfer amount from Personnel is net of a \$47,804 one-time accrued leave payout, which is generally required when employees separate from state service.

COMMISSION ON MINERAL RESOURCES

DIVISION OF MINERALS

The Division of Minerals (DOM) is governed by the Commission on Mineral Resources, which is composed of seven members appointed by the Governor that serve terms of four years. The Division of Minerals encourages and assists in the responsible exploration for and the production of minerals, oil, gas, and geothermal energy, which are economically beneficial to the state. The agency also administers the Mine Reclamation Bond Pool and the Abandoned Mine Lands (AML) program. The division is funded primarily through the collection of fees imposed on the mining industry.

The Executive Budget recommends total funding of \$5.6 million over the 2017-19 biennium for the Commission on Mineral Resources, which is a 9.0 percent increase from the \$5.1 million legislatively approved for the 2015-17 biennium. The increased revenue is primarily due to the increase in Dangerous Mine Fees from \$2.50 per claim to \$4.00 per claim in July 2016 per regulation.

The Governor recommends decreasing reserves by \$140,000 over the 2017-19 biennium to support an increase in the DOM's legislatively mandated AML program that identifies inactive mines, ranks their degree of hazard, and carries out activities to secure the sites. Additionally, the Governor recommends decreasing reserves by \$50,672 over the 2017-19 biennium to fund exhibition costs at the Prospector and Developers Association of Canada annual convention in Toronto, Canada for 2018 and 2019. The

division anticipates the exhibition will increase awareness and promotion of international business opportunities for mineral exploration and extraction in Nevada. Finally, the Governor recommends decreasing reserves by \$90,671 over the 2017-19 biennium to increase salaries for one unclassified Chief of Dangerous Mines position and three unclassified Minerals Field Specialist positions to a level comparable to positions with similar responsibilities in the Department of Conservation and Natural Resources.

GAMING CONTROL BOARD

Gaming activities are administered through three individual budgets, which include the Gaming Control Board (GCB), the Gaming Commission, and the Gaming Control Board Investigation Fund. The regulation of Nevada's gaming industry is conducted through a tiered system comprised of the Nevada Gaming Commission (5 members), the Gaming Control Board (3 members) and the Gaming Policy Committee (12 members). The Gaming Commission has final authority on all gaming matters. The GCB functions as the enforcement, investigative and regulatory agency. The Gaming Policy Committee functions as an advisory body, meeting when required to examine and recommend gaming policy. The GCB has six divisions, including Administration, Audit, Enforcement, Investigations, Tax and License, and Technology.

For all gaming budgets included in The Executive Budget, net of interagency transfers, the Governor recommends revenues and expenditures totaling \$92.9 million over the 2017-19 biennium, which is a decrease of \$4.9 million, or 5.0 percent, compared to the legislatively approved amount for the 2015-17 biennium. In total, General Fund appropriations of \$60.9 million are recommended for the biennium, which is a decrease of \$547,390, or 0.9 percent, compared to the amount approved for the 2015-17 biennium.

The GCB budget is supported primarily through General Fund appropriations and transfers from the Gaming Investigation Fund, which pays the investigative costs of those individuals applying for a gaming license through applicant reimbursement. Due to a slowdown in gaming applications, the Governor recommends eliminating seven Investigative Agent positions, which would result in a \$1.3 million reduction in Investigation Fees over the 2017-19 biennium. Four additional positions, including one agent from each of the Enforcement, Audit, and Tax and License Divisions and an Administrative Assistant, are recommended for elimination for a General Fund savings of \$717,546 in the 2017-19 biennium. To ensure sufficient travel funding is available to perform audits for the Audit Division and the Tax and License Division in FY 2019, the Governor recommends additional General Fund support of \$33,941.

The Nevada Gaming Commission budget provides support for the salaries of the Nevada Gaming Commission, one research staff position, operating costs, and travel costs in order to conduct research in developing policy related to gaming technology and regulations. In the Gaming Commission budget, General Fund appropriations of \$43,970 over the biennium are recommended for the Gaming Commission and a staff member to attend various out-of-state conferences and meetings.

PUBLIC UTILITIES COMMISSION

The Public Utilities Commission of Nevada (PUCN) regulates public companies engaged in electric, natural gas, telephone, water and sewer services; gas and electric “master metering” service at mobile home parks; some propane systems; and is involved in monitoring gas pipeline and railroad safety. Additionally, the PUCN makes determinations in a number of renewable energy-related matters, has oversight authority regarding electric and gas utilities’ administration of renewable energy incentive and demonstration programs, and administers the portfolio energy credit program.

The PUCN is comprised of three commissioners, appointed by the Governor, whose responsibilities are to balance the interests of customers of public utilities to receive safe and adequate service with reasonable rates, while providing shareholders of public utilities the opportunity to earn a fair return on their investment. The PUCN is responsible for the collection of the Universal Energy Charge (UEC), authorized by NRS 702.150-170, that is deposited into the Fund for Energy Assistance and Conservation. The UEC is based upon each kilowatt-hour of electricity and therm of gas sold at the retail level. The fund is administered in conjunction with the Division of Welfare and Supportive Services and the Division of Housing to assist low-income consumers with power bill payments and energy conservation, weatherization, and energy efficiency needs.

The Executive Budget recommends total funding of \$29.2 million over the 2017-19 biennium for the PUCN, which is an increase of 1.4 percent over the 2015-17 legislatively approved funding of \$28.8 million. Primary funding in this budget is derived from a mill assessment on gross utility operating revenues, statutorily capped at 3.5 mills (one mill = 1/10 of one cent). An additional assessment of up to 0.75 mills is assessed and transferred to the Attorney General’s Consumer Advocate budget. Pursuant to NRS 704.033, the PUCN estimates its annual regulatory assessment at 2.48 mills for the 2017-19 biennium. The mill assessment for FY 2016 and FY 2017 was set at 2.41 and 2.34 mills, respectively. The mill assessment for the Attorney General’s Consumer Advocate budget is 0.55 mills for the 2017-19 biennium.

The Executive Budget recommends reducing reserves by \$53,280 over the 2017-19 biennium to support expert consultant and witness services to assist staff in the completion of expected depreciation studies.

DEPARTMENT OF BUSINESS AND INDUSTRY

The Department of Business and Industry (B&I) is responsible for regulating business enterprises, promoting worker safety, administering the industrial bond programs, educating the public and businesses regarding their legal rights and responsibilities, and promoting the legal operation of businesses in Nevada. The department is funded through a combination of General Fund appropriations, Highway Fund appropriations, federal funds, business license revenue and other fees. The department consists of 14 agencies.

The Executive Budget includes total funding for the department of \$282.2 million over the 2017-19 biennium (net of interagency transfers), an increase of \$28.4 million, or 11.2 percent, when compared to the legislatively approved amount of \$253.8 million for the 2015-17 biennium. The Governor recommends General Fund appropriations of \$5.9 million over the 2017-19 biennium, an increase of \$641,752, or 12.3 percent, when compared to the legislatively approved amount of \$5.2 million for the 2015-17 biennium. The Governor also recommends Highway Fund appropriations of \$5.1 million, a decrease of \$658,684, or 11.41 percent, when compared to the legislatively approved amount of \$5.8 million for the 2015-17 biennium.

ADMINISTRATION DIVISION

The Administration Division is responsible for providing administrative and budgetary oversight to the various entities that organizationally make up the department. The Governor recommends new settlement income of \$1.3 million over the 2017-19 biennium to retain the Consumer Affairs Unit, including six full-time positions and one part-time position, which the 2015 Legislature funded with one-time National Mortgage Settlement funds from the Office of the Attorney General through June 30, 2017. The source of the new settlement income was not identified in The Executive Budget.

The Governor also recommends the elimination of the New Markets Performance Guarantee budget as the \$6.25 million of equity investments or long-term debt security deposits were refunded to the Community Development entities pursuant to Senate Bill 357 (2013 Legislative Session).

DIVISION OF INDUSTRIAL RELATIONS

The Division of Industrial Relations (DIR) regulates Nevada's workers' compensation insurance to ensure injured workers receive the benefits to which they are entitled, enforces federal and state health and safety standards, and assists employers with workplace safety programs. Additionally, the DIR provides safety training and inspections for all active mines in the state and issues or denies operating permits for elevators, escalators, boilers and pressure vessels based on inspections performed by State Specialists or an authorized agency. The programs under the division are funded primarily through assessments of workers' compensation insurers, with a smaller portion of funding received through licenses and fees. The division also receives grants from the United States Department of Labor, Occupational Safety and Health Administration, the Mine Safety and Health Administration, and the Bureau of Labor Statistics.

The Executive Budget recommends total funding of \$47.4 million over the 2017-19 biennium for the DIR, which is a 1.4 percent decrease from the \$48.1 million legislatively approved for the 2015-17 biennium. The Governor recommends an allocation from the Workers' Compensation and Safety Fund totaling \$303,155 in FY 2018 to replace various detection, metering, and safety equipment.

HOUSING DIVISION

The Housing Division assists and encourages the private sector and other governmental entities in the financing, creation and maintenance of affordable housing throughout the state. The Housing Division has eight major components: Multi-Family Bond Financing, First-Time Homebuyer Program, Low-Income Housing Tax Credit Program, Low-Income Housing Tax Credit Monitoring and Compliance, Home Investment Partnership Program (HOME), Low Income Housing Trust Fund, Emergency Solutions Grant Program, and the Weatherization Program.

Merger of the Manufactured Housing Division with the Housing Division

The Governor proposes to merge the Manufactured Housing Division with the Housing Division in order to leverage inspection, compliance, and consumer service efficiencies by consolidating staffing resources to address affordable housing issues. As part of the proposed merger, The Executive Budget recommends the following:

- Create a new Housing Inspection and Compliance budget to consolidate compliance and inspection personnel for both the Manufactured Housing and the Housing Divisions in order to gain organizational efficiencies.
- Create a new unclassified Affordable Housing Advocate position to act as an advocate on behalf of seniors, veterans and other Nevada residents who experience housing issues. The Governor recommends reserve reductions of \$208,015 over the 2017-19 biennium to fund the position and associated operating costs.
- Merge three Manufactured Housing Division budgets into the new Housing Inspection and Compliance budget, which involves the transfer of 13 positions (1 position is recommended to be reduced to a part-time position in FY 2019), as well as associated personnel and operating costs.
- Transfer 10 full-time and 2 part-time positions, along with associated personnel and operating costs, from the Housing and Weatherization budgets to the new Housing Inspection and Compliance budget.
- Create a new Compliance/Audit Investigator position and associated costs to support the Direct Energy Assistance Loan program and Senior Energy Program. The position and associated operating costs are recommended to be funded through reserve reductions of \$143,265 over the 2017-19 biennium.
- Consolidate the Manufactured Home Lot Rent Subsidy budget into the Low-Income Housing Trust Fund budget, including the transfer of 1 position.

The Executive Budget includes new National Housing Trust Funds of \$6.0 million and new Section 811 Project Assistance Rental program grant funds of \$800,000 over the 2017-19 biennium from the U.S. Department of Housing and Urban Development. The purpose of the grants is to increase and preserve homeownership and supply of rental housing for extremely low-income families and provide project-based rental assistance for low-income persons with disabilities. The recommendation includes a new Grants and Projects Analyst position to administer the new federal grants.

REAL ESTATE DIVISION

The Real Estate Division is responsible for regulating real estate brokers and salesmen, property managers, appraisers, qualified intermediaries, and building inspectors. The division also administers continuing education programs for real estate licensees in Nevada and is responsible for the enforcement of the statutory and regulatory provisions regarding the sale of subdivided lands, timeshares, and campground memberships. The division is funded through a combination of fees, interagency transfers, and General Fund appropriations. The Governor recommends General Fund appropriations totaling \$1.3 million over the 2017-19 biennium, which is \$121,145, or 10.2 percent, more than the \$1.2 million in General Fund appropriations approved by the 2015 Legislature.

As part of the \$1.3 million, the Governor recommends General Fund appropriations of \$709,477 over the 2017-19 biennium to retain six positions, which provide administrative and enforcement functions related to real estate, appraiser and timeshare licensing. The positions were temporarily restored by the 2015 Legislature and supported with Mortgage Settlement funding transferred from the Office of the Attorney General.

NEVADA ATHLETIC COMMISSION

The Nevada Athletic Commission (NAC), established in 1941, supervises and regulates all contests and exhibitions of unarmed combat, including boxing, professional wrestling, mixed martial arts, kickboxing and elimination boxing. Additionally, the Commission licenses and regulates persons who conduct, hold, or give contests or exhibitions for unarmed combat where an admission fee is received. The Medical Advisory Board is responsible for preparing standards for the physical and mental examination of contestants and advising the Commission regarding the physical or mental fitness of a contestant when requested by the Commission.

Pursuant to Assembly Bill 476, passed and approved during the 2015 Legislative Session, the NAC became a self-funded agency. Assembly Bill 476 increased licensing fees from 6 to 8 percent of total gross receipts from admission to a live contest or exhibition of unarmed combat. Of the 8 percent, 6 percent of total gross receipts is credited to the General Fund while the remaining 2 percent funds the agency.

The Executive Budget recommends funding of \$6.3 million over the 2017-19 biennium for the NAC, which is a 43.6 percent increase from the \$4.4 million legislatively approved for the 2015-17 biennium with the increase attributable to the balance forward of unused fees. Licensing and gate fee revenues are projected to remain flat at \$3.3 million over the biennium. The Governor recommends \$619,200 over the 2017-19 biennium to implement a comprehensive random drug-testing program for all fighters licensed by NAC, funded with reserves. The Governor recommends using reserves of \$149,517 in FY 2018 to develop and implement an automated office administration system to replace the agency's manual processes with the intention of becoming paperless. Additionally, The Executive Budget continues funding for

two positions approved by the Interim Finance Committee in FY 2016 to reduce NAC administrative licensing backlogs, allow for enhanced program oversight of all aspects of unarmed combat regulation, and reduce temporary staffing needs.

TAXICAB AUTHORITY

The Taxicab Authority is responsible for regulating the taxicab industry in counties with a population that exceeds 700,000 people (currently only in Clark County). The Taxicab Authority is funded by various fees, but primarily a \$.20 trip charge assessed on every taxicab ride. To address projected decreases in fee revenues in each year of the 2017-19 biennium, The Executive Budget recommends eliminating seven vacant positions, including five Compliance/Enforcement Investigators, one Supervisory Compliance/Enforcement Investigator, and one Taxicab Vehicle Inspector, which would result in savings totaling \$1.2 million over the biennium. According to the agency, decreases in revenue are projected due to a variety of factors, including the growth of transportation network companies in the state.

TRANSPORTATION AUTHORITY

The Nevada Transportation Authority has statewide regulatory responsibility for the intra-state transportation of passengers, household goods, tow cars, the bus industry, the limousine industry, and taxicabs (except taxicabs in Clark County). The 2015 Legislature approved Assembly Bills 175 and 176, which provide for the operation of transportation network companies (TNCs), such as Uber and Lyft, in the state. The legislation authorizes the Nevada Transportation Authority to regulate TNCs and TNC drivers statewide. The budget is supported through Highway Fund appropriations and fees collected from licensees. The Governor recommends Highway Fund appropriations in the amount of \$2.61 million in FY 2018 and \$2.50 million in FY 2019. Regulatory fee revenues of \$1.38 million and \$1.55 million are also recommended in FY 2018 and FY 2019, respectively.

To provide for the regulation of TNCs in the state beginning in FY 2016, the Interim Finance Committee approved eight new positions at its October 21, 2015, meeting. The Executive Budget recommends regulatory assessments totaling \$341,292 over the biennium to add two full-time Compliance/Enforcement Investigator positions (one in FY 2018, one in FY 2019) to provide additional staff for the regulation of TNCs in Las Vegas.

MANUFACTURED HOUSING DIVISION

The Manufactured Housing Division's principal responsibility is to ensure that manufactured homes, mobile homes, travel trailers, commercial coaches, manufactured buildings, and modular components are constructed and installed in a manner that provides reasonable safety and protection to owners and users. The division is a fee-based, self-funded agency.

Details of the Governor's proposal to merge the Manufactured Housing Division with the Housing Division are outlined under the Housing Division section.

DIVISION OF MORTGAGE LENDING

The Division of Mortgage Lending is responsible for the licensure and regulation of mortgage brokers, mortgage bankers, escrow agencies and agents, mortgage servicers, and covered service providers. The division is self-supporting and is funded through licensing fees and industry assessments. The Governor recommends reserve reductions of \$462,313 over the 2017-19 biennium to fund three new Mortgage Lending Examiner positions to support the out-of-state mortgage servicer program and address a backlog in examinations.

ECONOMIC DEVELOPMENT

The 1983 Legislature expanded economic development efforts in Nevada by creating the Nevada Commission on Economic Development, which included the Nevada Film Office, the Rural Community Development program and the Procurement Outreach Program. However, with the passage of Assembly Bill 449, the 2011 Legislature implemented a new economic development strategy for the State of Nevada. The new agency, titled the Governor's Office of Economic Development (GOED), is tasked with diversifying and strengthening the state's economy by attracting companies, subsidiaries, and divisions to locate into the state; assisting in the retention and expansion of existing Nevada companies; and helping new companies to start up in the state.

The office works with regional development authorities to identify, pursue, and achieve the goals of the GOED State Economic Development Plan released in February 2012. The GOED Plan focuses on the following industry sectors: aerospace and defense; energy; healthcare; information technology; hospitality and tourism; mining and manufacturing; and logistics and operations. Through the plan, GOED is also tasked with expanding global exports and foreign investment. The office collaborates with the Department of Employment, Training and Rehabilitation; the Nevada System of Higher Education; and other organizations to identify opportunities to expand Nevada's workforce and provide the qualified people needed by the state's businesses.

The office is comprised of the following seven budgets: Nevada Small State Business Credit Initiative program; Governor's Office of Economic Development; Nevada Film Office; Rural Community Development; Nevada Catalyst Fund; Procurement Outreach Program; and the Knowledge Fund.

GOVERNOR'S OFFICE OF ECONOMIC DEVELOPMENT

The Executive Budget recommends General Fund appropriations of \$15.2 million over the 2017-19 biennium for the Governor's Office of Economic Development, which is a decrease of 7.9 percent, or \$1.3 million, when compared to the amount approved for the 2015-17 biennium.

In order to continue GOED's support for the Unmanned Aerial Vehicle (UAV) industry and operate the Nevada UAV test site through the Nevada Institute for Autonomous Systems, the Governor recommends General Fund appropriations of \$330,000 in each

year of the 2017-19 biennium for the UAV program. With the Workforce Innovations for a New Nevada (WINN) program (established through Assembly Bill 1 of the 29th Special Session of the Nevada Legislature), GOED has increased involvement in the state's workforce development services. The Executive Budget recommends the elimination of the Nevada Train Employees Now (TEN) Program, reducing General Fund appropriations in the GOED budget by \$363,000 in each year of the biennium. Prior to the WINN program, the TEN program within the GOED budget handled specialized workforce training related to economic development activities.

NEVADA FILM OFFICE

The Nevada Film Office's mission is to facilitate the diverse needs of film, television, entertainment and multimedia productions that take place in Nevada, including promoting and increasing the use of Nevada as a "filming location of choice" nationwide and around the world. The Nevada Film Office also solidifies and enhances the state's credibility and raises Nevada's visibility as a prime resource for film, television, music, and other production industries.

The Nevada Film Office is funded primarily from a transfer of room tax revenue from the Commission on Tourism and fees charged for sales and associated advertising related to the Production Directory created by the office. The Governor's proposed room tax transfers of \$1.3 million for the 2017-19 biennium represent an increase of 10.1 percent compared to the legislatively approved amounts for the 2015-17 biennium.

RURAL COMMUNITY DEVELOPMENT

The Rural Community Development program administers the state's Community Development Block Grant (CDBG) program on behalf of small cities and rural counties in Nevada. The mission of the Rural Community Development program is to develop rural Nevada communities where current and future generations can choose to live healthy, productive and prosperous lives. Rural Community Development also helps to provide communities with adequate infrastructure, suitable housing and living environments, primarily for low-to-moderate income persons. This budget is mainly funded by the federal block grant received from the United States Department of Housing and Urban Development and supplemented by State General Funds. The General Fund support is used primarily for administrative costs and the required match.

The total funding for the Rural Community Development program is recommended at \$2.8 million in each fiscal year of the 2017-19 biennium, the majority of which consists of the federal CDBG grants of \$2.6 million annually. The amount of General Fund support recommended is \$353,736 over the 2017-19 biennium, which is an increase of 78.4 percent compared to the amount legislatively approved for the 2015-17 biennium.

PROCUREMENT OUTREACH PROGRAM

The Procurement Outreach Program promotes economic diversification of the state's economy by providing Nevada firms with access to procurement opportunities, necessary technical assistance, and the tools to compete for federal contracts. A primary focus for this program is placed upon retention, expansion, and diversification

of Nevada companies. The Procurement Outreach Program is funded primarily with federal funds from the United States Department of Defense and General Fund appropriations. The Governor recommends total funding for the Procurement Outreach Program in the amount of \$1.5 million over the 2017-19 biennium, which is 21.8 percent more than the legislatively approved funding of \$1.2 million for the 2015-17 biennium. The Governor recommends General Fund support of \$251,658 over the 2017-19 biennium, a decrease of \$4,058, or 1.6 percent less, when compared to the amount of General Fund support legislatively approved for the 2015-17 biennium.

CATALYST FUND

The Catalyst Fund is designed to provide a development resource, a grant, or a loan of money to promote the economic development of Nevada and aid the implementation of the State Plan for Economic Development. Funds may be granted or loaned to regional development authorities and must be used to make grants or loans to, or investments in, businesses seeking to create or expand in the state or relocate to the state. However, through the passage of Senate Bill 507 by the 2015 Legislature, the Catalyst Fund does not require additional General Fund support for the 2017-19 biennium, because the bill authorized the Executive Director of GOED and the Board of Economic Development to approve and issue transferrable tax credits to new or expanding businesses in Nevada to promote economic development, rather than issue grants as originally established in the Catalyst Fund. Accordingly, The Executive Budget recommends the balance forward of unspent Catalyst Fund revenues totaling \$889,026 from FY 2017 to the 2017-19 biennium, with no additional revenue other than interest earnings. For the 2017-19 biennium, The Executive Budget recommends expenditures of \$490,882 in FY 2018 and \$489,700 in FY 2019 to pay existing Catalyst Fund obligations, leaving a reserve balance of \$0 at the end of the 2017-19 biennium.

NEVADA STATE SMALL BUSINESS CREDIT INITIATIVE

The State Small Business Credit Initiative (SSBCI) budget was established through approval of the Interim Finance Committee (IFC) in October 2011. The SSBCI program was created in response to the federal Small Business Jobs Act of 2010 (Act), which was signed into law in September 2010. The purpose of the Act is to help increase small business lending and access to capital. The GOED has been designated as the state agency to accept and award the federal SSBCI grant funds.

The Executive Budget recommends small business-related loan repayments of \$1.4 million in each year of the 2017-19 biennium, and the balance forward of \$2.9 million of program and federal funds from FY 2017 to FY 2018, and \$1.2 million from FY 2018 to FY 2019. In 2013, the IFC authorized the agency to receive \$4.6 million in federal Small Business Jobs Act State Small Business Credit Initiative funds for the existing Collateral Support Program to implement a new venture capital program entitled the Battle Born Growth Escalator Venture (Battle Born) program. The Battle Born program makes equity and equity-like investments in early stage, high-growth Nevadan enterprises in the following industries: aerospace and defense,

agriculture, energy, healthcare, IT, logistics and operations, manufacturing, mining, tourism and gaming, and water. The program seeks an economic return on investment, and any proceeds from investments are reinvested into the program for the benefit of the citizens of the state. For the 2017-19 biennium, the Governor recommends transferring the Battle Born program from the SSBCI budget to a nonprofit entity that would be created in accordance with Assembly Bill 17 of the 2015 Legislative Session. To effectuate this transfer, The Executive Budget recommends providing \$2.0 million of program funds to the nonprofit entity in FY 2018, with an additional \$1.0 million in FY 2019.

NEVADA KNOWLEDGE FUND

The Nevada Knowledge Fund was created by Assembly Bill 449 of the 2011 Legislative Session, as the centerpiece of an objective to make technology-based economic development a priority in Nevada. While authority for the Nevada Knowledge Fund was established by the 2011 Legislature, no funding was initially recommended or provided to the program for the 2011-13 biennium. Initial funding for the Nevada Knowledge Fund was provided by the 2013 Legislature, which approved the Governor's recommendation to provide General Fund appropriations of \$5.0 million in each year of the 2013-15 biennium. The 2015 Legislature approved the same funding levels for the 2015-17 biennium.

The Governor recommends the continuation of General Fund appropriations of \$5.0 million in each year of the 2017-19 biennium, which would continue to provide funding for the four categories allowed under NRS 231.1597:

- The recruitment, hiring and retention of research teams and faculty to conduct research in science and technology, which has the potential to contribute to economic development in the state.
- Research laboratories and related equipment located or to be located in this state.
- The construction of research clinics, institutes and facilities and related buildings located or to be located in the state.
- Matching funds for federal, private sector grants, and contract opportunities that support economic development consistent with the State Plan for Economic Development developed by the Executive Director.

In accordance with NRS 231, the University of Nevada, Reno, the University of Nevada, Las Vegas, and the Desert Research Institute are the institutions eligible to make application for these funds.

WORKFORCE INNOVATIONS FOR A NEW NEVADA

The Workforce Innovations for a New Nevada (WINN) budget was established through approval of Assembly Bill 1 of the 29th Special Session of the Nevada Legislature, and requires GOED to develop and implement programs to provide customized workforce development services to companies that create, relocate, or expand businesses in the state. In approving Assembly Bill 1, the Legislature approved General Fund appropriations totaling \$2.5 million to fund the WINN budget in FY 2017. The Governor recommends

General Fund appropriations of \$3.5 million in FY 2018 and an additional \$4.5 million in FY 2019 for WINN programs.

DEPARTMENT OF TOURISM AND CULTURAL AFFAIRS

The Department of Tourism and Cultural Affairs consists of the Division of Tourism, Nevada Commission on Tourism, Division of Museums and History, Board of Museums and History, Nevada Arts Council, Board of the Nevada Arts Council, and Nevada Indian Commission.

DIVISION OF TOURISM

The Division of Tourism (Division) is responsible for developing and implementing a domestic and international marketing and advertising campaign to promote Nevada as a tourism and business travel destination. The division is funded by a 3/8 share of 1 percent of the statewide room tax.

The Division received \$22.6 million of room tax revenues in FY 2016, which was \$1.9 million (9.4 percent) more than the amount budgeted by the 2015 Legislature. The Executive Budget projects FY 2018 room tax revenues at \$25.0 million, which represents a \$2.4 million, or 10.75 percent increase when compared to FY 2016 actual receipts. Room tax revenues are anticipated to increase further to \$25.7 million in FY 2019 or 2.9 percent more than the FY 2018 projected amount. The growth in projected room tax revenues correlates to anticipated increases in visitor volume, occupied room nights, and average daily rate projections.

The Governor recommends room tax transfers of \$10.5 million to other state agencies over the 2017-19 biennium as depicted in the following table.

Governor's Recommended Room Tax Transfers from the Tourism Development Fund			
	FY 2018	FY 2019	Biennium Total
<u>Intra-Agency Transfers to:</u>			
Lost City Museum	\$ 197,729	\$ 208,808	\$ 406,537
Tourism Development	\$ 100,000	\$ 100,000	\$ 200,000
Nevada Indian Commission	\$ 72,076	\$ 74,464	\$ 146,540
Nevada Historical Society	\$ 311,483	\$ 316,378	\$ 627,861
Nevada State Museum, CC	\$ 738,973	\$ 757,102	\$ 1,496,075
Museums and History	\$ 222,210	\$ 224,955	\$ 447,165
Nevada State Museum, LV	\$ 750,491	\$ 763,524	\$ 1,514,015
Nevada Arts Council	\$ 1,070,407	\$ 1,081,027	\$ 2,151,434
Railroad Museums	\$ 475,225	\$ 493,319	\$ 968,544
Subtotal	\$ 3,938,594	\$ 4,019,577	\$ 7,958,171
<u>Inter-Agency Transfers to:</u>			
Governor's Washington Office	\$ 106,511	\$ 106,511	\$ 213,022
Nevada Film Office	\$ 660,003	\$ 661,304	\$ 1,321,307
State Parks	\$ 509,131	\$ 509,131	\$ 1,018,262
Subtotal	\$ 1,275,645	\$ 1,276,946	\$ 2,552,591
Total of all Transfers	\$ 5,214,239	\$ 5,296,523	\$ 10,510,762

The Governor recommends reserve reductions of \$152,860 over the 2017-19 biennium for a new Management Analyst position to oversee the Stewart Indian School Living Legacy and Nevada Indian Commission budgets.

DIVISION OF MUSEUMS AND HISTORY

The Division of Museums and History includes the Administration office in Carson City and the following facilities: the Nevada State Museum and the Nevada State Railroad Museum in Carson City, the Nevada Historical Society in Reno, the Nevada State Museum in Las Vegas, the Boulder City Railroad Museum, the East Ely Railroad Depot Museum and the Lost City Museum in Overton.

The Executive Budget recommends \$480,000 in license plate renewal fee revenue over the 2017-19 biennium to preserve, promote and protect the state's heritage. The Governor recommends the reinstatement of the \$20 license plate renewal fee for individuals with license plates commemorating the 150th anniversary of Nevada's admission to the Union. Pursuant to statute, this renewal fee expired October 31, 2016. The Governor further recommends redirecting half of the fee revenue collected to the Division of Museums and History and half to the Division of State Parks. The agency has submitted a bill draft request to implement this recommendation.

NEVADA ARTS COUNCIL

The Nevada Arts Council (NAC) promotes Nevada's cultural life through grants and technical assistance to individuals and organizations. The NAC programs serve as a catalyst to stimulate artistic, cultural and economic activity across the state, animate its breadth of communities, ensure lifelong learning in the arts for all Nevadans, and encourage public and private support for the arts.

The Executive Budget recommends replacing \$200,000 of General Fund appropriations over the 2017-19 biennium with room tax transfers from the Commission on Tourism to fund a new Arts Tourism campaign that would market Nevada as a cultural/heritage destination. The Governor also recommends two new Cultural Resource Specialists positions that would oversee the Traveling Exhibition program and assist with grant management.

CAPITAL IMPROVEMENT PROJECTS

The Governor recommends four Capital Improvement Program (CIP) projects for the Department of Tourism and Cultural Affairs during the 2017-19 biennium totaling \$5.1 million in state funds, as described in the following table.

Project Number	Location	Project Title	State Funding	Grant Funding
C08	Carson City	Cultural and Welcome Centers (Stewart Campus)	\$ 4,508,168	\$ 147,000
M59	Carson City	Boiler Plant Renovation (Nevada State Museum, Carson City)	\$ 239,003	\$ -
M67	Reno	Refurbish Compact Shelving (Nevada Historical Society Building)	\$ 148,960	\$ -
M74	Las Vegas	Remodel Loading Dock (Nevada State Museum, Las Vegas)	\$ 216,778	\$ -
		Total	\$ 5,112,909	\$ 147,000

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	2015-2016 Actual	2016-2017 Work Program	2017-2018 GOVERNOR RECOMMENDS	% Change	2018-2019 GOVERNOR RECOMMENDS	% Change
COMMERCE & INDUSTRY						
DEPARTMENT OF AGRICULTURE						
AGRI - ADMINISTRATION	3,036,536	2,399,428	2,752,015	14.69	2,701,134	-1.85
GENERAL FUND	40,000	40,000	116,779	191.95	40,000	-65.75
BALANCE FORWARD	-5,926	14,220	7,141	-49.78	83,853	1,074.25
FEDERAL FUND	5,000	5,000	4,768	-4.64	4,768	
INTERAGENCY TRANSFER	2,995,862	2,332,968	2,614,672	12.07	2,563,858	-1.94
OTHER FUND	1,600	7,240	8,655	19.54	8,655	
AGRI - AGRICULTURE REGISTRATION/ENFORCEMENT	2,702,297	4,724,629	4,970,155	5.20	4,651,611	-6.41
BALANCE FORWARD	-443,457	2,006,352	1,678,691	-16.33	1,360,004	-18.98
FEDERAL FUND	488,694	345,556	505,054	46.16	504,996	-.01
INTERAGENCY TRANSFER	127,259	57,106	137,991	141.64	137,988	-.00
OTHER FUND	2,529,801	2,315,615	2,648,419	14.37	2,648,623	.01
AGRI - PLANT HEALTH & QUARANTINE SERVICES	392,254	393,870	1,209,235	207.01	618,484	-48.85
GENERAL FUND	392,964	393,870	1,209,235	207.01	618,484	-48.85
REVERSIONS	-710					
AGRI - PEST, PLANT DISEASE NOXIOUS WEED CONTROL	681,733	1,330,374	1,288,889	-3.12	1,393,431	8.11
BALANCE FORWARD	-52,347	165,184	255,583	54.73	333,759	30.59
FEDERAL FUND	682,608	1,128,318	984,525	-12.74	1,014,416	3.04
OTHER FUND	51,472	36,872	48,781	32.30	45,256	-7.23
AGRI - VETERINARY MEDICAL SERVICES	1,154,363	1,095,726	1,370,559	25.08	1,359,433	-.81
GENERAL FUND	980,699	931,760	1,191,512	27.88	1,180,689	-.91
FEDERAL FUND	85,113	25,871	87,385	237.77	87,082	-.35
INTERAGENCY TRANSFER	88,674	135,107	88,674	-34.37	88,674	
OTHER FUND	3,341	2,988	2,988		2,988	
REVERSIONS	-3,464					
AGRI - COMMERCIAL FEED	112	14,523	20,046	38.03	29,534	47.33
BALANCE FORWARD	-4,922	4,923	10,520	113.69	20,008	90.19
OTHER FUND	5,034	9,600	9,526	-.77	9,526	
AGRI - LIVESTOCK INSPECTION	1,361,946	1,750,491	1,692,116	-3.33	1,535,556	-9.25
BALANCE FORWARD	-257,788	467,123	382,039	-18.21	225,590	-40.95
INTERAGENCY TRANSFER		1,391				
OTHER FUND	1,619,734	1,281,977	1,310,077	2.19	1,309,966	-.01
AGRI - PREDATORY ANIMAL & RODENT CONTROL	685,356	781,131	817,806	4.70	824,987	.88
GENERAL FUND	744,300	748,008	784,683	4.90	791,864	.92
INTERAGENCY TRANSFER	14,000	14,000	14,000		14,000	
OTHER FUND	21,276	19,123	19,123		19,123	
REVERSIONS	-94,220					
AGRI - CONSUMER EQUITABILITY	2,732,418	3,330,020	3,400,937	2.13	3,047,113	-10.40
BALANCE FORWARD	403,958	993,230	976,839	-1.65	576,715	-40.96
INTERAGENCY TRANSFER	752,430	752,430	752,430		752,430	
OTHER FUND	1,576,030	1,584,360	1,671,668	5.51	1,717,968	2.77

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	2015-2016 Actual	2016-2017 Work Program	2017-2018 GOVERNOR RECOMMENDS	% Change	2018-2019 GOVERNOR RECOMMENDS	% Change
AGRI - NUTRITION EDUCATION PROGRAMS	161,799,439	131,462,907	182,497,237	38.82	194,549,980	6.60
GENERAL FUND	1,107,463	1,107,463	127,585	-88.48	127,419	-1.13
BALANCE FORWARD	-349,141	425,796	944,808	121.89	1,780,521	88.45
FEDERAL FUND	161,078,326	129,929,648	181,424,844	39.63	192,642,040	6.18
REVERSIONS	-37,209					
AGRI - COMMODITY FOOD PROG	15,359,633	15,971,979	18,878,484	18.20	18,610,990	-1.42
GENERAL FUND			98,398		98,398	
BALANCE FORWARD	514,847	822,350	852,562	3.67	488,861	-42.66
FEDERAL FUND	1,517,408	1,863,890	1,614,761	-13.37	1,684,087	4.29
OTHER FUND	13,327,378	13,285,739	16,312,763	22.78	16,339,644	.16
AGRI - DAIRY FUND	1,008,751	1,907,128	1,872,250	-1.83	1,600,196	-14.53
BALANCE FORWARD	-180,326	982,793	890,349	-9.41	622,795	-30.05
INTERAGENCY TRANSFER	41,946		57,566		53,066	-7.82
OTHER FUND	1,147,131	924,335	924,335		924,335	
TOTAL DEPARTMENT OF AGRICULTURE	190,914,838	165,162,206	220,769,729	33.67	230,922,449	4.60
GENERAL FUND	3,265,426	3,221,101	3,528,192	9.53	2,856,854	-19.03
BALANCE FORWARD	-375,102	5,881,971	5,998,532	1.98	5,492,106	-8.44
FEDERAL FUND	163,857,149	133,298,283	184,621,337	38.50	195,937,389	6.13
INTERAGENCY TRANSFER	4,020,171	3,293,002	3,665,333	11.31	3,610,016	-1.51
OTHER FUND	20,282,797	19,467,849	22,956,335	17.92	23,026,084	.30
REVERSIONS	-135,603					
MINERALS						
DIVISION OF MINERALS	1,907,836	3,011,237	2,968,194	-1.43	2,576,734	-13.19
BALANCE FORWARD	-204,530	1,061,288	985,603	-7.13	680,723	-30.93
FEDERAL FUND	66,859	50,000	50,000		50,000	
INTERAGENCY TRANSFER	88,269	76,100	88,269	15.99	88,269	
OTHER FUND	1,957,238	1,823,849	1,844,322	1.12	1,757,742	-4.69
TOTAL MINERALS	1,907,836	3,011,237	2,968,194	-1.43	2,576,734	-13.19
BALANCE FORWARD	-204,530	1,061,288	985,603	-7.13	680,723	-30.93
FEDERAL FUND	66,859	50,000	50,000		50,000	
INTERAGENCY TRANSFER	88,269	76,100	88,269	15.99	88,269	
OTHER FUND	1,957,238	1,823,849	1,844,322	1.12	1,757,742	-4.69
GAMING CONTROL BOARD						
GCB - GAMING CONTROL BOARD	40,698,053	46,193,076	43,689,039	-5.42	44,249,705	1.28
GENERAL FUND	29,950,174	30,523,896	29,556,070	-3.17	30,118,718	1.90
BALANCE FORWARD	-402,392	402,392				
INTERAGENCY TRANSFER	10,858,313	13,001,053	12,072,661	-7.14	12,070,679	-0.02
OTHER FUND	1,974,518	2,265,735	2,060,308	-9.07	2,060,308	
REVERSIONS	-1,682,560					
GCB - GAMING COMMISSION	301,263	464,447	640,377	37.88	538,493	-15.91
GENERAL FUND	462,531	464,447	640,377	37.88	538,493	-15.91
REVERSIONS	-161,268					

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	2015-2016 Actual	2016-2017 Work Program	2017-2018 GOVERNOR RECOMMENDS	% Change	2018-2019 GOVERNOR RECOMMENDS	% Change
GCB - GAMING CONTROL BOARD INVESTIGATION FUND	11,813,861	15,992,193	13,973,767	-12.62	13,969,108	-0.03
BALANCE FORWARD		2,000	2,000		2,000	
OTHER FUND	14,406,090	15,990,193	13,971,767	-12.62	13,967,108	-0.03
REVERSIONS	-2,592,229					
TOTAL GAMING CONTROL BOARD	52,813,177	62,649,716	58,303,183	-6.94	58,757,306	.78
GENERAL FUND	30,412,705	30,988,343	30,196,447	-2.56	30,657,211	1.53
BALANCE FORWARD	-402,392	404,392	2,000	-99.51	2,000	
INTERAGENCY TRANSFER	10,858,313	13,001,053	12,072,661	-7.14	12,070,679	-0.02
OTHER FUND	16,380,608	18,255,928	16,032,075	-12.18	16,027,416	-0.03
REVERSIONS	-4,436,057					
PUBLIC UTILITIES COMMISSION						
PUC - PUBLIC UTILITIES COMMISSION	11,402,799	15,156,920	14,865,068	-1.93	14,308,327	-3.75
BALANCE FORWARD	91,735	3,774,721	3,377,098	-10.53	2,817,466	-16.57
FEDERAL FUND	604,695	661,572	573,953	-13.24	574,468	.09
INTERAGENCY TRANSFER	181,082	211,605	181,082	-14.42	181,082	
OTHER FUND	10,525,287	10,509,022	10,732,935	2.13	10,735,311	.02
TOTAL PUBLIC UTILITIES COMMISSION	11,402,799	15,156,920	14,865,068	-1.93	14,308,327	-3.75
BALANCE FORWARD	91,735	3,774,721	3,377,098	-10.53	2,817,466	-16.57
FEDERAL FUND	604,695	661,572	573,953	-13.24	574,468	.09
INTERAGENCY TRANSFER	181,082	211,605	181,082	-14.42	181,082	
OTHER FUND	10,525,287	10,509,022	10,732,935	2.13	10,735,311	.02
DEPT OF BUSINESS & INDUSTRY						
B&I - OFFICE OF BUSINESS AND PLANNING		385,262	304,206	-21.04	318,024	4.54
GENERAL FUND		385,262	304,206	-21.04	318,024	4.54
B&I - BUSINESS AND INDUSTRY ADMINISTRATION	4,237,853	4,679,414	4,988,611	6.61	5,110,924	2.45
GENERAL FUND	111,023	108,927	114,883	5.47	116,047	1.01
INTERAGENCY TRANSFER	3,709,619	3,981,462	4,250,853	6.77	4,350,499	2.34
OTHER FUND	424,466	589,025	622,875	5.75	644,378	3.45
REVERSIONS	-7,255					
B&I - INDUSTRIAL DEVELOPMENT BONDS	24,060	761,044	855,879	12.46	956,503	11.76
BALANCE FORWARD	-84,574	637,215	747,244	17.27	847,868	13.47
OTHER FUND	108,634	123,829	108,635	-12.27	108,635	
B&I - NEW MARKETS PERFORMANCE GUARANTEE	5,250,000					
BALANCE FORWARD	5,250,000					
B&I - NEVADA HOME RETENTION PROGRAM		48,000,000				
OTHER FUND		48,000,000				
B&I - EMPLOYEE MANAGEMENT RELATIONS BOARD	413,537	1,004,754	1,186,747	18.11	1,372,807	15.68
BALANCE FORWARD	-131,689	477,432	615,116	28.84	785,264	27.66
OTHER FUND	545,226	527,322	571,631	8.40	587,543	2.78

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	2015-2016 Actual	2016-2017 Work Program	2017-2018 GOVERNOR RECOMMENDS	% Change	2018-2019 GOVERNOR RECOMMENDS	% Change
B&I - ATHLETIC COMMISSION	885,289	2,548,123	3,176,881	24.68	3,109,958	-2.11
BALANCE FORWARD	-727,312	911,858	1,542,072	69.11	1,475,149	-4.34
OTHER FUND	1,612,601	1,636,265	1,634,809	-.09	1,634,809	
B&I - LABOR COMMISSIONER	1,522,934	1,761,309	1,782,462	1.20	1,920,922	7.77
GENERAL FUND	1,669,396	1,761,309	1,782,462	1.20	1,920,922	7.77
REVERSIONS	-146,462					
B&I - NV ATTORNEY FOR INJURED WORKERS	3,441,622	3,596,031	3,622,926	.75	3,652,355	.81
OTHER FUND	3,525,412	3,596,031	3,622,926	.75	3,652,355	.81
REVERSIONS	-83,790					
B&I - INSURANCE REGULATION	11,343,974	16,027,251	13,693,044	-14.56	15,743,995	14.98
BALANCE FORWARD	1,341,631	4,938,753	3,421,988	-30.71	1,937,440	-43.38
FEDERAL FUND	553,316	1,337,634	547,785	-59.05	604,522	10.36
INTERAGENCY TRANSFER	338,166	371,906	407,557	9.59	414,058	1.60
OTHER FUND	9,110,861	9,378,958	9,315,714	-.67	12,787,975	37.27
B&I - CAPTIVE INSURERS	1,120,772	1,317,283	1,780,570	35.17	1,436,500	-19.32
BALANCE FORWARD	-58,398	499,991	375,664	-24.87	456,094	21.41
INTERAGENCY TRANSFER	307,956	251,839	307,956	22.28	307,956	
OTHER FUND	871,214	565,453	1,096,950	93.99	672,450	-38.70
B&I - INSURANCE RECOVERY		209,320	209,320	.00	209,320	.00
BALANCE FORWARD		209,320	209,320		209,320	
B&I - SELF INSURED - WORKERS COMPENSATION	490,273	576,031	571,120	-.85	579,373	1.45
OTHER FUND	579,696	576,031	571,120	-.85	579,373	1.45
REVERSIONS	-89,423					
B&I - INDUSTRIAL RELATIONS	7,248,619	10,227,040	7,142,817	-30.16	7,240,963	1.37
BALANCE FORWARD	-1,926,680	1,926,680				
OTHER FUND	9,435,583	8,300,360	7,142,817	-13.95	7,240,963	1.37
REVERSIONS	-260,284					
B&I - OCCUPATIONAL SAFETY & HEALTH ENFORCEMENT	9,318,500	10,839,393	11,307,876	4.32	11,508,573	1.77
FEDERAL FUND	1,290,043	1,314,550	1,311,215	-.25	1,311,215	
OTHER FUND	9,221,673	9,524,843	9,996,661	4.95	10,197,358	2.01
REVERSIONS	-1,193,216					
B&I - SAFETY CONSULTATION AND TRAINING	3,066,569	3,268,173	3,488,195	6.73	3,467,879	-.58
FEDERAL FUND	886,304	910,832	831,285	-8.73	831,285	
OTHER FUND	2,275,229	2,357,341	2,656,910	12.71	2,636,594	-.76
REVERSIONS	-94,964					
B&I - MINE SAFETY & TRAINING	1,466,289	1,459,843	1,664,113	13.99	1,602,112	-3.73
FEDERAL FUND	279,593	235,157	278,998	18.64	278,998	
OTHER FUND	1,218,651	1,224,686	1,385,115	13.10	1,323,114	-4.48
REVERSIONS	-31,955					

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	2015-2016 Actual	2016-2017 Work Program	2017-2018 GOVERNOR RECOMMENDS	% Change	2018-2019 GOVERNOR RECOMMENDS	% Change
B&I - REAL ESTATE ADMINISTRATION	3,107,782	3,603,659	3,287,228	-8.78	3,417,982	3.98
GENERAL FUND	452,231	737,473	636,076	-13.75	674,753	6.08
INTERAGENCY TRANSFER	412,779	432,160	337,288	-21.95	401,081	18.91
OTHER FUND	2,424,673	2,434,026	2,313,864	-4.94	2,342,148	1.22
REVERSIONS	-181,901					
B&I - REAL ESTATE EDUCATION AND RESEARCH	496,762	1,225,513	1,029,199	-16.02	801,488	-22.13
BALANCE FORWARD	54,176	561,137	593,967	5.85	384,230	-35.31
INTERAGENCY TRANSFER	440,059	662,280	433,232	-34.58	415,258	-4.15
OTHER FUND	2,527	2,096	2,000	-4.58	2,000	
B&I - REAL ESTATE RECOVERY ACCOUNT	466,509	1,069,360	754,593	-29.44	768,608	1.86
BALANCE FORWARD		300,000	300,000		300,000	
OTHER FUND	466,509	769,360	454,593	-40.91	468,608	3.08
B&I - COMMON INTEREST COMMUNITIES	2,204,418	3,824,688	3,509,081	-8.25	3,204,575	-8.68
BALANCE FORWARD	454,703	1,577,858	1,307,982	-17.10	1,019,772	-22.03
INTERAGENCY TRANSFER	1,407	100	1,000	900.00	1,000	
OTHER FUND	1,748,308	2,246,730	2,200,099	-2.08	2,183,803	-7.4
B&I - HOUSING DIVISION	7,382,735	12,220,030	12,931,454	5.82	13,454,043	4.04
BALANCE FORWARD	37,140	676,351	886,354	31.05	1,371,217	54.70
FEDERAL FUND	3,193,160	3,000,000	3,023,400	.78	3,023,400	
INTERAGENCY TRANSFER		78,678	276,986	252.05	281,422	1.60
OTHER FUND	4,152,435	8,465,001	8,744,714	3.30	8,778,004	.38
B&I - LOW INCOME HOUSING TRUST FUND	6,500,043	21,645,947	26,584,688	22.82	27,084,998	1.88
BALANCE FORWARD	48,357	15,148,755	15,503,208	2.34	15,962,468	2.96
FEDERAL FUND	496,333	596,250	4,031,397	576.13	3,863,943	-4.15
INTERAGENCY TRANSFER			46,161		46,142	-.04
OTHER FUND	5,955,353	5,900,942	7,003,922	18.69	7,212,445	2.98
B&I - SPECIAL HOUSING ASSISTANCE	2,244	1,222,003	2,372,082	94.11	761,637	-67.89
BALANCE FORWARD	-291,543	772,003	553,593	-28.29	344,267	-37.81
FEDERAL FUND			1,492,465		399,016	-73.26
OTHER FUND	293,787	450,000	326,024	-27.55	18,354	-94.37
B&I - WEATHERIZATION	5,259,023	8,680,696	7,798,800	-10.16	7,880,526	1.05
BALANCE FORWARD	-234,238	1,911,309	1,697,133	-11.21	1,738,446	2.43
FEDERAL FUND	808,217	871,308	871,308		871,308	
INTERAGENCY TRANSFER	1,435,834	2,377,326	2,025,554	-14.80	2,025,554	
OTHER FUND	3,249,210	3,520,753	3,204,805	-8.97	3,245,218	1.26
B&I - MANUFACTURED HOUSING	1,176,278	1,862,274				
BALANCE FORWARD	19,924	807,589				
FEDERAL FUND	22,145	22,690				
INTERAGENCY TRANSFER	121,243	145,909				
OTHER FUND	1,012,966	886,086				

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	2015-2016 Actual	2016-2017 Work Program	2017-2018 GOVERNOR RECOMMENDS	% Change	2018-2019 GOVERNOR RECOMMENDS	% Change
B&I - HOUSING INSPECTION & COMPLIANCE			3,068,584		2,801,747	-8.70
BALANCE FORWARD			793,418		511,193	-35.57
FEDERAL FUND			22,301		22,578	1.24
INTERAGENCY TRANSFER			1,038,067		1,053,796	1.52
OTHER FUND			1,214,798		1,214,180	-.05
B&I - MOBILE HOME LOT RENT SUBSIDY	396,213	637,291				
BALANCE FORWARD	12,953	256,495				
INTERAGENCY TRANSFER	41,771	43,386				
OTHER FUND	341,489	337,410				
B&I - MOBILE HOME PARKS	201,170	404,547				
BALANCE FORWARD	-26,674	222,665				
INTERAGENCY TRANSFER	37,967	38,518				
OTHER FUND	189,877	143,364				
B&I - MFG HOUSING EDUCATION/RECOVERY	72,758	425,176				
BALANCE FORWARD	-40,507	323,443				
INTERAGENCY TRANSFER	25,821	26,559				
OTHER FUND	87,444	75,174				
B&I - FINANCIAL INSTITUTIONS	3,306,956	6,589,195	5,936,449	-9.91	5,490,120	-7.52
GENERAL FUND	100	100	100		100	
BALANCE FORWARD	164,501	2,920,836	2,684,844	-8.08	2,133,131	-20.55
OTHER FUND	3,142,455	3,668,259	3,251,505	-11.36	3,356,889	3.24
REVERSIONS	-100					
B&I - FINANCIAL INSTITUTIONS INVESTIGATIONS	41,566	1,314,817	1,394,887	6.09	1,444,842	3.58
BALANCE FORWARD	-108,029	1,157,033	1,270,137	9.78	1,335,217	5.12
OTHER FUND	149,595	157,784	124,750	-20.94	109,625	-12.12
B&I - FINANCIAL INSTITUTIONS AUDIT	16,938	252,421	259,391	2.76	252,559	-2.63
BALANCE FORWARD	16,588	136,921	142,681	4.21	135,849	-4.79
OTHER FUND	350	115,500	116,710	1.05	116,710	
B&I - MORTGAGE LENDING	2,092,254	6,864,074	7,824,863	14.00	9,149,554	16.93
BALANCE FORWARD	-1,107,132	4,969,831	4,095,357	-17.60	5,117,163	24.95
INTERAGENCY TRANSFER			1,701		1,701	
OTHER FUND	3,199,386	1,894,243	3,727,805	96.80	4,030,690	8.13
B&I - TAXICAB AUTHORITY	6,761,533	13,220,004	11,347,354	-14.17	10,750,884	-5.26
BALANCE FORWARD	-559,683	5,514,817	4,418,160	-19.89	3,821,690	-13.50
OTHER FUND	7,321,216	7,705,187	6,929,194	-10.07	6,929,194	
B&I - TRANSPORTATION AUTHORITY	3,129,459	4,805,170	4,571,307	-4.87	4,536,029	-.77
BALANCE FORWARD	-717,189	726,093	582,017	-19.84	487,077	-16.31
HIGHWAY FUND	2,798,079	2,973,639	2,609,770	-12.24	2,503,264	-4.08
OTHER FUND	1,495,084	1,105,438	1,379,520	24.79	1,545,688	12.05
REVERSIONS	-446,515					

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	2015-2016 Actual	2016-2017 Work Program	2017-2018 GOVERNOR RECOMMENDS	% Change	2018-2019 GOVERNOR RECOMMENDS	% Change
B&I - TRANSPORTATION AUTHORITY ADMIN FINES	120,392	920,610	1,048,134	13.85	1,130,630	7.87
BALANCE FORWARD	-81,858	612,023	783,978	28.10	866,474	10.52
OTHER FUND	202,250	308,587	264,156	-14.40	264,156	
TOTAL DEPT OF BUSINESS & INDUSTRY	92,565,324	197,447,746	149,492,861	-24.29	151,160,430	1.12
GENERAL FUND	2,232,750	2,993,071	2,837,727	-5.19	3,029,846	6.77
BALANCE FORWARD	1,304,467	48,196,408	42,524,233	-11.77	41,239,329	-3.02
FEDERAL FUND	7,529,111	8,288,421	12,410,154	49.73	11,206,265	-9.70
HIGHWAY FUND	2,798,079	2,973,639	2,609,770	-12.24	2,503,264	-4.08
INTERAGENCY TRANSFER	6,872,622	8,410,123	9,126,355	8.52	9,298,467	1.89
OTHER FUND	74,364,160	126,586,084	79,984,622	-36.81	83,883,259	4.87
REVERSIONS	-2,535,865					
GOVERNOR'S OFFICE OF ECONOMIC DEVELOPMENT						
GOED - GOVERNOR'S OFFICE OF ECONOMIC DEV	8,959,700	12,814,619	8,484,711	-33.79	8,432,383	-.62
GENERAL FUND	8,783,416	7,752,750	7,650,539	-1.32	7,585,595	-.85
FEDERAL FUND	411,271	4,976,869	763,530	-84.66	763,530	
INTERAGENCY TRANSFER	10,000	10,000	10,642	6.42	8,258	-22.40
OTHER FUND	30,000	75,000	60,000	-20.00	75,000	25.00
REVERSIONS	-274,987					
GOED - NEVADA FILM OFFICE	664,718	793,889	765,337	-3.60	798,848	4.38
BALANCE FORWARD	115,694	123,607	44,459	-64.03	76,669	72.45
INTERAGENCY TRANSFER	488,149	600,080	660,003	9.99	661,304	.20
OTHER FUND	60,875	70,202	60,875	-13.29	60,875	
GOED - RURAL COMMUNITY DEVELOPMENT	3,270,878	2,560,989	2,793,643	9.08	2,792,185	-.05
GENERAL FUND	97,523	100,749	177,597	76.28	176,139	-.82
BALANCE FORWARD	44,261	12,928				
FEDERAL FUND	3,130,085	2,447,312	2,616,046	6.89	2,616,046	
OTHER FUND	303					
REVERSIONS	-1,294					
GOED - PROCUREMENT OUTREACH PROGRAM	655,906	722,125	726,909	.66	724,749	-.30
GENERAL FUND	126,479	129,237	126,909	-1.80	124,749	-1.70
BALANCE FORWARD	-1,469	1,689				
FEDERAL FUND	544,560	591,199	600,000	1.49	600,000	
REVERSIONS	-13,664					
GOED - NEVADA CATALYST FUND	2,489,900	7,889,026	934,804	-88.15	489,700	-47.61
GENERAL FUND	7,000,000					
BALANCE FORWARD	-4,555,677	7,870,576	889,026	-88.70	443,922	-50.07
OTHER FUND	45,577	18,450	45,778	148.12	45,778	
GOED - NEVADA SSBCI PROGRAM	1,041,233	9,622,919	4,313,543	-55.17	2,637,997	-38.84
BALANCE FORWARD	-401,074	3,417,654	2,880,004	-15.73	1,204,458	-58.18
FEDERAL FUND		4,827,913				
OTHER FUND	1,442,307	1,377,352	1,433,539	4.08	1,433,539	

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	2015-2016 Actual	2016-2017 Work Program	2017-2018 GOVERNOR RECOMMENDS	% Change	2018-2019 GOVERNOR RECOMMENDS	% Change
GOED - WINN		3,328,000	3,500,000	5.17	4,500,000	28.57
GENERAL FUND	2,500,000		3,500,000		4,500,000	28.57
BALANCE FORWARD	-2,500,000	2,500,000				
INTERAGENCY TRANSFER		800,000				
OTHER FUND		28,000				
GOED - NEVADA KNOWLEDGE FUND	3,697,962	12,479,818	12,113,632	-2.93	11,214,554	-7.42
GENERAL FUND	9,000,000	5,000,000	5,000,000		5,000,000	
BALANCE FORWARD	-5,350,922	7,461,139	7,064,748	-5.31	6,165,670	-12.73
OTHER FUND	48,884	18,679	48,884	161.71	48,884	
TOTAL GOVERNOR'S OFFICE OF ECONOMIC DEVELOPMENT	20,780,297	50,211,385	33,632,579	-33.02	31,590,416	-6.07
GENERAL FUND	27,507,418	12,982,736	16,455,045	26.75	17,386,483	5.66
BALANCE FORWARD	-12,649,187	21,387,593	10,878,237	-49.14	7,890,719	-27.46
FEDERAL FUND	4,085,916	12,843,293	3,979,576	-69.01	3,979,576	
INTERAGENCY TRANSFER	498,149	1,410,080	670,645	-52.44	669,562	-1.16
OTHER FUND	1,627,946	1,587,683	1,649,076	3.87	1,664,076	.91
REVERSIONS	-289,945					
DEPARTMENT OF TOURISM AND CULTURAL AFFAIRS						
TOURISM - STEWART INDIAN SCHOOL LIVING LEGACY		197,885	162,608	-17.83	168,516	3.63
GENERAL FUND		122,885	162,608	32.33	168,516	3.63
INTERAGENCY TRANSFER		75,000				
TOURISM - TOURISM DEVELOPMENT FUND	22,178,954	26,725,776	28,837,193	7.90	29,039,610	.70
BALANCE FORWARD	-445,039	5,469,538	3,786,376	-30.77	3,263,432	-13.81
OTHER FUND	22,623,993	21,256,238	25,050,817	17.85	25,776,178	2.90
TOURISM - TOURISM DEVELOPMENT	50,449	195,495	104,734	-46.43	109,468	4.52
BALANCE FORWARD	-54,285	90,015			4,734	
INTERAGENCY TRANSFER	100,000	100,000	100,000		100,000	
OTHER FUND	4,734	5,480	4,734	-13.61	4,734	
TOURISM - NEVADA MAGAZINE	1,107,221	1,437,104	1,346,893	-6.28	1,307,497	-2.92
BALANCE FORWARD	-27,699	188,274	228,665	21.45	184,359	-19.38
INTERAGENCY TRANSFER	50,000					
OTHER FUND	1,084,920	1,248,830	1,118,228	-10.46	1,123,138	.44
TOURISM - MUSEUMS & HISTORY	409,915	421,969	684,216	62.15	690,114	.86
GENERAL FUND	207,927	208,822	222,108	6.36	225,057	1.33
INTERAGENCY TRANSFER	207,525	213,147	222,108	4.20	225,057	1.33
OTHER FUND			240,000		240,000	
REVERSIONS	-5,537					
TOURISM - MUSEUMS & HIST - LOST CITY MUSEUM	439,370	489,912	490,808	.18	514,246	4.78
GENERAL FUND	185,288	191,309	197,730	3.36	208,808	5.60
FEDERAL FUND	3,874	9,503				
INTERAGENCY TRANSFER	179,193	191,312	197,730	3.35	208,808	5.60
OTHER FUND	77,110	97,788	95,348	-2.50	96,630	1.34
REVERSIONS	-6,095					

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	2015-2016 Actual	2016-2017 Work Program	2017-2018 GOVERNOR RECOMMENDS	% Change	2018-2019 GOVERNOR RECOMMENDS	% Change
TOURISM - MUSEUMS & HIST-NEVADA HISTORICAL SOCIETY	502,547	619,138	630,121	1.77	639,912	1.55
GENERAL FUND	282,852	295,025	311,482	5.58	316,378	1.57
INTERAGENCY TRANSFER	247,695	318,397	311,483	-2.17	316,378	1.57
OTHER FUND	7,156	5,716	7,156	25.19	7,156	
REVERSIONS	-35,156					
TOURISM - MUSEUMS & HIST - NEVADA STATE MUSEUM, CC	1,650,329	1,824,680	1,732,215	-5.07	1,771,988	2.30
GENERAL FUND	735,754	735,784	738,974	.43	757,102	2.45
BALANCE FORWARD	365					
FEDERAL FUND	6,537					
INTERAGENCY TRANSFER	706,871	861,785	738,973	-14.25	757,102	2.45
OTHER FUND	229,685	227,111	254,268	11.96	257,784	1.38
REVERSIONS	-28,883					
TOURISM - MUSEUMS & HIST - NEVADA STATE MUSEUM, LV	1,382,620	1,610,459	1,633,741	1.45	1,662,292	1.75
GENERAL FUND	711,618	727,458	750,490	3.17	763,525	1.74
INTERAGENCY TRANSFER	656,878	750,832	750,491	-.05	763,524	1.74
OTHER FUND	70,063	132,169	132,760	.45	135,243	1.87
REVERSIONS	-55,939					
TOURISM - MUSEUMS & HIST - STATE RAILROAD MUSEUMS	1,201,230	1,953,832	1,362,508	-30.26	1,400,645	2.80
GENERAL FUND	494,032	500,563	475,225	-5.06	493,318	3.81
INTERAGENCY TRANSFER	427,280	1,123,325	475,225	-57.69	493,319	3.81
OTHER FUND	406,629	329,944	412,058	24.89	414,008	.47
REVERSIONS	-126,711					
TOURISM - NEVADA ARTS COUNCIL	2,346,022	2,838,602	2,547,985	-10.24	2,538,472	-.37
GENERAL FUND	572,112	578,753	480,009	-17.06	487,164	1.49
BALANCE FORWARD	-21,290	108,789	110,289	1.38	93,064	-15.62
FEDERAL FUND	683,600	705,100	673,600	-4.47	664,700	-1.32
INTERAGENCY TRANSFER	908,145	1,224,753	1,070,407	-12.60	1,081,027	.99
OTHER FUND	213,613	221,207	213,680	-3.40	212,517	-.54
REVERSIONS	-10,158					
TOURISM - NEVADA HUMANITIES	75,000	75,000	75,000	.00	75,000	.00
GENERAL FUND	75,000	75,000	75,000		75,000	
TOURISM - INDIAN COMMISSION	395,910	606,989	293,439	-51.66	302,658	3.14
GENERAL FUND	200,884	211,492	216,672	2.45	223,503	3.15
INTERAGENCY TRANSFER	195,646	395,497	76,767	-80.59	79,155	3.11
REVERSIONS	-620					
TOTAL DEPARTMENT OF TOURISM AND CULTURAL AFFAIRS	31,739,567	38,996,841	39,901,461	2.32	40,220,418	.80
GENERAL FUND	3,465,467	3,647,091	3,630,298	-.46	3,718,371	2.43
BALANCE FORWARD	-547,948	5,856,616	4,125,330	-29.56	3,545,589	-14.05
FEDERAL FUND	694,011	714,603	673,600	-5.74	664,700	-1.32
INTERAGENCY TRANSFER	3,679,233	5,254,048	3,943,184	-24.95	4,024,370	2.06
OTHER FUND	24,717,903	23,524,483	27,529,049	17.02	28,267,388	2.68
REVERSIONS	-269,099					

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	2015-2016 Actual	2016-2017 Work Program	2017-2018 GOVERNOR RECOMMENDS	% Change	2018-2019 GOVERNOR RECOMMENDS	% Change
COMMERCE & INDUSTRY						
GENERAL FUND	66,883,766	53,832,342	56,647,709	5.23	57,648,765	1.77
BALANCE FORWARD	-12,782,957	86,562,989	67,891,033	-21.57	61,667,932	-9.17
FEDERAL FUND	176,837,741	155,856,172	202,308,620	29.80	212,412,398	4.99
HIGHWAY FUND	2,798,079	2,973,639	2,609,770	-12.24	2,503,264	-4.08
INTERAGENCY TRANSFER	26,197,839	31,656,011	29,747,529	-6.03	29,942,445	.66
OTHER FUND	149,855,939	201,754,898	160,728,414	-20.33	165,361,276	2.88
REVERSIONS	-7,666,569					
TOTAL FOR COMMERCE & INDUSTRY	402,123,838	532,636,051	519,933,075	-2.38	529,536,080	1.85
Less: INTER-AGENCY TRANSFER	26,197,839	31,656,011	29,747,529	-6.03	29,942,445	.66
NET COMMERCE & INDUSTRY	375,925,999	500,980,040	490,185,546	-2.15	499,593,635	1.92

HEALTH AND HUMAN SERVICES

The Health and Human Services function consists of the Department of Health and Human Services (DHHS), which includes the divisions of Health Care Financing and Policy, Aging and Disability Services, Public and Behavioral Health, Welfare and Supportive Services, Child and Family Services and the Public Defender's Office. This function also includes the Department of Employment, Training and Rehabilitation.

The Executive Budget recommends General Fund support for the Health and Human Services functional area totaling \$1.209 billion in FY 2018, which is a 7.3 percent increase compared to the \$1.127 billion approved by the Legislature for FY 2017, and \$1.285 billion in FY 2019, which represents a 6.3 percent increase from amounts recommended for FY 2018. The Governor recommends \$5.129 billion in FY 2018 from all funding sources, less interagency transfers, which is a 10.5 percent increase over the \$4.644 billion approved for FY 2017 and \$5.349 billion in FY 2019, which is an additional increase of 4.3 percent compared to FY 2018.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

DIRECTOR'S OFFICE

The Director's Office is responsible for coordinating all departmental programs, overseeing the department's budgets and providing technical assistance to the various divisions within the department. The following budgets are directly administered by the Director's Office: Administration; Upper Payment Limit Holding Account; Developmental Disabilities; Grants Management Unit; Revolving Account for the Prevention and Treatment of Problem Gambling; Children's Trust Account; Consumer Health Assistance; Indigent Hospital Care; State Public Defender, and Individuals with Disabilities Education Act-Part C.

UPPER PAYMENT LIMIT HOLDING ACCOUNT

The 2015 Legislature authorized the continuation of the Upper Payment Limit (UPL) Holding Account through Section 57 of Senate Bill 514 to allow the Department of Health and Human Services (DHHS) to receive funding transferred from other DHHS divisions resulting from savings associated with not providing health care and related services. The legislation also specifies that funding transferred to this account must be utilized to support the state share of an expanded Medicaid supplemental payment program and associated administrative costs, with any remaining funding reverting to the General Fund.

The Executive Budget recommends continuing the UPL Holding Account in the 2017-19 biennium. The Governor recommends transferring savings of \$9.4 million in each year of the 2017-19 biennium that are budgeted but not incurred from the Division of Public and Behavioral Health, Division of Child and Family Services, and Aging and Disability Services Division budgets to this budget in the Director's Office. An additional \$3.7 million is recommended to be transferred over the 2017-19 biennium due to revising the Federal Medical Assistance Percentage (FMAP) rate used for prior supplemental payments. The Governor recommends transferring \$7.1 million and

\$8.4 million in FY 2018 and FY 2019, respectively, from this account to the Division of Health Care Financing and Policy to provide the state share of the Private Hospital Collaborative UPL supplemental payment program. General Fund reversions are projected to amount to \$3.2 million in FY 2018 and \$3.8 million in FY 2019.

GRANTS MANAGEMENT UNIT

The Grants Management Unit (GMU) administers grant programs within the DHHS Director’s Office, which include: tobacco settlement funds (Fund for Healthy Nevada); Federal Title XX Purchase of Social Services; Community Services Block Grant; Children’s Trust Account; and funds for the Prevention and Treatment of Problem Gambling.

Revenue for the Fund for a Healthy Nevada (FHN) is provided through a transfer from the Treasurer’s Office (non-Executive budget) of tobacco settlement funds received by the state pursuant to the Tobacco Master Settlement Agreement of 1998. *Nevada Revised Statutes* 439.620 requires that the FHN be administered by the State Treasurer. After allocations to the Attorney General’s Office for the Tobacco Enforcement Unit and the Department of Taxation’s Compliance Unit, the Treasurer transfers 60 percent of the tobacco settlement funds from the FHN to various DHHS budgets, and the remaining 40 percent supports the Governor Guinn Millennium Scholarship program.

Pursuant to NRS 439.630, the DHHS Director must consider the recommendations of the Grants Management Advisory Committee, the Nevada Commission on Aging, and the Nevada Commission on Services for Persons with Disabilities, after conducting a statewide needs assessment, in developing a spending plan for the allocation of tobacco settlement funds. For the entire department, The Executive Budget recommends the following FHN allocations over the 2017-19 biennium pursuant to the spending plan developed by the DHHS Director:

Tobacco Settlement Funds 2017-19 Biennium Spending Plan				
Use Category	FY 2018	FY 2019	Biennium Total	Notes
Senior/Disability Rx; Senior Independent/Assisted Living NRS 439.630 (c-d)	\$ 8,398,000	\$ 8,398,000	\$ 16,796,000	
Tobacco Cessation NRS 439.630(f)	\$ 950,000	\$ 950,000	\$ 1,900,000	
Wellness NRS 439.630(g)	\$ 9,051,751	\$ 9,051,751	\$ 18,103,502	Includes: Suicide Prevention, NV 2-1-1, Immunization, Hunger Prevention, Adult/Youth Mental Health, Minority Health, Family Resource Centers, Differential Response and NEW Incubator Project
Disability Grants NRS 439.630(h)	\$ 3,440,000	\$ 3,440,000	\$ 6,880,000	Includes: Respite, Traumatic Brain Injury, Autism, Alzheimer’s Task Force, Family Preservation, Positive Behavior and Independent Living grants
Sub-Total:	\$ 21,839,751	\$ 21,839,751	\$ 43,679,502	
Administrative Costs	\$ 946,832	\$ 946,832	\$ 1,893,664	
Total:	\$ 22,786,583	\$ 22,786,583	\$ 45,573,166	

Of the \$45.6 million in tobacco settlement funds shown in the table above, The Executive Budget recommends \$16.7 million over the 2017-19 biennium for the GMU to administer the funds and award grants, which represents a 4.0 percent decrease from the \$17.4 million approved for the GMU over the 2015-17 biennium. The decrease is primarily due to an overall reduction in the annual tobacco settlement funds received by the state; the expiration of one-time funds awarded in FY 2013; and the redirection of funds from the GMU to the Office of Consumer Health Assistance.

During the 2015-17 biennium, federal grant funds that supported the Office of Minority Health and a Health Resource Analyst position within the Office of Consumer Health Assistance expired and the position was eliminated. The Executive Budget recommends tobacco settlement funds totaling \$266,000 over the biennium to support a new Health Resource Analyst position for a new Minority Health Coalition within the Office of Consumer Health Assistance. Additionally, due to the loss of federal grant funding, the 2015 Legislature approved retaining three Ombudsman positions for the Office of Consumer Health Assistance using a combination of health fees and federal funds transferred from the Division of Public and Behavioral Health (DPBH) and tobacco settlement funds. The Ombudsman positions assist consumers with obtaining and understanding health insurance plans and policies, as well as navigating through the health care and health insurance system, including the Affordable Care Act. The Executive Budget continues the three existing Ombudsman positions using a similar combination of funds transferred from the DPBH and \$280,000 over the biennium in tobacco settlement funds.

Tobacco settlement funds of \$500,000 each year are recommended for the GMU to administer a new Federally-Qualified Health Center Incubator Project to address the shortage of health care providers in the state, which was identified by the needs assessment conducted in FY 2016.

The Governor also recommends a transfer of \$375,000 for each fiscal year of the biennium from the Division of Welfare and Supportive Services' Temporary Assistance for Needy Families (TANF) budget to the GMU for existing Hunger One-Stop Shops. The Hunger One-Stop Shops, established during the 2013-15 biennium, assist families by providing immediate food needs and in addressing the root causes of hunger. The TANF funds are in addition to tobacco settlement funds totaling \$2.0 million each fiscal year of the 2017-19 biennium for food security grants.

Title XX Purchase of Social Services

The Purchase of Social Services program, established under Title XX of the federal Social Security Act, provides states with funds for a wide variety of social service programs. The state's Title XX funds support subgrants to state and non-state agencies. The Executive Budget recommends total expenditure authority of \$28.3 million over the 2017-19 biennium. The Governor recommends Title XX grants to non-state agencies at \$1.1 million for each fiscal year of the 2017-19 biennium, which maintains the same level of funding authorized for the 2015-17 biennium.

CONSUMER HEALTH ASSISTANCE

To streamline consumer-related information, and improve the facilitation of resources and outreach efforts, the 2011 Legislature approved the Governor's recommendation to merge the Office of Consumer Health Assistance with the Office of Minority Health.

The Office of Consumer Health Assistance assists Nevada consumers in navigating the health care system to understand patient rights and responsibilities under various health care plans, including industrial insurance, Medicaid, and prescription drug programs. The office responds to and investigates complaints regarding health care plans and policies, resolves disputes between patients and hospitals, and conducts and coordinates statewide educational outreach to increase awareness of and access to health care services. The mission of the Nevada Office of Minority Health is to improve the quality of health care services for members of minority groups.

The office is supported by a General Fund appropriation, Medicaid funding, hospital assessments, federal funds, transfers from the Workers' Compensation and Safety Fund; the Department of Public and Behavioral Health; the Silver State Health Insurance Exchange (SSHIX), and tobacco settlement funds. Federal funds during the past two biennia have allowed the Office of Consumer Health Assistance to increase its assistance to Nevada consumers regarding issues surrounding the implementation of the Affordable Care Act (ACA), including the navigator program for the SSHIX. The Governor's budget includes \$358,651 in per member/per month fees transferred from the SSHIX to continue support for five licensed Navigators to assist consumers throughout the state in obtaining affordable health care insurance, and provide outreach and education about the health insurance industry.

INDIGENT HOSPITAL CARE

The Indigent Hospital Care account, previously known as the Indigent Supplemental account, was created to provide reimbursement to Nevada counties for unpaid hospital charges for medical treatment of indigent persons and reimbursement to hospitals for care provided to indigent persons who have been injured in motor vehicle accidents in Nevada. The account is primarily funded by a property tax levy of 1.5 cents on each \$100 of assessed valuation and unmet free care funding collected from hospitals pursuant to NRS 439B.340. The account is administered by the Board of Trustees of the Fund for Hospital Care to Indigent Persons.

During the 2013 Legislative Session, it was predicted that unpaid hospital charges would decrease as a result of provisions in the Patient Protection and Affordable Care Act, including the individual insurance mandate and Medicaid expansion, reducing the need for payments to counties and hospitals from this account. The 2013 Legislature approved Senate Bill 452, which authorizes the Board of Trustees to enter into an agreement with the DHCFP to transfer funds from this account to the DHCFP to provide for enhanced reimbursement rates for hospital care for Medicaid recipients or make supplemental payments to hospitals in accordance with the Medicaid State Plan. Funding from this account may also provide relief to counties that are unable to meet

the obligation to fund their portion of the state share of costs associated with the County Indigent population in the Medicaid budget.

The Executive Budget recommends continuing the transfer of funding from this account to the DHCFP to support the state share of the Medicaid supplemental payment program, known as the Indigent Accident Fund Upper Payment Limit program, and includes transfers of \$26.1 million in FY 2018 and \$25.9 million in FY 2019.

AGING AND DISABILITY SERVICES DIVISION

The Aging and Disability Services Division (ADSD) provides leadership and advocacy in the planning, development and delivery of a comprehensive support service system to allow all of Nevada's elders, children and adults with disabilities or special health care needs to live independent, meaningful and dignified lives.

The Executive Budget recommends General Fund appropriations of \$323.3 million over the 2017-19 biennium, representing an increase of \$35.2 million, or 12.2 percent, over the \$288.1 million approved for the 2015-17 biennium. General Fund appropriations are the largest funding source for the division, but the division is also supported by Medicaid reimbursements, various federal funding sources, and tobacco settlement funds.

SENIOR RX AND DISABILITY RX PROGRAMS

The Senior Rx and Disability Rx programs assist eligible low-income seniors and the disabled in obtaining essential prescription medications. The programs contribute to Medicare Part D premiums, pay Medicare Part D gap (i.e., the "doughnut hole") costs, and provide assistance for enrollees not eligible for Medicare. The Governor recommends funding totaling \$5.7 million in the 2017-19 biennium, a 13.9 percent decrease from the legislatively approved amount of \$6.7 million in the 2015-17 biennium. The Executive Budget recommends the programs continue to be supported by tobacco settlement funds.

FEDERAL PROGRAMS AND ADMINISTRATION

The Federal Programs and Administration budget is the primary administrative budget for the division and provides funding for grants and resource development, maintains the Elder Rights program, and provides centralized fiscal services for the division. The Federal Programs and Administration budget is primarily funded with General Fund appropriations, federal funds and cost allocation revenue charged for services provided to the other budgets within the division.

To fund anticipated caseload increases in the state's Long-Term Care Ombudsman Program (LTCOP), where Elder Rights Advocates provide information and advocacy services to seniors in long-term care facilities, the Governor recommends General Fund appropriations of \$127,227 in FY 2018 and \$222,324 in FY 2019. The caseload for the LTCOP is recommended to increase from a projected 8,672 cases in FY 2017 to 8,767 cases in FY 2018 and 8,863 cases in FY 2019. The Executive Budget recommends three new positions to support the increased caseload.

To provide additional home-delivered meals to homebound seniors throughout the state, the Governor recommends General Fund appropriations of \$750,000 in each year of the 2017-19 biennium. The Executive Budget indicates this recommendation would increase the state's share of funding to support home-delivered meals for seniors and would reduce the waitlists in programs throughout the state.

HOME AND COMMUNITY BASED SERVICES

Home and Community Based Services provides community-based resources for seniors and people with disabilities who are ineligible for services through public entitlement programs, or for whom services do not otherwise exist. The Autism Treatment Assistance Program (ATAP), Elder Protective Services, Homemaker, Community Options Program for the Elderly (COPE), Communications Access, Independent Living, and Personal Assistance Services (PAS) programs comprise Home and Community Based Services. The Home and Community Based Services budget is funded with General Fund appropriations, tobacco settlement funds, federal funds, and telephone surcharge fee funds for the division's Communications Access Services programs.

To address anticipated increases in the ATAP caseload from 743 children served per month by the end of FY 2017 to 835 children served per month by the end of FY 2019, the Governor recommends additional funding of \$1.3 million (\$740,086 General Fund appropriation) in FY 2018 and \$2.0 million (\$1.0 million General Fund appropriation) in FY 2019. The number of children on the waitlist for ATAP is projected to stabilize at 586 children through the 2017-19 biennium. An additional \$804,541 (\$158,005 General Fund appropriation) is recommended over the 2017-19 biennium to convert 25 contracted positions to state positions and for 2 new supervisory-level Developmental Specialist positions for case management and service coordination for ATAP.

Community Based Services provide alternatives to nursing home placement for seniors at risk of institutionalization through the federally-funded Medicaid Home and Community Based Waiver (HCBW) for the Frail Elderly and HCBW for Persons with Physical Disabilities. To increase the number of slots in the HCBW for the Frail Elderly and the HCBW for Persons with Physical Disabilities for caseload growth and to reduce the waitlists for those clients waiting longer than 90 days for services, the Governor recommends additional funding of \$455,877 (\$187,524 General Fund appropriation) in FY 2018 and \$967,685 (\$398,318 General Fund appropriation) in FY 2019.

The Division of Health Care Financing and Policy has administrative authority, establishes policy and makes payments for services for the HCBW programs, while the Aging and Disability Services Division incurs the personnel and operating costs related to overseeing and operating the waiver programs. Eleven new positions are recommended to support the increased caseloads in the waiver programs. The following chart depicts the Governor's recommended caseload levels for the HCBW programs.

Home and Community Based Waivers (HCBW) Fiscal-Year-End Monthly Caseloads				
	Actual FY 2016	Projected FY 2017	Governor Recommends	
			FY 2018	FY 2019
HCBW-Frail Elderly				
Caseload Growth	1,894	2,072	2,188	2,319
Reduce Waitlist			78	155
HCBW-Frail Elderly Caseload	1,894	2,072	2,266	2,474
HCBW-Persons with Physical Disabilities				
Caseload Growth	727	793	817	853
Reduce Waitlist			26	53
HCBW-Persons with Physical Disabilities Caseload	727	793	843	906
Total Recommended Caseload	2,621	2,865	3,109	3,380
Percent Increase		9.3%	8.5%	8.7%

EARLY INTERVENTION SERVICES

Early Intervention Services (EIS) works to identify infants and toddlers who have, or are at risk for, developmental delays. The program provides services and support for families with children who have developmental delays and helps facilitate the children's learning and individualized development. The Executive Budget recommends General Fund appropriations of \$49.0 million over the 2017-19 biennium, which is a 17.6 percent decrease when compared to the General Fund appropriations of \$59.5 million legislatively approved for the 2015-17 biennium. The Governor recommends increased Medicaid reimbursements to offset the decrease to General Fund appropriations. Total funding of \$80.5 million recommended for Early Intervention Services over the 2017-19 biennium is 18.7 percent higher than the total funding of \$67.8 million legislatively approved for the 2015-17 biennium.

To fund intervention therapies for new children entering the EIS program, the Governor recommends additional funding of \$2.3 million (\$1.6 million General Fund appropriation) in FY 2018 and \$4.9 million (\$3.6 million General Fund appropriation) in FY 2019. The Executive Budget recommends increasing the number of children served from 3,717 cases per month at the end of FY 2017 to 4,213 cases per month by the end of FY 2019. A total of 26 new positions are recommended to support the increased caseloads in the EIS program.

The Governor proposes to transfer all case management activities, including eligibility determination, service coordination, service authorization, and service oversight from community providers to state staff, while community providers would provide therapy services as contractors and be paid for the actual cost of services rather than a capitated rate. The recommendation would result in funding reductions totaling \$3.7 million (\$12.1 million reduction to General Fund appropriation) over the 2017-19 biennium. The recommended funding would support the addition of 65 new positions in the EIS program.

DEVELOPMENTAL SERVICES

Developmental Services include an array of services provided to people with intellectual and developmental disabilities and related conditions through three regional centers: Sierra Regional Center in Washoe County; Desert Regional Center in Clark County and portions of Nye and Lincoln counties; and Rural Regional Center for

the remainder of the state. The Governor recommends funding for all developmental services over the 2017-19 biennium of \$438.4 million, a 26.0 percent increase over the 2015-17 legislatively approved total of \$348.0 million. Recommended funding includes General Fund appropriations of \$221.5 million over the 2017-19 biennium, a 24.3 percent increase when compared to the General Fund appropriations approved for the 2015-17 biennium of \$178.2 million.

To address caseload increases for all developmental services, including the Family Preservation Program, the Governor recommends \$43.6 million (\$22.6 million General Fund appropriation) in FY 2018 and \$58.0 million (\$30.4 million General Fund appropriation) in FY 2019. The Executive Budget recommends increasing the number of clients served by developmental services from 7,455 cases per month by the end of FY 2017 to 8,792 cases per month by the end of FY 2019. The Executive Budget indicates the recommended caseload increases would reduce waitlists for those clients waiting longer than 90 days for services for the Supported Living Arrangement, Family Support/Respite, and Jobs and Day Training programs. Funding would support a total of 42 new positions added at the three regional centers to accommodate the increased caseload.

DIVISION OF HEALTH CARE FINANCING AND POLICY

The mission of the Division of Health Care Financing and Policy (DHCFP) is to purchase and provide quality health care services to low-income Nevadans through the Medicaid and Nevada Check-Up programs in the most efficient manner; to promote equal access to health care at an affordable cost; to restrain the growth of health care costs; and to maximize the receipt of federal revenue for the provision of health care programs.

The Executive Budget recommends total funding to support the division's programs in the amount of \$8.274 billion for the 2017-19 biennium, which is an increase of \$1.036 billion (14.3 percent) when compared to the total amount of funding legislatively approved for the 2015-17 biennium. General Fund appropriations are recommended to increase by \$253.9 million (21.5 percent) to \$1.437 billion over the 2017-19 biennium, compared to the \$1.183 billion approved for the 2015-17 biennium.

INTERGOVERNMENTAL TRANSFER PROGRAM

The Intergovernmental Transfer (IGT) budget collects funds from other governmental entities to be used as state matching funds for Medicaid expenditures, thereby reducing the need for General Fund appropriations. Funds are collected in the IGT budget and then transferred to Medicaid for use as state matching funds. The IGT payments that are in excess of the required state match are used to offset General Fund appropriations for other Medicaid expenditures, referred to as the state net benefit. The significant programs supported by IGT funding and associated budgetary recommendations are described below.

- Disproportionate Share Hospital (DSH) Program: The DSH program provides payments to hospitals that have a disproportionate share of uncompensated costs due to services provided to indigents and the uninsured in comparison to other hospitals. The federal government provides a specific annual allotment of federal funds for each state; however, in order to receive these funds, states must provide matching funds.

Pursuant to *Nevada Administrative Code* (NAC) 422.105, Clark and Washoe Counties are required to make IGT payments to the division in support of the DSH program. Through the enactment of Senate Bill 452, the 2013 Legislature directed revenue from a \$0.01 ad valorem tax on each \$100 of assessed value of taxable property to the IGT budget. Pursuant to NAC 422.105, this revenue is used as an offset to county contributions to the DSH program.

The Executive Budget recommends that participating hospitals receive payments of \$75.1 million in FY 2018 and \$73.3 million for FY 2019. Fiscal Year 2019 projected payments are lower due to a provision in the Patient Protection and Affordable Care Act (ACA), which decreases federal DSH allotments to states on the assumption there would be fewer uninsured and less uncompensated care due to the expansion of health insurance coverage. The counties benefit indirectly from these payments by approximately \$22.2 million for FY 2018 and \$21.6 million for FY 2019 when comparing the hospital DSH payments to the amount of the IGT payments. The Executive Budget estimates that ad valorem tax revenues will offset county contributions in support of the DSH program by \$15.2 million over the 2017-19 biennium. For the 2017-19 biennium, The Executive Budget estimates the IGT program will generate a state net benefit amounting to \$27.0 million in FY 2018 and \$26.4 million in FY 2019.

- Upper Payment Limit (UPL) Programs: Federal Medicaid law allows states the option of making supplemental payments to qualifying hospitals up to the amount Medicare would have paid for the same services provided to fee-for-service recipients, known as the upper payment limit. The intent is to preserve access to inpatient and outpatient hospital services for needy individuals by reimbursing hospitals that qualify for uncompensated or under-compensated care.

The Public Hospital UPL programs provide payments to county-owned hospitals for inpatient and outpatient services. Pursuant to interlocal agreements, counties make IGT payments to be used as state matching funds for the Public Hospital UPL programs. The Executive Budget recommends continuing the Public Hospital UPL programs for the 2017-19 biennium, with payments to participating hospitals totaling \$73.9 million in FY 2018 and \$75.2 million in FY 2019. The net benefit to counties (hospital payments less IGT payments) is budgeted to be \$38.2 million for FY 2018 and \$38.9 million for FY 2019. The estimated net benefit for the state is \$10.2 million for FY 2018 and \$10.5 million for FY 2019.

At its October 2013 meeting, the Interim Finance Committee approved establishing the Private Hospital Collaborative UPL program to make supplemental payments for inpatient services to privately-owned hospitals that have entered into an agreement

with the state or a local government in Nevada to collaborate in providing health care services to low-income and needy persons. The Executive Budget recommends continuing the Private Hospital Collaborative UPL program in the 2017-19 biennium. Participating hospitals would receive payments totaling \$20.6 million in FY 2018 and \$24.4 million in FY 2019. The Director's Office transfers funding from savings realized in other departmental budgets to this budget to provide the state share of the supplemental payments. The state net benefit from the Private Hospital Collaborative UPL, which is budgeted in the Director's Office for reversion to the General Fund rather than as an offset to General Fund in the Medicaid budget, is projected to be \$3.2 million in FY 2018 and \$3.8 million in FY 2019.

The Interim Finance Committee approved establishing the Indigent Accident Fund UPL program to make supplemental payments to qualifying public and privately-owned acute care hospitals for inpatient services at its October 2014 meeting. The Governor recommends continuing the Indigent Accident Fund UPL program in the 2017-19 biennium, with the state share of supplemental payments provided by funding transferred from the Indigent Hospital Care account in the Director's Office. Participating hospitals are budgeted to receive supplemental payments of \$72.2 million in each year of the 2017-19 biennium, and the net benefit to hospitals is budgeted to be approximately \$46.3 million in each year of the 2017-19 biennium. This program generates a state net benefit due to a voluntary contribution provided by the Board of Trustees for the Fund for Hospital Care to Indigent Persons and is estimated to be \$1.0 million in each year of the 2017-19 biennium.

- Medical Education Supplemental Payments: The University of Nevada, Reno School of Medicine (UNRSOM) and Graduate Medical Education (GME) programs receive additional Medicaid payments in recognition of the higher cost of providing medical services in a teaching environment.

In FY 2007, the division and the UNRSOM entered into an agreement that provides supplemental payments to the UNRSOM in recognition of the gap between Medicaid reimbursement and the average private insurance reimbursement for the same services (primarily outpatient services). The UNRSOM provides the IGT revenue to be used as the state's match to receive federal Title XIX funds. Supplemental payments to UNRSOM are recommended to be \$1.9 million in each year of the 2017-19 biennium.

The GME supplemental payment program provides supplemental payments to the University Medical Center. Clark County provides the IGT revenue to be used as the state's match. The Executive Budget provides the necessary budget authority to pay GME payments of \$25.4 million in FY 2018 and \$25.8 million in FY 2019. The GME program generates a state net benefit, estimated at \$3.3 million in FY 2018 and \$3.4 million in FY 2019.

The Executive Budget includes a beginning FY 2018 reserve balance totaling \$7.6 million for the following purposes:

- \$2.0 million reserve throughout the 2017-19 biennium in funding transferred from the Indigent Hospital Care account to provide relief to counties that are unable to meet the obligation to fund their portion of the state share of costs associated with the county indigent population in the Medicaid budget.
- \$5.6 million reserve throughout the 2017-19 biennium in funding transferred from the Indigent Hospital Care account to support the state share of the Indigent Accident Fund UPL program, should revenues not materialize as budgeted.

ADMINISTRATION

The Administration budget provides the administrative staff and support services for the DHCFP, which includes administration, accounting, budgeting, personnel, rates, compliance, utilization surveillance and review, privacy, recipient rights, provider enrollment and information technology, as well as the cost containment function required under NRS 439B.

The Governor recommends \$2.9 million (\$1.2 million General Fund appropriation) over the 2017-19 biennium to add 12 new positions and eliminate 2 existing vacant positions. The Executive Budget also includes in the base budget 4 positions that were added in FY 2016 and FY 2017 through approval by the Interim Finance Committee in February 2016 and June 2016, for the division's Health Information Technology initiatives; these 4 positions are not included in the 12 new positions recommended as enhancements to the budget. The recommended positions are briefly summarized below.

- Two new Management Analyst positions to support new reporting and monitoring requirements for state Medicaid programs related to the development and implementation of an access to care plan.
- Three new Management Analyst positions to support quality reporting and monitoring regulations for state Medicaid programs related to data received from managed care organizations and prepaid ambulatory health plans, and expanding quality monitoring to fee-for-service programs.
- One new unclassified Lead Actuary position to assume the duties currently performed by a contracted actuary position. The Lead Actuary would ensure that managed care plans are paid actuarially sound monthly capitation rates.
- One new Social Services Program Specialist for the Long-Term Services and Supports unit to coordinate housing for individuals transitioning out of institutions and to increase the availability of community-based living options for the aged and persons with physical, developmental or intellectual disabilities.
- One new Deputy Administrator to oversee the division's Procurement and Performance Measurement, Compliance, Program Integrity, Fiscal Integrity,

Managed Care Organizations, and Medicaid Quality units, which are currently directly overseen by the division's Administrator. The recommendation includes the elimination of one vacant Health Care Coordinator-Nurse and one vacant Social Services Program Specialist to fund the new Deputy Administrator position, resulting in a net decrease in the funding recommended to support the position through the 2017-19 biennium.

- Three new Management Analysts and one new Administrative Assistant to assist in ensuring adequate oversight and auditing of provider invoices paid by Aging and Disability Services Division (ADSD).

The Executive Budget recommends a one-shot General Fund appropriation of \$3.3 million (total funding of \$23.8 million) in FY 2018 for a technology investment request to complete the final phase of a three-phase project to replace and modernize the Medicaid Management Information System (MMIS). During the upcoming biennium, the agency expects to finalize the implementation of its new claims processing system and electronic data interchange peripheral system. The agency anticipates the replacement system will be deployed in April 2018.

The Governor recommends net funding increases of \$5.0 million (\$1.1 million General Fund appropriation) over the 2017-19 biennium to support administrative and fiscal agent costs associated with implementing federal mandates, caseload changes, waiver slot increases, and technology projects.

INCREASED QUALITY OF NURSING CARE

The Increased Quality of Nursing Care budget was created in accordance with Assembly Bill 395 approved by the 2003 Legislature, which amended NRS Chapter 422 to institute a methodology that requires the division to establish a provider tax program encompassing all freestanding long-term care facilities (except those owned by the state) in Nevada. *Nevada Revised Statutes* Chapter 422.3755-379 stipulates that funding received via the provider tax and used to match federal Title XIX funds must be applied to increasing reimbursement rates and cannot be used to replace existing state expenditures paid to long-term care facilities.

The Executive Budget indicates that the total available for supplemental payments will total \$33.8 million in FY 2018 and \$35.3 million in FY 2019. The Medicaid budget includes supplemental payments to long-term care facilities of \$97.0 million and \$101.4 million in FY 2018 and FY 2019, respectively. *Nevada Revised Statutes* 422.3785 allows the division to use no more than 1 percent of the taxes collected to administer the provider tax program.

NEVADA CHECK-UP

The Balanced Budget Act of 1997 created the Children's Health Insurance Program under Title XXI of the Social Security Act to enable states to initiate and expand health care coverage targeted to low-income uninsured children. The Nevada Check-Up program was approved to cover children ages birth through 18 years from families with incomes up to 205 percent of the federal poverty level. Eligible families pay quarterly

premiums ranging from \$0 to \$80 based on their income level and family size. Services are provided under a managed care arrangement with participating managed care organizations (MCO) in Clark and Washoe Counties and on a fee-for-service basis in areas of the state where a MCO network does not exist.

Caseload Growth: The Executive Budget recommends \$4.8 million (\$51,086 General Fund appropriation) in FY 2018 and \$5.1 million (\$51,813 General Fund appropriation) in FY 2019 to increase the Nevada Check-Up monthly caseload to 25,113 in FY 2018 and 25,287 in FY 2019, from the FY 2016 actual average monthly caseload of 22,630, as shown in the following table.

Check-Up Average Monthly Caseload							
	FY 2016	FY 2017		FY 2018		FY 2019	
	Actual	Projected	% Change	Projected	% Change	Projected	% Change
Caseload	22,630	24,790	9.54%	25,113	1.30%	25,287	0.69%

Provider Rate Increases (Mandatory and Discretionary): The Executive Budget recommends \$2.6 million (\$30,673 General Fund appropriation) in FY 2018 and \$4.6 million (\$50,648 General Fund appropriation) in FY 2019 for mandatory provider reimbursement rate increases for MCOs, Federally Qualified Health Centers, Rural Health Clinics, and prescription drugs.

To fund a discretionary 15 percent provider reimbursement rate increase for pediatric surgeons, the Governor recommends \$22,719 (\$263 General Fund appropriation) in FY 2018 and \$23,255 (\$256 General Fund appropriation) in FY 2019. The proposal is consistent with recommended increases in the Medicaid budget.

Cost Saving Measures: The Governor recommends reducing coverage criteria for orthodontic services, which are mandatory under the Early Periodic Screening Diagnostic and Treatment for medically necessary services, by removing minor malocclusions (teeth not properly aligned) as a covered diagnosis since it is not a congenital deformity or anomaly. The proposed coverage change would result in funding reductions of \$867,497 (\$10,063 General Fund appropriation) in FY 2018 and by \$867,497 (\$9,543 General Fund appropriation) in FY 2019. The Executive Budget also recommends reducing the Basic Skills Training rate from an average of \$36.04 per hour to \$31.32 per hour, a decrease of 13.1 percent, to better align with the newly-revised applied behavioral analysis rate for similar services. Both cost saving measures are consistent with corresponding recommendations in the Medicaid budget.

NEVADA MEDICAID

Medicaid is the state-administered program for medical assistance established in 1965 through the passage of Title XIX of the Social Security Act. Medicaid covers low-income adults, children, the aged, blind and/or disabled, and other people who are eligible to receive federally-assisted income maintenance payments. Under federal Medicaid law, there are certain eligible groups and benefits that must be covered by states; however, states are given discretion and flexibility to determine the various categories of benefits and the eligible groups their Medicaid programs will cover.

Nevada has adopted optional eligibility groups and optional benefit packages to be covered under its Medicaid plan.

Overall funding for the Medicaid program is recommended to increase to \$7.423 billion for the 2017-19 biennium, which is an increase of \$998.4 million, or 15.5 percent, when compared to the total funding of \$6.424 billion legislatively approved for the 2015-17 biennium. General Fund appropriations are recommended to increase to \$1.381 billion for the 2017-19 biennium, which is an increase of \$256.5 million, or 22.8 percent, when compared to the General Fund appropriations of \$1.125 billion approved by the 2015 Legislature for the 2015-17 biennium.

Caseload Growth: The Executive Budget recommends additional funding of \$478.4 million (\$70.6 million General Fund appropriation) in FY 2018 and \$574.8 million (\$102.3 million General Fund appropriation) in FY 2019 for increased costs associated with projected growth in the Medicaid caseload. According to the department's projections, which are based on October 2016 actual enrollments, the average monthly caseload for Medicaid is projected to increase from approximately 641,000 in FY 2017 to approximately 678,000 in FY 2019. The department projects the Medicaid caseload will continue to increase through the 2017-19 biennium, although at a slower rate than what occurred in FY 2015 (50.6 percent) or FY 2016 (7.2 percent), following enactment of the ACA and Medicaid expansion.

When projecting the caseload for the current biennium, the department estimated the majority of Nevadans eligible for Medicaid had already enrolled in the program. The department anticipated caseloads would increase to approximately 571,000 by the end of FY 2017; however, actual caseloads in FY 2016 and FY 2017 were significantly higher. Caseloads are projected to reach approximately 641,000 by the end of FY 2017, as shown in the following table.

Medicaid Average Monthly Caseload							
	FY 2016	FY 2017		FY 2018		FY 2019	
	Actual	Projected	% Change	Projected *	% Change	Projected *	% Change
Caseload*	617,895	641,245	3.8%	662,125	3.3%	678,168	2.4%

*Caseload figures include retroactive eligibility and do not include Special Low-Income Medicare Beneficiaries (SLMB).

Provider Rate Increases (Mandatory and Discretionary): The Executive Budget recommends \$95.1 million (\$27.3 million General Fund appropriation) in FY 2018 and \$167.3 million (\$45.5 million General Fund appropriation) in FY 2019 for mandatory reimbursement rate increases for Medicaid providers. The recommended mandatory Medicaid rate increases are displayed in the following table.

Recommended Mandatory Provider Rate Increases		
Provider Type	FY 2018	FY 2019
Managed Care Organizations	2.59%	2.59%
Rural Health Centers and Federally Qualified Health Centers	3.60%	4.00%
Indian Health Services	6.96%	6.96%
Hospice Services	3.60%	4.00%
Prescription Drugs	3.60%	4.00%

The Governor recommends \$17.6 million (\$4.2 million General Fund appropriation) in FY 2018 and \$18.0 million (\$4.3 million General Fund appropriation) in FY 2019 for discretionary provider reimbursement rate increases. The recommendations include a 28.2 percent increase for providers who serve behaviorally complex individuals receiving services through the Supported Living Arrangement program within the Aging and Disability Services Division (ADSD). Additional General Fund appropriations totaling \$1.4 million are reflected in ADSD's Desert Regional Center and Sierra Regional Center budgets. The Executive Budget proposes to increase reimbursement rates for adult day health care services by 5.4 percent for community providers and by 28.8 percent for services provided by other divisions within the Department of Health and Human Services. The Governor also recommends a 15 percent rate increase for assisted living services and for pediatric surgeons, and a 10 percent rate increase for skilled nursing facilities and hospital swing beds.

Cost Saving Measures: The Governor recommends reducing funding by \$106.3 million (\$45.5 million reduction in General Fund appropriation) in FY 2018 and by \$108.5 million (\$45.2 million reduction in General Fund appropriation) in FY 2019 to implement a number of cost saving measures in Medicaid, as described below.

- Reduce Medical Service Utilization: The Governor recommends funding reductions of \$48.2 million (\$16.2 million reduction in General Fund appropriation) over the 2017-19 biennium for cost savings associated with reduced utilization for certain medical services, as follows:
 - Transition or divert 288 residents from nursing facilities to Assisted Living or Adult Day Health services as alternatives to nursing home placement with proposed savings totaling \$2.4 million (\$824,040 General Fund appropriation) over the 2017-19 biennium.
 - Allow individuals receiving hospice services or private duty nursing to choose the program they prefer so services are not duplicated. The Executive Budget anticipates total savings of \$5.2 million (\$1.8 million General Fund appropriation) over the 2017-19 biennium.
 - Mandate that hospice recipients must have a terminal illness and must obtain prior authorization for services, which would align with Medicare requirements for the same services. The Executive Budget recommends savings totaling \$2.5 million (\$854,939 General Fund appropriation) over the 2017-19 biennium.
 - Change case management services for non-seriously emotionally disturbed, non-severely mentally ill recipients by requiring prior authorizations and by reducing coverage hours from 30 hours per month to 10 hours per month. The Governor recommends total savings of \$23.9 million (\$8.2 million General Fund appropriation) over the 2017-19 biennium.
 - Reduce coverage criteria for orthodontic services, which are mandatory under the Early Periodic Screening Diagnostic and Treatment for medically necessary services by removing minor malocclusions (teeth not properly aligned) as a covered diagnosis since it is not a congenital deformity or anomaly.

The Executive Budget recommends savings totaling \$14.3 million (\$4.6 million General Fund appropriation) over the 2017-19 biennium.

- Provider Rate Adjustments: Funding reductions of \$72.4 million (\$21.4 million reduction to General Fund appropriation) are recommended over the 2017-19 biennium to adjust provider reimbursement rates as follows:
 - The per member per month capitated rate for the state's contracted non-emergency transportation broker is recommended to be reduced by \$0.25 per member per month, from \$2.19 to \$1.94, effective July 1, 2016, generating savings of \$4.0 million (\$942,068 General Fund appropriation) over the 2017-19 biennium.
 - The Basic Skills Training rate is recommended to be reduced from an average of \$36.04 per hour to \$31.32 per hour, a decrease of 13.1 percent, to better align with the newly-revised applied behavioral analysis rate for similar services, generating savings of \$11.3 million (\$3.7 million General Fund appropriation) over the 2017-19 biennium.
 - The reimbursement rates for durable medical equipment (DME) are recommended to be adjusted to align with the Centers for Medicare and Medicaid Services DME fee schedule, generating savings of \$39.9 million (\$12.1 million General Fund appropriation) over the 2017-19 biennium.
 - The rate methodology used for Ambulatory Surgery Centers is recommended to be expanded to more closely align with Medicare's Ambulatory Payment Classifications methodology, generating savings of \$7.1 million (\$2.0 million General Fund appropriation) over the 2017-19 biennium.
 - Laboratory reimbursement rates are recommended to be reduced from 95 percent to 50 percent of the 2014 Medicare Clinical Laboratory Fee Schedule to make payments more equitable across various types of providers, generating savings of \$10.1 million (\$2.7 million General Fund appropriation) over the 2017-19 biennium.
- Revise Federal Medical Assistance Percentage for Prior Supplemental Payments: The Governor recommends revising the Federal Medical Assistance Percentage rate used for prior supplemental payments, generating a reduction to General Fund appropriations of \$15.8 million over the 2017-19 biennium and increasing federal Title XIX funds by the same amount.
- Change Pharmacy Dispensing Fees: Funding reductions of \$3.2 million (\$923,901 General Fund appropriation) are recommended over the 2017-19 biennium to change the pharmacy dispensing fees on maintenance medications from a monthly supply to a 100-day supply.
- Asset Verification System: Funding reductions of \$39.6 million (\$13.7 million General Fund appropriation) are recommended over the 2017-19 biennium for cost savings associated with finalizing the implementation of a federally-mandated electronic

asset verification system for MAABD Medicaid recipients at the time of Medicaid application and annual eligibility redetermination.

- Automate Medicare Buy-In Process: Funding reductions of \$51.4 million (\$15.8 million General Fund appropriation) are recommended for cost savings over the 2017-19 biennium resulting from converting the manual processes associated with the Medicare Buy-In program to an automated process performed by the division's fiscal agent.
- Increase Clark County Voluntary Contribution Rate: The Governor recommends an increase to the percent share Clark County voluntarily pays to be used as the state share for various supplemental payment programs from 47.5 percent to 50.0 percent, reducing General Fund appropriations by \$7.0 million over the 2017-19 biennium and increasing federal Title XIX funds by the same amount.

Waiver Slot Increases: The Governor recommends \$8.8 million (\$2.0 million General Fund appropriation) in FY 2018 and \$28.4 million (\$6.5 million General Fund appropriation) in FY 2019 to increase waiver slots for the division's three approved Medicaid waiver programs, which allow eligible Medicaid recipients to receive long-term care services in home and community-based settings rather than in institutional settings. The recommended increases account for standard caseload growth as well as the reduction of the waitlists for those clients waiting longer than 90 days for services. The recommended increases are as follows:

- Increase waiver slots for the Waiver for Individuals with Intellectual Disabilities and Related Conditions (IDRC) by 417, from 2,168 to 2,585 over the 2017-19 biennium, a 19.2 percent increase.
- Increase waiver slots for the Home and Community Based Waiver (HCBW) for the Frail Elderly by 402, from 2,072 to 2,474 over the 2017-19 biennium, a 19.4 percent increase.
- Increase waiver slots for the HCBW for Persons with Physical Disabilities by 113, from 793 to 906 over the 2017-19 biennium, a 14.2 percent increase.

DIVISION OF PUBLIC AND BEHAVIORAL HEALTH

The Division of Public and Behavioral Health (DPBH) is broadly dedicated to improving the health and wellness of Nevadans. The division has 27 budgets devoted to public health matters, enforcement of laws and regulations pertaining to public health, prevention of disease, injury, and disability, and behavioral health care, including access to mental health and substance abuse and prevention treatment services.

The Executive Budget recommends General Fund support of \$274.1 million for the 2017-19 biennium, which represents a 5.6 percent, or \$14.5 million, increase from the 2015-17 biennium legislatively approved amount. There are several budget recommendations that significantly increase or reduce General Fund appropriations in this division, primarily driven by the behavioral health budgets. Total recommended funding for the division is \$670.4 million for the 2017-19 biennium, net of interagency

transfers, which represents an increase of 5.7 percent when compared to the \$634.2 million, net of interagency transfers, approved by the Legislature for the 2015-17 biennium.

COMMUNICABLE DISEASES

The major program goal of the Communicable Diseases budget is to reduce the incidence and prevalence of HIV/AIDS in Nevada. These program efforts are collectively run by the Nevada Office of HIV/AIDS, as the Ryan White Part B and HIV Prevention programs. Programs include the AIDS Drug Assistance Program (ADAP), and the Health Insurance Premium and Co-Pay Assistance Program, which assists individuals with private health insurance, marketplace insurance, and Medicare Part D insurance. The Ryan White Part B Program is the medication payer of last resort for those living with HIV/AIDS who earn 400 percent or less of the Federal Poverty Level (FPL). The Nevada Office of HIV/AIDS also provides services such as: HIV testing; community planning; HIV prevention interventions; program evaluation and monitoring; and funding community organizations to provide housing, counseling, and other wrap-around services. These services are funded by the federal Ryan White Treatment and Modernization Act grant and the Centers for Disease Control and Prevention HIV Prevention grant. The Nevada Office of HIV/AIDS also receives federal rebate revenue from pharmaceutical companies, federal Housing Opportunities for People with AIDS grant funding, and General Fund appropriations.

The Governor's budget recommends the transfer of a Health Bureau Chief position from the Communicable Diseases budget to the Maternal Child Health Services budget within the DPBH, including the transfer of \$275,453 in General Fund appropriations over the 2017-19 biennium. The Executive Budget indicates the transfer would align the duties of the position, which provides oversight for the following programs contained within the Bureau of Child, Family and Community Wellness: Immunization Program; Women, Infants and Children (WIC) Food Supplement; Chronic Disease; and Maternal Child Health Services. If approved, the recommendation would remove all General Fund appropriations from the Communicable Diseases budget.

PUBLIC HEALTH PREPAREDNESS PROGRAM

This budget includes programs that work to prepare for and respond to public health emergencies caused by natural or man-made disasters; increase primary health care provider recruitment and retention in underserved areas; and develop health care planning strategies.

The 2015 Legislature approved license and fee revenue transfers from the Health Care Facilities Regulation budget to support a Management Analyst and a Primary Care Workforce Development Manager, for the development of a new Primary Care Office in the Public Health Preparedness budget. The Primary Care Office serves as the coordinating body for professional development and training for all health professional shortage areas including primary, dental and behavioral health care.

The 2015 Legislature directed the division to explore alternative funding sources to support the new positions and associated costs. On January 27, 2016, the division responded to a letter of intent indicating a time and effort study would be completed during the 2015-16 Interim to support the division's proposal to cost allocate expenses associated with the Primary Care Office in the future. The division also indicated that they would request the office be transferred to the Director's Office. The Executive Budget for the 2017-19 biennium continues to fund the operation of the Primary Care Office within the Public Health Preparedness budget using license and fee revenues from the Health Care Facilities Regulation budget, including \$385,062 in salary and benefit expenditures over the biennium to continue funding the two positions as approved by the 2015 Legislature.

MATERNAL AND CHILD HEALTH SERVICES

The Maternal and Child Health program works to improve the health of women of childbearing age, infants, children and adolescents, including children with special health care needs, by promoting and providing health education, prevention activities, and access to health care services.

The Governor recommends the transfer of a Health Program Manager position from this budget to the Chronic Disease budget within the DPBH to align the funding source for the position with duties performed. According to the division, the Health Program Manager serves as the Deputy Bureau Chief for the Chronic Disease program and the special supplemental food program for Women, Infants, and Children (WIC). The transfer would replace General Fund appropriations of \$251,548 over the 2017-19 biennium with federal funding to support the position's salary and related costs, as both the Chronic Disease and WIC programs are funded entirely with federal funding.

COMMUNITY HEALTH SERVICES

The Community Health Nursing program provides public health nursing in 14 of Nevada's rural counties and operates community health nursing clinics in 9 of those counties. The Community Health Nursing program provides public health preparedness coverage and epidemiology assistance in 12 rural counties, except Lyon and Douglas, which utilize the Carson City Department of Health and Human Services. Essential public health nursing services include adult and child immunizations, and Early Periodic Screening Diagnosis and Treatment examinations, including lead testing. In addition, family planning, cancer screening, and identification/treatment of communicable diseases such as Tuberculosis, Sexually Transmitted Infections and Human Immunodeficiency Virus (HIV) are provided. The Tonopah Community Health Nurse functions as the school health nurse for the Esmeralda County School District as that district does not have a school nurse. Services are provided at low or no cost.

For the 2017-19 biennium, the Governor recommends total funding for the Community Health Services budget of \$6.7 million, a decrease of 11.4 percent when compared to the \$7.5 million approved by the Legislature for the 2015-17 biennium. However, of the total funding, recommended General Fund appropriations total \$3.0 million, an increase

of 28.4 percent when compared to the \$2.4 million approved by the Legislature for the 2015-17 biennium.

The Executive Budget recommends increased General Fund appropriations of \$313,746 over the 2017-19 biennium due to a reduction in federal Family Planning funds from the U.S. Department of Health and Human Services. Three full-time Community Health Nurses are recommended to be eliminated as a result of the reduction in federal revenues. However, the recommended increase in General Fund appropriations would restore one full-time Community Health Nurse to provide services in Ely, and support the addition of a contract Advance Practice Registered Nurse to provide family planning services in seven rural community health clinics. The Executive Budget indicates the funding is necessary to provide family planning services in counties that do not qualify for federal reimbursement.

BEHAVIORAL HEALTH

Behavioral health agencies provide a safety net of services and programs designed to assist individuals coping with mental illness and/or substance abuse problems. Services include psychiatric assessments, medication clinics, residential supports, mobile outreach, hospitalization, forensic assessment and hospitalization, mental health court, substance abuse treatment and prevention, as well as outpatient clinical services provided in both rural and urban areas.

The Governor recommends total funding of \$327.9 million, net of interagency transfers, for the 2017-19 biennium behavioral health budgets compared to the 2015-17 biennium legislatively approved budget of \$318.4 million, which represents a 3.0 percent overall increase. Recommended General Fund appropriations for the 2017-19 biennium total \$258.6 million, which represents an increase of 6.3 percent when compared to the \$243.3 million approved by the Legislature for the 2015-17 biennium.

GENERAL FUND APPROPRIATIONS TO REPLACE MEDICAID PASS-THROUGH REVENUES

Within several of the behavioral health budgets (Southern Nevada Adult Mental Health Services, Northern Nevada Adult Mental Health Services, Rural Clinics and Behavioral Health Administration), the Governor recommends General Fund appropriations totaling \$22.7 million over the 2017-19 biennium to offset the elimination of pass-through revenues from Medicaid Managed Care Organizations (MCO). As a result of a ruling by The Centers for Medicare and Medicaid Services (CMS), the division may no longer charge MCOs pass-through rates for serving as the provider of last resort (also known as safety-net services). The replacement of pass-through revenues with General Fund appropriations would restore 65.51 positions otherwise recommended for elimination. The table that follows illustrates the reductions and subsequent restorations in funding for each affected budget.

Behavioral Health Budget	2017-19 Biennium Medicaid Revenue Reductions	2017-19 Biennium Position Eliminations	2017-19 Biennium General Fund Appropriation Replacement	2017-19 Biennium Position Restorations
Administration	\$ (707,324)	(4.00)	\$ 707,324	4.00
Southern Nevada Adult Mental Health Services	\$ (10,659,860)	(48.51)	\$ 10,659,860	48.51
Northern Nevada Adult Mental Health Services	\$ (6,969,234)	-	\$ 6,969,234	-
Rural Clinics	\$ 4,356,222	(13.00)	\$ 4,356,222	13.00
Total	\$ 22,692,640	(65.51)	\$ 22,692,640	65.51

BEHAVIORAL HEALTH ADMINISTRATION

The Behavioral Health Administration budget is responsible for overseeing the state's mental health and substance abuse policies and regulations, coordinating program development and operations statewide, establishing service and funding priorities, and maintaining fiscal responsibility. Recommended total funding for the Behavioral Health Administration budget is \$7.6 million over the 2017-19 biennium, of which \$6.5 million is General Fund appropriations.

The Governor recommends a one-time General Fund appropriation totaling \$1.65 million in FY 2018 to support the development of an integrated medication management system that would benefit both the Division of Public and Behavioral Health and the Division of Child and Family Services. The new system would automate several manual processes, decrease order errors, and improve patient care.

As a result of increased efficiencies due to the streamlining of processes, The Executive Budget recommends eliminating five positions, which would result in savings of \$1.0 million (\$993,108 General Fund appropriations) over the 2017-19 biennium.

NORTHERN NEVADA ADULT MENTAL HEALTH SERVICES

Northern Nevada Adult Mental Health Services (NNAMHS) provides numerous outpatient services, including residential support services, group home placements, and medication management. At the Dini-Townsend Hospital, psychiatric and psychological services are provided to the seriously mentally ill population in Northern Nevada. The hospital is funded to operate 30 beds, which includes 10 emergency beds in the Rapid Stabilization Unit.

To meet projected caseload growth needs, the Governor recommends General Fund appropriation increases of \$663,683 over the 2017-19 biennium for the NNAMHS to fund additional intensive supported living arrangements. The funding would increase services from 11 individuals in FY 2017, to 14 in FY 2018 and 17 in FY 2019.

SOUTHERN NEVADA ADULT MENTAL HEALTH SERVICES

Southern Nevada Adult Mental Health Services (SNAMHS) operates five sites in Clark County to provide outpatient services and psychiatric and psychological inpatient services to individuals in need of mental health services. The main SNAMHS campus is located on West Charleston Boulevard in Las Vegas and includes the Rawson Neal Psychiatric Hospital and the Stein Hospital forensic facility. Rawson Neal Psychiatric Hospital's current capacity includes 186 beds, 20 of which are for inpatient forensic services. Stein Hospital's current capacity is 48 beds.

To meet projected caseload growth needs, the Governor recommends General Fund appropriation increases of \$10.7 million over the 2017-19 biennium for the SNAMHS. Funding would support 65 full-time positions and direct client services for forensic inpatient and outpatient services, mobile crisis services, and the diversion of clients with behavioral health issues from the correctional system. The majority of projected caseload growth funding would support additional forensic inpatient services

on the SNAMHS campus, and would add 55 full-time positions over the 2017-19 biennium.

The 2015 Legislature approved \$2.3 million of tobacco settlement funds in the SNAMHS budget to support several behavioral health programs in Southern Nevada, including: Mental Health Court, the Community Triage Center, the Mobile Outreach Safety Team, the Home Visiting Program, and the Program of Assertive Community Treatment. The Executive Budget recommends eliminating \$1.9 million in tobacco settlement fund transfers to the SNAMHS and partially replacing the funding with \$1.7 million in General Fund appropriations over the 2017-19 biennium.

The Governor recommends General Fund appropriations of \$1.3 million over the 2017-19 biennium to fund ten Psychiatric Caseworkers to support the Community Court program and Assessment Centers, which connect clients with community mental health resources in collaboration with the courts and law enforcement to reduce criminal activity.

The Executive Budget also recommends a one-time General Fund appropriation of \$293,774 in FY 2018 to support the development of an onsite medical laboratory testing system on the SNAMHS campus.

SERVICE REDUCTIONS AT THE SNAMHS AND NNAMHS

The health insurance environment in Nevada changed significantly as a result of the implementation of the Affordable Care Act (ACA), which not only expanded health insurance coverage, but also led to various policy and program changes. Many of the law's provisions have had a significant impact on Nevada's behavioral health budgets. Requirements to provide mental health and substance abuse treatment at parity with medical and surgical benefits have led to an increase in both patients and treatment providers.

As more people have obtained health insurance coverage, the location at which people receive services has shifted. For example, prior to the ACA, the DPBH was the primary provider of behavioral health services to individuals who were underinsured, uninsured, or covered by Medicaid. Subsequent to the implementation of the ACA, the portion of individuals with health insurance coverage receiving care at DPBH facilities has declined. Studies indicate a greater portion of individuals who have health insurance coverage are receiving treatment from community providers rather than from DPBH facilities.

As a result, the Governor recommends several service reductions for state operated behavioral health facilities on the SNAMHS and NNAMHS campuses due to projections that individuals will continue to seek treatment from community providers, leading to a decrease in demand for state-provided services. The service reductions would reduce General Fund appropriations by \$30.1 million in the SNAMHS and NNAMHS budgets combined over the 2017-19 biennium (\$19.9 million reduction for the SNAMHS and \$10.2 million reduction for the NNAMHS). The reductions would also eliminate 179.72 positions over the 2017-19 biennium (123.02 positions for the SNAMHS and 56.70 for the NNAMHS).

A table summarizing the recommended service reductions for the SNAMHS and NNAMHS budgets is as follows:

Budget Title	Description	2017-19 Biennium General Fund Reductions	2017-19 Biennium Position Eliminations
SNAMHS	Eliminates pharmacy positions due to the consolidation from four locations to two locations	(\$366,148)	(2.00)
SNAMHS	Reduces Internal Medicine services to match existing usage	(\$996,062)	-
SNAMHS	Eliminates outpatient counseling and pharmacy services at the East Las Vegas clinic	(\$349,737)	(2.00)
SNAMHS	Closes the Henderson outpatient counseling and pharmacy clinic	(\$1,990,129)	(9.51)
SNAMHS	Uses the Intercept Model to divert individuals with mental illnesses from the criminal justice system to community treatment providers	(\$7,500,907)	(58.51)
SNAMHS	Reduces outpatient counseling services and positions	(\$1,223,815)	(8.00)
SNAMHS	Eliminates positions in the Medication Clinic as outpatient services have declined	(\$5,519,635)	(31.00)
SNAMHS	Eliminates contract staff for the Home Visitation program	(\$613,568)	-
SNAMHS	Eliminates positions due to operating efficiencies	(\$1,317,457)	(12.00)
NNAMHS	Eliminates pharmacy positions as the number of outpatients served has declined	(\$709,597)	(3.51)
NNAMHS	Eliminates the 10-bed Rapid Stabilization Unit at Dini-Townsend Hospital, allowing patients to utilize community services	(\$3,688,337)	(16.53)
NNAMHS	Eliminates positions due to operating efficiencies in the Forensic Mental Health and Mental Health Court programs	(\$1,195,527)	(8.60)
NNAMHS	Eliminates positions in the Medication Clinic as outpatient services have declined	(\$2,597,028)	(12.04)
NNAMHS	Reduces outpatient counseling services and positions	(\$1,027,546)	(9.02)
NNAMHS	Eliminates the Counseling Assessment and Referral Program due to the elimination of Medicaid Managed Care Organization payments	(\$994,872)	(7.00)
Total Budget Reductions		(\$30,090,365)	(179.72)

FACILITY FOR THE MENTAL OFFENDER – LAKE’S CROSSING CENTER

The Lake's Crossing Center provides statewide forensic mental health services in a maximum-security facility to mentally disordered offenders who are referred from the court system so their competency can be restored or who require mental health services in a secure setting. The facility is located in Washoe County and has 56 beds with an additional 20 to 30 beds available in the annex located at the Dini-Townsend Psychiatric Hospital. The Governor recommends the continuation of funding 86 beds, 10 of which are made available by doubling up individuals in one room as client acuity allows. From FY 2014 to FY 2017, tobacco funds have been allocated to Lake's Crossing for the continued operation of the Dini-Townsend annex. The Executive Budget recommends eliminating this transfer and replacing the funding with General Fund appropriations of \$3.1 million over the 2017-19 biennium.

CAPITAL IMPROVEMENT PROJECTS

A total of \$6.7 million in state funds are recommended for DPBH projects. One construction project, at a cost of \$852,156, is recommended for the installation of protective barriers and doors at all nursing stations within the Rawson Neal Psychiatric Hospital on the SNAMHS campus.

Eight maintenance projects, at a cost of \$5.8 million, are recommended for the SNAMHS, the NNAMHS, and Lake's Crossing, as reflected in the table below. In addition to the recommended funding for specific DPBH projects, the Governor's recommended Capital Improvement Program also includes funding for the replacement of the roof at the Stein Hospital in the statewide roofing program project.

DPBH Maintenance Projects

Project No.	Description	2017-19 Biennium Cost Estimate
17-M07	Emergency Generator and Transfer Switch Replacement (Building 3-Stein Hospital)	\$697,769
17-M16	Access Control System (Dini-Townsend Hospital)	\$646,741
17-M26	Temperature Controls Replacement (SNAMHS)	\$332,687
17-M42	Chiller Replacement (NNAMHS Building 8)	\$304,885
17-M49	Air Handling Unit Replacement (NNAMHS Administration Building 1)	\$1,087,645
17-M52	Air Handling Unit Replacement (Lake's Crossing)	\$1,012,204
17-M53	Upgrade Access Door Controls (Rawson Neal Psychiatric Hospital)	\$1,551,253
17-M69	Direct Digital Control System Upgrade (NNAMHS Administration Building 1)	\$205,309
Total DPBH Maintenance Projects		\$5,838,493

DIVISION OF WELFARE AND SUPPORTIVE SERVICES

The Division of Welfare and Supportive Services (DWSS) is responsible for administering the delivery of cash grants and electronic benefit transfers for the Supplemental Nutrition Assistance Program (SNAP) (formerly food stamps), enforcing child support, administering employment and training programs for welfare recipients, distributing child care funding, and determining eligibility for Nevada's Medicaid program.

The Executive Budget recommends General Fund appropriations of \$171.9 million in the 2017-19 biennium, an increase of \$3.0 million, or 1.8 percent, when compared to the General Fund appropriations of \$168.9 million for the 2015-17 biennium. Including all sources of funds, the DWSS budget is recommended to increase by \$38.7 million, or 6.0 percent, to \$687.0 million in the 2017-19 biennium, when compared to the preceding budget cycle.

WELFARE ADMINISTRATION

The Welfare and Supportive Services Administration budget supports the administrative staff, who provide oversight to various programs administered by the division, and includes support resources provided to the division's field staff, who operate the various programs under the division's jurisdiction.

The Executive Budget recommends six new positions to address privacy concerns, coordinate and administer programs, support the division's technology projects, and to engage and recruit college students for entry-level positions with total funding of \$553,514 (\$160,535 General Fund appropriations) over the 2017-19 biennium. Two of the new positions recommended would be the result of converting existing federally funded contract positions to permanent state employees, with no net change in cost.

The Executive Budget anticipates a net increase in electronic benefit transfer transaction costs associated with a projected increase in SNAP recipients and a projected decrease in Temporary Assistance for Needy Families (TANF) recipients at a net cost of \$358,085 (\$177,677 General Fund appropriations) over the 2017-19 biennium.

TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

The TANF budget provides funding for temporary cash assistance for eligible recipients; supports the employment and training programs and services administered by the division designed to help clients prepare for and find work; and provides a wide variety of support services for families and individuals to support and maintain self-sufficiency.

The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 replaced the Aid to Families with Dependent Children (AFDC) program, an open-ended federal entitlement, with the TANF program. The federal funding to support the TANF program is now allocated to states in the form of a block grant that is capped and covers cash assistance, welfare employment and training, and the administrative costs associated with providing those services. The 1997 Legislature, with passage of Assembly Bill 401 and Senate Bill 356, enacted legislation to conform state laws to the PRWORA requirements and authorized a number of welfare reform initiatives unique to Nevada.

The PRWORA legislation requires states to continue contributing state funds equal to 80 percent of the amount spent in Federal Fiscal Year 1994 on welfare programs consolidated into TANF. The maintenance of effort (MOE) provisions require Nevada to continue to spend a minimum of \$27.2 million in state funds each fiscal year on welfare-related programs. The 80 percent MOE can be reduced to 75 percent if work participation rates are met.

In support of the TANF budget, the Governor recommends \$87.8 million (\$49.2 million General Fund appropriations) over the 2017-19 biennium. General Fund appropriations recommended for the 2017-19 biennium equal the legislatively approved amount for the preceding biennium.

The federal block grant that is allocated to Nevada is projected at \$43.9 million in each year of the 2017-19 biennium. The TANF Block Grant is allocated among the Welfare Division's TANF, Welfare Administration, Welfare Field Services, and Welfare Child Assistance and Development budgets. The Executive Budget also recommends the

transfer of \$2.8 million in TANF Block Grant funds over the biennium to two budgets outside of the DWSS, including \$1.0 million in each year of the biennium to provide payments to 223 families in the Aging and Disability Services Division’s Family Preservation Program; and \$375,000 in each year of the biennium to provide funding to the Department of Health and Human Services (DHHS) Director’s Office Grants Management Unit for Food Security One-Stop Shops. The One-Stop Shops provide immediate food assistance to individuals and families and work with families to address the root cause of hunger in their households.

TANF Caseloads: As shown in the following table, The Executive Budget projects a total of 25,097 average monthly recipients in FY 2018 and 25,236 in FY 2019, yielding decreases of 6.1 percent (1,620 fewer recipients) and 5.5 percent (1,481 fewer recipients), respectively, compared to FY 2016.

TANF Caseload Projections							
Caseload Type	FY 2016 Actual	FY 2017 Projected	% Change Over the Year	FY 2018 Projected	% Change Over the Year	FY 2019 Projected	% Change Over the Year
TANF Cash Assistance	26,717	24,726	-7.45%	25,097	1.50%	25,236	0.55%

Cash Grants: The Executive Budget recommends retaining TANF cash assistance grants at their existing levels for the 2017-19 biennium. The monthly cash assistance grant for a three-person household is currently \$383 for a TANF recipient without a public housing allowance, and \$535 for non-needy caretakers. The cash assistance grants for recipients in the Kinship Care program are \$400 for a single child age 12 and under and \$462 for a child 13 years of age or older.

ASSISTANCE TO AGED AND BLIND

Assistance to the Aged and Blind is an option to the Supplemental Security Income (SSI) program established by Public Law 92-603. The federal SSI program replaced the state-run assistance programs for the aged, blind and disabled and established uniform payment amounts. The Social Security Administration (SSA) administers the program. Nevada has paid a state supplement to the aged and blind who live at home or in an adult group care facility since January 1, 1974. Nevada has never elected the option to supplement payments to the disabled. The purpose of the program is to provide supplemental income to low-income aged and blind individuals and provide adult group care facilities with supplements that enable individuals to avoid or defray institutionalization.

To fund projected caseload increases in the Assistance to Aged, and Blind budget, The Executive Budget recommends increases in General Fund appropriations totaling \$2.5 million over the 2017-19 biennium. The Executive Budget projects caseloads to increase from 13,509 average monthly recipients in FY 2016 to 14,974 in FY 2018 (10.8 percent increase from FY 2016) and to 15,796 in FY 2019 (16.9 percent increase from FY 2016). The Executive Budget does not recommend a state-funded increase in the amount of the supplement paid to eligible aged and blind individuals or a rate increase for group care operators.

FIELD SERVICES

The Field Services budget provides for the salaries, operating expenses, and support costs for staff that determine eligibility for the TANF, SNAP and Medicaid programs, as well as the staff that supports the employment and training programs administered by the division.

In the Field Services budget the Governor proposes to eliminate 19 permanent positions and 2 intermittent positions, primarily due to the division's gains in efficiency. The reductions to staff, and associated operating costs, are expected to save a total of \$3.0 million (\$894,021 General Fund appropriations) over the 2017-19 biennium. The Governor also recommends outsourcing the functions of the Document Imaging Unit, effective January 2018. This recommendation would eliminate 44 intermittent staff and a permanent position for an estimated savings of \$341,726 in FY 2019 (\$103,366 General Fund appropriation) after full implementation of the transition.

CHILD SUPPORT ENFORCEMENT PROGRAM

The Child Support Enforcement program provides five basic services: locating absent parents, establishing parentage, establishing child and medical support orders, enforcing support payments, and collecting and distributing child and medical support. In Nevada, the Child Support Enforcement program is administered by the Division of Welfare and Supportive Services (DWSS) and jointly operated by the division and county district attorneys. The Child Support Enforcement budget is funded with a portion of the child support collections the state is allowed to retain, which are used to match Title IV-D funds. The state's share of collections typically supports all non-federal expenditures.

The Governor recommends total funding for the Child Support Enforcement budget of \$33.8 million for the 2017-19 biennium, which is a decrease of \$2.4 million (6.7 percent) compared to total funding of \$36.2 million approved by the Legislature for the 2015-17 biennium. The Executive Budget recommends outsourcing the functions of the State Collections and Disbursement Unit, which is responsible for child support payment processing, effective January 2018. The recommendation is projected to save \$1.6 million over the biennium and includes the elimination of 17 permanent positions.

CHILD ASSISTANCE AND DEVELOPMENT

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

The Governor recommends total funding for the Child Assistance and Development budget of \$118.3 million for the 2017-19 biennium, which is an increase of \$41.3 million compared to total funding of \$77.0 million approved by the Legislature for the

2015-17 biennium. The recommended increase in this budget is funded entirely with federal funds. The Executive Budget recommends the Child Assistance and Development General Fund appropriation MOE remain at the minimum required level of \$2.6 million in each year of the 2017-19 biennium. In addition to the General Fund appropriation for MOE, The Executive Budget recommends certified matching funds from outside entities be used in lieu of a state hard-dollar cash match. The Governor recommends additional federal funds of \$29.9 million over the 2017-19 biennium (includes TANF funds of \$4.7 million in FY 2019) to support issuing child care benefits to more clients due to projected caseload increases. The caseload is projected to increase 25.9 percent over the biennium, from 6,598 average monthly clients at the end of FY 2016 to 8,307 clients in FY 2019. The Governor also recommends additional TANF funding of \$3.8 million over the biennium to implement a federal requirement to reimburse child care providers based on 75 percent of the current market rate.

ENERGY ASSISTANCE PROGRAM

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

The Governor recommends reducing Universal Energy Charge revenues by \$2.7 million and the federal LIHEA program grant funding by \$3.1 million over the 2017-19 biennium to align revenues to the cost of the projected caseload level. The average monthly households served are expected to decrease from the actual FY 2016 level of 2,245, with an average annual assistance payment of \$742, to 1,918 in FY 2018 and 1,886 in FY 2019, with average annual assistance payments estimated at \$731 in each year of the 2017-19 biennium.

TECHNOLOGY INVESTMENT REQUESTS

In addition to the funding contained in the DWSS operating budgets, the Governor recommends One-Shot funding of \$44.6 million (\$10.8 million General Fund appropriation) for the following four projects:

- Child Support Enforcement System Replacement: The Governor's budget includes funding for Phase Two of the plan to replace the automated processing system for child support enforcement (\$19.4 million federal funds, \$9.3 million General Fund appropriation, and \$700,000 state child support collection funds).
- Master Client Index: The Executive Budget proposes funding for a Master Client Index (MCI) to track individual clients in each of the programs within the DHHS (\$1.1 million federal funds and \$127,500 General Fund appropriation). The division indicates that by ensuring a client is represented only once and with the same set of demographic and registration data, the MCI would improve access to client data and enhance coordination of services across the DHHS.

- Modernize Access Nevada: The Governor proposes to modernize Access Nevada, which is the division's public facing web application that provides clients with the opportunity to submit electronic applications for public assistance (\$9.0 million federal funds and \$1.0 million General Fund appropriation).
- No Wrong Door: The Governor recommends funding a "No Wrong Door" portal, which is a case management system that would automatically direct clients to all possible programs within the DHHS for which they may be eligible to receive public assistance (\$3.5 million federal funds and \$407,673 General Fund appropriation).

DIVISION OF CHILD AND FAMILY SERVICES

The Division of Child and Family Services (DCFS) provides a wide array of services to children and adolescents and is organized into three major program areas: Child Welfare Services, Children's Mental/Behavioral Health Services, and Juvenile Justice Services. The Executive Budget recommends total funds of \$566.4 million for the 2017-19 biennium, an increase of \$56.9 million, or 11.2 percent, when compared to the total funding approved by the 2015 Legislature for the 2015-17 biennium. The General Fund portion of the budget for DCFS is recommended to increase by \$14.6 million, or 5.8 percent, when compared to the approved amounts for the 2015-17 biennium.

CHILDREN, YOUTH AND FAMILY ADMINISTRATION

The Children, Youth and Family Administration budget is the central administrative budget of the division and contains the unclassified Administrator, the division's four unclassified Deputy Administrators, and central fiscal, accounting, and personnel staff.

The Governor recommends federal Title IV-E funds of \$5.0 million over the 2017-19 biennium to provide comprehensive statewide training for social workers. The training would be conducted by the University of Nevada, Reno and the University of Nevada, Las Vegas, and the funding requested would be utilized for university student stipends; pre-service training (academy); existing workforce training; trainer, supervisory and leadership training; community engagement; and management and research.

The Executive Budget recommends various position transfers between the division's budgets to align position duties and responsibilities with the correct funding source and budget.

UNITY/SACWIS

The UNITY/SACWIS budget represents the division's compliance with a federal mandate to automate foster care and adoption information systems. The Statewide Adoption and Child Welfare Information System (SACWIS) project, now referred to as Unified Nevada Information Technology for Youth (UNITY), began in FY 1995 with

business process reengineering and became fully operational statewide in September 2003. This budget supports the Information Management Services unit, which provides helpdesk support and application training to all three Nevada child welfare agencies (Division of Child and Family Services, Clark County and Washoe County), and network and desktop computer support for DCFS.

The Governor recommends \$592,800 (\$334,576 General Fund appropriations) over the 2017-19 biennium to convert the UNITY computer application from the SACWIS to the Comprehensive Child Welfare Information System (CCWIS), per federal regulation, in order to continue to receive federal Title IV-E funding. The funding would be utilized for 60 hours per week of Master Services Agreement (MSA) contracted programmer time to convert the existing computer application.

URBAN CHILD WELFARE

As approved by the 2011 Legislature, the division awards block grants to counties whose populations are 100,000 or more (currently Clark and Washoe Counties) for the provision of child welfare services in those counties. The counties that receive the block grants must use the money without restriction for child welfare services, and without requirement to revert unspent money to the General Fund. A categorical grant is provided to the same counties for the cost of adoption assistance services within the counties. Each county, and the division itself, is required to submit improvement plans biennially to improve the safety, permanency and well-being of children in the agencies' care. Additionally, the division is required to administer an incentive program for the counties that provide child welfare services, and to make fiscal incentive payments based upon the counties' achievement of specific goals for improvement proposed by the counties and approved by the division.

WASHOE COUNTY CHILD WELFARE

The Washoe County Child Welfare budget funds the delivery of child welfare services for Washoe County, which are provided by the county's Department of Social Services. Total recommended funding for the 2017-19 biennium is \$70.2 million, including General Fund appropriations of \$34.3 million.

To fund projected caseload growth in adoption subsidies in Washoe County, the Governor recommends total funding of \$1.5 million (\$666,653 General Fund appropriations) over the 2017-19 biennium. As noted above, adoption assistance services are established as a categorical grant; any unspent categorical grant funds must be reverted to the General Fund.

CLARK COUNTY CHILD WELFARE

The Clark County Child Welfare budget funds the delivery of child welfare services for Clark County, which are provided by the county's Department of Family Services. Total recommended funding for the 2017-19 biennium is \$220.1 million, including General Fund appropriations of \$105.3 million. To fund projected caseload growth in adoption subsidies in Clark County, the Governor recommends total funding of \$11.4 million (\$4.9 million General Fund appropriations) over the 2017-19 biennium.

RURAL CHILD WELFARE

The Rural Child Welfare budget funds the delivery of child welfare services in the rural counties, including foster care placement costs and subsidized adoption costs for the rural region. Total recommended funding for the 2017-19 biennium is \$45.0 million, including General Fund appropriations of \$17.8 million.

To fund caseload increases in adoption subsidies, foster and specialized foster care placements, and court jurisdiction subsidies, The Executive Budget recommends total funding of \$4.9 million (\$3.1 million General Fund appropriations) over the 2017-19 biennium. The majority of the caseload growth recommendation is comprised of specialized foster care payments, which would increase by \$3.4 million over the 2017-19 biennium. The increase is primarily due to the Governor's recommendation to raise monthly specialized foster care payments from \$1,215 per month, per child, in the current biennium to \$3,802 per month in the 2017-19 biennium, a 213 percent increase.

The Governor recommends additional Medicaid revenue of \$526,917 over the 2017-19 biennium to replace General Fund appropriations in the same amount, through Targeted Case Management billing to Nevada Medicaid for billable services.

COMMUNITY JUVENILE JUSTICE PROGRAMS

The Community Juvenile Justice Programs budget subgrants funds to local governments and private agencies for various juvenile justice programs. The budget also supports the Social Services Chief who performs compliance and monitoring of jails, serves as Nevada's juvenile justice specialist, and prepares monitoring and performance reports for various federal grants programs.

To reduce juvenile recidivism rates, improve outcomes for youth in the juvenile justice system and ensure resources are used more efficiently, the Governor recommends General Fund appropriations of \$1.5 million over the 2017-19 biennium. The funding would be used to implement a statewide risk assessment program, and hire contract personnel for research analysis, quality assurance, training and technical assistance.

The Executive Budget recommends General Fund appropriations of \$493,574 in FY 2018 for compliance costs associated with the Prison Rape Elimination Act (PREA), legislation enacted by Congress in 2003 to address the problem of sexual abuse of individuals in correctional agency custody. The recommendation includes funding for improvements to video surveillance system capabilities at the division's three juvenile correctional facilities: camera replacement and network improvements at Summit View Youth Correctional Center; implementation of a new video surveillance system and network improvements at Caliente Youth Center; and improvements to the network infrastructure at Nevada Youth Training Center by enabling installation of a video surveillance system already purchased, but not yet implemented.

To replace an expiring federal PREA grant, the Governor recommends General Fund appropriations of \$230,247 over the 2017-19 biennium. The new funding would support an existing PREA Coordinator position and associated operating and travel costs.

YOUTH ALTERNATIVE PLACEMENT

The Youth Alternative Placement budget provides support for the China Spring and Aurora Pines youth camps in Douglas County, and the Spring Mountain youth camp in Clark County. County participation revenue is also continued in this budget and represents assessments collected from all counties, except Clark, for the operation of the China Spring and Aurora Pines youth camps.

The Executive Budget recommends county participation revenue of \$7.3 million over the 2017-19 biennium to achieve PREA compliance for the China Spring and Aurora Pines youth camps in Douglas County. The recommendation includes additional staff to meet PREA staffing ratios, and facility upgrades in order to comply with PREA mandates.

SUMMIT VIEW YOUTH CENTER

Summit View Youth Correctional Center (SVYCC) is a maximum-security youth correctional facility located near the Las Vegas urban center. The facility was closed in FY 2010 because of budget constraints, but the 2013 Legislature approved reopening the facility in FY 2014 with funding for 50 beds, and authorized the division to hire a private contractor to operate the facility. The division terminated the agreement with the private contractor in March 2015, and the facility was closed again. During the 2015 Legislative Session, through a budget amendment to The Executive Budget, the Governor recommended that the division operate SVYCC as a state-operated facility with funding for 48 beds. The 2015 Legislature approved the budget amendment, and SVYCC reopened under state operation in February 2016.

The Executive Budget recommends General Fund appropriations of \$51,972 over the 2017-19 biennium to fund an increase in training for the staff at the facility. Additionally, the Governor recommends one-shot General Fund appropriations of \$152,000 for deferred maintenance projects the agency indicates are essential for security and operation of the facility.

CALIENTE YOUTH CENTER

The Caliente Youth Center is a co-educational juvenile residential correctional facility that serves youth between the ages of 12 and 19 and has a capacity of 140 youth. The Governor recommends one-shot General Fund appropriations of \$900,256 for deferred maintenance projects the agency indicates are essential for security and operation of the facility.

NEVADA YOUTH TRAINING CENTER

The Nevada Youth Training Center (NYTC) is a residential juvenile correctional facility for male youth between 12 and 19 years of age, located in Elko, and is funded for 60 beds. The Governor recommends one-shot General Fund appropriations of \$1.4 million for deferred maintenance projects the agency indicates are essential for security and operation of the facility.

YOUTH PAROLE SERVICES

The Nevada Youth Parole Bureau is charged with supervising post-incarcerated youth within their respective communities, and facilitating reintegration processes to assist the youth in adjusting to and prospering within their communities. The Governor recommends additional Medicaid revenue of \$416,772 over the 2017-19 biennium to replace General Fund appropriations in the same amount, through Targeted Case Management billing to Nevada Medicaid for billable services.

NORTHERN NEVADA CHILD AND ADOLESCENT SERVICES

Northern Nevada Child and Adolescent Services (NNCAS) provides a continuum of mental health services to emotionally disturbed children, adolescents and their families in Northern Nevada, including early childhood and outpatient services, mobile crisis services, and residential treatment services such as the Family Learning Homes and the Adolescent Treatment Center.

The Governor recommends General Fund appropriations of \$183,004 over the 2017-19 biennium to increase funding for contracted acute inpatient psychiatric services (\$143,014) for children and adolescents served by Northern Nevada Child and Adolescent Services and Rural Child Welfare and to increase funding for specialized foster care providers utilized by Northern Nevada Child and Adolescent Services.

The Executive Budget also recommends one-shot General Fund appropriations of \$70,927 for deferred maintenance projects the agency indicates are essential for security and operation of the facility.

SOUTHERN NEVADA CHILD AND ADOLESCENT SERVICES

Southern Nevada Child and Adolescent Services (SNCAS) provides a comprehensive continuum of behavioral health care services in Southern Nevada for emotionally disturbed children and adolescents from birth through 18 years of age. Outpatient services are provided in Neighborhood Family Service Centers, and through the Mobile Crisis Unit (MCU). Residential services are provided at the West Charleston campus and include the Oasis Treatment Homes and Desert Willow Treatment Center, a hospital, which provides inpatient acute psychiatric services.

The Governor recommends closing the Desert Willow Treatment Center (DWTC) in Las Vegas, and instead operating one ten-bed acute unit and one ten-bed residential treatment unit for juveniles at the adult Rawson Neal Hospital. The agency indicates that providers are available within the community to provide acute hospitalizations and residential treatment for children, which has resulted in a reduction in caseload at the DWTC. Additionally, the agency indicates it has been unable to keep the DWTC adequately staffed, resulting in a significantly lower census. According to the division, moving to Rawson Neal Hospital would enable the two agencies to share nursing staff and to combine duties of other staff. Over the 2017-19 biennium, this measure would

reduce overall expenditures by \$8.0 million, of which \$3.2 million would be a reduction in General Funds, and eliminate 53 positions.

The Executive Budget also recommends one-shot General Fund appropriations of \$286,865 for deferred maintenance projects the agency indicates are essential for security and operation of the facility.

DEPARTMENT OF EMPLOYMENT, TRAINING AND REHABILITATION

The Department of Employment, Training and Rehabilitation (DETR) serves all Nevada citizens by facilitating the training and stability of a qualified workforce that supports a growing and diverse economy, and enforces rules that protect citizens from workplace and personal discrimination.

The department is the lead state agency responsible for the administration of the Workforce Innovation and Opportunity Act in Nevada, including serving as staff to the Governor's Workforce Investment Board, which oversees the state's workforce investment system, Nevada JobConnect. The department consists of the Director's Office and centralized administrative services, the Employment Security Division, the Rehabilitation Division, the Research and Analysis Bureau, Information Development and Processing, and the Nevada Equal Rights Commission.

Funding for the department includes, but is not limited to, federal funds from the United States Departments of Labor and Education, the Social Security Administration, a surcharge of 0.05 percent on wages paid by Nevada employers, and interest on, and forfeitures of, employer contributions. General Fund appropriations are provided to the Equal Rights Commission to supplement contract payments from the federal Equal Employment Opportunity Commission. General Fund appropriations are also provided to the Vocational Rehabilitation program and to the Bureau of Services to the Blind and Visually Impaired, primarily to match federal Section 110 funding.

The Governor recommends an increase to the department's General Fund appropriations for the upcoming biennium by \$444,153, or 4.0 percent, to \$11.6 million, over the \$11.2 million appropriated for the 2015-17 biennium. Total recommended funding for the department is \$311.7 million for the upcoming biennium, net of interagency transfers. In comparison, total funding legislatively approved for the 2015-17 biennium was \$288.8 million, net of interagency transfers.

DEPARTMENT REORGANIZATION

As part of the Governor's initiative on workforce development, The Executive Budget recommends several reorganization initiatives throughout the department's budgets, including the transfer of positions and associated costs between department budgets. The major components of the reorganization are summarized on the next page.

Separation of the Employment Services and Unemployment Insurance Program Budgets:

The Employment Service and Unemployment Insurance programs are funded in the Employment Security Division (ESD) budget in the current biennium. The Governor recommends separating the two programs, and creating a new budget for the Unemployment Insurance program. The recommendation would transfer 248 positions and associated costs of \$61.7 million out of the ESD budget for fiscal transparency and administrative purposes. The Employment Services programs would remain in the existing ESD budget; however, the budget is recommended to be renamed Workforce Development in order to align with the program's core functions.

Transfer of the Office of Workforce Innovation (OWINN): The Governor recommends federal Workforce Innovation and Opportunity Act (WIOA) funding totaling \$723,790 over the 2017-19 biennium for the establishment of three non-classified state positions, previously approved as contract staff by the Interim Finance Committee at its June 2016 meeting to support OWINN. As designated by Executive Order 2016-08 (dated March 16, 2016), OWINN was created to coordinate and facilitate collaboration between the multiple agencies and initiatives currently prioritizing workforce development projects. The agency indicated the office would also work to streamline efforts between K-12 Education, the Nevada System of Higher Education, DETR, and the Division of Welfare and Supportive Services. Positions include an Executive Director, Economist, and Program Officer. The Governor recommends transferring the three positions and associated costs, as well as one existing Administrative Assistant position from DETR's Research and Analysis Bureau to the proposed Governor's Office of Workforce Innovation, which is recommended to be established as part of The Executive Budget.

Transfer of the Nevada P20 Workforce Reporting Budget: The Governor recommends the transfer of the Nevada P20 Workforce Reporting budget and its one position to the aforementioned proposed Governor's Office of Workforce Innovation. Enhancements recommended by the Governor for this budget are discussed under the Nevada P20 Workforce Reporting section of this report.

Deputy Administrator Positions: The Governor recommends the reclassification of four existing Deputy Administrators in the Rehabilitation Administration and Employment Security budgets from classified service to unclassified service at a total cost of \$3,006 over the 2017-19 biennium. According to the agency, the Deputy Administrators provide strategic direction and oversee mission-critical operations, and establishing the positions in the unclassified service would provide the agency flexibility to manage the positions appropriately.

Adult Basic Education and Postsecondary Education: The Governor recommends the creation of a new DETR budget, Adult Basic Education, to be established through a partial transfer totaling \$12.1 million (\$77,829 General Fund appropriations) over the 2017-19 biennium from the Continuing Education budget in the Department of Education, including the transfer of two positions. The Governor also recommends the transfer of the Commission on Postsecondary Education and its four positions to DETR, including total funding of \$964,396 (\$764,396 General Fund appropriations) over the

2017-19 biennium. The transfers are recommended as part of the Governor's workforce development initiative to train and develop a competitive workforce equipped with the skills, credentials and tools necessary to meet Nevada's growing and changing economy.

REHABILITATION DIVISION

The Rehabilitation Division includes the Bureau of Vocational Rehabilitation, which provides vocational rehabilitation services leading to employment for persons with disabilities; the Bureau of Services to the Blind and Visually Impaired (BSBVI), which provides vocational rehabilitation services leading to employment and independent living services to eligible individuals with blindness and visual impairments; the Bureau of Disability Adjudication (BDA), which makes medical determinations of eligibility for Social Security Administration disability benefit payment programs; and the Blind Business Enterprise Program (BEN), which provides blind individuals seeking self-sufficiency the opportunity to operate snack bars and vending operations in federal, state and municipal buildings statewide.

The Preferred Purchase Program, currently funded in the Rehabilitation Division Administration budget, is recommended to be transferred to State Purchasing. Pursuant to NRS 334.025, the Rehabilitation Division administers the Program to Encourage and Facilitate Purchases by Agencies of Commodities and Services from Organizations, commonly referred to as the Preferred Purchase Program. The Preferred Purchase program is exempt from the competitive bidding process and allows government entities to contract for goods and services with nonprofit organizations in which 75 percent of their billable labor is performed by individuals with disabilities. The agency indicates the program is better aligned with the State Purchasing Division of the Department of Administration, and that several other states follow a similar organizational structure for similar programs.

The Governor recommends one-time funding totaling \$2.8 million (\$593,325 General Fund appropriations) in FY 2018 to support enhancements to the Rehabilitation Division's client information system. According to the agency, the current client information system is outdated and does not provide required business functionality and reporting requirements. The enhancements would assist the agency in more efficiently managing caseloads, evaluating program outcomes and services, and assist in fiscal planning, trend analysis, and federal reporting.

BUREAU OF SERVICES TO THE BLIND AND VISUALLY IMPAIRED

The Governor recommends transferring a total of 12 positions (1 Administrative Assistant, 8 Rehabilitation Counselors, and 3 Rehabilitation Technicians) from the Bureau of Services to the Blind and Visually Impaired (BSBVI) budget to the Vocational Rehabilitation budget. The agency indicates it has experienced a steady decline in the number of visually impaired individuals seeking services from the BSBVI and as such, has been using BSBVI staff to serve the broader Vocational Rehabilitation client base.

BUREAU OF VOCATIONAL REHABILITATION

The Governor recommends \$348,255 (\$74,178 General Fund appropriations) over the 2017-19 biennium to hire a Training Officer and a Program Officer. A Training Officer is recommended to provide ongoing training and technical assistance throughout the Rehabilitation Division. A Program Officer is recommended to serve as the single point of contact for school districts and other educational institutions across the state, providing coordinated information regarding federally mandated vocational rehabilitation services for individuals with intellectual disabilities.

BUREAU OF DISABILITY ADJUDICATION

The Governor recommends federal funds of \$14,142 over the 2017-19 biennium to convert five vacant Senior Physician positions and one vacant Licensed Psychologist position from state positions to contract positions. The agency indicates it is experiencing difficulties in filling these positions and contract staff would provide flexibility in meeting workload demands.

The Governor recommends federal funds of \$170,347 over the 2017-19 biennium to hire one Information Technology Technician. Due to federal requirements for all states to bring Continuing Disability Review cases current in FY 2017, and based on projected caseloads by the Social Security Administration through the upcoming biennium, the Bureau of Disability Adjudication (BDA) received approval from the Interim Finance Committee at its June 2016 meeting to add 11 permanent state positions and 10 intermittent positions to address current and projected workloads. The agency indicates an Information Technology Technician is necessary for the Las Vegas office to provide onsite operational support as a result of the increased workload.

The Executive Budget also recommends the reclassification of a classified Rehabilitation Chief within the BDA to an unclassified Deputy Administrator for a total cost of \$30,114 over the 2017-19 biennium, funded with federal dollars. According to the agency, the recent growth of the BDA necessitates an increase in the scope of oversight duties performed.

EMPLOYMENT SECURITY DIVISION

The Employment Security Division (ESD) is responsible for the administration of the Unemployment Insurance program and numerous state and federally funded workforce investment programs that seek to connect Nevada employers with a skilled and qualified workforce. As part of the noted reorganization, the Governor recommends to rename the Employment Security budget to the Workforce Development budget.

As a result of projected reductions in federal funding for ESD, the Governor recommends the elimination of 20 permanent positions in the ESD budget, resulting in a reduction of \$2.7 million in position related costs over the 2017-19 biennium. Positions recommended for elimination include: 13 Unemployment Insurance Representatives, 1 Supervising Auditor, 1 ESD Program Specialist, 1 ESD Manager, 1 Business Process Analyst, 1 Compliance Auditor, 1 Auditor, and 1 Administrative Assistant.

In an effort to improve staff retention rates and decrease turnover, the Governor is recommending a cost neutral conversion of intermittent Workforce Service Representative positions to 24 full-time permanent positions. The positions are federally funded and are recommended to support Veterans Services and Unemployment Insurance programs. According to the agency, difficulties in retaining intermittent staff pose a challenge to providing consistent client services.

The Governor recommends federal funds of \$92,767 over the 2017-19 biennium to hire a Workforce Service Representative for the Employment Security program's Day Labor office in Sparks due to increased staffing needs. The new position would eliminate the need for the agency to continue to send a Workforce Service Representative from the Sparks or Reno JobConnect offices on a daily basis to assist in providing services at the Day Labor office during peak hours.

Finally, the Governor recommends federal funds of \$240,000 over the 2017-19 biennium to support contracted professional legal services for the Unemployment Insurance program to pursue the collection of debts owed through the bankruptcy process.

DETR ADMINISTRATIVE SERVICES

Relating to the reorganization noted above, the Governor recommends a new unclassified Deputy Director in the Administration budget. The recommendation would provide the department a total of two Deputy Directors, one for oversight of the program areas in the Employment Security Division, Vocational Rehabilitation Division, and the Nevada Equal Rights Commission; and one for oversight of Administrative Services. The position is recommended to be funded through cost allocation reimbursements of \$333,842 over the 2017-19 biennium.

INFORMATION DEVELOPMENT AND PROCESSING

The Governor recommends the transfer of \$700,000 of funds generated in penalties and interest from the ESD Special Fund to the Information Development and Processing budget to hire contract programmer staff to maintain and support Unemployment Insurance Modernization Project (UInv) applications. The final phase of the system, the UInv Contributions/Tax module, was implemented and went live online in September 2016. The agency indicates that contract staff are necessary in the 2017-19 biennium to complete an in-depth transfer of knowledge to DETR's internal technical staff, to ensure that efficient support and maintenance is provided by the department moving forward, and to make certain that DETR's internal staff have a complete understanding regarding the data structure and system design of the UInv application.

RESEARCH AND ANALYSIS

The Research and Analysis Bureau has been responsible for maintaining and marketing the Nevada Career Information System (NCIS). Prior to the implementation of the Burning Glass data system, the NCIS was the Bureau's main tool used for disseminating

employment statistics and career information for citizens and entities of the state, including school districts and the Nevada JobConnect System. With the implementation of the Burning Glass data system, the agency did not renew its contract and no longer is utilizing the NCIS. Due to the department's transition from the NCIS to the Burning Glass data system, the Governor recommends the elimination of an Economist position. In addition, The Executive Budget recommends the transfer of a Program Officer position from the Research and Analysis budget to the Employment Security budget (recommended to be renamed as Workforce Development) to provide support and assist with the Burning Glass data system. The recommended position elimination and transfer would result in a reduction in interagency transfers from the Employment Security budget to this budget by \$305,701 over the 2017-19 biennium.

As a result of the projected reductions in federal funding for the Employment Security Division, the Governor is recommending the elimination of a Statistician position, thereby reducing cost allocation reimbursement revenue by \$156,330 over the 2017-19 biennium.

NEVADA P20 WORKFORCE REPORTING

The Nevada P20 Workforce Reporting budget, established by the 2015 Legislature, houses the centralized costs for maintaining the State Longitudinal Data System (SLDS) and is entirely funded with General Fund appropriations. The Governor recommends General Fund appropriations of \$500,000 over the 2017-19 biennium for strategic planning purposes to give potential partners the ability to analyze options for the de-aggregation of data, and potential expansion of participation in the SLDS. In addition, The Executive Budget recommends General Fund appropriations of \$269,522 over the 2017-19 biennium to fund the purchase of a Business Intelligence Reports and Analytics program to increase SLDS capabilities. The Governor recommends transferring the Nevada P20 Workforce Reporting budget from the Department of Employment, Training and Rehabilitation to the Office of Workforce Innovation.

Nevada Legislative Counsel Bureau
Source of Funds Summary
2017-19 Fiscal Report

	2015-2016 Actual	2016-2017 Work Program	2017-2018 GOVERNOR RECOMMENDS	% Change	2018-2019 GOVERNOR RECOMMENDS	% Change
HEALTH AND HUMAN SERVICES						
HEALTH AND HUMAN SERVICES - DIRECTOR'S OFFICE						
HHS-DO - ADMINISTRATION	1,641,167	1,768,409	1,738,288	-1.70	1,767,669	1.69
GENERAL FUND	1,377,794	1,389,265	1,367,003	-1.60	1,381,670	1.07
INTERAGENCY TRANSFER	302,879	379,144	371,285	-2.07	385,999	3.96
REVERSIONS	-39,506					
HHS-DO - UPL HOLDING ACCOUNT	5,181,708	9,465,594	10,279,803	8.60	12,216,150	18.84
INTERAGENCY TRANSFER	5,181,708	9,465,594	10,279,803	8.60	12,216,150	18.84
HHS-DO - DEVELOPMENTAL DISABILITIES	571,937	896,893	713,592	-20.44	713,456	-.02
GENERAL FUND	146,263	149,575	177,301	18.54	177,165	-.08
FEDERAL FUND	430,388	747,318	536,291	-28.24	536,291	
REVERSIONS	-4,714					
HHS-DO - GRANTS MANAGEMENT UNIT	26,641,513	27,046,322	27,624,785	2.14	27,619,905	-.02
GENERAL FUND	199,153	217,750	43,998	-79.79	6,386	-85.49
FEDERAL FUND	17,494,392	17,435,994	18,203,129	4.40	18,203,129	
INTERAGENCY TRANSFER	645,893	684,321	987,070	44.24	1,019,802	3.32
OTHER FUND	8,303,949	8,708,257	8,390,588	-3.65	8,390,588	
REVERSIONS	-1,874					
HHS-DO - PROBLEM GAMBLING	1,153,094	1,876,776	1,797,856	-4.21	1,970,249	9.59
BALANCE FORWARD	-206,948	508,278	471,821	-7.17	650,880	37.95
OTHER FUND	1,360,042	1,368,498	1,326,035	-3.10	1,319,369	-.50
HHS-DO - CHILDREN'S TRUST ACCOUNT	559,965	1,102,167	1,222,720	10.94	1,376,793	12.60
BALANCE FORWARD	-90,002	432,070	507,865	17.54	662,872	30.52
OTHER FUND	649,967	670,097	714,855	6.68	713,921	-.13
HHS-DO - CONSUMER HEALTH ASSISTANCE	1,158,520	1,359,600	1,493,741	9.87	1,449,626	-2.95
GENERAL FUND	278,010	288,356	209,370	-27.39	203,011	-3.04
FEDERAL FUND	21,219	109,209				
INTERAGENCY TRANSFER	489,107	427,184	657,679	53.96	635,762	-3.33
OTHER FUND	464,949	534,851	626,692	17.17	610,853	-2.53
REVERSIONS	-94,765					
HHS-DO - INDIGENT HOSPITAL CARE	12,666,535	34,758,285	47,835,033	37.62	50,617,079	5.82
BALANCE FORWARD	-16,781,369	20,393,876	18,761,100	-8.01	21,673,030	15.52
OTHER FUND	29,447,904	14,364,409	29,073,933	102.40	28,944,049	-.45
HHS-DO - PUBLIC DEFENDER	3,208,652	2,974,889	3,317,960	11.53	3,332,336	.43
GENERAL FUND	1,722,605	1,725,266	2,030,983	17.72	2,034,416	.17
BALANCE FORWARD	-53,250					
FEDERAL FUND	32,432	35,078	35,078		35,078	
OTHER FUND	1,518,863	1,214,545	1,251,899	3.08	1,262,842	.87
REVERSIONS	-11,998					
HHS-DO - IDEA PART C	3,747,898	5,062,512	3,800,299	-24.93	3,800,299	.00
FEDERAL FUND	3,747,898	5,062,512	3,800,299	-24.93	3,800,299	

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	2015-2016 Actual	2016-2017 Work Program	2017-2018 GOVERNOR RECOMMENDS	% Change	2018-2019 GOVERNOR RECOMMENDS	% Change
TOTAL HEALTH AND HUMAN SERVICES - DIRECTOR'S OFFICE	56,530,989	86,311,447	99,824,077	15.66	104,863,562	5.05
GENERAL FUND	3,723,825	3,770,212	3,828,655	1.55	3,802,648	-.68
BALANCE FORWARD	-17,131,569	21,334,224	19,740,786	-7.47	22,986,782	16.44
FEDERAL FUND	21,726,329	23,390,111	22,574,797	-3.49	22,574,797	
INTERAGENCY TRANSFER	6,619,587	10,956,243	12,295,837	12.23	14,257,713	15.96
OTHER FUND	41,745,674	26,860,657	41,384,002	54.07	41,241,622	-.34
REVERSIONS	-152,857					
AGING AND DISABILITY SERVICES						
HHS-ADSD - SENIOR RX AND DISABILITY RX	3,261,885	3,325,000	2,858,319	-14.04	2,865,032	.23
OTHER FUND	3,261,885	3,325,000	2,858,319	-14.04	2,865,032	.23
HHS-ADSD - TOBACCO SETTLEMENT PROGRAM	5,995,897	6,211,654	5,943,477	-4.32	5,943,477	.00
OTHER FUND	5,995,897	6,211,654	5,943,477	-4.32	5,943,477	
HHS-ADSD - FEDERAL PROGRAMS AND ADMINISTRATION	25,564,167	25,132,836	26,793,002	6.61	27,145,457	1.32
GENERAL FUND	4,142,800	4,210,179	5,243,911	24.55	5,390,392	2.79
BALANCE FORWARD	1,147	50,238	50,238		50,247	.02
FEDERAL FUND	12,939,429	12,716,637	12,974,209	2.03	13,033,577	.46
INTERAGENCY TRANSFER	8,682,803	7,894,141	8,338,545	5.63	8,485,000	1.76
OTHER FUND	313,255	261,641	186,099	-28.87	186,241	.08
REVERSIONS	-515,267					
HHS-ADSD - HOME AND COMMUNITY BASED SERVICES	31,614,310	42,025,561	39,532,544	-5.93	41,291,518	4.45
GENERAL FUND	20,903,502	21,152,946	21,064,263	-.42	21,119,263	.26
BALANCE FORWARD	549,881	1,366,931	782,566	-42.75	687,876	-12.10
FEDERAL FUND	417,866	556,402	3,076,790	452.98	3,910,025	27.08
INTERAGENCY TRANSFER	7,817,628	14,048,715	9,150,483	-34.87	9,582,269	4.72
OTHER FUND	4,155,524	4,900,567	5,458,442	11.38	5,992,085	9.78
REVERSIONS	-2,230,091					
HHS-ADSD - EARLY INTERVENTION SERVICES	35,531,717	34,415,684	37,873,370	10.05	42,589,081	12.45
GENERAL FUND	29,326,952	30,127,302	23,299,312	-22.66	25,680,093	10.22
BALANCE FORWARD	-16,144	16,145				
FEDERAL FUND	273,680	324,670	2,854,129	779.09	3,944,289	38.20
INTERAGENCY TRANSFER	5,647,112	3,743,567	10,222,984	173.08	10,899,813	6.62
OTHER FUND	300,117	204,000	1,496,945	633.80	2,064,886	37.94
HHS-ADSD - SENIOR CITIZENS PROPERTY TAX ASSISTANCE	44,299	4,955,702				
BALANCE FORWARD	-60,591	60,592				
INTERIM FINANCE	104,890	4,895,110				
HHS-ADSD - FAMILY PRESERVATION PROGRAM	2,821,830	2,930,664	2,830,806	-3.41	2,858,482	.98
GENERAL FUND	1,636,416	1,730,664	1,630,806	-5.77	1,658,482	1.70
INTERAGENCY TRANSFER			1,000,000		1,000,000	
OTHER FUND	1,193,829	1,200,000	200,000	-83.33	200,000	
REVERSIONS	-8,415					

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	2015-2016 Actual	2016-2017 Work Program	2017-2018 GOVERNOR RECOMMENDS	% Change	2018-2019 GOVERNOR RECOMMENDS	% Change
HHS-ADSD - SIERRA REGIONAL CENTER	38,601,997	42,498,294	48,217,849	13.46	50,118,749	3.94
GENERAL FUND	19,864,790	21,884,197	25,062,655	14.52	26,160,772	4.38
INTERAGENCY TRANSFER	19,065,304	19,619,160	22,443,075	14.39	23,245,858	3.58
OTHER FUND	712,119	994,937	712,119	-28.43	712,119	
REVERSIONS	-1,040,216					
HHS-ADSD - DESERT REGIONAL CENTER	105,214,880	126,163,179	140,935,579	11.71	152,875,571	8.47
GENERAL FUND	54,402,525	59,333,462	69,083,121	16.43	75,801,402	9.72
BALANCE FORWARD	533,880					
INTERAGENCY TRANSFER	52,387,543	63,960,192	69,454,258	8.59	74,675,969	7.52
OTHER FUND	2,207,792	2,869,525	2,398,200	-16.43	2,398,200	
REVERSIONS	-4,316,860					
HHS-ADSD - RURAL REGIONAL CENTER	15,968,838	18,906,418	19,556,154	3.44	20,983,005	7.30
GENERAL FUND	9,131,201	10,221,338	10,661,139	4.30	11,459,976	7.49
INTERAGENCY TRANSFER	7,716,716	8,499,319	8,828,734	3.88	9,456,748	7.11
OTHER FUND	66,281	185,761	66,281	-64.32	66,281	
REVERSIONS	-945,360					
TOTAL AGING AND DISABILITY SERVICES	264,619,820	306,564,992	324,541,100	5.86	346,670,372	6.82
GENERAL FUND	139,408,186	148,660,088	156,045,207	4.97	167,270,380	7.19
BALANCE FORWARD	1,008,173	1,493,906	832,804	-44.25	738,123	-11.37
FEDERAL FUND	13,630,975	13,597,709	18,905,128	39.03	20,887,891	10.49
INTERAGENCY TRANSFER	101,317,106	117,765,094	129,438,079	9.91	137,345,657	6.11
INTERIM FINANCE	104,890	4,895,110				
OTHER FUND	18,206,699	20,153,085	19,319,882	-4.13	20,428,321	5.74
REVERSIONS	-9,056,209					
HEALTH CARE FINANCING & POLICY						
HHS-HCF&P - INTERGOVERNMENTAL TRANSFER PROGRAM	164,136,227	196,778,833	171,880,216	-12.65	173,530,340	.96
BALANCE FORWARD	22,697,176	44,419,144	7,573,584	-82.95	7,573,584	
INTERAGENCY TRANSFER	16,161,630	17,945,694	33,059,295	84.22	34,318,831	3.81
OTHER FUND	125,277,421	134,413,995	131,247,337	-2.36	131,637,925	.30
HHS-HCF&P - ADMINISTRATION	151,761,312	182,460,535	163,632,528	-10.32	166,350,308	1.66
GENERAL FUND	26,756,317	28,909,039	26,803,048	-7.28	28,029,132	4.57
BALANCE FORWARD	-340,980	1,800,925	1,886,374	4.74	1,261,862	-33.11
FEDERAL FUND	127,123,136	149,288,688	133,152,219	-10.81	135,473,731	1.74
INTERAGENCY TRANSFER	307,458	406,174	387,929	-4.49	402,621	3.79
OTHER FUND	1,648,928	2,055,709	1,402,958	-31.75	1,182,962	-15.68
REVERSIONS	-3,733,547					
HHS-HCF&P - INCREASED QUALITY OF NURSING CARE	31,035,646	31,118,508	34,707,326	11.53	36,176,443	4.23
BALANCE FORWARD		900,000	900,000		900,000	
OTHER FUND	31,035,646	30,218,508	33,807,326	11.88	35,276,443	4.35
HHS-HCF&P - NEVADA CHECK UP PROGRAM	44,455,764	51,880,949	51,141,132	-1.43	53,444,738	4.50
GENERAL FUND	2,268,863	476,192	509,555	7.01	508,136	-.28
FEDERAL FUND	39,112,039	48,950,522	47,749,522	-2.45	50,032,906	4.78
INTERAGENCY TRANSFER	575,911	331,714	27,708	-91.65	26,425	-4.63
OTHER FUND	2,498,951	2,122,521	2,854,347	34.48	2,877,271	.80

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	2015-2016 Actual	2016-2017 Work Program	2017-2018 GOVERNOR RECOMMENDS	% Change	2018-2019 GOVERNOR RECOMMENDS	% Change
HHS-HCF&P - NEVADA MEDICAID, TITLE XIX	3,226,886,022	3,531,373,867	3,611,847,983	2.28	3,810,786,348	5.51
GENERAL FUND	530,882,511	593,863,690	659,743,519	11.09	721,450,466	9.35
BALANCE FORWARD	-564,287	564,288				
FEDERAL FUND	2,476,750,344	2,686,860,638	2,726,884,960	1.49	2,860,523,254	4.90
INTERAGENCY TRANSFER	194,138,503	218,551,359	197,548,350	-9.61	200,654,186	1.57
OTHER FUND	25,678,951	31,533,892	27,671,154	-12.25	28,158,442	1.76
TOTAL HEALTH CARE FINANCING & POLICY	3,618,274,971	3,993,612,692	4,033,209,185	.99	4,240,288,177	5.13
GENERAL FUND	559,907,691	623,248,921	687,056,122	10.24	749,987,734	9.16
BALANCE FORWARD	21,791,909	47,684,357	10,359,958	-78.27	9,735,446	-6.03
FEDERAL FUND	2,642,985,519	2,885,099,848	2,907,786,701	.79	3,046,029,891	4.75
INTERAGENCY TRANSFER	211,183,502	237,234,941	231,023,282	-2.62	235,402,063	1.90
OTHER FUND	186,139,897	200,344,625	196,983,122	-1.68	199,133,043	1.09
REVERSIONS	-3,733,547					
DIVISION OF PUBLIC AND BEHAVIORAL HEALTH						
HHS-DPBH - RADIATION CONTROL	2,824,089	5,149,413	4,613,799	-10.40	4,167,486	-9.67
BALANCE FORWARD	-163,052	2,174,526	1,611,295	-25.90	1,164,847	-27.71
FEDERAL FUND	268,191	280,000	270,000	-3.57	270,000	
INTERAGENCY TRANSFER	41,243	62,461	55,095	-11.79	55,230	.25
OTHER FUND	2,694,667	2,632,426	2,677,409	1.71	2,677,409	
REVERSIONS	-16,960					
HHS-DPBH - CHILD CARE SERVICES	1,292,343	1,790,342	1,879,990	5.01	1,982,935	5.48
BALANCE FORWARD	-44,180	44,181	141,627	220.56	244,572	72.69
INTERAGENCY TRANSFER	1,259,085	1,542,705	1,542,705		1,542,705	
OTHER FUND	77,438	203,456	195,658	-3.83	195,658	
HHS-DPBH - LOW-LEVEL RADIOACTIVE WASTE FUND	18,535	1,076,064	218,185	-79.72	218,185	.00
BALANCE FORWARD	-212,333	858,533				
OTHER FUND	230,868	217,531	218,185	.30	218,185	
HHS-DPBH - CANCER CONTROL REGISTRY	819,282	978,431	807,157	-17.50	768,620	-4.77
BALANCE FORWARD	156,841	243,459	194,581	-20.08	156,044	-19.81
INTERAGENCY TRANSFER	649,753	620,890	599,888	-3.38	599,888	
OTHER FUND	12,688	114,082	12,688	-88.88	12,688	
HHS-DPBH - HEALTH STATISTICS AND PLANNING	1,438,891	2,991,940	2,635,314	-11.92	2,565,159	-2.66
BALANCE FORWARD	-143,026	1,427,324	1,136,379	-20.38	1,046,956	-7.87
INTERAGENCY TRANSFER	186,711	295,728	295,728		295,728	
OTHER FUND	1,395,206	1,268,888	1,203,207	-5.18	1,222,475	1.60
HHS-DPBH - ENVIRONMENTAL HEALTH SERVICES	1,558,764	2,382,965	2,079,264	-12.74	2,000,261	-3.80
BALANCE FORWARD	60,244	438,229	208,922	-52.33	129,919	-37.81
FEDERAL FUND	176,392	280,883	267,053	-4.92	267,053	
OTHER FUND	1,322,128	1,663,853	1,603,289	-3.64	1,603,289	

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	2015-2016 Actual	2016-2017 Work Program	2017-2018 GOVERNOR RECOMMENDS	% Change	2018-2019 GOVERNOR RECOMMENDS	% Change
HHS-DPBH - IMMUNIZATION PROGRAM	7,424,469	7,962,310	6,709,837	-15.73	6,486,092	-3.33
GENERAL FUND	669,114	576,096	668,786	16.09	668,786	
BALANCE FORWARD	208,147	276,534	68,389	-75.27		
FEDERAL FUND	4,368,015	4,813,002	3,791,995	-21.21	3,635,633	-4.12
INTERAGENCY TRANSFER	2,179,422	2,296,678	2,180,667	-5.05	2,181,673	.05
REVERSIONS	-229					
HHS-DPBH - WIC FOOD SUPPLEMENT	62,998,169	75,894,575	71,551,890	-5.72	70,641,293	-1.27
BALANCE FORWARD	-2,896	2,985				
FEDERAL FUND	47,367,458	59,139,770	55,924,131	-5.44	55,013,534	-1.63
OTHER FUND	15,633,607	16,751,820	15,627,759	-6.71	15,627,759	
HHS-DPBH - COMMUNICABLE DISEASES	20,921,359	23,404,371	22,153,670	-5.34	22,592,794	1.98
GENERAL FUND	164,467	165,033				
BALANCE FORWARD	-1,076,426	1,076,426			439,124	
FEDERAL FUND	10,365,577	10,942,238	10,632,262	-2.83	10,632,262	
OTHER FUND	11,521,408	11,220,674	11,521,408	2.68	11,521,408	
REVERSIONS	-53,667					
HHS-DPBH - HEALTH CARE FACILITIES REG	9,333,959	20,197,399	18,004,971	-10.86	15,499,561	-13.92
BALANCE FORWARD	-484,667	8,640,158	7,214,965	-16.49	5,439,855	-24.60
FEDERAL FUND	1,687,479	2,403,087	1,781,430	-25.87	1,675,642	-5.94
INTERAGENCY TRANSFER	1,138,340	1,796,381	2,037,796	13.44	1,413,284	-30.65
OTHER FUND	6,992,807	7,357,773	6,970,780	-5.26	6,970,780	
HHS-DPBH - HEALTH FACILITIES-ADMIN PENALTY	11,208	179,681	53,600	-70.17	95,992	79.09
BALANCE FORWARD	-40,124	129,681			42,392	
OTHER FUND	51,332	50,000	53,600	7.20	53,600	
HHS-DPBH - PUBLIC HEALTH PREPAREDNESS PROGRAM	11,280,040	12,467,263	11,570,881	-7.19	11,575,325	.04
BALANCE FORWARD	-8,253	9,451				
FEDERAL FUND	11,154,677	12,259,008	11,181,611	-8.79	11,181,611	
INTERAGENCY TRANSFER	110,499	187,304	377,770	101.69	382,214	1.18
OTHER FUND	23,117	11,500	11,500		11,500	
HHS-DPBH - BIOSTATISTICS AND EPIDEMIOLOGY	5,396,574	5,567,570	6,612,252	18.76	6,633,571	.32
GENERAL FUND	324,698	361,066	306,314	-15.16	308,885	.84
BALANCE FORWARD	15,000					
FEDERAL FUND	4,321,077	4,184,642	5,461,370	30.51	5,461,370	
INTERAGENCY TRANSFER	739,052	972,404	804,122	-17.31	821,416	2.15
OTHER FUND	38,133	49,458	40,446	-18.22	41,900	3.59
REVERSIONS	-41,386					
HHS-DPBH - CHRONIC DISEASE	7,604,853	9,358,814	9,224,954	-1.43	8,905,259	-3.47
FEDERAL FUND	6,315,066	7,218,612	7,435,782	3.01	7,087,824	-4.68
INTERAGENCY TRANSFER	245,872	1,040,202	657,669	-36.77	685,909	4.29
OTHER FUND	1,043,915	1,100,000	1,131,503	2.86	1,131,526	.00

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HHS-DPBH - MATERNAL CHILD HEALTH SERVICES	10,427,308	12,399,387	8,598,058	-30.66	8,597,960	-0.00
GENERAL FUND	1,193,271	1,203,716	1,219,941	1.35	1,219,860	-0.01
FEDERAL FUND	6,074,860	9,095,861	6,763,169	-25.65	6,763,169	
INTERAGENCY TRANSFER	505,167	599,810	614,948	2.52	614,931	-0.00
OTHER FUND	2,824,069	1,500,000				
REVERSIONS	-170,059					
HHS-DPBH - OFFICE OF HEALTH ADMINISTRATION	7,927,698	10,251,348	10,533,357	2.75	10,922,659	3.70
GENERAL FUND	3,943,712	3,994,400	3,336,885	-16.46	3,398,999	1.86
BALANCE FORWARD	34,262	1,400,970	1,503,710	7.33	1,776,026	18.11
FEDERAL FUND	354,131	333,227				
INTERAGENCY TRANSFER	3,846,515	4,522,751	5,692,762	25.87	5,747,634	.96
OTHER FUND	13,329					
REVERSIONS	-264,251					
HHS-DPBH - COMMUNITY HEALTH SERVICES	2,991,540	3,773,393	3,337,487	-11.55	3,344,949	.22
GENERAL FUND	1,183,449	1,189,726	1,500,411	26.11	1,547,806	3.16
FEDERAL FUND	494,613	580,991	158,841	-72.66	119,464	-24.79
INTERAGENCY TRANSFER	621,313	788,202	759,174	-3.68	758,618	-0.07
OTHER FUND	863,468	1,214,474	919,061	-24.32	919,061	
REVERSIONS	-171,303					
HHS-DPBH - EMERGENCY MEDICAL SERVICES	819,053	1,036,018	947,037	-8.59	953,552	.69
GENERAL FUND	697,547	706,440	688,639	-2.52	695,966	1.06
BALANCE FORWARD	-8,526	68,320	68,320		67,508	-1.19
FEDERAL FUND	138,366	129,999	129,999		129,999	
INTERAGENCY TRANSFER	35,135	75,461				
OTHER FUND	60,080	55,798	60,079	7.67	60,079	
REVERSIONS	-103,549					
HHS-DPBH - MARIJUANA HEALTH REGISTRY	1,199,155	3,134,381	3,293,959	5.09	3,121,954	-5.22
BALANCE FORWARD	-660,006	1,382,445	1,408,240	1.87	1,236,235	-12.21
OTHER FUND	1,859,161	1,751,936	1,885,719	7.64	1,885,719	
HHS-DPBH - MEDICAL MARIJUANA ESTABLISHMENTS	1,866,636	3,247,522	3,855,013	18.71	3,432,971	-10.95
BALANCE FORWARD	-1,031,254	619,709	981,728	58.42	292,786	-70.18
OTHER FUND	2,897,890	2,627,813	2,873,285	9.34	3,140,185	9.29
HHS-DPBH - BEHAVIORAL HEALTH ADMINISTRATION	3,464,576	3,512,970	3,726,262	6.07	3,877,540	4.06
GENERAL FUND	2,895,759	2,849,654	3,190,138	11.95	3,316,016	3.95
INTERAGENCY TRANSFER	655,326	663,316	536,124	-19.18	561,524	4.74
OTHER FUND	96,637					
REVERSIONS	-183,146					
HHS-DPBH - ALCOHOL TAX PROGRAM	1,233,688	1,311,388	1,120,070	-14.59	1,129,440	.84
BALANCE FORWARD	80,370	253,179				
OTHER FUND	1,153,318	1,058,209	1,120,070	5.85	1,129,440	.84

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	2015-2016 Actual	2016-2017 Work Program	2017-2018 GOVERNOR RECOMMENDS	% Change	2018-2019 GOVERNOR RECOMMENDS	% Change
HHS-DPBH - BEHAVIORAL HEALTH PREV & TREATMENT	26,688,982	34,459,465	32,486,935	-5.72	32,330,226	-.48
GENERAL FUND	6,507,758	6,521,470	6,503,642	-.27	6,500,807	-.04
BALANCE FORWARD	-85,054	153,874	153,874			
FEDERAL FUND	20,282,459	27,257,785	25,400,394	-6.81	25,400,394	
INTERAGENCY TRANSFER	445,745	350,000	350,000		350,000	
OTHER FUND	129,702	176,336	79,025	-55.18	79,025	
REVERSIONS	-591,628					
HHS-DPBH - RURAL CLINICS	12,933,621	14,767,438	14,537,716	-1.56	15,398,744	5.92
GENERAL FUND	8,606,006	8,950,326	10,721,829	19.79	11,596,523	8.16
FEDERAL FUND	437,298	547,728	412,486	-24.69	412,486	
INTERAGENCY TRANSFER	4,886,270	4,977,831	3,047,889	-38.77	3,034,223	-.45
OTHER FUND	469,717	291,553	355,512	21.94	355,512	
REVERSIONS	-1,465,670					
HHS-DPBH - NO NV ADULT MENTAL HEALTH SVCS	28,712,787	32,959,236	27,364,596	-16.97	25,873,375	-5.45
GENERAL FUND	22,571,186	24,133,066	22,548,719	-6.57	21,372,204	-5.22
FEDERAL FUND	1,622,159	1,866,324	1,768,425	-5.25	1,768,425	
INTERAGENCY TRANSFER	5,675,007	6,739,181	2,720,678	-59.63	2,405,972	-11.57
OTHER FUND	392,108	220,665	326,774	48.09	326,774	
REVERSIONS	-1,547,673					
HHS-DPBH - SO NV ADULT MENTAL HEALTH SERVICES	74,415,623	88,387,618	85,979,103	-2.72	83,624,398	-2.74
GENERAL FUND	69,041,317	72,196,426	74,952,176	3.82	75,038,831	.12
FEDERAL FUND	4,481,623	4,435,098	4,217,900	-4.90	4,217,900	
INTERAGENCY TRANSFER	10,805,376	10,721,268	6,407,478	-40.24	3,966,118	-38.10
OTHER FUND	1,452,580	1,034,826	401,549	-61.20	401,549	
REVERSIONS	-11,365,273					
HHS-DPBH - FACILITY FOR THE MENTAL OFFENDER	11,137,966	11,480,821	11,893,929	3.60	11,967,632	.62
GENERAL FUND	9,367,806	9,619,927	11,380,234	18.30	11,453,769	.65
INTERAGENCY TRANSFER	353,913					
OTHER FUND	1,868,540	1,860,894	513,695	-72.40	513,863	.03
REVERSIONS	-452,293					
TOTAL DIVISION OF PUBLIC AND BEHAVIORAL HEALTH	316,741,168	390,122,123	365,789,286	-6.24	358,707,933	-1.94
GENERAL FUND	127,166,090	132,467,346	137,017,714	3.44	137,118,452	.07
BALANCE FORWARD	-3,404,933	19,199,984	14,692,030	-23.48	12,036,264	-18.08
FEDERAL FUND	119,909,441	145,768,255	135,596,848	-6.98	134,036,766	-1.15
INTERAGENCY TRANSFER	34,379,744	38,252,573	28,680,493	-25.02	25,417,067	-11.38
OTHER FUND	55,117,913	54,433,965	49,802,201	-8.51	50,099,384	.60
REVERSIONS	-16,427,087					

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	2015-2016 Actual	2016-2017 Work Program	2017-2018 GOVERNOR RECOMMENDS	% Change	2018-2019 GOVERNOR RECOMMENDS	% Change
WELFARE AND SUPPORTIVE SERVICES						
HHS-WELFARE - ADMINISTRATION	48,667,218	48,168,045	43,520,611	-9.65	44,137,850	1.42
GENERAL FUND	12,247,272	12,914,219	11,734,772	-9.13	11,870,293	1.15
BALANCE FORWARD	229,088					
FEDERAL FUND	23,759,293	23,507,139	26,394,418	12.28	26,772,824	1.43
INTERAGENCY TRANSFER	12,102,189	11,266,539	4,672,124	-58.53	4,770,592	2.11
OTHER FUND	859,460	480,148	719,297	49.81	724,141	.67
REVERSIONS	-530,084					
HHS-WELFARE - TANF	43,924,046	47,785,139	43,766,818	-8.41	44,021,683	.58
GENERAL FUND	24,607,702	24,607,702	24,607,702		24,607,702	
FEDERAL FUND	19,316,344	23,177,437	19,159,116	-17.34	19,413,981	1.33
HHS-WELFARE - ASSISTANCE TO AGED AND BLIND	9,624,085	9,988,730	10,628,143	6.40	11,239,150	5.75
GENERAL FUND	9,532,136	9,988,730	10,628,143	6.40	11,239,150	5.75
INTERAGENCY TRANSFER	130,000					
REVERSIONS	-38,051					
HHS-WELFARE - FIELD SERVICES	106,092,919	116,292,912	119,185,605	2.49	121,636,136	2.06
GENERAL FUND	33,866,984	35,901,923	35,663,690	-.66	36,392,225	2.04
FEDERAL FUND	34,682,424	38,698,754	39,754,720	2.73	40,571,200	2.05
INTERAGENCY TRANSFER	38,618,874	41,666,487	43,753,345	5.01	44,658,551	2.07
OTHER FUND	12,604	25,748	13,850	-46.21	14,160	2.24
REVERSIONS	-1,087,967					
HHS-WELFARE - CHILD SUPPORT ENFORCEMENT PROGRAM	14,797,099	24,292,618	17,500,838	-27.96	16,295,271	-6.89
GENERAL FUND		100,000				
BALANCE FORWARD	29,646	2,950,184	2,342,264	-20.61	1,634,469	-30.22
FEDERAL FUND	10,105,515	16,129,918	10,465,098	-35.12	9,926,803	-5.14
OTHER FUND	4,661,938	5,112,516	4,693,476	-8.20	4,733,999	.86
HHS-WELFARE - CHILD SUPPORT FEDERAL REIMBURSEMENT	23,340,392	27,265,939	28,729,646	5.37	29,326,124	2.08
BALANCE FORWARD	-27,964	274,801	267,469	-2.67	295,433	10.46
FEDERAL FUND	23,331,841	26,950,527	28,425,662	5.47	28,994,176	2.00
OTHER FUND	36,515	40,611	36,515	-10.09	36,515	
HHS-WELFARE - CHILD ASSISTANCE AND DEVELOPMENT	40,328,964	39,568,117	58,216,033	47.13	60,098,126	3.23
GENERAL FUND	2,580,421	2,580,421	2,580,421		2,580,421	
FEDERAL FUND	37,748,543	36,987,696	55,635,612	50.42	57,517,705	3.38
HHS-WELFARE - ENERGY ASSISTANCE PROGRAM	21,775,619	24,551,473	19,690,431	-19.80	18,964,158	-3.69
FEDERAL FUND	13,143,219	12,723,734	10,043,078	-21.07	9,639,975	-4.01
OTHER FUND	8,632,400	11,827,739	9,647,353	-18.43	9,324,183	-3.35

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	2015-2016 Actual	2016-2017 Work Program	2017-2018 GOVERNOR RECOMMENDS	% Change	2018-2019 GOVERNOR RECOMMENDS	% Change
TOTAL WELFARE AND SUPPORTIVE SERVICES	308,550,342	337,912,973	341,238,125	.98	345,718,498	1.31
GENERAL FUND	82,834,515	86,092,995	85,214,728	-1.02	86,689,791	1.73
BALANCE FORWARD	230,770	3,224,985	2,609,733	-19.08	1,929,902	-26.05
FEDERAL FUND	162,087,179	178,175,205	189,877,704	6.57	192,836,664	1.56
INTERAGENCY TRANSFER	50,851,063	52,933,026	48,425,469	-8.52	49,429,143	2.07
OTHER FUND	14,202,917	17,486,762	15,110,491	-13.59	14,832,998	-1.84
REVERSIONS	-1,656,102					
CHILD AND FAMILY SERVICES						
HHS-DCFS - CHILDREN, YOUTH & FAMILY ADMINISTRATION	19,921,420	29,951,947	24,254,382	-19.02	24,456,171	.83
GENERAL FUND	5,484,514	5,601,438	5,783,345	3.25	5,892,101	1.88
BALANCE FORWARD	451	61,995	36,360	-41.35	36,360	
FEDERAL FUND	13,484,248	23,068,483	17,066,332	-26.02	17,149,172	.49
INTERAGENCY TRANSFER	894,104	1,179,631	1,311,211	11.15	1,321,404	.78
OTHER FUND	66,382	40,400	57,134	41.42	57,134	
REVERSIONS	-8,279					
HHS-DCFS - VICTIMS OF DOMESTIC VIOLENCE	2,801,675	3,248,233	3,328,077	2.46	3,526,067	5.95
BALANCE FORWARD	-206,658	505,231	369,770	-26.81	576,428	55.89
OTHER FUND	3,008,333	2,743,002	2,958,307	7.85	2,949,639	-.29
HHS-DCFS - UNITY/SACWIS	5,692,396	6,080,459	7,125,933	17.19	7,221,640	1.34
GENERAL FUND	3,254,204	3,266,589	3,882,466	18.85	3,933,979	1.33
FEDERAL FUND	2,267,026	2,415,487	2,834,405	17.34	2,874,222	1.40
INTERAGENCY TRANSFER	405,571	398,383	409,062	2.68	413,439	1.07
OTHER FUND	2,417					
REVERSIONS	-236,822					
HHS-DCFS - WASHOE COUNTY CHILD WELFARE	33,249,054	32,027,373	34,890,991	8.94	35,264,183	1.07
GENERAL FUND	16,138,906	16,863,781	17,045,473	1.08	17,218,532	1.02
FEDERAL FUND	16,314,558	14,507,440	16,988,544	17.10	17,192,984	1.20
INTERAGENCY TRANSFER	829,664	656,152	856,974	30.61	852,667	-.50
REVERSIONS	-34,074					
HHS-DCFS - CLARK COUNTY CHILD WELFARE	102,780,458	98,676,841	108,554,980	10.01	111,523,095	2.73
GENERAL FUND	48,671,245	50,583,643	51,985,268	2.77	53,309,223	2.55
FEDERAL FUND	52,170,609	46,134,119	54,587,392	18.32	56,235,859	3.02
INTERAGENCY TRANSFER	1,955,010	1,959,079	1,982,320	1.19	1,978,013	-.22
REVERSIONS	-16,406					
HHS-DCFS - RURAL CHILD WELFARE	17,853,623	20,281,541	22,147,883	9.20	22,896,467	3.38
GENERAL FUND	6,783,939	6,967,701	8,720,465	25.16	9,050,012	3.78
BALANCE FORWARD	-3,607	223,153	218,221	-2.21	441,375	102.26
FEDERAL FUND	6,701,119	7,509,996	7,256,348	-3.38	7,451,523	2.69
INTERAGENCY TRANSFER	1,698,296	1,969,547	2,192,947	11.34	2,193,655	.03
OTHER FUND	3,443,167	3,611,144	3,759,902	4.12	3,759,902	
REVERSIONS	-769,291					

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	2015-2016 Actual	2016-2017 Work Program	2017-2018 GOVERNOR RECOMMENDS	% Change	2018-2019 GOVERNOR RECOMMENDS	% Change
HHS-DCFS - CHILD WELFARE TRUST	252,211	319,029	244,709	-23.30	244,709	.00
BALANCE FORWARD	38,835	51,243				
OTHER FUND	213,376	267,786	244,709	-8.62	244,709	
HHS-DCFS - TRANSITION FROM FOSTER CARE	813,682	2,563,520	1,584,130	-38.20	1,681,063	6.12
BALANCE FORWARD	-109,880	1,652,605	667,808	-59.59	770,448	15.37
OTHER FUND	923,562	910,915	916,322	.59	910,615	-6.2
HHS-DCFS - REVIEW OF DEATH OF CHILDREN	93,806	471,756	442,638	-6.17	477,713	7.92
BALANCE FORWARD	-32,775	350,663	321,813	-8.23	354,588	10.18
OTHER FUND	126,581	121,093	120,825	-.22	123,125	1.90
HHS-DCFS - COMMUNITY JUVENILE JUSTICE PROGRAMS	2,961,479	3,913,133	4,601,486	17.59	3,581,055	-22.18
GENERAL FUND	2,520,114	2,420,044	4,151,246	71.54	3,130,683	-24.58
BALANCE FORWARD	41,783	14,025				
FEDERAL FUND	465,659	1,473,723	445,240	-69.79	445,372	.03
OTHER FUND	5,382	5,341	5,000	-6.38	5,000	
REVERSIONS	-71,459					
HHS-DCFS - YOUTH ALTERNATIVE PLACEMENT	4,191,465	4,191,465	8,271,677	97.35	7,374,677	-10.84
GENERAL FUND	2,184,481	2,184,481	2,184,481		2,184,481	
OTHER FUND	2,006,984	2,006,984	6,087,196	203.30	5,190,196	-14.74
HHS-DCFS - SUMMIT VIEW YOUTH CENTER	6,727,396	7,599,133	7,248,387	-4.62	6,033,418	-16.76
GENERAL FUND	7,064,937	7,513,285	7,162,539	-4.67	5,947,570	-16.96
BALANCE FORWARD	512,362					
INTERAGENCY TRANSFER		85,848	85,848		85,848	
REVERSIONS	-849,903					
HHS-DCFS - CALIENTE YOUTH CENTER	8,205,900	8,796,100	9,003,536	2.36	9,207,670	2.27
GENERAL FUND	8,438,820	8,555,521	8,600,725	.53	8,804,859	2.37
INTERAGENCY TRANSFER	257,421	240,579	402,811	67.43	402,811	
REVERSIONS	-490,341					
HHS-DCFS - NEVADA YOUTH TRAINING CENTER	6,992,689	8,301,490	7,319,569	-11.83	7,444,932	1.71
GENERAL FUND	7,326,763	7,966,016	7,066,810	-11.29	7,192,173	1.77
BALANCE FORWARD	11	8,090				
INTERAGENCY TRANSFER	305,418	291,184	228,405	-21.56	228,405	
OTHER FUND	24,355	36,200	24,354	-32.72	24,354	
REVERSIONS	-663,858					
HHS-DCFS - YOUTH PAROLE SERVICES	5,688,482	5,960,066	6,366,526	6.82	6,349,997	-.26
GENERAL FUND	2,859,813	2,861,220	2,983,889	4.29	2,959,536	-.82
INTERAGENCY TRANSFER			208,259		208,513	.12
OTHER FUND	2,854,357	3,098,846	3,174,378	2.44	3,181,948	.24
REVERSIONS	-25,688					

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	2015-2016 Actual	2016-2017 Work Program	2017-2018 GOVERNOR RECOMMENDS	% Change	2018-2019 GOVERNOR RECOMMENDS	% Change
HHS-DCFS - NORTHERN NV CHILD & ADOLESCENT SERVICES	8,462,068	9,357,531	9,285,390	-7.7	9,490,937	2.21
GENERAL FUND	3,365,948	3,584,157	3,271,799	-8.71	3,521,304	7.63
INTERAGENCY TRANSFER	4,334,696	4,999,712	5,281,754	5.64	5,237,796	-8.3
OTHER FUND	761,845	773,662	731,837	-5.41	731,837	
REVERSIONS	-421					
HHS-DCFS - SOUTHERN NV CHILD & ADOLESCENT SERVICES	25,964,191	30,111,614	27,184,241	-9.72	27,776,411	2.18
GENERAL FUND	10,153,430	10,472,457	10,719,753	2.36	11,033,165	2.92
FEDERAL FUND	610,801	2,428,979	2,787,640	14.77	2,787,640	
INTERAGENCY TRANSFER	13,383,605	14,855,399	11,636,357	-21.67	11,903,136	2.29
OTHER FUND	2,126,825	2,354,779	2,040,491	-13.35	2,052,470	.59
REVERSIONS	-310,470					
TOTAL CHILD AND FAMILY SERVICES	252,651,995	271,851,231	281,854,535	3.68	284,550,205	.96
GENERAL FUND	124,247,114	128,840,333	133,558,259	3.66	134,177,618	.46
BALANCE FORWARD	240,522	2,867,005	1,613,972	-43.71	2,179,199	35.02
FEDERAL FUND	92,014,020	97,538,227	101,965,901	4.54	104,136,772	2.13
INTERAGENCY TRANSFER	24,063,785	26,635,514	24,595,948	-7.66	24,825,687	.93
OTHER FUND	15,563,566	15,970,152	20,120,455	25.99	19,230,929	-4.42
REVERSIONS	-3,477,012					
EMPLOYMENT, TRAINING AND REHABILITATION						
DETR - ADMINISTRATION	4,940,237	5,654,686	5,622,116	-5.8	5,617,489	-.08
BALANCE FORWARD		450,292	450,291	-0.00	450,286	-.00
INTERAGENCY TRANSFER	4,939,807	5,204,394	5,171,825	-.63	5,167,203	-.09
OTHER FUND	430					
DETR - INFORMATION DEVELOPMENT AND PROCESSING	10,125,007	14,851,045	14,265,657	-3.94	14,646,704	2.67
BALANCE FORWARD	14,441	852,877	852,886	.00	989,516	16.02
INTERAGENCY TRANSFER	10,110,261	13,998,168	13,412,771	-4.18	13,657,188	1.82
OTHER FUND	305					
DETR - RESEARCH & ANALYSIS	2,706,386	3,111,387	2,757,601	-11.37	2,778,983	.78
BALANCE FORWARD	-69,326	321,848	229,191	-28.79	236,169	3.04
FEDERAL FUND	1,205,108	1,211,426	1,178,364	-2.73	1,190,285	1.01
INTERAGENCY TRANSFER	1,569,406	1,578,113	1,350,046	-14.45	1,352,529	.18
OTHER FUND	1,198					
DETR - EQUAL RIGHTS COMMISSION	1,391,512	1,624,148	1,920,202	18.23	1,890,143	-1.57
GENERAL FUND	1,099,421	1,181,051	1,465,565	24.09	1,434,475	-2.12
FEDERAL FUND	456,000	441,897	453,922	2.72	454,953	.23
OTHER FUND	562	1,200	715	-40.42	715	
REVERSIONS	-164,471					
NEVADA P20 WORKFORCE REPORTING	847,468	1,126,355	1,196,649	6.24	974,299	-18.58
GENERAL FUND	1,148,565	1,126,355	1,196,649	6.24	974,299	-18.58
REVERSIONS	-301,097					

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	2015-2016 Actual	2016-2017 Work Program	2017-2018 GOVERNOR RECOMMENDS	% Change	2018-2019 GOVERNOR RECOMMENDS	% Change
DETR - REHABILITATION ADMINISTRATION	1,094,152	1,415,324	1,374,086	-2.91	1,406,449	2.36
BALANCE FORWARD	-22,141	280,653	170,852	-39.12	194,877	14.06
INTERAGENCY TRANSFER	1,087,052	1,112,276	1,203,234	8.18	1,211,572	.69
OTHER FUND	29,241	22,395				
DETR - DISABILITY ADJUDICATION	14,658,842	19,799,374	20,016,372	1.10	20,354,636	1.69
FEDERAL FUND	14,658,367	19,799,374	20,016,372	1.10	20,354,636	1.69
OTHER FUND	475					
DETR - VOCATIONAL REHABILITATION	15,850,466	19,911,204	22,228,018	11.64	22,135,906	-.41
GENERAL FUND	2,611,757	2,683,546	2,856,736	6.45	2,835,691	-.74
BALANCE FORWARD	-10,494	10,495				
FEDERAL FUND	14,100,157	17,042,700	19,205,687	12.69	19,134,620	-.37
INTERAGENCY TRANSFER	178,609	174,463	165,595	-5.08	165,595	
OTHER FUND	761					
REVERSIONS	-1,030,324					
DETR - SERVICES TO THE BLIND & VISUALLY IMPAIRED	3,612,416	4,246,329	3,181,509	-25.08	3,242,063	1.90
GENERAL FUND	651,057	676,030	383,875	-43.22	396,816	3.37
FEDERAL FUND	3,138,882	3,570,299	2,797,634	-21.64	2,845,247	1.70
OTHER FUND	14					
REVERSIONS	-177,537					
DETR - BLIND BUSINESS ENTERPRISE PROGRAM	2,285,385	4,920,309	4,102,030	-16.63	3,778,963	-7.88
BALANCE FORWARD	766,923	3,555,833	2,654,678	-25.34	2,331,611	-12.17
OTHER FUND	1,518,462	1,364,476	1,447,352	6.07	1,447,352	
DETR - WORKFORCE DEVELOPMENT	77,973,097	97,079,131	64,383,942	-33.68	63,120,194	-1.96
BALANCE FORWARD	-1,574,346	9,039,514	6,552,762	-27.51	5,827,060	-11.07
FEDERAL FUND	64,122,173	72,580,535	44,701,151	-38.41	43,779,073	-2.06
INTERAGENCY TRANSFER	1,431,871	1,324,741				
OTHER FUND	13,993,399	14,134,341	13,130,029	-7.11	13,514,061	2.92
DETR - EMPLOYMENT SECURITY - SPECIAL FUND	8,155,492	6,186,129	4,685,519	-24.26	3,899,744	-16.77
BALANCE FORWARD	-299,415	3,308,048	2,800,128	-15.35	2,014,353	-28.06
FEDERAL FUND	6,577,016	1,517,124				
OTHER FUND	1,877,891	1,360,957	1,885,391	38.53	1,885,391	
DETR - UNEMPLOYMENT INSURANCE			30,909,054		30,751,854	-.51
FEDERAL FUND			25,340,110		25,573,536	.92
INTERAGENCY TRANSFER			4,388,591		4,397,078	.19
OTHER FUND			1,180,353		781,240	-33.81
DETR - ADULT BASIC EDUCATION			6,030,453		6,033,193	.05
GENERAL FUND			37,918		39,911	5.26
FEDERAL FUND			5,992,535		5,993,282	.01

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	2015-2016 Actual	2016-2017 Work Program	2017-2018 GOVERNOR RECOMMENDS	% Change	2018-2019 GOVERNOR RECOMMENDS	% Change
TOTAL EMPLOYMENT, TRAINING AND REHABILITATION	143,640,460	179,925,421	182,673,208	1.53	180,630,620	-1.12
GENERAL FUND	5,510,800	5,666,982	5,940,743	4.83	5,681,192	-4.37
BALANCE FORWARD	-1,194,358	17,819,560	13,710,788	-23.06	12,043,872	-12.16
FEDERAL FUND	104,257,703	116,163,355	119,685,775	3.03	119,325,632	-.30
INTERAGENCY TRANSFER	19,317,006	23,392,155	25,692,062	9.83	25,951,165	1.01
OTHER FUND	17,422,738	16,883,369	17,643,840	4.50	17,628,759	-.09
REVERSIONS	-1,673,429					
HEALTH AND HUMAN SERVICES						
GENERAL FUND	1,042,798,221	1,128,746,877	1,208,661,428	7.08	1,284,727,815	6.29
BALANCE FORWARD	1,540,514	113,624,021	63,560,071	-44.06	61,649,588	-3.01
FEDERAL FUND	3,156,611,166	3,459,732,710	3,496,392,854	1.06	3,639,828,413	4.10
INTERAGENCY TRANSFER	447,731,793	507,169,546	500,151,170	-1.38	512,628,495	2.49
INTERIM FINANCE	104,890	4,895,110				
OTHER FUND	348,399,404	352,132,615	360,363,993	2.34	362,595,056	.62
REVERSIONS	-36,176,243					
TOTAL FOR HEALTH AND HUMAN SERVICES	4,961,009,745	5,566,300,879	5,629,129,516	1.13	5,861,429,367	4.13
Less: INTER-AGENCY TRANSFER	447,731,793	507,169,546	500,151,170	-1.38	512,628,495	2.49
NET HEALTH AND HUMAN SERVICES	4,513,277,952	5,059,131,333	5,128,978,346	1.38	5,348,800,872	4.29

PUBLIC SAFETY

Public Safety consists of agencies that generally promote safety, provide law enforcement and protect the public and community throughout the state. The Department of Motor Vehicles, Department of Public Safety, including the Nevada Highway Patrol and the Division of Parole and Probation, Peace Officers' Standards and Training, and Nevada Department of Corrections comprise the Public Safety function.

The Governor recommends General Fund appropriations for the Public Safety function totaling \$351.5 million in FY 2018, an increase of 10.9 percent compared to General Fund appropriations of \$316.9 million approved by the 2015 Legislature for FY 2017 and \$356.3 million in FY 2019, an increase of 1.4 percent from the amount recommended in FY 2018. Amounts recommended from all funding sources, less interagency transfers, total \$705.8 million in FY 2018, which is an increase of 11.6 percent compared to the \$632.3 million of funding approved for FY 2017, and \$714.9 million in FY 2019, which is an additional 1.3 percent increase compared to FY 2018.

PEACE OFFICERS STANDARDS AND TRAINING COMMISSION

The Peace Officers Standards and Training Commission (POST) establishes minimum professional standards for training and certification of peace officers within the state. POST also provides basic law enforcement academies, certifies and monitors continuing education courses, and audits other law enforcement academies. The Executive Budget recommends total funding of \$4.86 million over the 2017-19 biennium, a 1.2 percent increase when compared to the \$4.81 million approved for the 2015-17 biennium.

The Governor recommends reserve funding of \$26,118 over the 2017-19 biennium to replace 36 portable two-way radios used for training law enforcement cadets in proper radio procedures and 2 police training pickups. The Executive Budget also recommends reserve funding of \$24,490 over the 2017-19 biennium for a router and multi-port switches. Currently, the multi-port switch is shared with the Department of Corrections and POST indicates that using a shared switch slows the internet speed, making it difficult to administer online testing and training.

DEPARTMENT OF CORRECTIONS

The Department of Corrections (NDOC) is governed by the Board of Prison Commissioners, which consists of the Governor, the Attorney General, and the Secretary of State. The Governor serves as Chairperson of the Board and appoints the director of the department. The department's facilities consist of 9 major institutions, 10 conservation camps, and 2 transitional housing facilities. Of the 21 institutions and facilities, 2 major institutions and 1 facility are closed and in mothball status.

The Executive Budget recommends General Fund support for the NDOC of \$589.0 million, which is a 12.3 percent (\$64.4 million) increase over the \$524.6 million approved in the 2015-17 biennium by the 2015 Legislature.

	FY 2016	FY 2017	FY 2018	FY 2019
	Actuals	Legislatively Approved	Governors Recommended Budget	Governors Recommended Budget
Total Funding (millions) ¹	\$262,941,289	\$271,477,800	\$297,298,175	\$304,022,102
General Fund Support (millions) ²	\$259,038,816	\$265,469,861	\$291,222,998	\$297,804,430
Average Inmate Population	13,345	12,948	14,006	14,267
Annual Cost per Inmate	\$19,703	\$20,967	\$21,226	\$21,309
Positions (full-time equivalents)	2,807.64	2,807.64	2,884.13	2,905.13
¹ Operating budgets only – does not contain proposed revenue authority for the Offenders Store Fund or the Prison Industries Fund.				
² The General Fund amounts for FY 2016 Actual and FY 2017 Legislatively Approved include \$708,645 and \$3.0 million, respectively, as approved by the Interim Finance Committee pursuant to NRS 353.268 and Section 63 of S.B. 514 (2015).				

INMATE POPULATION

Nevada’s average inmate population is projected to be 14,006 in FY 2018, which represents an increase of 5.0 percent compared to the FY 2016 actual inmate population of 13,345. The inmate population is projected to increase by an additional 1.7 percent in FY 2019 to an average of 14,247. Projections are provided by JFA Associates, an independent forecasting contractor. Considering the projected increase in the inmate population, The Executive Budget recommends additional General Fund appropriations of \$1.5 million in FY 2018 and \$2.0 million in FY 2019 for inmate-driven expenses compared to the actual inmate-driven expenses incurred in FY 2016.

FACILITY CAPACITY

In order to address the projected population growth over the 2017-19 biennium, the Governor is recommending General Fund appropriations of \$12.4 million to fund the transfer of 200 inmates to an out-of-state contracted facility. Additionally, the Governor is recommending General Fund appropriations of \$946,627 in FY 2019 to open Housing Unit 10 (100 female beds) at Florence McClure Women’s Correctional Center (FMWCC). The Governor’s 2017 Capital Improvement Program also recommends \$1.5 million for CIP Project 17-P06, Advanced Planning: Housing Unit (Southern Desert Correctional Center), a 168-cell housing unit, to address the long-term plans for the growing inmate population.

NEW POSITIONS

The Executive Budget recommends funding for 34 new positions, totaling \$2.4 million (\$2.2 million General Fund appropriations) over the 2017-19 biennium, including 11 positions at FMWCC to fund the recommended opening of Housing Unit 10, a statewide Mental Health Director for the administrative and clinical oversight of health services, a Correctional Case Worker Specialist and 2 new Retail Storekeeper positions

to support the bagged merchandise delivery service at High Desert State Prison. The recommendation also includes 16 positions at High Desert State Prison and 3 positions at Northern Nevada Correctional Center based on the 2014 Association of Correctional Administrators Staffing Study. The table below reflects the recommended positions and related costs for the 2017-19 biennium:

Budget Account	Positions	Position Description	Total Position Funding 2017-19 Biennium
Offenders Store Fund	2	2 Retail Storekeepers	\$ 212,108
Correctional Programs ¹	1	Mental Health Director	\$ (8,262)
Southern Desert Correctional Center ²	1	Correctional Case Worker Specialist	\$ 154,617
Northern Nevada Correctional Center	3	1 new Correctional Officer and 2 Correctional Assistants	\$ 295,774
High Desert State Prison	16	11 new Correctional Officers and 5 new Correctional Assistants	\$ 773,961
Florence McClure Women's Correctional Center	11	10 new Correctional Officers and 1 new Correctional Caseworker	\$ 946,627
Total Positions	34	Total Funding	\$ 2,374,825
<small>¹ Correctional Programs (Decision Unit E-240) also includes the elimination of a full-time Psychologist and elimination of a part-time Psychologist (this decision unit creates a net decrease to FTE with a total effect of 32.5 FTE over the 2017-19 biennium). Estimated ongoing salary and fringe costs of Mental Health Director are \$139,000 per year. The amount listed in the total position funding column is the net amount of the elimination of Psychologist positions and the addition of the Mental Health Director position.</small>			
<small>² Southern Desert Correctional Center E-351 decision unit only reflects the position and related costs, not the total costs of the decision unit.</small>			

SALARY INCREASES

The Executive Budget recommends General Fund appropriations of \$11.3 million over the 2017-19 biennium to fund a one grade salary increase agency-wide for 1,887 Correctional Officer positions. The Governor's recommendation is based on the 2016 Salary and Benefits Survey, which recommended increases for the state to offer salaries that are competitive with other public and private entities.

SUPPLEMENTAL APPROPRIATIONS

The Executive Budget recommends a supplemental appropriation of \$1.3 million to fund a projected shortfall in outside medical expenditures in the Prison Medical budget.

ONE-TIME APPROPRIATIONS

The Executive Budget recommends one-time appropriations totaling \$6.5 million to fund a new electronic inmate medical records system, a transition from the current Nevada Offenders Tracking Information System (NOTIS) to a new internal system, a new telephone system, and the replacement of the Nevada Staffing Information System (NSIS) used to schedule correctional officers.

OTHER FUNDING RECOMMENDATIONS

Other significant funding recommendations for the department contained in The Executive Budget include the following:

- General Fund appropriations of \$2.7 million over the 2017-19 biennium for inflationary increases in outside medical expenses, medical supplies and prosthetics.

- General Fund appropriations of \$1.8 million over the 2017-19 biennium to fund 71 new body cameras, annual online licenses, and 312 stationary cameras including recording devices.
- Funding of \$659,040 (\$533,231 General Fund appropriations) over the 2017-19 biennium for new and replacement equipment including, but not limited to, portable hand radios, culinary equipment, and medical equipment.
- General Fund appropriations of \$258,650 over the 2017-19 biennium for deferred maintenance projects.
- General Fund appropriations of \$636,315 in the 2017-19 biennium to maintain the mothball status of Nevada State Prison, Southern Nevada Correctional Center and Silver Springs Conservation Camp.

CAPITAL IMPROVEMENT PROJECTS

Capital improvements for the Department of Corrections recommended by the Governor include \$17.9 million for construction projects, \$44.7 million for maintenance projects and \$1.7 million for planning projects as outlined in the following table.

Capital Improvement Projects Recommend by the Governor For the Department of Corrections 2017-19 Biennium

Project Number	Facility	Project Title	Governor Recommended Funding
Construction Projects:			
17-C01	Northern Nevada Correctional Center	NNCC ADA Retrofit	\$ 11,287,393
17-C12	Southern Desert Correctional Center	Building Systems and Renovation of Housing Unit 8	\$ 6,656,502
Construction Projects Total			\$ 17,943,895
Critical Maintenance Projects:			
17-M02	High Desert State Prison	Upgrade of Building Door Controls-Phase 2	\$ 5,752,965
17-M04	Humboldt Conservation Camp	Water Supply Nitrate Treatment	\$ 1,244,457
17-M05	Florence McClure Women's Correctional Center	Replace Transformers	\$ 248,407
17-M10	Northern Nevada Correctional Center	Heating Water and Electrical Distribution System Replacement	\$ 9,867,890
17-M15	Florence McClure Women's Correctional Center	Upgrade Intercom, Door Controls & Security Camera Systems	\$ 3,468,136
17-M17	Southern Desert Correctional Center	Surge Protection	\$ 524,909
17-M18	Wells Conservation Camp	Upgrade Wastewater Treatment Facilities	\$ 524,736
17-M19	High Desert State Prison	Power Panel & Switchgear Infrared Survey	\$ 276,553
17-M22	Northern Nevada Correctional Center	Replace Locks, Control Panels, Distress Buttons and Wing Gates	\$ 3,032,675
17-M25	Ely Conservation Camp	Install Water Storage Tank	\$ 1,198,044
17-M28	Ely State Prison	Heat Exchanger Replacement	\$ 2,638,781
17-M29	Southern Desert Correctional Center	Install Water Storage Tank & Connect Well 6	\$ 3,788,465
17-M30	Lovelock Correctional Center	Replace Air Handling Units at Building 3	\$ 2,324,318
17-M33	Wells Conservation Camp	Domestic Water Pump House Replacement	\$ 329,499
17-M38	Wells Conservation Camp	Boiler Plant Upgrades	\$ 544,843
17-M46	Northern Nevada Correctional Center	HVAC System Renovation, Regional Medical Facility	\$ 2,052,587
17-M48	Northern Nevada Correctional Center	Plumbing Fixture & Water Control Renovations -Housing Units 1 through 3	\$ 2,000,539
17-M58	Southern Desert Correctional Center	Upgrade Site Water Pressure Control	\$ 273,462
17-M62	Stewart Conservation Camp	Remodel Showers & Restrooms -5 Housing Units	\$ 3,007,651
17-M66	Southern Desert Correctional Center	Plumbing Fixture Water Control Renovations - Housing Units 1 through 4	\$ 1,628,990
Critical Maintenance Projects Total			\$ 44,727,907
Planning Projects:			
17-P02	Lovelock Correctional Center	Advance Planning: Replace Air Handling Units at Building 2 (LCC)	\$ 158,506
17-P06	Southern Desert Correctional Center	Advance Planning: Housing Unit (Southern Desert Correctional Center)	\$ 1,514,127
Planning Projects Total			\$ 1,672,633
NDOC CAPITAL IMPROVEMENT PROJECTS TOTAL			\$ 64,344,435

DEPARTMENT OF MOTOR VEHICLES

The Department of Motor Vehicles (DMV) provides compliance and enforcement of Nevada laws concerning vehicle registrations, driver's licensing, motor carrier services, motor and special fuel tax reporting, emission control, verification of insurance functions, and automobile wreckers and body shops. The following represents the total recommended funding for the 2017-19 biennium.

	Legislature Approved 2015-17 Biennium		Governor Recommends 2017-19 Biennium		Increase / (Decrease) ³	
	Amount	% of Total	Amount	% of Total	Amount	%
General Fund	\$ 59,797	0.02%	\$ 70,106	0.02%	\$ 10,309	17.24%
Balance Forward	\$ 7,113,522	2.35%	\$ 8,316,263	2.37%	\$ 1,202,741	16.91%
Federal Funds ¹	\$ 231,682	0.08%	\$ -	0.00%	\$ (231,682)	-100.00%
Highway Fund ²	\$ 109,926,690	36.26%	\$ 133,578,390	38.08%	\$ 23,651,700	21.52%
Interagency Transfer	\$ 20,890,512	6.89%	\$ 24,549,671	7.00%	\$ 3,659,159	17.52%
Other Funds	\$ 164,965,258	54.41%	\$ 184,234,891	52.53%	\$ 19,269,633	11.68%
Total DMV	\$ 303,187,461	100.00%	\$ 350,749,321	100.00%	\$ 47,561,860	15.69%
Less Interagency Transfer	\$ (20,890,512)		\$ (24,549,671)		\$ (3,659,159)	
Net DMV	\$ 282,296,949		\$ 326,199,650		\$ 43,902,701	15.55%

¹ The elimination of federal funds for the 2017-19 biennium is due to the expiration of the U.S. Department of Transportation Commercial Driver's License Program Implementation Grant in FY 2017.

² The increase in Highway Fund appropriations in the 2017-19 biennium is largely attributed to the system modernization project. Although the 2015 Legislature approved total Highway Fund appropriations of \$37.7 million over the 2015-17 biennium for the project, funding of \$25.3 million was placed in the IFC Contingency Account and is not reflected in the table above. For the 2017-19 biennium, the Governor recommends all funding for the project be placed in the DMV's System Modernization budget.

³ Percentages of funding displayed do not sum to 100 due to rounding.

ADMINISTRATIVE CAP

Historically, NRS 408.235 limited the DMV from expending more than 22 percent of Highway Fund collections on administration, excluding gasoline tax revenue that is not subject to this limitation. This administrative cap was increased to 27 percent by the 2015 Legislature due to its approval of the department's system modernization project, which will replace the DMV's current mainframe computer system. This increased administrative cap recognizes the increased expenditures associated with this project and is scheduled to sunset after FY 2020, at which time the DMV initially projected the new computer system would be deployed.

Based on revenue projections provided by the department in November 2016, Highway Fund proceeds (excluding gasoline tax and Governmental Services Tax [GST] revenue) are projected to be \$267.4 million in FY 2017, \$268.9 million in FY 2018, and \$270.4 million in FY 2019, which is an increase of 0.6 percent in each year of the 2017-19 biennium. Additionally, NRS 482.182 currently requires GST revenue to be deposited equally between the General Fund and Highway Fund in FY 2017 and entirely in the Highway Fund in the 2017-19 biennium. However, the Governor recommends redirecting 25 percent of the GST revenue to the General Fund in the 2017-19 biennium. Based on NRS 482.182 and the Governor's recommendation, the DMV projects GST revenue deposited in the Highway Fund would total \$35.4 million in FY 2017 and \$53.1 million in each year of the 2017-19 biennium. Including this projected

GST revenue, Highway Fund proceeds (excluding gasoline tax revenue) are projected to be \$302.8 million in FY 2017, \$322.0 million in FY 2018, and \$323.5 million in FY 2019.

Based on the DMV's revenue projections, the Governor's recommendation regarding GST revenue, and the inclusion of other projected revenues such as Highway Fund reversions from the Records Search, Insurance Verification, and Special Plates Trust budgets, the department's 27 percent cap threshold would be \$90.3 million for FY 2018 and \$90.7 million for FY 2019. Excluding estimated gasoline tax administration costs that are not subject to the administrative cap, The Executive Budget recommends Highway Fund appropriations in the amount of \$65.9 million in FY 2018 and \$66.4 million in FY 2019. Based on projected revenues, the Governor's recommended budget for the DMV is under the current 27 percent cap by \$24.4 million in FY 2018 and \$24.3 million in FY 2019, and under the historic 22 percent cap by \$7.7 million in FY 2018 and \$7.5 million in FY 2019.

SYSTEM MODERNIZATION

The System Modernization budget isolates the expenditures associated with the replacement of the DMV's current Common Business Oriented Language (COBOL) mainframe and PowerBuilder computer system with a new integrated computer system that will operate on a single platform. The system modernization project began in FY 2016, and the department estimates the project will be completed in FY 2021 for a total cost of \$114.9 million. The Executive Budget indicates the new system would improve service delivery, reduce transaction time, enhance security, and provide disaster recovery capabilities.

To continue the system modernization project in the 2017-19 biennium, the Governor recommends Highway Fund appropriations of \$34.7 million and Technology Fee revenue of \$13.5 million. The Governor also recommends Highway Fund appropriations of \$1.4 million over the 2017-19 biennium for six additional state positions and two additional contract positions to assist with the implementation of the new system.

COMPLIANCE ENFORCEMENT DIVISION

The Compliance Enforcement Division is the regulatory arm of the Department of Motor Vehicles and serves as the umbrella organization for the Motor Vehicle Pollution Control budget. The primary purpose of the Compliance Enforcement Division is to support the activities of division investigators regulating the automobile industry as they relate to the sale or transfer of ownership of vehicles. Total funding for the Compliance Enforcement budget is recommended to remain relatively flat at \$5.1 million in FY 2018 with a slight increase to \$5.2 million in FY 2019 compared to \$5.1 million that was legislatively approved for FY 2017. The Governor recommends a reduction in Highway Fund appropriations of \$151,712 over the 2017-19 biennium due to the elimination of a vacant Compliance Investigator position assigned to the Off-Highway Vehicle (OHV) Registration Program. The Executive Budget indicates the OHV enforcement function would continue to be performed by other positions in this budget.

MOTOR VEHICLE POLLUTION CONTROL

The Motor Vehicle Pollution Control budget is responsible for ensuring compliance with *Nevada Revised Statutes* and the *Nevada Administrative Code* as they relate to vehicle emission standards in counties whose population equals or exceeds 100,000 (Clark and Washoe Counties). Revenue generated from fees charged for every vehicle receiving a smog certificate supports the enforcement effort. *Nevada Revised Statutes* 445B.830 requires a minimum reserve level in the Pollution Control budget of \$1.0 million. Reserve levels in excess of the statutory limit are distributed back to the counties in which the revenue was generated, proportionate to the number of certificates issued in those counties. Overall, The Executive Budget recommends total funding of \$11.6 million in FY 2018 and \$12.1 million in FY 2019, compared to \$11.8 million legislatively approved in FY 2017.

The Executive Budget recommends continuing transfers to the Tahoe Regional Planning Agency in the amount of \$419,021 in each year of the 2017-19 biennium. The Governor further recommends a reserve reduction of \$200,000 in FY 2019 for a contract IT position that would backfill for the Vehicle Information Database (VID) programmer. The Executive Budget indicates this recommendation would allow the VID programmer to assist with the system modernization project.

CENTRAL SERVICES DIVISION

The Central Services Division provides for alternative services to Department of Motor Vehicles customers, including mail renewals, Internet, web and telephone transactions for driver's license and registration renewals. The Executive Budget recommends total funding to increase from \$11.2 million in FY 2017 to \$11.4 million in FY 2018 and \$11.5 million in FY 2019. Due to a recent reorganization, the Governor recommends the elimination of a vacant DMV Services Technician position, which would result in a reduction in Highway Fund appropriations of \$101,112 over the 2017-19 biennium. The Governor also recommends reductions in Highway Fund appropriations of \$92,302 in each year of the 2017-19 biennium by eliminating the mailing of proof of license plate surrender receipts and modifying the mailing process for electronic dealer report of sale documents.

LICENSE PLATE FACTORY

The License Plate Factory budget houses all activity related to the department's production of license plates. Total funding is recommended to decrease from \$8.2 million legislatively approved in FY 2017, to \$7.4 million in FY 2018 and \$7.7 million in FY 2019. The Governor recommends the elimination of a Program Officer position and a Maintenance Repair Worker position at the license plate factory, which would result in a net increase in reserves of \$228,965 and total reductions in Special Plates Cost Allocation revenue of \$31,222 over the 2017-19 biennium. Although the 2015 Legislature approved a second production shift for the license plate factory beginning in FY 2017 to address the reissuance of license plates, the Governor recommends the license plate factory operate a single, extended production shift in the 2017-19 biennium.

MOTOR CARRIER DIVISION

The Motor Carrier Division is responsible for the collection of gasoline and special fuel taxes, registration fees, and Governmental Services Tax for licensing of vehicles in excess of 26,000 pounds. Total funding for Motor Carrier is recommended to remain relatively flat at \$4.3 million in FY 2018 with a slight increase to \$4.4 million in FY 2019 compared to \$4.4 million that was legislatively approved for FY 2017. The Governor recommends the elimination of a vacant Deputy Division Administrator position and a vacant Auditor position, which would result in a reduction in Highway Fund appropriations of \$366,962 over the 2017-19 biennium. The Executive Budget indicates this recommendation is due to a recent reorganization of the division and reduction in the number of citation audits performed by the division.

DEPARTMENT OF PUBLIC SAFETY

The Department of Public Safety (DPS) divisions include the Director's Office, Highway Patrol (NHP), Parole and Probation (P&P), Investigation Division, Emergency Management, General Services, Fire Marshal, Capitol Police, the Office of Traffic Safety, the Office of Criminal Justice Assistance, and the Parole Board.

The Governor recommends net General Fund appropriations of \$118.7 million over the 2017-19 biennium, an increase of 10.7 percent when compared to the \$107.2 million approved for the 2015-17 biennium.

DIRECTOR'S OFFICE

The Director's Office establishes policy for the department and directs the operations of all Department of Public Safety divisions.

The Governor recommends General Fund appropriations of \$770,644 and Highway Fund appropriations of \$1.1 million over the 2017-19 biennium to support the continuation of a law enforcement training academy in Southern Nevada. At its June 2016 meeting, the Interim Finance Committee approved funding to reestablish a Southern Nevada training academy, which was eliminated by the 2009 Legislature. The Governor's recommendation includes the addition of six new positions, including four DPS Officer positions, one DPS Sergeant position, and one DPS Captain position.

The Governor also recommends General Fund appropriations of \$876,365 over the 2017-19 biennium to support a new Office of Cyber Defense to address critical public safety cyber risks and vulnerabilities. The recommendation includes the addition of four new positions, including a Division Administrator, an IT Professional, a Management Analyst and an Administrative Assistant.

To support the replacement of 286 mobile radios, 505 portable police radios, and associated contracted installation costs throughout the department, The Executive Budget recommends General Fund appropriations of \$3.2 million, Highway Fund appropriations of \$252,552 and other funds of \$223,764 in FY 2018. According to The Executive Budget,

the current radios have exceeded their useful life. Additionally, in the Nevada Department of Transportation (NDOT) budget, the Governor recommends that the Nevada Shared Radio System (NSRS) begin to be replaced in the 2017-19 biennium and the replacement radios be compatible with the replacement NSRS.

NEVADA HIGHWAY PATROL DIVISION

The Nevada Highway Patrol enforces the traffic laws of the state, investigates traffic accidents, and enforces and regulates motor carriers transporting cargo and hazardous materials. The Governor recommends Highway Funds totaling \$142.8 million over the 2017-19 biennium, a 6.4 percent increase over the \$134.1 million approved for the 2015-17 biennium.

The Executive Budget recommends transfers from NDOT of \$298,220 in FY 2018 to complete the implementation of the NHP's Mobile Data Computer (MDC) project and the purchase of 77 MDCs and associated costs. The Executive Budget also recommends Highway Fund appropriations of \$76,277 and transfers from NDOT of \$146,126 in FY 2019 to replace 35 MDCs, which were originally purchased in FY 2015 and have an approved four-year replacement cycle due to regular exposure to extreme temperatures and vehicle vibrations.

The Governor recommends Highway Fund appropriations of \$956,832 over the 2017-19 biennium for 510 integrated body camera access charges to record and store videos. Senate Bill 111 (2015 Legislative Session) appropriated Highway Funds of \$1.3 million over the 2015-17 biennium for the costs of adopting policies and procedures and purchase of body cameras, which are worn by qualified NHP officers.

The Executive Budget recommends Highway Fund appropriations of \$1.2 million over the 2017-19 biennium to transfer ten staff (nine Administrative Assistant positions and a Program Officer position) from the General Services budget to the Highway Patrol budget to enter and maintain warrant information for the NHP.

The Governor recommends one-shot Highway Fund appropriations of \$8.9 million to replace 143 Highway Patrol vehicles, 9 Highway Patrol motorcycles, and associated equipment for the vehicles and motorcycles.

DIVISION OF PAROLE AND PROBATION

The mission of the Division of Parole and Probation is to monitor and enforce offenders' compliance with the conditions of their community supervision, assist offenders in successfully reintegrating into society, and ensure objective sentencing information and recommendations are delivered to the district courts of Nevada.

The Governor recommends General Fund appropriations of \$92.6 million over the 2017-19 biennium, a 12.2 percent increase compared to the legislatively approved \$82.5 million for the 2015-17 biennium. The increase in General Fund appropriations is primarily due to a recommended net increase of 57 positions, which includes 71 new

positions and 14 position eliminations. The following table provides the Governor's recommended position changes:

	FY2018	FY2019
Position Title	Position Count	
Administrative Assistant IV	6.00	6.00
DPS Officer II	20.00	23.00
DPS Sergeant	4.00	4.00
P&P Specialist II	2.00	2.00
P&P Specialist III	27.00	29.00
P&P Specialist IV	4.00	4.00
P&P Supervisor	3.00	3.00
Subtotal New Positions	66.00	71.00
DPS Officer II	-11.00	-11.00
DPS Sergeant	-1.00	-1.00
P&P Specialist II	-2.00	-2.00
Subtotal Position Eliminations	-14.00	-14.00
Net Position Changes	52.00	57.00

Of the 57 positions, a net increase of 29 positions is recommended in the Governor's budget in response to caseload projections. The following table depicts historical caseload information for FY 2015, FY 2016, and projected caseload information for FY 2017 through FY 2019:

JFA Caseload Estimates	FY 2015 Actual	FY 2016 Actual	FY 2017 Projected	FY 2018 Projected	FY 2019 Projected
Warrants	2,908	2,930	2,960	3,117	3,174
Interstate Compact	1,642	1,784	1,753	1,765	1,767
Pre-Release	2,553	1,995	1,997	2,009	2,015
Pardons Investigations	60	84	120	78	78
Post Convictions	216	540	984	1,003	1,048
Pre-Sentence Investigations (PSI)	10,690	10,825	10,878	11,497	11,817
Miscellaneous	3,648	3,504	3,544	3,612	3,618
Regular Supervision	9,239	9,657	9,719	9,874	9,949
Intense Supervision Unit/Residential Confinement	1,151	1,038	1,080	1,111	1,121
Sex Offenders	1,658	1,664	1,688	1,711	1,732

The Executive Budget includes General Fund appropriations of \$4.1 million over the 2017-19 biennium for a Day Reporting Center, a house arrest program, training for officers, and transitional housing stipend funding to reduce criminal recidivism, and 28 additional positions.

DIVISION OF INVESTIGATIONS

The Division of Investigations provides criminal and controlled substance investigative services to the state, county and local law enforcement agencies on request. The Executive Budget recommends General Funds of \$12.5 million over the 2017-19 biennium, a 7.1 percent increase from the \$11.7 million approved for the

2015-17 biennium. The majority of the increase is attributable to the replacement of six vehicles, computer software and hardware, and mobile and portable radios.

Senate Bill 14 of the 2017 Legislative Session would revise the duties of the Division of Investigations to include investigative services to various divisions of the DPS as determined by the Director and to various state departments, agencies or institutions as requested by the Attorney General.

DIVISION OF EMERGENCY MANAGEMENT

The Division of Emergency Management (DEM) coordinates planning, training, exercise and equipment initiatives in order to prepare for, respond to, and recover from any emergency or disaster.

Primarily funded by federal grants, The Executive Budget recommends General Funds of \$1.6 million over the 2017-19 biennium, a 45.2 percent increase from the amount approved for the 2015-17 biennium of \$1.1 million. The majority of the increase is attributable to the Governor's recommendation to add an Interoperability Coordinator position, to develop and implement the Statewide Communication Interoperability Plan and the National Emergency Communications Plan.

GENERAL SERVICES DIVISION

The General Services Division provides centralized support services to other DPS divisions and state agencies. Created and approved by the 2013 Legislature, the General Services Division includes a Communications Bureau and a Records Bureau. The Communications Bureau provides centralized dispatch and warrant services to other DPS divisions and state agencies. The Records Bureau administers the Nevada Criminal Justice Information System (NCJIS) and is the repository for criminal history record information and crime statistics. The repository includes the Uniform Crime Reporting program, the Point-of-Sale firearms program (Brady), the Nevada Domestic Violence Protection Order Registry, the Nevada Sex Offender Registry, and the Civil Name Check program.

The division is primarily supported by cost allocation reimbursements, court assessments, fees for services, and nominal General Fund appropriations. The Executive Budget recommends funding totaling \$69.5 million over the 2017-19 biennium, a 5.9 percent increase from the 2015-17 legislatively approved funding of \$65.7 million.

The Governor recommends the decommissioning of the Elko Communications Dispatch Center, eliminating four Public Safety Dispatcher positions, and reducing cost allocation reimbursements of \$666,095 over the 2017-19 biennium.

The Governor recommends one-shot Highway Fund appropriations of \$1.3 million to replace 18 dispatch center consoles for the Carson City and Las Vegas offices and 10 portable radios for the Carson City, Las Vegas and Elko offices. The Governor also

recommends a reduction of \$192,014 in Highway Fund appropriations to eliminate portable radios and dispatch center consoles for the Elko office if the Elko Communications Dispatch Center is decommissioned.

The Executive Budget recommends decreasing reserve funding by \$4.3 million over the 2017-19 biennium for costs associated with the NCJIS modernization project. The project began in the 2013-15 biennium with a \$2.3 million General Fund one-shot appropriation and the 2015 Legislature approved General Fund appropriations of \$2.4 million to continue phase two. The recommendation continues funding for phase three, which includes moving applications to a new supportable technology independent from the Justice Link (JLink), a message switch that provides state and national criminal history and other criminal justice information to law enforcement and criminal justice users.

STATE FIRE MARSHAL

The State Fire Marshal is primarily responsible for enforcing laws associated with the prevention of fires, the storage of combustible and other hazardous materials and explosives, inspections of buildings for fire and safety compliance, building reviews, and fire-related investigations. The Executive Budget recommends General Funds of \$703,042 over the 2017-19 biennium, a 34.1 percent decrease from the amount approved for the 2015-17 biennium of \$1.1 million.

The majority of the decrease in General Fund appropriations is attributable to the Governor's recommendation to increase Plan Review Fees and to increase transfers of hazardous materials storage permit funds from the Emergency Response Commission budget, and transfers of chemical waste fees from the Hazardous Waste Management budget.

OFFICE OF CRIMINAL JUSTICE ASSISTANCE

The Office of Criminal Justice Assistance (OCJA) is responsible for obtaining, administering, and subgranting federal grant funds from the U.S. Department of Justice, including the Edward Byrne Memorial Justice Assistance Grant (Byrne/JAG), to state and local government agencies that contribute to the effort of reducing or preventing crime, violence and drug abuse and improving the functioning of the criminal justice system. The agency has also been designated by the Governor as the state coordinator for the 1033 Department of Defense Excess Property program, and the point of contact for the 1122 General Services Administration Purchasing program. Additionally, the OCJA is the designated agency to accept donations, gifts, bequests, grants and other sources of funds to carry out the provisions of NRS 209.4889, which allows for contracting with public or private entities to provide certain services to qualifying offenders or parolees.

Due to diminishing federal grant administrative funding, the Governor recommends a Supplemental General Fund appropriation of \$88,308 and a reduction in federal funds transferred from the Justice Assistant Grant Trust budget to support the operations of

the Justice Grant budget. The Executive Budget also recommends General Fund appropriations of \$564,155 over the 2017-19 biennium, and a like reduction to transfers of federal grant funds from Justice Assistant Grant Trust budget, to support the general operations of the Justice Grant budget.

PAROLE BOARD

The Parole Board, consisting of six members and a chairman, conducts inmate parole hearings and revocation hearings for persons accused of violating parole. To assist the Board in meeting hearing requirements, NRS 213.133 permits the Board to appoint and utilize hearing representatives who hear, consider, and act upon applications subject to final approval of a majority of the Board members.

The Parole Board is supported entirely by the General Fund. The Executive Budget recommends General Fund appropriations of \$5.7 million over the 2017-19 biennium, a 5.3 percent increase when compared to the \$5.4 million approved for the 2015-17 biennium. The increase is primarily due to the Governor's recommendation to add a Management Analyst position to support the Pardons Board.

Nevada Legislative Counsel Bureau
Source of Funds Summary
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	2015-2016 Actual	2016-2017 Work Program	2017-2018 GOVERNOR RECOMMENDS	% Change	2018-2019 GOVERNOR RECOMMENDS	% Change
PUBLIC SAFETY						
PEACE OFFICERS STANDARDS & TRAINING						
PEACE OFFICER STANDARDS & TRAINING COMMISSION	1,995,059	2,634,246	2,509,778	-4.72	2,351,331	-6.31
BALANCE FORWARD	-216,624	443,460	486,898	9.80	347,635	-28.60
INTERAGENCY TRANSFER	33,844					
OTHER FUND	2,177,839	2,190,786	2,022,880	-7.66	2,003,696	-.95
TOTAL PEACE OFFICERS STANDARDS & TRAINING	1,995,059	2,634,246	2,509,778	-4.72	2,351,331	-6.31
BALANCE FORWARD	-216,624	443,460	486,898	9.80	347,635	-28.60
INTERAGENCY TRANSFER	33,844					
OTHER FUND	2,177,839	2,190,786	2,022,880	-7.66	2,003,696	-.95
DEPARTMENT OF CORRECTIONS						
NDOC - DIRECTOR'S OFFICE						
GENERAL FUND	21,415,352	22,352,771	28,853,600	29.08	28,138,055	-2.48
BALANCE FORWARD	-1,283	25,978				
FEDERAL FUND	1,291,184	1,310,553	1,291,184	-1.48	1,291,184	
INTERAGENCY TRANSFER	82,262	557,057	91,155	-83.64	91,155	
INTERIM FINANCE		163,527				
OTHER FUND	78,296	48,825	62,863	28.75	62,863	
REVERSIONS	-170,011					
NDOC - PRISON MEDICAL CARE	43,310,134	43,179,474	45,769,080	6.00	46,810,094	2.27
GENERAL FUND	41,262,937	41,913,110	44,492,064	6.15	45,516,943	2.30
BALANCE FORWARD	-37,398					
INTERAGENCY TRANSFER	1,298,048	1,198,512	1,207,792	.77	1,223,927	1.34
INTERIM FINANCE	708,645					
OTHER FUND	77,902	67,852	69,224	2.02	69,224	
NDOC - CORRECTIONAL PROGRAMS	7,453,867	9,684,644	7,658,234	-20.92	7,798,974	1.84
GENERAL FUND	7,639,699	7,918,721	7,252,120	-8.42	7,384,899	1.83
FEDERAL FUND	9,253	1,321,146				
INTERAGENCY TRANSFER	-381,653	443,677	405,014	-8.71	412,975	1.97
OTHER FUND	430,733	1,100	1,100		1,100	
REVERSIONS	-244,165					
NDOC - ELY STATE PRISON	25,709,612	26,873,910	28,067,384	4.44	28,754,192	2.45
GENERAL FUND	25,999,994	26,426,107	27,877,992	5.49	28,535,955	2.36
INTERAGENCY TRANSFER	84,290	1,511	27,820	1,741.16	27,820	
INTERIM FINANCE		393,383				
OTHER FUND	126,785	52,909	161,572	205.38	190,417	17.85
REVERSIONS	-501,457					
NDOC - HIGH DESERT STATE PRISON	47,791,015	49,809,834	52,774,046	5.95	54,524,487	3.32
GENERAL FUND	47,805,053	48,970,765	52,564,861	7.34	54,313,019	3.33
INTERAGENCY TRANSFER	597,511	8,266	122,812	1,385.75	122,812	
INTERIM FINANCE		750,287				
OTHER FUND	80,910	80,516	86,373	7.27	88,656	2.64
REVERSIONS	-692,459					

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	2015-2016 Actual	2016-2017 Work Program	2017-2018 GOVERNOR RECOMMENDS	% Change	2018-2019 GOVERNOR RECOMMENDS	% Change
NDOC - NORTHERN NEVADA CORRECTIONAL CENTER	26,639,904	28,138,827	29,229,823	3.88	30,053,178	2.82
GENERAL FUND	26,867,728	27,582,058	28,996,937	5.13	29,817,809	2.83
INTERAGENCY TRANSFER	35,777	108,153	145,095	34.16	145,095	
INTERIM FINANCE		362,037				
OTHER FUND	80,512	86,579	87,791	1.40	90,274	2.83
REVERSIONS	-344,113					
NDOC - NEVADA STATE PRISON	88,089	96,528	82,663	-14.36	83,298	.77
GENERAL FUND	95,311	95,578	81,713	-14.51	82,348	.78
INTERAGENCY TRANSFER	-1,832					
OTHER FUND	950	950	950		950	
REVERSIONS	-6,340					
NDOC - SOUTHERN DESERT CORRECTIONAL CENTER	23,066,003	23,937,221	31,374,765	31.07	31,927,319	1.76
GENERAL FUND	22,935,262	23,562,656	31,241,115	32.59	31,793,601	1.77
INTERAGENCY TRANSFER	352,456	13,888	83,649	502.31	83,649	
INTERIM FINANCE		310,005				
OTHER FUND	49,934	50,672	50,001	-1.32	50,069	.14
REVERSIONS	-271,649					
NDOC - LOVELOCK CORRECTIONAL CENTER	23,284,615	24,392,298	25,532,216	4.67	26,092,316	2.19
GENERAL FUND	23,447,418	23,919,964	25,361,068	6.02	25,921,168	2.21
INTERAGENCY TRANSFER	-63,731	19,262	70,587	266.46	70,587	
INTERIM FINANCE		354,306				
OTHER FUND	95,974	98,766	100,561	1.82	100,561	
REVERSIONS	-195,046					
NDOC - SOUTHERN NEVADA CORRECTIONAL CENTER	230,129	252,511	232,559	-7.90	232,402	-.07
GENERAL FUND	251,978	252,511	232,559	-7.90	232,402	-.07
INTERAGENCY TRANSFER	-13,443					
REVERSIONS	-8,406					
NDOC - WARM SPRINGS CORRECTIONAL CENTER	10,233,766	10,907,017	11,426,422	4.76	11,637,283	1.85
GENERAL FUND	10,546,381	10,747,810	11,392,571	6.00	11,603,450	1.85
INTERAGENCY TRANSFER	-164,680		23,933		23,933	
INTERIM FINANCE		150,343				
OTHER FUND	11,688	8,864	9,918	11.89	9,900	-.18
REVERSIONS	-159,623					
NDOC - FLORENCE MCCLURE WOMENS CORRECTIONAL CENTER	14,946,101	14,023,088	15,434,557	10.07	16,776,979	8.70
GENERAL FUND	14,312,443	13,066,474	15,348,370	17.46	16,690,163	8.74
INTERAGENCY TRANSFER	647,425	5,454	31,342	474.66	31,342	
INTERIM FINANCE		665,828				
OTHER FUND	50,070	285,332	54,845	-80.78	55,474	1.15
REVERSIONS	-63,837					

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	2015-2016 Actual	2016-2017 Work Program	2017-2018 GOVERNOR RECOMMENDS	% Change	2018-2019 GOVERNOR RECOMMENDS	% Change
NDOC - CASA GRANDE TRANSITIONAL HOUSING	4,223,756	4,361,454	4,572,165	4.83	4,652,405	1.75
GENERAL FUND	3,417,751	3,472,634	3,522,228	1.43	3,524,801	.07
INTERAGENCY TRANSFER	-110,159	21,925	28,303	29.09	28,303	
OTHER FUND	945,832	866,895	1,021,634	17.85	1,099,301	7.60
REVERSIONS	-29,668					
NDOC - NORTHERN NEVADA TRANSITIONAL HOUSING	1,301,174	1,183,384	1,255,687	6.11	1,275,275	1.56
GENERAL FUND	667,468	672,309	703,225	4.60	716,315	1.86
INTERAGENCY TRANSFER	52,997					
OTHER FUND	598,088	511,075	552,462	8.10	558,960	1.18
REVERSIONS	-17,379					
NDOC - STEWART CONSERVATION CAMP	1,778,877	1,743,384	1,852,006	6.23	1,883,381	1.69
GENERAL FUND	1,657,644	1,652,074	1,711,171	3.58	1,742,546	1.83
INTERAGENCY TRANSFER	71,070		12,431		12,431	
OTHER FUND	128,768	91,310	128,404	40.62	128,404	
REVERSIONS	-78,605					
NDOC - PIOCHE CONSERVATION CAMP	1,623,306	1,733,290	1,866,698	7.70	1,869,420	.15
GENERAL FUND	1,698,822	1,658,125	1,843,370	11.17	1,846,830	.19
INTERAGENCY TRANSFER	-30,532		5,990		5,990	
INTERIM FINANCE		60,460				
OTHER FUND	17,430	14,705	17,338	17.91	16,600	-4.26
REVERSIONS	-62,414					
NDOC - THREE LAKES VALLEY CONSERVATION CAMP	2,333,568	2,575,331	2,758,803	7.12	2,836,527	2.82
GENERAL FUND	2,422,586	2,494,133	2,723,355	9.19	2,800,928	2.85
INTERAGENCY TRANSFER	-67,304	5,749	23,695	312.16	23,695	
INTERIM FINANCE		60,460				
OTHER FUND	12,435	14,989	11,753	-21.59	11,904	1.28
REVERSIONS	-34,149					
NDOC - WELLS CONSERVATION CAMP	1,162,481	1,316,667	1,381,433	4.92	1,392,711	.82
GENERAL FUND	1,283,022	1,247,038	1,365,970	9.54	1,377,098	.81
INTERAGENCY TRANSFER	-64,531		4,880		4,880	
INTERIM FINANCE		60,460				
OTHER FUND	10,135	9,169	10,583	15.42	10,733	1.42
REVERSIONS	-66,145					
NDOC - HUMBOLDT CONSERVATION CAMP	1,220,368	1,336,712	1,410,018	5.48	1,389,529	-1.45
GENERAL FUND	1,274,897	1,265,488	1,390,958	9.91	1,370,469	-1.47
INTERAGENCY TRANSFER	-22,709		4,668		4,668	
INTERIM FINANCE		60,460				
OTHER FUND	14,177	10,764	14,392	33.70	14,392	
REVERSIONS	-45,997					

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	2015-2016 Actual	2016-2017 Work Program	2017-2018 GOVERNOR RECOMMENDS	% Change	2018-2019 GOVERNOR RECOMMENDS	% Change
NDOC - ELY CONSERVATION CAMP	1,218,501	1,349,577	1,378,409	2.14	1,408,497	2.18
GENERAL FUND	1,311,775	1,272,665	1,368,024	7.49	1,397,867	2.18
INTERAGENCY TRANSFER	-56,805	3,591				
INTERIM FINANCE		60,460				
OTHER FUND	10,629	12,861	10,385	-19.25	10,630	2.36
REVERSIONS	-47,098					
NDOC - JEAN CONSERVATION CAMP	1,426,355	1,556,546	1,626,187	4.47	1,671,941	2.81
GENERAL FUND	1,513,537	1,549,138	1,609,249	3.88	1,655,003	2.84
INTERAGENCY TRANSFER	-62,685		8,252		8,252	
OTHER FUND	11,518	7,408	8,686	17.25	8,686	
REVERSIONS	-36,015					
NDOC - SILVER SPRINGS CONSERVATION CAMP	3,509	3,873	3,616	-6.64	3,677	1.69
GENERAL FUND	3,873	3,873	3,616	-6.64	3,677	1.69
INTERAGENCY TRANSFER	-364					
NDOC - CARLIN CONSERVATION CAMP	1,258,872	1,266,672	1,403,586	10.81	1,416,229	.90
GENERAL FUND	1,185,688	1,196,500	1,389,552	16.13	1,402,195	.91
INTERAGENCY TRANSFER	145,870		4,289		4,289	
INTERIM FINANCE		60,460				
OTHER FUND	8,483	9,712	9,745	.34	9,745	
REVERSIONS	-81,169					
NDOC - TONOPAH CONSERVATION CAMP	1,221,935	1,357,535	1,354,218	-.24	1,393,933	2.93
GENERAL FUND	1,302,645	1,295,181	1,342,512	3.65	1,382,091	2.95
INTERAGENCY TRANSFER	-34,076	-9,340	2,260	-124.20	2,260	
INTERIM FINANCE		60,460				
OTHER FUND	9,854	11,234	9,446	-15.92	9,582	1.44
REVERSIONS	-56,488					
NDOC - OFFENDERS' STORE FUND	14,354,953	30,109,215	28,748,725	-4.52	29,843,377	3.81
BALANCE FORWARD	-2,853,258	10,402,129	12,307,339	18.32	13,101,736	6.45
INTERAGENCY TRANSFER	126,686	128,328	126,686	-1.28	126,686	
OTHER FUND	17,081,525	19,578,758	16,314,700	-16.67	16,614,955	1.84
NDOC - INMATE WELFARE ACCOUNT	3,372,461	3,759,954	3,676,642	-2.22	3,838,465	4.40
BALANCE FORWARD	369,948	47,422	43,581	-8.10	154,761	255.11
INTERAGENCY TRANSFER	2,309,280	3,014,364	2,915,237	-3.29	2,956,914	1.43
OTHER FUND	693,233	698,168	717,824	2.82	726,790	1.25
NDOC - PRISON INDUSTRY	3,921,751	6,465,060	6,149,149	-4.89	6,356,681	3.37
BALANCE FORWARD	-402,520	1,666,495	1,595,856	-4.24	1,797,623	12.64
INTERAGENCY TRANSFER	48,000	48,000	48,000		48,000	
OTHER FUND	4,276,271	4,750,565	4,505,293	-5.16	4,511,058	.13
NDOC - PRISON RANCH	2,208,276	3,849,829	4,014,810	4.29	4,432,695	10.41
BALANCE FORWARD	-202,349	1,142,438	1,318,190	15.38	1,736,075	31.70
FEDERAL FUND	1,715,005	2,000,000	2,000,000		2,000,000	
OTHER FUND	695,620	707,391	696,620	-1.52	696,620	

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	2015-2016 Actual	2016-2017 Work Program	2017-2018 GOVERNOR RECOMMENDS	% Change	2018-2019 GOVERNOR RECOMMENDS	% Change
TOTAL DEPARTMENT OF CORRECTIONS	286,798,730	317,616,606	339,887,501	7.01	348,493,320	2.53
GENERAL FUND	259,038,816	262,481,743	291,222,998	10.95	297,804,430	2.26
BALANCE FORWARD	-3,126,860	13,284,462	15,264,966	14.91	16,790,195	9.99
FEDERAL FUND	3,015,442	4,631,699	3,291,184	-28.94	3,291,184	
INTERAGENCY TRANSFER	4,777,168	5,568,397	5,393,890	-3.13	5,459,663	1.22
INTERIM FINANCE	708,645	3,572,936				
OTHER FUND	25,597,752	28,077,369	24,714,463	-11.98	25,147,848	1.75
REVERSIONS	-3,212,233					
DEPARTMENT OF MOTOR VEHICLES						
DMV - SYSTEM MODERNIZATION	13,364,169	20,431,533	25,840,402	26.47	23,768,851	-8.02
BALANCE FORWARD	-1,042,941	1,042,941				
HIGHWAY FUND	7,371,182	4,994,575	19,112,587	282.67	17,041,036	-10.84
INTERIM FINANCE	1,042,941	8,594,017				
OTHER FUND	6,407,443	5,800,000	6,727,815	16.00	6,727,815	
REVERSIONS	-414,456					
DMV - DIRECTOR'S OFFICE	4,519,452	4,979,187	4,724,371	-5.12	5,094,221	7.83
HIGHWAY FUND	2,778,355	2,904,564	2,575,615	-11.33	2,810,304	9.11
INTERAGENCY TRANSFER	1,916,334	2,074,623	2,148,756	3.57	2,283,917	6.29
REVERSIONS	-175,237					
DMV - HEARINGS	1,184,806	1,229,699	1,250,778	1.71	1,255,230	.36
HIGHWAY FUND	1,224,578	1,226,349	1,246,478	1.64	1,250,930	.36
OTHER FUND	4,301	3,350	4,300	28.36	4,300	
REVERSIONS	-44,073					
DMV - AUTOMATION	9,151,088	9,636,864	10,163,237	5.46	10,410,155	2.43
BALANCE FORWARD	56,016					
HIGHWAY FUND	5,534,083	5,387,183	5,142,076	-4.55	5,394,254	4.90
INTERAGENCY TRANSFER	3,611,498	3,770,712	4,435,668	17.63	4,429,783	-0.13
OTHER FUND	625,524	478,969	585,493	22.24	586,118	.11
REVERSIONS	-676,033					
DMV - ADMINISTRATIVE SERVICES	13,950,679	15,149,107	16,551,582	9.26	17,495,065	5.70
HIGHWAY FUND	5,011,810	4,706,300	6,041,096	28.36	6,616,081	9.52
INTERAGENCY TRANSFER	305,301	305,808	401,514	31.30	422,560	5.24
OTHER FUND	9,201,656	10,136,999	10,108,972	-0.28	10,456,424	3.44
REVERSIONS	-568,088					
DMV - COMPLIANCE ENFORCEMENT	4,464,753	5,100,357	5,149,246	.96	5,178,639	.57
HIGHWAY FUND	4,705,224	4,851,920	4,775,081	-1.58	4,804,504	.62
INTERAGENCY TRANSFER	54,403	56,360	267,076	373.88	267,042	-0.01
OTHER FUND	116,687	192,077	107,089	-44.25	107,093	.00
REVERSIONS	-411,561					
DMV - MOTOR VEHICLE POLLUTION CONTROL	9,892,261	12,174,243	11,648,374	-4.32	12,126,808	4.11
BALANCE FORWARD	-47,369	2,391,044	1,502,255	-37.17	1,980,689	31.85
OTHER FUND	9,939,630	9,783,199	10,146,119	3.71	10,146,119	

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	2015-2016 Actual	2016-2017 Work Program	2017-2018 GOVERNOR RECOMMENDS	% Change	2018-2019 GOVERNOR RECOMMENDS	% Change
DMV - CENTRAL SERVICES	10,615,479	11,204,510	11,399,311	1.74	11,542,932	1.26
GENERAL FUND	18,647	18,864	11,593	-38.54	11,593	
HIGHWAY FUND	5,943,478	6,182,737	4,526,036	-26.80	4,664,843	3.07
INTERAGENCY TRANSFER	4,072,207	3,962,950	4,949,299	24.89	4,944,056	-.11
OTHER FUND	1,555,406	1,039,959	1,912,383	83.89	1,922,440	.53
REVERSIONS	-974,259					
DMV - LICENSE PLATE FACTORY	4,454,795	7,696,864	7,353,855	-4.46	7,727,678	5.08
BALANCE FORWARD	395,483	916,533	1,699,613	85.44	2,033,706	19.66
OTHER FUND	4,059,312	6,780,331	5,654,242	-16.61	5,693,972	.70
DMV - VERIFICATION OF INSURANCE	2,076,405	11,437,279	13,092,652	14.47	13,092,652	.00
BALANCE FORWARD		500,000	500,000		500,000	
OTHER FUND	12,019,431	10,937,279	12,592,652	15.14	12,592,652	
REVERSIONS	-9,943,026					
DMV - RECORDS SEARCH	7,472,433	8,067,635	9,581,072	18.76	9,581,072	.00
BALANCE FORWARD		50,000	50,000		50,000	
OTHER FUND	9,531,072	8,017,635	9,531,072	18.88	9,531,072	
REVERSIONS	-2,058,639					
DMV - FIELD SERVICES	44,768,999	50,357,756	51,729,047	2.72	53,065,362	2.58
GENERAL FUND	11,072	11,214	23,460	109.20	23,460	
BALANCE FORWARD	-37,198	37,199				
FEDERAL FUND	300,320	110,406				
HIGHWAY FUND	20,253,042	20,096,591	20,645,970	2.73	21,982,285	6.47
INTERIM FINANCE	38,317					
OTHER FUND	30,176,233	30,102,346	31,059,617	3.18	31,059,617	
REVERSIONS	-5,972,787					
DMV - MOTOR CARRIER	4,023,717	4,417,617	4,282,716	-3.05	4,370,260	2.04
HIGHWAY FUND	1,810,244	1,913,515	810,502	-57.64	864,959	6.72
INTERAGENCY TRANSFER	3,153					
OTHER FUND	3,393,960	2,504,102	3,472,214	38.66	3,505,301	.95
REVERSIONS	-1,183,640					
DMV - MANAGEMENT SERVICES	1,366,894	1,664,644	1,627,473	-2.23	1,646,280	1.16
HIGHWAY FUND	1,482,380	1,549,310	1,627,473	5.05	1,646,280	1.16
INTERAGENCY TRANSFER	2,300	115,334				
OTHER FUND	1,150					
REVERSIONS	-118,936					
TOTAL DEPARTMENT OF MOTOR VEHICLES	131,305,930	163,547,295	174,394,116	6.63	176,355,205	1.12
GENERAL FUND	29,719	30,078	35,053	16.54	35,053	
BALANCE FORWARD	-676,009	4,937,717	3,751,868	-24.02	4,564,395	21.66
FEDERAL FUND	300,320	110,406				
HIGHWAY FUND	56,114,376	53,813,044	66,502,914	23.58	67,075,476	.86
INTERAGENCY TRANSFER	9,965,196	10,285,787	12,202,313	18.63	12,347,358	1.19
INTERIM FINANCE	1,081,258	8,594,017				
OTHER FUND	87,031,805	85,776,246	91,901,968	7.14	92,332,923	.47
REVERSIONS	-22,540,735					

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	2015-2016 Actual	2016-2017 Work Program	2017-2018 GOVERNOR RECOMMENDS	% Change	2018-2019 GOVERNOR RECOMMENDS	% Change
DEPARTMENT OF PUBLIC SAFETY						
DPS - OFFICE OF CYBER DEFENSE			399,058		477,307	19.61
GENERAL FUND			399,058		477,307	19.61
DPS - DIRECTOR'S OFFICE	2,848,380	3,125,953	3,260,398	4.30	3,356,747	2.96
INTERAGENCY TRANSFER	2,847,998	3,125,953	3,260,398	4.30	3,356,747	2.96
OTHER FUND	382					
DPS - OFFICE OF PROF RESPONSIBILITY	745,840	760,387	826,999	8.76	796,446	-3.69
INTERAGENCY TRANSFER	745,840	760,387	826,999	8.76	796,446	-3.69
DPS - EVIDENCE VAULT	589,136	647,660	645,693	-0.30	659,864	2.19
INTERAGENCY TRANSFER	589,136	647,660	645,693	-0.30	659,864	2.19
DPS - TRAINING DIVISION	1,000,645	1,082,680	2,063,643	90.61	2,041,657	-1.07
GENERAL FUND	314,416	316,089	852,974	169.85	845,505	-0.88
HIGHWAY FUND	759,042	762,891	1,207,158	58.23	1,192,641	-1.20
OTHER FUND	3,875	3,700	3,511	-5.11	3,511	
REVERSIONS	-76,688					
DPS - FORFEITURES - LAW ENFORCEMENT	1,040,196	1,715,762	1,535,224	-10.52	1,746,116	13.74
BALANCE FORWARD	330,564	37,962	710,855	1,772.54	921,747	29.67
OTHER FUND	709,632	1,677,800	824,369	-50.87	824,369	
DPS - HIGHWAY PATROL	73,682,483	75,696,288	73,973,446	-2.28	74,637,833	.90
GENERAL FUND	17,834	17,834	17,834		17,834	
BALANCE FORWARD	4,279,079	3,715,365				
HIGHWAY FUND	66,647,948	68,748,008	70,939,193	3.19	71,680,602	1.05
INTERAGENCY TRANSFER	1,631,456	1,569,339	1,443,035	-8.05	1,366,014	-5.34
INTERIM FINANCE	49,440					
OTHER FUND	1,993,720	1,645,742	1,573,384	-4.40	1,573,383	-0.00
REVERSIONS	-936,994					
DPS - NHP K-9 PROGRAM	21,354	46,114	36,186	-21.53	20,169	-44.26
INTERAGENCY TRANSFER	21,354	46,114	36,186	-21.53	20,169	-44.26
DPS - HIGHWAY SAFETY GRANTS ACCOUNT	1,572,357	2,445,016	2,204,486	-9.84	2,201,701	-0.13
BALANCE FORWARD			23,576		23,576	
FEDERAL FUND	1,572,357	2,445,016	2,113,132	-13.57	2,110,403	-0.13
HIGHWAY FUND			67,778		67,722	-0.08
DPS - DIGNITARY PROTECTION	788,728	1,099,127	1,091,502	-0.69	1,066,979	-2.25
GENERAL FUND	1,085,551	1,099,127	1,091,502	-0.69	1,066,979	-2.25
REVERSIONS	-296,823					
DPS - PAROLE AND PROBATION	46,117,240	49,831,930	57,801,739	15.99	57,537,658	-0.46
GENERAL FUND	40,485,727	42,061,064	46,872,461	11.44	45,771,780	-2.35
INTERAGENCY TRANSFER	48,028	61,991	30,250	-51.20	30,202	-0.16
OTHER FUND	7,644,556	7,708,875	10,899,028	41.38	11,735,676	7.68
REVERSIONS	-2,061,071					

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	2015-2016 Actual	2016-2017 Work Program	2017-2018 GOVERNOR RECOMMENDS	% Change	2018-2019 GOVERNOR RECOMMENDS	% Change
DPS - DIVISION OF INVESTIGATIONS	6,517,461	6,994,161	7,399,886	5.80	6,922,744	-6.45
GENERAL FUND	5,819,252	5,882,293	6,477,199	10.11	6,060,186	-6.44
BALANCE FORWARD	-61,577	61,577				
FEDERAL FUND	98,305	68,500	32,040	-53.23	32,039	-0.00
HIGHWAY FUND	388,219	390,666	452,606	15.85	392,530	-13.27
INTERAGENCY TRANSFER	541,439	555,946	411,578	-25.97	411,526	-0.01
OTHER FUND	33,830	35,179	26,463	-24.78	26,463	
REVERSIONS	-302,007					
DPS - EMERGENCY MANAGEMENT DIVISION	3,937,342	4,912,793	5,147,529	4.78	4,692,016	-8.85
GENERAL FUND	372,611	387,284	814,792	110.39	460,798	-43.45
BALANCE FORWARD	2,311	1,208				
FEDERAL FUND	533,364	568,435	646,226	13.69	659,168	2.00
INTERAGENCY TRANSFER	3,070,351	3,954,814	3,683,517	-6.86	3,569,056	-3.11
OTHER FUND	692	1,052	2,994	184.60	2,994	
REVERSIONS	-41,987					
DPS - EMERGENCY MANAGEMENT ASSISTANCE GRANTS	10,758,571	18,206,391	15,095,672	-17.09	14,499,967	-3.95
BALANCE FORWARD	-32,060	157,783				
FEDERAL FUND	10,779,730	17,498,608	14,595,672	-16.59	13,999,967	-4.08
INTERAGENCY TRANSFER		50,000				
OTHER FUND	10,901	500,000	500,000		500,000	
DPS - STATE EMERGENCY RESPONSE COMMISSION	1,386,131	2,697,379	2,803,792	3.95	2,722,149	-2.91
BALANCE FORWARD	41,900	1,432,598	1,410,175	-1.57	1,331,671	-5.57
FEDERAL FUND	238,638	137,131	238,638	74.02	238,638	
HIGHWAY FUND	264,039	276,554	273,760	-1.01	270,621	-1.15
OTHER FUND	871,969	851,096	881,219	3.54	881,219	
REVERSIONS	-30,415					
DPS - FIRE MARSHAL	2,585,854	2,811,254	2,916,972	3.76	2,907,567	-.32
GENERAL FUND	512,518	554,019	357,226	-35.52	345,816	-3.19
BALANCE FORWARD	-1,342	13,599				
FEDERAL FUND	19,999	20,000	20,000		20,000	
INTERAGENCY TRANSFER	316,793	383,361	401,760	4.80	387,547	-3.54
OTHER FUND	2,768,204	1,840,275	2,137,986	16.18	2,154,204	.76
REVERSIONS	-1,030,318					
DPS - CIG FIRE SAFE STD & FIREFIGHTER SUPPORT	101,422	148,794	134,879	-9.35	195,038	44.60
BALANCE FORWARD	11,996	125,084	121,453	-2.90	105,612	-13.04
OTHER FUND	89,426	23,710	13,426	-43.37	89,426	566.07
DPS - CRIMINAL HISTORY REPOSITORY	16,593,033	28,219,989	28,371,947	.54	27,989,827	-1.35
GENERAL FUND	1,186,856	1,187,191	100	-99.99	100	
BALANCE FORWARD	-1,640,381	10,310,010	10,829,844	5.04	9,743,994	-10.03
INTERAGENCY TRANSFER	1,636,766	1,348,788	902,737	-33.07	925,756	2.55
OTHER FUND	15,409,892	15,374,000	16,639,266	8.23	17,319,977	4.09
REVERSIONS	-100					

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	2015-2016 Actual	2016-2017 Work Program	2017-2018 GOVERNOR RECOMMENDS	% Change	2018-2019 GOVERNOR RECOMMENDS	% Change
DPS - GENERAL SERVICES	8,281,300	9,078,360	6,494,589	-28.46	6,655,683	2.48
INTERAGENCY TRANSFER	8,275,329	9,058,708	6,488,618	-28.37	6,649,712	2.48
OTHER FUND	5,971	19,652	5,971	-69.62	5,971	
DPS - CHILD VOLUNTEER BACKGROUND CHECKS TRUST ACCT	12,695	15,087	15,087	.00	15,087	.00
GENERAL FUND	15,087	15,087	15,087		15,087	
REVERSIONS	-2,392					
DPS - CAPITOL POLICE	2,433,245	2,716,308	3,004,936	10.63	2,906,837	-3.26
BALANCE FORWARD	-204,971					
INTERAGENCY TRANSFER	2,638,216	2,716,308	3,004,936	10.63	2,906,837	-3.26
DPS - HIGHWAY SAFETY PLAN & ADMIN	3,676,027	7,621,940	2,669,010	-64.98	2,696,310	1.02
FEDERAL FUND	59,337	63,123	67,915	7.59	70,317	3.54
HIGHWAY FUND	273,309	274,494	260,531	-5.09	270,931	3.99
INTERAGENCY TRANSFER	3,356,251	7,265,287	2,340,564	-67.78	2,355,062	.62
OTHER FUND	10,000	19,036				
REVERSIONS	-22,870					
DPS - TRAFFIC SAFETY	4,966,153	12,172,128	5,866,255	-51.81	5,868,414	.04
FEDERAL FUND	4,255,790	8,292,735	4,366,146	-47.35	4,367,439	.03
INTERAGENCY TRANSFER	710,363	3,879,393	1,500,109	-61.33	1,500,975	.06
DPS - MOTORCYCLE SAFETY PROGRAM	474,619	805,853	754,099	-6.42	771,591	2.32
BALANCE FORWARD	-17,455	324,997	271,061	-16.60	288,478	6.43
INTERAGENCY TRANSFER	8,359	45,716				
OTHER FUND	483,715	435,140	483,038	11.01	483,113	.02
DPS - JUSTICE GRANT	541,591	579,576	556,250	-4.02	566,361	1.82
GENERAL FUND	61,978	60,803	338,690	457.03	347,979	2.74
INTERAGENCY TRANSFER	479,569	518,773	217,560	-58.06	218,382	.38
OTHER FUND	44					
DPS - JUSTICE ASSISTANCE ACT	1,381,417	2,062,664	1,363,535	-33.89	1,363,551	.00
BALANCE FORWARD	75,601	10,800	10,800		10,800	
FEDERAL FUND	1,305,545	1,534,348	1,028,500	-32.97	1,028,500	
OTHER FUND	271	517,516	324,235	-37.35	324,251	.00
DPS - JUSTICE ASSIST GRANT TRUST	2,033,245	3,496,304	2,262,605	-35.29	2,262,713	.00
BALANCE FORWARD	76,352	1,353,964				
FEDERAL FUND	1,947,399	2,135,648	2,253,111	5.50	2,253,219	.00
OTHER FUND	9,494	6,692	9,494	41.87	9,494	
DPS - FUND FOR REENTRY PROGRAMS		5,000	10,000	100.00	10,000	.00
OTHER FUND		5,000	10,000	100.00	10,000	
DPS - PAROLE BOARD	2,662,005	2,675,984	2,878,659	7.57	2,855,408	-81
GENERAL FUND	2,767,985	2,675,984	2,878,659	7.57	2,855,408	-81
REVERSIONS	-105,980					

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	2015-2016 Actual	2016-2017 Work Program	2017-2018 GOVERNOR RECOMMENDS	% Change	2018-2019 GOVERNOR RECOMMENDS	% Change
DPS - HOMELAND SECURITY	428,488	432,104	444,874	2.96	449,552	1.05
GENERAL FUND	175,223	175,978	167,986	-4.54	169,402	.84
FEDERAL FUND	47,065	42,024	46,598	10.88	47,303	1.51
INTERAGENCY TRANSFER	214,109	214,102	230,290	7.56	232,847	1.11
REVERSIONS	-7,909					
TOTAL DEPARTMENT OF PUBLIC SAFETY	197,176,958	242,102,986	232,028,950	-4.16	230,893,292	-4.9
GENERAL FUND	52,815,038	54,432,753	60,283,568	10.75	58,434,181	-3.07
BALANCE FORWARD	2,860,017	17,544,947	13,377,764	-23.75	12,425,878	-7.12
FEDERAL FUND	20,857,529	32,805,568	25,407,978	-22.55	24,826,993	-2.29
HIGHWAY FUND	68,332,557	70,452,613	73,201,026	3.90	73,875,047	.92
INTERAGENCY TRANSFER	27,131,357	36,202,640	25,424,230	-29.77	25,387,142	-1.15
INTERIM FINANCE	49,440					
OTHER FUND	30,046,574	30,664,465	34,334,384	11.97	35,944,051	4.69
REVERSIONS	-4,915,554					
PUBLIC SAFETY						
GENERAL FUND	311,883,573	316,944,574	351,541,619	10.92	356,273,664	1.35
BALANCE FORWARD	-1,159,476	36,210,586	32,881,496	-9.19	34,128,103	3.79
FEDERAL FUND	24,173,291	37,547,673	28,699,162	-23.57	28,118,177	-2.02
HIGHWAY FUND	124,446,933	124,265,657	139,703,940	12.42	140,950,523	.89
INTERAGENCY TRANSFER	41,907,565	52,056,824	43,020,433	-17.36	43,194,163	.40
INTERIM FINANCE	1,839,343	12,166,953				
OTHER FUND	144,853,970	146,708,866	152,973,695	4.27	155,428,518	1.60
REVERSIONS	-30,668,522					
TOTAL FOR PUBLIC SAFETY	617,276,677	725,901,133	748,820,345	3.16	758,093,148	1.24
Less: INTER-AGENCY TRANSFER	41,907,565	52,056,824	43,020,433	-17.36	43,194,163	.40
NET PUBLIC SAFETY	575,369,112	673,844,309	705,799,912	4.74	714,898,985	1.29

INFRASTRUCTURE

The Infrastructure function of state government comprises those agencies responsible for capital assets of the state, as well as its natural resources. The function includes the Colorado River Commission, Department of Conservation and Natural Resources, Department of Wildlife, Department of Transportation and the Tahoe Regional Planning Agency.

General Fund support for Infrastructure recommended by the Governor in FY 2018 totals \$40.1 million, which is an increase of 27.7 percent when compared to funding of \$31.4 million for FY 2017 approved by the 2015 Legislature, and \$39.2 million in FY 2019, which represents a 2.4 percent decrease from amounts recommended in FY 2018. The amounts recommended from all funding sources, excluding interagency transfers, total \$1.099 billion in FY 2018, which is a 7.8 percent increase from the FY 2017 amount of \$1.020 billion, and \$902.4 million in FY 2019, which represents an decrease of 17.9 percent over FY 2018.

COLORADO RIVER COMMISSION

The Colorado River Commission (CRC) was created in 1935 and is responsible for acquiring, managing, and protecting Nevada's allocation of hydropower and water resources from the Colorado River (allocated to Nevada by the federal government) for the residents of Nevada. The Commission is governed by seven commissioners – four appointed by the Governor (including the chairperson), and three appointed by and are members of the Board of Directors of the Southern Nevada Water Authority (SNWA). The CRC is supported by an administrative charge on the sale of electric power to the Commission's customers and the SNWA. Additional revenues are received through the sale of raw water to a number of small water users along the Colorado River and from interest income derived from the investment of funds by the state. The CRC is entirely funded by its customers and does not receive state or federal funds.

The Hoover power contracts with state, municipal and utility contractors mandated by Congress under the Hoover Power Plant Act of 1984 expire in 2017. The Hoover Power Allocation Act (HPAA) of 2011 (Public Law 112-72) was signed into law by the President in December 2011 ensuring the continued availability and reliability of Hoover power to the citizens of Arizona, California, and Nevada. The HPAA authorizes the Western Area Power Administration to offer 50-year contracts (2017-2067) to existing Hoover power contractors at 95 percent of their current allocations with the remaining 5 percent to be allocated to eligible entities and federally recognized Indian Tribes located in the Boulder City Marketing Area who do not currently have allocations of Hoover power.

The Executive Budget recommends total funding of \$18.5 million over the 2017-19 biennium for the Colorado River Commission, which is a 4.8 percent decrease from the \$19.5 million legislatively approved amount for the 2015-17 biennium. The decrease is primarily due to a reduction in revenues from the hydropower administrative

charge based on per kilowatt hour of energy delivered. The Governor recommends the elimination of two vacant unclassified positions, a Network Administrator and an Energy Accountant, reducing Power Administration Charge and Cost Allocation Reimbursement revenues totaling \$424,403 over the 2017-19 biennium. The recommended position eliminations were pursuant to a CRC customer budget workshop agreement and approved by the Commission at its final budget board meeting.

The Research and Development Fund is utilized as a pass-through account for the costs related to the Lower Colorado River Multi-Species Conservation Program (LCRMSCP) to comply with the Endangered Species Act. This is a 50-year program implemented in April 2005 to address the biological needs of mammals, birds, fish, amphibians and reptiles, as well as invertebrates and plants. Nevada has entered into a regional partnership with Arizona, California, and the U.S. Department of the Interior, as well as various non-federal stakeholders and water and hydroelectric power agencies along the lower Colorado River. The partnership is governed by an interstate cost-sharing agreement in which funding commitments for the costs associated with the non-federal portion of the project are covered. Funding for this budget is provided primarily through administrative charges in accordance with the multi-species funding contracts between the CRC and its water and power customers. The Executive Budget recommends \$20.6 million over the 2017-19 biennium in total funding for the LCRMSCP, the bulk of which are prior years' balances that are carried forward.

The Power Delivery System Fund (Fund) accounts for all of the costs associated with the CRC's high-voltage power delivery system for the SNWA water delivery system. The Fund accounts for all costs of power purchases for water deliveries and for operation and maintenance costs associated with the project. The CRC develops annual operating budgets for the power delivery projects that are reviewed and approved by the SNWA pursuant to contract. Funding is provided through monthly billings to SNWA in accordance with the approved operational budget. The Governor recommends \$49.2 million in Power Sales over the 2017-19 biennium.

The Power Marketing budget is used to record purchases and sales of power, debt service related to the Hoover Upgrading Bonds, and operational costs of the Basic Substation project. This fund accounts for all power related activities except those dedicated to the Southern Nevada Water System and its customers. All hydropower allocations to Nevada, administered by the Colorado River Commission, are recorded in this budget. Funding is provided through monthly billings to hydropower customers. The Executive Budget includes \$70.2 million in Power Sales for the 2017-19 biennium.

TAHOE REGIONAL PLANNING AGENCY

The Tahoe Regional Planning Agency (TRPA) was jointly created by the states of Nevada and California and the United States Congress through the approval of the Tahoe Regional Planning Compact by all three entities. The TRPA provides a leadership and advocacy role in the regional cooperative efforts to preserve, restore, and enhance Lake Tahoe's unique natural and human environments. The TRPA exercises environmental controls over water, land, air, wildlife, and development in the

Lake Tahoe region. Pursuant to Article VIII of the Tahoe Regional Planning Compact (NRS 277.200), requests for state funds by the TRPA must be apportioned two-thirds from California and one-third from Nevada.

For the 2017-19 biennium, the Governor recommends General Fund appropriations of \$3.6 million in support of the TRPA, an increase of 6.7 percent when compared to the \$3.3 million of General Fund appropriations approved by the 2015 Legislature for the 2015-17 biennium. The Executive Budget proposes to continue annual funding of \$375,000 for the Lake Tahoe Aquatic Invasive Species Boat Inspection program and \$25,000 for the ongoing costs of the monitoring and reporting requirements for the Lake Tahoe Environmental Threshold Evaluation Report consistent with actions taken by the 2015 Legislature.

The Governor recommends General Fund appropriations totaling \$250,000 in each year of the 2017-19 biennium to fund Nevada's share of the TRPA's Shoreline Initiative for Lake Tahoe, which would fund a comprehensive environmental impact report to develop a new set of shoreline ordinances that have broad-based support and meet the mandates of the Lake Tahoe Bi-State Compact.

Total funding in support of the TRPA from Nevada is recommended at \$2.2 million in each year of the 2017-19 biennium. Given California's recommended funding of \$4.7 million in each year of the 2017-19 biennium, Nevada's recommended funding represents 31.7 percent of the total TRPA funding for both FY 2018 and FY 2019 compared to California's share.

DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES

The Department of Conservation and Natural Resources (DCNR) is responsible for ensuring Nevada's natural resources are used, maintained, and preserved in a manner that will best serve the citizens of the state. The department comprises the Director's Office, which includes the Conservation Districts programs, the Divisions of Forestry, State Parks, Environmental Protection, State Lands, and Water Resources. The department also includes the State Historic Preservation Office, the Nevada Tahoe Regional Planning Agency (NTRPA), the State Environmental Commission, and the Nevada Natural Heritage Program. During the 2015-17 biennium, the Off-Highway Vehicle (OHV) Commission was administratively placed under the department.

For the entire department, the Governor recommends General Fund appropriations of \$74.0 million over the 2017-19 biennium, a 29.2 percent increase from the \$57.3 million approved for the 2015-17 biennium. For the 2017-19 biennium, total funding recommended for the department (not including interagency transfers) is \$233.6 million, which represents a 6.5 percent increase over the \$219.4 million approved for the 2015-17 biennium.

DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES BOND PROGRAMS

The Governor recommends the issuance of general obligation bonds for programs managed by the Department of Conservation and Natural Resources totaling \$11.6 million over the 2017-19 biennium, which include: \$1.0 million for the Commission for Cultural Affairs grant program managed by the State Historic Preservation Office; \$5.0 million for the Lake Tahoe Environmental Improvement Program managed by the Division of State Lands; \$4.6 million for the Conservation and Recreation Bond Program (Question 1) for the Division of State Parks (\$1.7 million), the Division of State Lands (\$1.0 million) and the Department of Wildlife (\$1.9 million); and \$1.0 million for the Water Infrastructure Grant Program managed by the Division of Environmental Protection.

SAGEBRUSH ECOSYSTEM PROGRAM

The Sagebrush Ecosystem Program supports six Sagebrush Ecosystem Technical team positions and provides funding for the Sagebrush Ecosystem Council, and contract costs related to the Conservation Credit System (CCS). The CCS subgrants awarded during the 2015-17 biennium enhance and restore sagebrush habitat on private and public lands for the Greater Sage-grouse. The Governor recommends one-shot General Fund appropriations totaling \$1.7 million over the 2017-19 biennium to continue sagebrush habitat restoration projects that were awarded funding during the 2015-17 biennium and have contracts obligating funds over a five-year period.

ADMINISTRATION

The Director's Office of the Department of Conservation and Natural Resources provides administrative, technical, budgetary and supervisory support to agencies within the department. The Director's Office is funded with General Fund appropriations, along with cost allocation revenues. The Governor recommends General Fund appropriations totaling \$2.1 million over the 2017-19 biennium, a decrease of 45.3 percent when compared to the \$3.9 million in General Fund appropriations approved for the 2015-17 biennium.

The significant decrease in the General Fund appropriations is due to the recommended elimination of \$2.0 million that was appropriated as initial capital for the CCS to implement Greater Sage-grouse habitat protection and enhancement projects in high-priority areas during the 2015-17 biennium. Instead, as previously discussed, the Governor recommends a \$1.7 million one-shot General Fund appropriation in FY 2018 to continue funding the CCS projects approved during the 2015-17 biennium.

Cost allocation revenue for the Director's Office is recommended at \$1.2 million over the 2017-19 biennium, a decrease of 20.8 percent when compared to the \$1.5 million approved for the 2015-17 biennium. The cost allocation revenues recommended for the 2017-19 biennium includes a new department-wide Information Technology cost allocation for ongoing costs totaling \$8,133 for each fiscal year.

CONSERVATION DISTRICTS PROGRAM

The Conservation Districts Program works with Nevada's 28 locally elected conservation districts in a statewide conservation program. The mission of the program is to train and assist the districts, which work to conserve, improve and sustain the state's renewable natural resources by providing outreach and technical assistance to landowners in partnership with other local, state and federal agencies and to promote actively managing and restoring landscapes to achieve sage grouse habitat. The program also provides annual grants to each of the 28 eligible conservation districts and provides support for the State Conservation Commission.

To continue the salary and associated operating costs of the Program Manager and three Conservation Staff Specialist positions who work with the 28 conservation districts and various local area working groups, The Executive Budget recommends General Fund appropriations of \$1.2 million over the 2017-19 biennium. In addition, to continue the increased funding approved by the 2015 Legislature (starting in FY 2017) for the competitive grant program for the conservation districts, the Governor recommends General Fund appropriations of \$35,000 for each year of the 2017-19 biennium. The Governor further recommends an increase to the annual grants awarded to the 28 conservation districts by \$500, for a total annual grant award of \$4,500 per district, for all qualifying districts, funded with General Fund appropriations totaling \$14,000 for each year of the 2017-19 biennium.

DIVISION OF STATE PARKS

The Division of State Parks plans, develops, and maintains a system of 25 parks and recreational areas for the use and enjoyment of residents and visitors. The division also preserves areas of scenic, historic, and scientific significance in Nevada. The primary funding sources for the division include General Fund appropriations, park user fees and motor boat fuel taxes. For the 2017-19 biennium, the Governor recommends total funding of \$38.0 million for the Division of State Parks, an increase of 40.1 percent when compared to the \$27.1 million approved for the 2015-17 biennium. Of the total funding, the Governor recommends General Fund appropriations totaling \$19.8 million, an increase of 95.6 percent when compared to the \$10.1 million approved by the Legislature for the 2015-17 biennium. In addition to the General Fund increase of \$9.7 million for the 2017-19 biennium, the Governor recommends one-shot funding totaling \$4.7 million, which includes General Fund appropriations of \$3.5 million and \$1.2 million from Other Funding sources. Including the one-shot appropriations, the Governor is recommending an increase of General Fund appropriations for the 2017-19 biennium of \$13.2 million over the amounts appropriated during 2015-17 biennium for the Division of State Parks.

The recommended increase in General Fund appropriations is primarily related to the Governor's State Parks Initiative. The initiative includes \$14.8 million (\$13.2 million General Fund appropriations) for 28 new permanent positions and 8 seasonal positions to staff two proposed new state parks (Walker River State Recreation Area and Tule Springs State Park); staffing of the Van Sickle Bi-State Park located in

South Lake Tahoe; new park ranger and maintenance positions for existing state parks; a position dedicated to safety training for staff and a position dedicated to educating the public about state parks. In addition to the new positions, funding is recommended for ongoing operating costs for the proposed new parks and existing parks, new and replacement equipment and funding for one-time construction and maintenance projects. Following is a summary of the recommended enhancements for the state parks initiative:

- New Walker River State Recreation Area: The Governor proposes to establish a new Walker River State Recreation Area on 12,000 acres of ranch land (Flying M, Pitchfork and Rafter 7 Ranches) on the East Walker River in Lyon County donated to the state via the Walker Basin Restoration Program managed by the National Fish and Wildlife Foundation. General Fund appropriations totaling \$4.7 million and Other Funds totaling \$17,500 over the 2017-19 biennium would fund 12 new permanent positions (1 Budget Analyst, 1 Administrative Assistant, 2 Conservation Staff Specialists, 3 Park Maintenance Specialists, 1 Park Ranger Technician, 1 Park Supervisor, and 3 Park Rangers) and 4 seasonal Park Aid positions. The funding would also provide for one-time start-up costs, vehicles, new equipment, ongoing operating expenses and construction and maintenance projects. The Governor's recommended one-shot appropriations include \$3.2 million for construction costs of facilities at the new state park.
- New Tule Springs State Park: The new Tule Springs State Park would be located on 315 acres of existing state-owned land adjacent to the Tule Springs Fossil Beds National Monument in Clark County. The new park would offer visitors educational opportunities and protect fossil interpretive sites located on the state-owned land. General Fund appropriations totaling \$1.3 million over the 2017-19 biennium would fund a Park Supervisor position, a Park Interpreter position and two seasonal Park Aid positions and provide funding for one-time start-up costs, vehicles, new equipment, ongoing operating expenses, and construction and maintenance projects.
- Staffing, Equipment and Ongoing Operating Costs for the Van Sickle Bi-State Park: The Governor recommends General Fund appropriations totaling \$479,990 and Other Funds totaling \$27,219 over the 2017-19 biennium to provide staffing, vehicles, new equipment and funding for ongoing operating expenses for the Van Sickle Bi-State Park located in South Lake Tahoe. The funding provides for a permanent Park Ranger position and two seasonal Park Aid positions.
- Maintenance and Construction Projects for Existing State Parks: The Executive Budget proposes General Fund appropriations totaling \$100,412 and Other Funds totaling \$330,588 over the 2017-19 biennium to fund the construction of water and power hookups at 97 campsites within seven state parks, installation of equipment and associated monthly connection charges for Wi-Fi availability at eight state parks, construction of an equestrian area at Lahontan State Recreation Area, and funding for road base to maintain gravel roads and parking lots statewide. The one-shot appropriations recommended by the Governor include \$327,000 for the

construction of campsites and cabins at various existing state parks and \$1.2 million for the stabilization and restoration of the ruins at Fort Churchill Historic State Park.

- Additional New Positions: The Governor recommends 13 additional new positions for the division, which includes 4 positions for a regional office in Eastern Nevada (1 Accounting Assistant, 1 Parks Regional Manager, 1 Facility Manager and 1 Equipment Mechanic); 3 Park Ranger positions (1 each for Lahontan State Recreation Area, Spring Mountain Ranch and Valley of Fire); 1 Parks and Recreation Program Manager position to update existing Master Plans and create new Master Plans for parks statewide; 2 Water System Operator positions to comply with the Safe Drinking Water Act; 1 Parks Maintenance Specialist for Big Bend State Park; 1 statewide Safety Specialist Consultation position to conduct safety training for permanent and seasonal staff statewide; and 1 Education and Information Officer position dedicated to outreach, including marketing on the division's website and via social media. General Fund appropriations totaling \$1.9 million over the 2017-19 biennium are recommended to fund the 13 new positions.
- Replacement Equipment: The Governor recommends General Fund appropriations totaling \$1.3 million over the 2017-19 biennium to fund the replacement of radios and repeaters, 16 trucks, 1 trash truck, 1 equipment mechanic mobile service vehicle, 2 tractors/backhoes, and computer hardware and software.
- Other Items: The Executive Budget proposes an increase for ongoing operating expenses and testing fees for certifications required for staff funded with General Fund appropriations totaling \$30,596.

The Governor recommends a change in funding for three positions (two Project Managers and one Staff Associate Engineer position) currently funded with the interest earned from bond proceeds. Due to the reduced availability of bond interest revenues from the Question 1 bond program, the Governor recommends General Fund appropriations totaling \$501,332 over the 2017-19 biennium to fund the three positions.

DIVISION OF WATER RESOURCES

The Division of Water Resources conserves, protects, manages and enhances the water resources of Nevada through appropriation and reallocation of public waters. The division quantifies existing water rights, monitors water usage, distributes water in accordance with court decrees, reviews water availability for new development, reviews the construction and operation of dams, and licenses and regulates well drillers. The Division of Water Resources is primarily funded with fees and General Fund appropriations.

For the 2017-19 biennium, the Governor recommends total funding of \$16.7 million, an increase of 9.1 percent when compared to the \$15.3 million approved for the 2015-17 biennium. Of the total funding, the Governor recommends General Fund appropriations totaling \$15.5 million, an increase of 237.6 percent when compared to the \$4.6 million approved for the 2015-17 biennium. The General Fund increase is primarily due to the recommendation to return the division's primary revenue source

from fees back to General Fund appropriations. Instead of partially funding the Water Resource budget with fees collected by the division, 100 percent of the fees collected would be deposited directly to the General Fund. The Executive Budget indicates a bill draft request has been submitted to support this recommendation.

As a result of the recommendations made by the Governor's Nevada Drought Forum, The Executive Budget includes General Funds totaling \$2.1 million over the 2017-19 biennium to implement the Governor's Drought Initiative to provide the division with the resources needed for monitoring and inventory capacity of water resources within the State and to establish the Nevada Drought Resiliency and Water Planning program. The \$2.1 million would support nine new positions (two Professional Engineer and five Staff Associate Engineer positions, an Education and Information position, and an unclassified Chief of Drought Resiliency and Water Planning). In addition, the recommended funding would provide for operating expenses for a new Advisory Committee on Water Planning and Drought, and to develop regulations for over-appropriated water basins.

Further, to fund routine inspections and maintenance of the South Fork Dam located in Elko County, the Governor recommends General Fund appropriations totaling \$344,776 over the 2017-19 biennium.

DIVISION OF FORESTRY

The Division of Forestry is responsible for supervising, managing, and coordinating all forestry, watershed, fire prevention, and control work on state and privately-owned lands in Nevada. Additionally, the division provides assistance to county and local fire districts, and adopts and enforces fire prevention regulations. Other division programs include cooperative forest management, rural fire protection, resource rehabilitation, and control of insects and diseases in trees. The Governor recommends total funding of \$26.0 million for the Forestry budget for the 2017-19 biennium, an increase of 38.4 percent when compared to the \$18.8 million approved for the 2015-17 biennium. Of the total funding, the Governor recommends General Fund appropriations totaling \$17.5 million for the 2017-19 biennium, an increase of 35.2 percent when compared to the \$12.9 million approved for the 2015-17 biennium.

As a result of the recommendations made by the Governor's Nevada Drought Forum, and as part of the Governor's Drought Initiative, the Governor recommends 12 new seasonal firefighting positions and a new Aircraft Maintenance Specialist position to support drought response capabilities and management of natural resources. General Fund appropriations totaling \$778,394 over the 2017-19 biennium are recommended for the positions and operating costs.

The Governor recommends the transfer of the Wildland Fire Protection Program (WFPP) to the Forestry budget and the elimination of the WFPP budget. The recommendation includes the transfer of 15 permanent positions (9 Firefighter positions, 4 Fire Captains and 2 Battalion Chiefs), 24 seasonal firefighter positions and associated travel, equipment and operating expenses.

The Executive Budget recommends the transfer of General Fund appropriations totaling \$3.5 million over the 2017-19 biennium from the Forest Fire Suppression budget to the Forestry budget to fund the WFPP program in the Forestry budget. The transfer of General Fund appropriations totaling \$3.5 million from the Forest Fire Suppression budget would replace the assessments the division charges to the local governments for the WFPP program. The Governor recommends the assessments charged to the local government for the WFPP program be deposited to the Forest Fire Suppression budget instead.

The Governor recommends funding for a rescue hoist for the division's Air Operations program, a mechanic's truck for the division's Helitack program, and three wildland fire engines funded with a one-shot General Fund appropriation totaling \$1.5 million over the 2017-19 biennium. The Governor also recommends funding for deferred maintenance projects statewide for Forestry facilities with emphasis on life and safety issues, funded with a one-shot General Fund appropriation totaling \$472,650 over the 2017-19 biennium.

FOREST FIRE SUPPRESSION

The Forest Fire Emergency Response program covers expenses necessary for fire protection and forest and watershed management required as a result of fire or other emergencies. In addition, Emergency Response personnel respond to medical emergencies and vehicle accidents in certain rural areas. The program is funded by a combination of General Fund appropriations and reimbursements for firefighting assistance provided on lands outside of the state's jurisdiction. When this budget is depleted, funding is also available from the State Board of Examiners' Reserve for the Statutory Contingency Account (NRS 353.264), with additional amounts available from the Interim Finance Committee's Contingency Account (NRS 353.266). Starting with the 2007-09 biennium, the Legislature has approved General Fund appropriations totaling \$2.5 million for each fiscal year for the Forest Fire Suppression budget. The 2007 Legislature approved an increase to the annual General Fund appropriation in the Forest Fire Suppression budget from \$1.0 million to \$2.5 million to more accurately reflect historic costs and to decrease the frequency in which the division needed to request additional funds from contingency sources.

The Governor recommends replacing \$1.7 million each year of the 2017-19 biennium of the \$2.5 million General Fund appropriation for the Forest Fire Suppression budget with assessments charged by the division to local governments for participation in the WFPP, and the transfer of reserves from the WFPP budget totaling \$1.0 million to the Forest Fire Suppression budget. As noted previously, the Governor recommends the transfer of the WFPP program to the Forestry budget and the elimination of the WFPP budget.

FORESTRY CONSERVATION CAMPS

The Nevada Division of Forestry Honor Camp program coordinates and supervises labor-intensive work projects performed by inmates from the Nevada Department of Corrections (NDOC). The inmates reside in NDOC conservation camps and work on

projects that generate revenue for the state, provide free or reduced-cost labor for state and local agencies, and provide fire suppression resources to the division. Funding sources in this budget consist primarily of General Fund appropriations and revenues received for projects completed by the inmate crews. For the 2017-19 biennium, the Governor recommends total funding of \$19.17 million for the Forestry Conservation Camps, a decrease of 0.24 percent when compared to the \$19.21 million approved for the 2015-17 biennium. Of the total funding, the Governor recommends General Fund appropriations totaling \$12.4 million, an increase of 5.5 percent when compared to the \$11.8 million approved for the 2015-17 biennium.

The Governor recommends funding for deferred maintenance projects statewide in Forestry Conservation Camps with emphasis on life and safety issues, funded with a one-shot General Fund appropriation totaling \$348,004 over the 2017-19 biennium.

FORESTRY WILDLAND FIRE PROTECTION PROGRAM

In place of the Inter-Governmental Agreement All-Risk Fire Management Program, the 2013 Legislature approved a new voluntary Wildland Fire Protection Program (WFPP). The WFPP provides wildland fire management services to participating entities that voluntarily opt-in, educates and prepares landowners for wildland fires and participates in the rehabilitation efforts to land damaged after a wildland fire. The program is supported with county participation funds. As noted previously, the Governor recommends transferring the WFPP to the Forestry budget and eliminating the WFPP budget.

DIVISION OF STATE LANDS

The Division of State Lands acquires land or interests in land, holds, and disposes of all state lands and interests in lands; maintains state land records; provides land-use planning services; develops policies and plans for the use of lands under federal management; and coordinates various state programs at Lake Tahoe. Programs at Lake Tahoe include the Nevada Tahoe Resource Team, responsible for the Environmental Improvement Program (EIP) and the Tahoe Mitigation Program. The division is also responsible for the implementation of the Conservation and Resource Protection Grant Program (also known as the Question 1 program). The division is primarily funded with General Fund appropriations and transfers from the Tahoe Mitigation Fund and the Question 1 and the EIP bond programs.

For the 2017-19 biennium, the Governor recommends total funding of \$3.7 million, a decrease of 3.0 percent when compared to the \$3.9 million approved by the Legislature for the 2015-17 biennium. Of the total funding, the Governor recommends General Fund appropriations totaling \$2.9 million, an increase of 12.9 percent when compared to the \$2.6 million approved for the 2015-17 biennium.

The Governor recommends a new Land Agent position dedicated to land use and realty needs in support of the Division of State Parks funded with General Fund appropriations totaling \$155,342 over the 2017-19 biennium.

Due to the reduced availability of bond interest revenues from the Fund to Protect Lake Tahoe, the Governor recommends funding the Nevada Tahoe Resource Team Program Manager position and Administrative Assistant position with General Fund appropriations of \$251,595 over the 2017-19 biennium. The positions are currently funded with interest earned from bond proceeds. In addition, as a result of declining bond sales for the Question 1 Bond program, the Governor recommends the elimination of two vacant positions (Grants and Projects Analyst and an Administrative Assistant) and the associated funding totaling \$248,159 over the 2017-19 biennium.

DIVISION OF ENVIRONMENTAL PROTECTION

The Division of Environmental Protection (DEP) implements programs authorized and required by state and federal laws and enforces regulations adopted by the State Environmental Commission. The division comprises an Administrative Services office and ten bureaus: Air Pollution Control; Air Quality Planning; Corrective Actions; Federal Facilities; Industrial Site Cleanup; Mining Regulation and Reclamation; Safe Drinking Water; Waste Management; Water Pollution Control; and Water Quality Planning. The Division of Environmental Protection is primarily funded with fees and federal funds. The Governor recommends total funding of \$120.3 million over the 2017-19 biennium, a decrease of 5.7 percent when compared to the \$127.5 million approved for the 2015-17 biennium.

The Governor recommends additional contract services to complete technical document review, field investigations, analysis, and reporting requirements related to the cleanup of hazardous substances at the Black Mountain Industrial Complex near Henderson, funded with Settlement Income from the Nevada Environmental Response Trust totaling \$1.5 million over the 2017-19 biennium.

The Governor recommends four new positions including an Environmental Scientist and a Professional Engineer in the division's Water Pollution Control budget for the Storm Water program, and an Environmental Scientist and a Professional Engineer in the Safe Drinking Water Regulatory Program budget funded with \$1.1 million from reserves in the Water Pollution Control budget; and \$524,329 of Federal Drinking Water grant funds transferred from the State Revolving Fund budget and a reduction of Other Funds totaling \$481 (both in the Safe Drinking Water Regulatory Program budget) for the 2017-19 biennium. In addition, the Governor recommends the elimination of four vacant positions (an Administrative Assistant in the Administration budget, and a Supervising Engineer and two Professional Engineers in the Industrial Site Cleanup budget), which results in an increase to reserves (\$99,850) in the Administration budget and a reduction in Settlement Income (\$701,435) in the Industrial Site Cleanup budget over the 2017-19 biennium.

OFF-HIGHWAY VEHICLE COMMISSION

The Commission on Off-Highway Vehicles (OHV) was established to promote the safe and responsible use of recreational off-highway vehicles. The OHV Commission consists of 11 members. The program allows for not more than 5 percent of the money

in the budget as of January 1 of each year to be used for administrative costs. The program provides grants to fund OHV related projects statewide, for the following areas: 1) law enforcement; 2) studies or planning for trails and facilities; 3) mapping and signing of trails; 4) acquisition of land for trails and facilities; 5) enhancement and maintenance of trails and facilities; 6) construction of trails and facilities; 7) restoration of areas that have been damaged by the use of off-highway vehicles; and 8) safety training and education. The OHV Commission is funded with registration fees collected by the Department of Motor Vehicles (DMV). The OHV registration fees collected in excess of \$150,000, less DMV's costs to administer the program, are transferred to the OHV Commission. The Governor recommends total funding of \$3.8 million over the 2017-19 biennium for the OHV Commission.

During the 2015-17 biennium, the OHV Commission was placed under the management of the department and a new budget was created. Prior to the creation of the new OHV Commission budget, the OHV revenues received from the DMV were deposited and managed in an outside bank account by the OHV Commission. The outside bank account was closed and the balance remaining in the account was transferred to a state budget.

The Executive Budget proposes to consolidate OHV grants and contracts awarded by the OHV Commission for law enforcement, trails and facilities, and safety training and education relating to off-highway vehicles into one expenditure category. The total funding recommended for grants and contracts is \$1.8 million for FY 2018 and \$1.0 million for FY 2019. In addition, the Governor recommends the establishment of a 90-day reserve totaling \$291,143 by the end of FY 2019; a reduction in the OHV Commission members from 11 to 9, and a corresponding reduction to the travel budget; and \$16,500 in FY 2019 for a contract to develop a new OHV Commission website. Assembly Bill 29 would implement the recommended changes for the OHV program.

CAPITAL IMPROVEMENT PROJECTS

The Governor recommends state funding for the Division of Forestry to replace existing heating and cooling systems with a water-source heat pump system at both the Sierra Front Interagency Dispatch Center (\$933,049) and the Elko Interagency Dispatch Center (\$948,277). State funding totaling \$256,550 is also recommended for the Division of Forestry for roof replacement on the Washoe Valley Headquarters building.

DEPARTMENT OF WILDLIFE

The Nevada Department of Wildlife (NDOW) is responsible for protecting, preserving, managing and restoring wildlife and its habitat for aesthetic, scientific, recreational and economic benefit to residents and visitors. The department administers, enforces and implements the Nevada Boat Act, including the registration and titling of boats, enforcement of laws and regulations, boating safety education and development of public access facilities.

The department is funded primarily from federal programs, licenses and fees, and gifts and donations. General Fund appropriations are also received to support non-game diversity programs and to recognize the impact of low-cost licenses. The Governor recommends total funding of \$93.4 million in the 2017-19 biennium for the department, which is an increase of \$6.5 million, or 7.5 percent, when compared to the \$86.8 million approved for the 2015-17 biennium.

In order to simplify the purchasing process associated with sportsmen hunting and fishing licenses and stamps, The Executive Budget recommends Sportsmen Revenue of \$72,450 in FY 2018 to implement recommendations from a license simplification study conducted by an independent contractor during the 2015-17 biennium. Implementing the recommendations will require computer programming to modify customer interfaces, including the department's wildlife licensing and big game tag application database systems. To address strategic planning needs within the department, the Governor recommends \$50,000 in each year of the 2017-19 biennium for a contractor to create a comprehensive, centralized and web-accessible database to provide a "road map" for the department, assess the current status of the department's scientific data, articulate data needs and make recommendations for infrastructure development of a centralized system.

To address needs associated with urban and wildlife management, the Governor recommends Sportsmen Revenue of \$36,972 in FY 2018 and \$9,000 in FY 2019 for a contract, training, travel, and operating supplies and equipment to implement a Wildlife Human Attack Response Team (WHART) within the department so agency personnel can be prepared in the event of a wildlife attack on a human. In addition, the Governor recommends Sportsmen Revenue of \$137,408 over the 2017-19 biennium for a new Biologist position assigned to the Game Division to address urban wildlife conflicts and provide biological support for other department surveys. In support of restoration projects in the Habitat Division, the Governor recommends a new Biologist position, located at the Ely seed warehouse, to provide assistance in the daily operation of the federal seed program and provide department participation in the Nevada Partners for Conservation and Development (NPCD) program.

In order to address various information technology improvements within the department, the Governor recommends funding the following five small projects: 1) Sportsmen Revenue of \$20,178 over the biennium to purchase PowerDMS, which is a software package to help the department communicate frequent policy changes to staff throughout the state; 2) a combination of federal funds and Sportsmen Revenue totaling \$89,180 over the biennium to upgrade the department from Microsoft Office Suite software to Office 365; 3) Sportsmen Revenue of \$4,788 in each year of the biennium to fund a contract for the digital archiving of social media records for public requests and e-discovery; 4) Sportsmen Revenue of \$69,135 over the biennium to purchase GovDelivery software to assist in outreach, e-mail marketing, and web-based communication for the department and the Nevada Board of Wildlife Commission; and 5) Sportsmen Revenue totaling \$24,900 over the biennium to fund a contract for private web-hosting services for the NDOW.org website.

NEVADA DEPARTMENT OF TRANSPORTATION

The Nevada Department of Transportation (NDOT) is funded through a combination of federal funds, dedicated state highway user revenues, and bond issues. Excluding interagency transfers, The Executive Budget recommends \$1.544 billion in total funding for the department over the 2017-19 biennium. This is an 8.2 percent decrease when compared to the \$1.681 billion approved for the 2015-17 biennium, which includes \$145.0 million in additional bond proceeds approved by the Interim Finance Committee for the 2015-17 biennium. The Governor's recommendations include state Highway Fund authorizations of \$341.4 million in FY 2018 and \$333.3 million in FY 2019. The Governor projects federal fund revenue of \$343.4 million in each year of the 2017-19 biennium.

The Executive Budget recommends funding for highway construction totaling \$431.7 million in FY 2018 and \$428.4 million in FY 2019 with a combination of federal funds and Highway Fund authorizations. The Executive Budget also recommends bond funding of \$180.0 million in FY 2018 to finance the final construction phases of Project NEON in Las Vegas, a project intended to alleviate traffic congestion in the Spaghetti Bowl area.

The Governor recommends Highway Fund authorizations of \$23.5 million over the 2017-19 biennium to begin the replacement of the Nevada Shared Radio System (NSRS). The NSRS is owned by NDOT, NV Energy, and Washoe County and, according to the department, utilizes 113 sites and supports approximately 12,000 users. The Executive Budget also recommends Highway Fund authorizations of \$9.8 million over the 2017-19 biennium to complete the upgrade of the department's fueling system, which began in FY 2016. The fueling system is comprised of 53 fueling sites throughout the state and is used by 86 state and local governmental agencies. The Executive Budget further recommends Highway Fund authorizations of \$2.6 million over the 2017-19 biennium to upgrade the department's electronic documentation system, which is used to manage construction contracts.

The Governor recommends Highway Fund authorizations totaling \$6.7 million over the 2017-19 biennium for 19 new positions and associated equipment, as well as the reclassification of 3 existing classified positions to unclassified positions. Over the 2017-19 biennium, The Executive Budget recommends Highway Fund authorizations of \$15.8 million for routine replacement of existing large equipment; \$13.8 million to fund the maintenance, new construction, and alterations of department-owned facilities; \$10.7 million for new equipment such as computers, office furniture, fleet additions, and shop tools; and \$8.0 million for additional highway construction betterment supplies.

Nevada Legislative Counsel Bureau
 Source of Funds Summary
 2017-19 Fiscal Report

	2015-2016 Actual	2016-2017 Work Program	2017-2018 GOVERNOR RECOMMENDS	% Change	2018-2019 GOVERNOR RECOMMENDS	% Change
INFRASTRUCTURE						
COLORADO RIVER COMMISSION						
CRC - COLORADO RIVER COMMISSION	5,005,032	10,021,653	9,441,926	-5.78	9,081,300	-3.82
BALANCE FORWARD	-661,571	2,659,502	2,854,196	7.32	2,487,089	-12.86
INTERAGENCY TRANSFER	2,597,763	2,962,761	3,042,935	2.71	3,040,876	-.07
OTHER FUND	3,068,840	4,399,390	3,544,795	-19.43	3,553,335	.24
CRC - RESEARCH AND DEVELOPMENT	394,061	10,624,210	10,343,098	-2.65	10,262,707	-.78
BALANCE FORWARD	-324,437	9,867,099	9,491,305	-3.81	9,389,777	-1.07
OTHER FUND	718,498	757,111	851,793	12.51	872,930	2.48
CRC - POWER DELIVERY PROJECT	21,383,416	33,386,463	24,303,180	-27.21	25,906,560	6.60
BALANCE FORWARD	-118,452	655,271	424,169	-35.27	538,637	26.99
OTHER FUND	21,501,868	32,731,192	23,879,011	-27.05	25,367,923	6.24
CRC - POWER MARKETING	24,985,089	30,935,514	40,288,697	30.23	32,248,215	-19.96
BALANCE FORWARD	-169,844	954,294	1,077,408	12.90	1,263,479	17.27
OTHER FUND	25,154,933	29,981,220	39,211,289	30.79	30,984,736	-20.98
TOTAL COLORADO RIVER COMMISSION	51,767,598	84,967,840	84,376,901	-.70	77,498,782	-8.15
BALANCE FORWARD	-1,274,304	14,136,166	13,847,078	-2.05	13,678,982	-1.21
INTERAGENCY TRANSFER	2,597,763	2,962,761	3,042,935	2.71	3,040,876	-.07
OTHER FUND	50,444,139	67,868,913	67,486,888	-.56	60,778,924	-9.94
CONSERVATION & NATURAL RESOURCES						
DCNR - ADMINISTRATION	2,700,843	2,738,397	1,715,809	-37.34	1,768,026	3.04
GENERAL FUND	1,940,297	1,957,765	1,039,929	-46.88	1,092,767	5.08
INTERAGENCY TRANSFER	836,699	780,342	612,991	-21.45	609,611	-.55
OTHER FUND		290	62,889	21,585.8	65,648	4.39
REVERSIONS	-76,153			6		
DCNR - STATE ENVIRONMENTAL COMMISSION	91,014	176,866	100,511	-43.17	100,522	.01
INTERAGENCY TRANSFER	7,019	10,600	10,693	.88	10,693	
OTHER FUND	83,995	166,266	89,818	-45.98	89,829	.01
DCNR - FORESTRY	9,003,312	17,476,661	12,828,826	-26.59	13,160,759	2.59
GENERAL FUND	6,717,692	7,360,871	8,597,337	16.80	8,889,253	3.40
BALANCE FORWARD	-1,415,880	2,203,448	816,880	-62.93	816,880	
FEDERAL FUND	2,902,327	6,554,237	2,284,819	-65.14	2,309,518	1.08
INTERAGENCY TRANSFER	832,068	778,585	673,766	-13.46	683,486	1.44
OTHER FUND	437,123	579,520	456,024	-21.31	461,622	1.23
REVERSIONS	-470,018					
DCNR - FOREST FIRE SUPPRESSION	10,131,559	9,428,091	9,384,013	-.47	9,880,296	5.29
GENERAL FUND	6,465,394	2,500,000	608,034	-75.68	564,252	-7.20
BALANCE FORWARD	-123,233	1,859,259	1,859,259		2,397,739	28.96
FEDERAL FUND	1,470,239	708,012	747,689	5.60	747,689	
INTERAGENCY TRANSFER	39,720	33,254	33,193	-.18	33,193	
OTHER FUND	3,988,668	4,327,566	6,135,838	41.78	6,137,423	.03
REVERSIONS	-1,709,229					

Nevada Legislative Counsel Bureau
Source of Funds Summary
2017-19 Fiscal Report

	2015-2016 Actual	2016-2017 Work Program	2017-2018 GOVERNOR RECOMMENDS	% Change	2018-2019 GOVERNOR RECOMMENDS	% Change
DCNR - FORESTRY CONSERVATION CAMPS	9,431,749	10,494,215	9,493,413	-9.54	9,674,279	1.91
GENERAL FUND	6,841,188	6,710,925	6,108,693	-8.97	6,289,559	2.96
BALANCE FORWARD	-31,866	31,866				
INTERAGENCY TRANSFER			175,000		175,000	
OTHER FUND	2,863,554	3,751,424	3,209,720	-14.44	3,209,720	
REVERSIONS	-241,127					
DCNR - FORESTRY INTER-GOVERNMENTAL AGREEMENTS	768,678					
BALANCE FORWARD	768,678					
DCNR - FORESTRY - WILDLAND FIRE PROTECTION PRGM	930,989	4,684,067	2,848,892	-39.18	2,874,303	.89
GENERAL FUND	50,000	50,000				
BALANCE FORWARD	-871,511	2,359,067	2,823,787	19.70	2,848,891	.89
OTHER FUND	1,752,500	2,275,000	25,105	-98.90	25,412	1.22
DCNR - FORESTRY NURSERIES	466,022	1,507,197	1,419,709	-5.80	1,446,756	1.91
BALANCE FORWARD	-132,622	630,676	643,274	2.00	668,873	3.98
INTERAGENCY TRANSFER	69,685	92,914	100,188	7.83	101,636	1.45
OTHER FUND	528,959	783,607	676,247	-13.70	676,247	
DCNR - STATE PARKS	11,019,742	15,997,442	19,530,900	22.09	18,502,173	-5.27
GENERAL FUND	4,734,636	5,387,832	10,576,004	96.29	9,220,517	-12.82
BALANCE FORWARD	-229,530	2,160,946				
FEDERAL FUND	318,152	275,622	226,354	-17.88	227,794	.64
INTERAGENCY TRANSFER	987,022	1,064,169	810,172	-23.87	813,885	.46
OTHER FUND	5,565,203	7,108,873	7,918,370	11.39	8,239,977	4.06
REVERSIONS	-355,741					
DCNR - WATER RESOURCES	6,161,455	8,769,381	8,465,977	-3.46	8,225,246	-2.84
GENERAL FUND	1,902,301	2,700,000	7,863,633	191.25	7,672,633	-2.43
BALANCE FORWARD	494,396	1,652,348				
FEDERAL FUND	187,059	296,800	190,919	-35.67	190,919	
INTERAGENCY TRANSFER	3,557,643	4,076,233	367,425	-90.99	317,694	-13.54
OTHER FUND	20,056	44,000	44,000		44,000	
DCNR - STATE LANDS	1,576,514	1,925,207	1,855,719	-3.61	1,881,238	1.38
GENERAL FUND	1,224,415	1,380,838	1,437,149	4.08	1,505,775	4.78
INTERAGENCY TRANSFER	354,437	304,787	305,211	.14	263,507	-13.66
OTHER FUND	111,956	239,582	113,359	-52.68	111,956	-1.24
REVERSIONS	-114,294					
DCNR - NEVADA TAHOE REGIONAL PLANNING AGENCY	441	1,319	1,319	.00	1,319	.00
GENERAL FUND	1,319	1,319	1,319		1,319	
REVERSIONS	-878					
DCNR - CONSERVATION DISTRICTS PROGRAM	545,078	601,788	591,531	-1.70	598,492	1.18
GENERAL FUND	536,740	586,621	591,531	.84	598,492	1.18
FEDERAL FUND	44,833	15,167				
OTHER FUND	26,366					
REVERSIONS	-62,861					

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	2015-2016 Actual	2016-2017 Work Program	2017-2018 GOVERNOR RECOMMENDS	% Change	2018-2019 GOVERNOR RECOMMENDS	% Change
DCNR - NEVADA NATURAL HERITAGE	766,231	876,691	830,479	-5.27	842,578	1.46
FEDERAL FUND	27,820	49,785	5,000	-89.96	5,000	
INTERAGENCY TRANSFER	777,973	823,906	816,918	-.85	829,017	1.48
OTHER FUND	8,561	3,000	8,561	185.37	8,561	
REVERSIONS	-48,123					
OHV COMMISSION	149,560	3,134,578	2,370,835	-24.37	1,413,853	-40.36
BALANCE FORWARD	-2,338,458	2,338,459	1,476,735	-36.85	506,653	-65.69
INTERAGENCY TRANSFER	220,242	796,119	894,100	12.31	907,200	1.47
OTHER FUND	2,267,776					
DCNR - DEP ADMINISTRATION	6,049,565	7,398,704	7,994,295	8.05	8,794,033	10.00
BALANCE FORWARD	624,748	520,300	943,227	81.29	1,349,086	43.03
FEDERAL FUND	1,546,719	2,000,000	2,300,000	15.00	2,600,000	13.04
INTERAGENCY TRANSFER	3,876,878	4,876,890	4,751,068	-2.58	4,844,947	1.98
OTHER FUND	1,220	1,514				
DCNR - DEP AIR QUALITY	6,421,799	8,631,638	8,433,427	-2.30	8,510,924	.92
BALANCE FORWARD	102,665	1,106,337	966,640	-12.63	806,117	-16.61
FEDERAL FUND	945,155	1,283,132	1,046,499	-18.44	1,046,499	
INTERAGENCY TRANSFER	2,363,927	2,509,942	2,526,439	.66	2,610,180	3.31
OTHER FUND	3,010,052	3,732,227	3,893,849	4.33	4,048,128	3.96
DCNR - DEP WATER POLLUTION CONTROL	3,777,404	7,807,729	7,264,995	-6.95	6,940,131	-4.47
BALANCE FORWARD	-152,805	3,829,360	3,600,960	-5.96	3,265,100	-9.33
FEDERAL FUND	214,906	265,164	263,597	-.59	265,252	.63
INTERAGENCY TRANSFER	629,518	756,216	296,294	-60.82	302,571	2.12
OTHER FUND	3,085,785	2,956,989	3,104,144	4.98	3,107,208	.10
DCNR - DEP WASTE MGMT AND CORRECTIVE ACTION	9,172,324	14,853,188	12,334,723	-16.96	12,412,580	.63
BALANCE FORWARD	223,401	168,381	348,235	106.81	192,890	-44.61
FEDERAL FUND	3,338,455	4,994,351	3,690,157	-26.11	3,678,809	-.31
INTERAGENCY TRANSFER		500,000				
OTHER FUND	5,610,468	9,190,456	8,296,331	-9.73	8,540,881	2.95
DCNR - DEP MINING REGULATION/RECLAMATION	2,317,088	6,793,634	6,324,811	-6.90	6,344,292	.31
BALANCE FORWARD	-540,863	4,142,924	3,455,754	-16.59	3,475,235	.56
OTHER FUND	2,857,951	2,650,710	2,869,057	8.24	2,869,057	
DCNR - DEP STATE REVOLVING FUND - ADMIN	2,793,001	4,091,646	4,320,724	5.60	4,016,701	-7.04
BALANCE FORWARD	-133,399	908,556	1,034,240	13.83	955,099	-7.65
FEDERAL FUND	2,789,954	3,057,363	3,153,096	3.13	2,928,208	-7.13
OTHER FUND	136,446	125,727	133,388	6.09	133,394	.00
DCNR - DEP WATER QUALITY PLANNING	3,109,536	3,603,613	3,136,576	-12.96	3,184,816	1.54
BALANCE FORWARD	-2,656	35,520	35,520		35,520	
FEDERAL FUND	2,447,971	2,834,429	2,475,688	-12.66	2,502,579	1.09
INTERAGENCY TRANSFER	661,563	733,664	625,368	-14.76	646,717	3.41
OTHER FUND	2,658					

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	2015-2016 Actual	2016-2017 Work Program	2017-2018 GOVERNOR RECOMMENDS	% Change	2018-2019 GOVERNOR RECOMMENDS	% Change
DCNR - DEP SAFE DRINKING WATER REGULATORY PROGRAM	3,141,924	5,356,616	6,011,316	12.22	5,989,590	-0.36
BALANCE FORWARD	-28,757	1,707,511	1,614,655	-5.44	1,631,283	1.03
FEDERAL FUND	817,000	889,612	821,000	-7.71	821,000	
INTERAGENCY TRANSFER	1,361,592	1,758,959	2,592,401	47.38	2,555,283	-1.43
OTHER FUND	992,089	1,000,534	983,260	-1.73	982,024	-0.13
DCNR - DEP WATER PLANNING CAP IMPROVEMENT	9,964	48,972	43,566	-11.04	38,055	-12.65
BALANCE FORWARD	7,964	41,358	41,566	.50	36,055	-13.26
OTHER FUND	2,000	7,614	2,000	-73.73	2,000	
DCNR - DEP INDUSTRIAL SITE CLEANUP	2,517,646	9,278,629	4,486,819	-51.64	3,482,270	-22.39
BALANCE FORWARD	-392,077	392,078	392,078		393,253	.30
OTHER FUND	2,909,723	8,886,551	4,094,741	-53.92	3,089,017	-24.56
DCNR - STATE HISTORIC PRESERVATION OFFICE	1,296,254	1,487,616	1,368,668	-8.00	1,404,802	2.64
GENERAL FUND	374,915	369,972	464,199	25.47	499,629	7.63
BALANCE FORWARD	-18,898	38,528				
FEDERAL FUND	839,486	934,946	778,246	-16.76	778,155	-0.01
INTERAGENCY TRANSFER	25,251	60,000	60,000		60,000	
OTHER FUND	75,500	84,170	66,223	-21.32	67,018	1.20
DCNR - HISTORIC PRES - COMSTOCK HISTORIC DISTRICT	191,015	217,958	194,164	-10.92	195,988	.94
GENERAL FUND	194,945	217,958	194,164	-10.92	195,988	.94
REVERSIONS	-3,930					
TOTAL CONSERVATION & NATURAL RESOURCES	94,540,707	147,381,843	133,352,017	-9.52	131,684,022	-1.25
GENERAL FUND	30,983,842	29,224,101	37,481,992	28.26	36,530,184	-2.54
BALANCE FORWARD	-4,190,703	26,126,922	20,052,810	-23.25	19,378,674	-3.36
FEDERAL FUND	17,890,076	24,158,620	17,983,064	-25.56	18,101,422	.66
INTERAGENCY TRANSFER	16,601,237	19,956,580	15,651,227	-21.57	15,764,620	.72
OTHER FUND	36,338,609	47,915,620	42,182,924	-11.96	41,909,122	-6.65
REVERSIONS	-3,082,354					
DEPARTMENT OF WILDLIFE						
WILDLIFE - DIRECTOR'S OFFICE	3,757,925	4,237,818	3,802,784	-10.27	3,865,634	1.65
FEDERAL FUND	78,770	126,184	73,855	-41.47	74,765	1.23
INTERAGENCY TRANSFER	3,679,155	4,111,634	3,728,929	-9.31	3,790,869	1.66
WILDLIFE - OPERATIONS	7,112,274	8,173,769	8,607,635	5.31	8,194,242	-4.80
FEDERAL FUND	586,722	1,156,081	1,218,023	5.36	955,559	-21.55
INTERAGENCY TRANSFER	6,494,062	6,993,316	7,335,734	4.90	7,184,330	-2.06
OTHER FUND	31,490	24,372	53,878	121.07	54,353	.88
WILDLIFE - CONSERVATION EDUCATION	2,325,452	2,613,620	2,477,385	-5.21	2,522,255	1.81
GENERAL FUND	96,089	96,089	96,089		96,089	
FEDERAL FUND	1,236,030	1,266,213	1,167,970	-7.76	1,215,938	4.11
INTERAGENCY TRANSFER	993,333	1,251,318	1,213,326	-3.04	1,210,228	-0.26

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WILDLIFE - LAW ENFORCEMENT	6,553,171	7,314,057	7,593,979	3.83	7,381,736	-2.79
GENERAL FUND	58,721	55,565	58,721	5.68	58,722	.00
FEDERAL FUND	704,873	934,496	718,977	-23.06	719,167	.03
INTERAGENCY TRANSFER	5,612,298	6,047,333	6,622,058	9.50	6,407,223	-3.24
OTHER FUND	177,279	276,663	194,223	-29.80	196,624	1.24
WILDLIFE - GAME MANAGEMENT	7,028,106	10,328,385	7,446,541	-27.90	7,446,009	-.01
GENERAL FUND	71,404	68,607	71,404	4.08	71,404	
FEDERAL FUND	5,457,545	7,100,608	4,623,494	-34.89	4,630,276	.15
INTERAGENCY TRANSFER	1,499,157	3,159,170	2,751,643	-12.90	2,744,329	-.27
WILDLIFE - FISHERIES MANAGEMENT	7,695,516	8,017,354	7,928,856	-1.10	8,149,528	2.78
GENERAL FUND	150,918	151,001	150,918	-.05	150,918	
FEDERAL FUND	5,724,848	5,793,537	5,591,156	-3.49	5,722,571	2.35
INTERAGENCY TRANSFER	1,773,587	2,072,816	2,141,000	3.29	2,227,882	4.06
OTHER FUND	46,163		45,782		48,157	5.19
WILDLIFE - DIVERSITY	2,092,059	2,136,358	2,074,185	-2.91	2,096,796	1.09
GENERAL FUND	347,163	346,971	461,254	32.94	461,254	
FEDERAL FUND	1,488,974	1,499,926	1,293,321	-13.77	1,307,419	1.09
INTERAGENCY TRANSFER	236,339	289,461	294,077	1.59	302,301	2.80
OTHER FUND	19,583		25,533		25,822	1.13
WILDLIFE - HABITAT	6,061,546	8,640,971	6,838,073	-20.86	6,949,848	1.63
FEDERAL FUND	4,197,012	6,056,364	4,374,334	-27.77	4,427,834	1.22
INTERAGENCY TRANSFER	1,864,534	2,269,237	2,405,408	6.00	2,463,683	2.42
OTHER FUND		315,370	58,331	-81.50	58,331	
TOTAL DEPARTMENT OF WILDLIFE	42,626,049	51,462,332	46,769,438	-9.12	46,606,048	-.35
GENERAL FUND	724,295	718,233	838,386	16.73	838,387	.00
FEDERAL FUND	19,474,774	23,933,409	19,061,130	-20.36	19,053,529	-.04
INTERAGENCY TRANSFER	22,152,465	26,194,285	26,492,175	1.14	26,330,845	-.61
OTHER FUND	274,515	616,405	377,747	-38.72	383,287	1.47
DEPARTMENT OF TRANSPORTATION						
NDOT - BOND CONSTRUCTION	65,008,555	379,188,227	180,000,000	-52.53		
BALANCE FORWARD	-134,998,992	189,188,227				
OTHER FUND	200,007,547	190,000,000	180,000,000	-5.26		
NDOT - TRANSPORTATION ADMINISTRATION	730,337,419	660,993,310	689,940,931	4.38	681,925,079	-1.16
BALANCE FORWARD	87,732	456,350				
FEDERAL FUND	450,838,184	324,971,600	343,436,484	5.68	343,436,484	
HIGHWAY FUND	391,944,719	329,884,036	341,359,026	3.48	333,294,756	-2.36
INTERAGENCY TRANSFER	3,533,818	4,905,929	4,098,235	-16.46	4,146,553	1.18
OTHER FUND	940,018	775,395	1,047,186	35.05	1,047,286	.01
REVERSIONS	-117,007,052					

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	2015-2016 Actual	2016-2017 Work Program	2017-2018 GOVERNOR RECOMMENDS	% Change	2018-2019 GOVERNOR RECOMMENDS	% Change
TOTAL DEPARTMENT OF TRANSPORTATION	795,345,974	1,040,181,537	869,940,931	-16.37	681,925,079	-21.61
BALANCE FORWARD	-134,911,260	189,644,577				
FEDERAL FUND	450,838,184	324,971,600	343,436,484	5.68	343,436,484	
HIGHWAY FUND	391,944,719	329,884,036	341,359,026	3.48	333,294,756	-2.36
INTERAGENCY TRANSFER	3,533,818	4,905,929	4,098,235	-16.46	4,146,553	1.18
OTHER FUND	200,947,565	190,775,395	181,047,186	-5.10	1,047,286	-99.42
REVERSIONS	-117,007,052					
TAHOE REGIONAL PLANNING AGENCY						
TAHOE REGIONAL PLANNING AGENCY	14,110,953	12,160,158	14,522,429	19.43	14,412,832	-7.5
GENERAL FUND	1,831,166	1,511,166	1,783,420	18.02	1,783,420	
INTERAGENCY TRANSFER	419,021	419,021	419,021		419,021	
OTHER FUND	11,860,766	10,229,971	12,319,988	20.43	12,210,391	-8.9
TOTAL TAHOE REGIONAL PLANNING AGENCY	14,110,953	12,160,158	14,522,429	19.43	14,412,832	-7.5
GENERAL FUND	1,831,166	1,511,166	1,783,420	18.02	1,783,420	
INTERAGENCY TRANSFER	419,021	419,021	419,021		419,021	
OTHER FUND	11,860,766	10,229,971	12,319,988	20.43	12,210,391	-8.9
INFRASTRUCTURE						
GENERAL FUND	33,539,303	31,453,500	40,103,798	27.50	39,151,991	-2.37
BALANCE FORWARD	-140,376,267	229,907,665	33,899,888	-85.25	33,057,656	-2.48
FEDERAL FUND	488,203,034	373,063,629	380,480,678	1.99	380,591,435	.03
HIGHWAY FUND	391,944,719	329,884,036	341,359,026	3.48	333,294,756	-2.36
INTERAGENCY TRANSFER	45,304,304	54,438,576	49,703,593	-8.70	49,701,915	-.00
OTHER FUND	299,865,594	317,406,304	303,414,733	-4.41	116,329,010	-61.66
REVERSIONS	-120,089,406					
TOTAL FOR INFRASTRUCTURE	998,391,281	1,336,153,710	1,148,961,716	-14.01	952,126,763	-17.13
Less: INTER-AGENCY TRANSFER	45,304,304	54,438,576	49,703,593	-8.70	49,701,915	-.00
NET INFRASTRUCTURE	953,086,977	1,281,715,134	1,099,258,123	-14.24	902,424,848	-17.91

SPECIAL PURPOSE AGENCIES

Special purpose agencies have a specialized function or have a different statutory relationship to the Executive Branch of government than most state agencies. This group includes the Public Employees' Retirement System, which serves both state and local governments, the Public Employees' Benefits Program, the Nevada Public Employees' Deferred Compensation Program, the Office of the Military, the Office of Veterans Services and the Silver State Health Insurance Exchange.

The Governor recommends General Fund support for special purpose agencies totaling \$6.1 million in FY 2018, an increase of 6.8 percent compared to the legislatively approved amount of \$5.7 million for FY 2017, and \$13.2 million in FY 2019, which represents an increase of 117.2 percent over amounts recommended in FY 2018. The bulk of the increase is associated with the establishment of an operating budget for the Northern Nevada Veterans Home. Amounts recommended from all funding sources total \$283.6 million in FY 2018, which is a 3.9 percent decrease from the FY 2017 legislatively approved amount of \$295.1 million, and \$271.5 million in FY 2019, which represents a further decrease of 4.3 percent from FY 2018, after interagency transfers are deducted.

PUBLIC EMPLOYEES' RETIREMENT SYSTEM

The Public Employees' Retirement System (System) provides retirement, disability and death benefits to long-term public employees. The System includes employees of Nevada counties, cities, school districts, state government and miscellaneous public employers. In addition to administering the retirement funds for regular and police/fire members, the System also administers the Legislators' Retirement System and the Judicial Retirement System.

Nevada Revised Statutes (NRS) 353.246 provides that the System is not subject to the State Budget Act. While the System is required to submit its proposed budget for inclusion in The Executive Budget, the Governor's Finance Office does not review or make adjustments to the budget submitted by PERS.

Per NRS 286.230, the System budget is primarily funded through a monthly per capita fee for each member and benefit recipient. For FY 2018, per capita fees are projected at \$4.36 for each regular member and \$4.72 for each police/fire member. For FY 2019, per capita fees are projected at \$3.65 for each regular member and \$3.95 for each police/fire member.

Based on the actuarial valuation of assets for fiscal year ending June 30, 2016, the actuarial value of assets to accrued liabilities (funded ratio) was 73.2 percent for the regular members and 77.1 percent for police/fire members. The funded ratios increased from 72.4 percent for regular members and 76.3 percent for police/fire members as determined by the actuarial valuation of assets for fiscal year ending June 30, 2015. The actuarial funded ratio for the total fund increased from 73.2 percent for the fiscal year ending June 30, 2015, to 74.1 percent for the fiscal year ending June 30, 2016

The Retirement Board approved an actuarial valuation of the System each year to monitor the assets and liabilities associated with the pension plan. Pursuant to NRS 286, contribution rates are set based on the results of even-numbered fiscal year valuations. Based on the actuarial valuation for fiscal year ending June 30, 2016, there are no recommended increases in contribution rates for the 2017-19 biennium compared to the contribution rates approved through June 30, 2017. The contribution rates recommended by the actuary, and included in The Executive Budget effective July 1, 2017, are as follows:

<u>Employer-Paid Plan</u>	<u>Regular Members</u>	<u>Police/Fire Members</u>
Current Contribution Rate	28.00%	40.50%
Contribution Rate – 7/1/2017	28.00%	40.50%
<u>Employee/Employer Plan</u>	<u>Regular Members</u>	<u>Police/Fire Members</u>
Current Contribution Rate	14.50%	20.75%
Contribution Rate – 7/1/2015	14.50%	20.75%

The System requests the addition of nine new positions beginning in FY 2018 funded with per capita fees of approximately \$600,000 in FY 2018 and \$700,000 in FY 2019. The purpose and assignment for the new positions are related to general support services; member and retiree support; employer, production and pension services; and information technology support.

PUBLIC EMPLOYEES’ BENEFITS PROGRAM

The Public Employees’ Benefits Program (PEBP) provides various insurance coverages for state employees, state retirees who are ineligible for Medicare, and their dependents, if the participant chooses to cover their dependents. Retirees who are eligible for Medicare receive a contribution they may use toward a health insurance plan of their choosing via the Individual Medicare Market Exchange (OneExchange). In addition, any non-state public agency can join the program to provide coverage for their employees, retirees and dependents. The insurance coverages provided include health (medical, dental, prescription), life, accidental death and dismemberment, and long-term disability. Other voluntary optional insurance coverages are available for those participants who elect to purchase additional coverage.

The largest portion of the program is health insurance, which currently provides medical, dental, and prescription coverage. The majority of this health coverage is self-insured via a High Deductible Health Plan (HDHP) with health care services provided through a preferred provider organization network (PPO). This plan is also referred to as a Consumer Driven Health Plan (CDHP). Participants can elect a Health Maintenance Organization (HMO) plan, which is fully insured by outside carriers, rather than the self-funded PPO plan. Accidental death and dismemberment, long-term disability, and life insurance benefits are fully insured by outside carriers.

Funding for the program is provided by the state’s contribution for active and retired employee participants, premiums paid by plan participants, miscellaneous revenue (e.g., application fees from entities wishing to participate, pharmacy rebates, federal

Medicare Part D subsidies) and Treasurer's interest. While there is no direct General Fund support in PEBP's budgets, a significant portion of the state's contributions for state active employees and state retirees is funded through budgets supported by General Fund appropriations. The funding for active state employees is referred to as "AEGIS" (Active Employee Group Insurance) while the funding for retired state employees is referred to as "REGI" (Retired Employee Group Insurance).

The plan maintains actuarially determined reserves for Incurred But Not Reported (IBNR) and Catastrophic claims. The IBNR reserve provides cash flow should the plan receive claims in excess of available operating cash. The Catastrophic reserve pays for extraordinarily large claims to decrease volatility and avoid disruptions to the rates in the following plan year. The plan also maintains a Health Reimbursement Arrangement (HRA) reserve, which is projected by the agency, that serves as a holding account for unexpended prior year contributions and provides cash flow in the current year. Positive claims experience may result in excess cash, which is placed into the Excess Reserve category.

PLAN REVENUES

For the 2017-19 biennium, the Governor recommends that total plan revenues, net of balance forwards, increase by \$84.4 million or 12.5 percent, to \$760.7 million, when compared to the \$676.3 million in total revenues approved by the 2015 Legislature. For the 2017-19 biennium, premium revenues are budgeted to increase by \$3.8 million or 2.0 percent, and state contributions are budgeted to increase by \$79.6 million, or 16.4 percent, when compared to the revenues approved for the 2015-17 biennium.

PLAN OPERATING EXPENDITURES

The Executive Budget recommends operating expenditures, excluding HRA, IBNR, Catastrophic and Excess reserves, totaling \$382.3 million for FY 2018 and \$388.3 million for FY 2019, or a biennial total of \$770.5 million, which is a \$23.9 million or 3.2 percent increase over the \$746.6 million in operating expenditures approved for the 2015-17 biennium by the 2015 Legislature.

The Executive Budget projects self-insured medical, dental and pharmaceutical claims costs of \$189.3 million in FY 2018 and \$198.9 million in FY 2019. As compared to actual expenditures in FY 2016 of \$166.8 million, FY 2018 represents a 13.4 percent, or \$22.4 million, increase, while FY 2019 represents a 19.2 percent, or \$32.0 million, increase. The projected self-insured claims costs are based upon actuarial projections, with adjustments made by the Governor's Finance Office, and the agency's enrollment projections.

PLAN OPERATING RESERVES

The HRA, IBNR, Catastrophic, and Excess reserves are budgeted to decrease in the 2017-19 biennium by 23.2 percent, or \$51.8 million, to \$172.1 million when compared to the legislatively approved reserves of \$223.9 million for the 2015-17 biennium.

Excess reserves available at the end of FY 2019 to balance forward into FY 2020 are budgeted at \$2.5 million.

PLAN DESIGN

As background information, in Plan Year (PY) 2012 (PEBP's plan year runs from July 1 to June 30), PEBP implemented the HDHP for the PPO option. Plan Year 2012 is considered the "base" year in terms of the PEBP plan benefits design. As a result of excess reserves accruing in subsequent years, a plan benefits design that included certain enhanced benefits was funded, including in the 2015-17 biennium. The legislatively approved budget for the 2015-17 biennium projected that excess reserves would be nearly depleted by the end of PY 2017, and, at that time, it was anticipated by the agency that benefits in PY 2018 would revert to the base plan benefits design. The expenditures in the agency's 2017-19 biennium base budget reflects the base plan benefits design.

Based on actual expenditures in the 2015-17 biennium and reserve adjustments recommended for the 2017-19 biennium, excess reserves are projected to be available in the upcoming biennium. For PY 2018, The Executive Budget recommends \$8.5 million in enhanced benefits and plan design changes, funded by \$7.8 million in excess reserves and \$656,931 in cost savings associated with implementing a cap for HRA account balances, and generating savings to the state of \$811,153 through shifting certain costs to the participant. The enhanced benefits and plan design changes recommended for PY 2018 were approved by the PEBP Board at its November 2016 meeting.

As the PEBP Board approves the plan benefits design annually, the Board approved changes for PY 2018 only, but expressed its support for maintaining a consistent plan design throughout the 2017-19 biennium. However, For PY 2019, the Governor recommends discontinuing the majority of enhanced benefits and plan design changes recommended for PY 2018 and reverting to the base plan benefits design. The Governor recommends continuing one plan design change for PY 2019, which would generate savings of \$850,727 through shifting certain costs to the participant. The plan design elements recommended in The Executive Budget for the 2017-19 biennium are as follows:

- HDHP Deductibles and Coinsurance: In PY 2018, for the HDHP PPO, the deductible would be \$1,600 for Individuals and \$3,200 for Families, and the coinsurance rate would be 80 percent once the deductible is satisfied. In PY 2019, the deductible would be \$1,900 for Individuals and \$3,800 for Families, and the coinsurance rate would be 75 percent.
- HDHP Out-of-Pocket Maximum: Out-of-pocket maximums for the HDHP PPO would be \$3,900 for Individuals and \$7,800 for Families for both years of the biennium.
- HMO Out-of-Pocket Maximum: Out-of-pocket maximums for the HMO would be \$7,150 for Individuals and \$14,300 for Families for both years of the biennium.

- Dental Benefit: The maximum annual dental benefit would be \$1,500 for PY 2018 and \$1,000 for PY 2019.
- Vision Benefit: In PY 2018, one annual vision exam (up to \$120) would be funded with a \$25 copay. In PY 2019, annual vision exams would be subject to the deductible and coinsurance.
- Preventive Drug List: In PY 2018, HDHP PPO participants would be able to bypass the deductible and utilize coinsurance for preventive drugs identified on a IRS-compliant preventive drug list to be approved by the Board. In PY 2019, preventive drugs would be subject to the deductible and coinsurance.
- HRA Rollover Cap: A \$5,000 rollover cap would be applied to unexpended HRA account balances at the end of PY 2018, which would generate savings. Savings associated with this recommendation were not included in The Executive Budget for PY 2019.
- Standardize provider reimbursement for certain devices and services: In PY 2018, provider reimbursement for hearing aids and certain hip and knee surgeries would be standardized, which would generate savings. Savings associated with this recommendation were not included in The Executive Budget for PY 2019.
- Require Medicare Exchange Retirees to Pay Fees: In PY 2018 and PY 2019, retirees who participate in the Medicare Exchange would be required to pay for the premium cost associated with life insurance coverage of \$5,000 (\$2.83 per month) and the monthly HRA administration fee (\$2.75 per month). The recommendation results in a cost shift from the state to participants.

STATE CONTRIBUTIONS

As shown in the following table, in the 2017-19 biennium, the state contributions for monthly health insurance premiums are recommended to continue at the percentages legislatively approved for the 2015-17 biennium. For participants who elect to join the HMO instead of the PPO, the state contribution is 15 percent less than the state contribution for the PPO to reflect the differences in deductibles, out-of-pocket expenses and coinsurance percentages and thresholds.

2015-17 Biennium Approved Monthly State Contribution Percentages and Governor Recommended Percentages for the 2017-19 Biennium				
PARTICIPANT TYPE	2015-17 Biennium Legislatively Approved		2017-19 Biennium Governor Recommends	
	PPO State Contribution %	HMO State Contribution %	PPO State Contribution %	HMO State Contribution %
State Active (Primary)	93%	78%	93%	78%
State Active (Dependent)	73%	58%	73%	58%
State Non-Medicare Retiree (Primary) (15 Years of Service)	64%	49%	64%	49%
State Non-Medicare Retiree (Dependent)	44%	29%	44%	29%

STATE ACTIVE EMPLOYEES' GROUP INSURANCE

The Active Employees' Group Insurance (AEGIS) budget was established by the 2007 Legislature as a mechanism to collect contributions made by each state entity for the benefit of their active employees. The contributions defray a portion of the individual insurance premiums for active employees in state government who participate in PEBP. Assessments on filled positions are charged to all state agencies, boards and commissions, the Legislative and Judicial Branches, the Public Employees' Retirement System, and the Nevada System of Higher Education.

The per person per month (PPPM) monthly contribution is a composite amount based upon the total number of active employees and dependents enrolled by "tier" (participant only, participant + spouse, participant + family) and plan (PPO or HMO). The AEGIS is assessed on a per person per month basis on each agency's filled positions.

Prior Fiscal Year and the Governor Recommended Per Person Per Month (PPPM) State Contribution for <u>Active Employees</u> for the 2017-19 Biennium					
FY 2014 State AEGIS PPPM Contribution	FY 2015 State AEGIS PPPM Contribution	FY 2016 State AEGIS PPPM Contribution	FY 2017 State AEGIS PPPM Contribution	FY 2018 State AEGIS PPPM Contribution (Gov. Rec.)	FY 2019 State AEGIS PPPM Contribution (Gov. Rec.)
\$ 688.37	\$ 695.35	\$ 701.73	\$ 699.25	\$ 743.00	\$ 740.92
% Change	1.0%	0.9%	-0.4%	6.3%	-0.3%

STATE RETIRED EMPLOYEE GROUP INSURANCE

The Retired Employee Group Insurance (REGI) program was designed to defray a portion of health insurance premiums for employees who retire from state service and continue to participate in the state's group insurance plan. Funding for the program is through payroll assessments to state agencies to cover the costs of the state subsidy of both non-Medicare retiree subsidies as well as Medicare retiree contributions.

The REGI assessment is calculated as a percentage of gross salaries in each budget account. The recommended assessments for the upcoming biennium are 2.66 and 2.55 percent for FY 2018 and FY 2019, respectively. Both assessments are an increase from the 2.36 percent assessed in FY 2017. The table below shows the agency's calculation of the base state contribution for state non Medicare retirees which, pursuant to NRS 287.046, equates to the benefit an individual would receive for 15 Years of Service. This is the state contribution that would be provided to a state non-Medicare retiree to offset the cost of the monthly premium and is a composite amount.

Prior Fiscal Year and the Governor Recommended <u>Base</u> Per Person Per Month (PPPM) State Contribution for State <u>Non-Medicare Retirees</u> (at 15 Years of Service) for the 2017-19 Biennium					
FY 2014 State REGI PPPM Contribution	FY 2015 State REGI PPPM Contribution	FY 2016 State REGI PPPM Contribution	FY 2017 State REGI PPPM Contribution	FY 2018 <u>Projected</u> State REGI PPPM Contribution (Gov. Rec.)	FY 2019 <u>Projected</u> State REGI PPPM Contribution (Gov. Rec.)
\$ 452.26	\$ 462.20	\$ 425.57	\$ 451.15	\$ 445.03	\$ 451.23
% Change	2.2%	-7.9%	6.0%	-1.4%	1.4%

Nevada Revised Statutes 287.046 provides that retirees who retired prior to January 1, 1994, are entitled to 100 percent of the base subsidy amount to be applied against the total premium for insurance coverage. For FY 2017 the base subsidy was \$451.15. Retirees who retired on or after January 1, 1994, but who were hired before January 1, 2010, are entitled to 25 percent of the base subsidy amount for 5 Years of Service (YOS) and 7.5 percent for each additional year of service up to 20 YOS, which equates to 137.5 percent of the base subsidy amount. However, also pursuant to NRS 287.046, retirees who were hired between January 1, 2010, and December 31, 2011, must have 15 or more YOS to obtain the retiree base subsidy for health insurance. Finally, employees initially hired on or after January 1, 2012, do not receive any retiree subsidy, but can utilize the funds accrued in their Health Savings Accounts to pay retiree health premiums.

PLAN INFLATION ADJUSTMENTS

The Governor recommends adjustments for preferred provider organization (PPO) medical trend, dental trend, prescription drug trend increases and health maintenance organization (HMO) plan inflation. “Trend” includes both inflation and utilization trend changes and is based upon actuarial projections with adjustments determined by the Governor’s Finance Office and the agency. According to the agency, the composite trend increase percentages are 3.6 percent in FY 2018 and 4.0 percent in FY 2019. The fiscal impact of these adjustments is \$24.1 million for FY 2018 and \$41.6 million for FY 2019, or \$65.7 million over the biennium, funded with \$17.0 million in premium income and \$48.6 million in state contributions. The Executive Budget includes projected trends for state participants that vary from the trends projected for non-state participants, as shown in the following table.

Actual FY 2016, Budgeted FY 2017, and Projected Trend Inflationary Increases for FY 2018 and FY 2019						
INFLATION TYPE	All PEBP Participants		State Participants		Non-State Participants	
	FY 2016 Actual	FY 2017 Budgeted	FY 2018 Projected (Gov. Rec.)	FY 2019 Projected (Gov. Rec.)	FY 2018 Projected (Gov. Rec.)	FY 2019 Projected (Gov. Rec.)
PPO - Medical	-1.70%	6.00%	3.10%	3.59%	11.93%	6.00%
PPO - Prescription Drug	-1.10%	12.00%	7.00%	7.00%	1.11%	8.00%
PPO - Dental	-0.90%	2.00%	2.00%	2.00%	1.84%	3.00%
HMO Plan - Hometown Health	n/a	8.00%	5.38%	4.00%	5.38%	4.00%
HMO Plan - Health Plan of Nevada	n/a	11.00%	17.31%	4.00%	14.59%	4.00%

PARTICIPANT CASELOAD CHANGES

To address a projected increase in the number of state active and retiree participants over the biennium, The Executive Budget recommends increased premium income of \$5.7 million and state contributions of \$16.4 million in FY 2018 and increased premium income of \$6.5 million and state contributions of \$18.6 million in FY 2019. Overall, net revenues increase by \$22.1 million in FY 2018 and \$25.1 million in FY 2019. The recommended funding would support projected increases in plan administrative costs and medical claims costs. Over the biennium, state active employees and retirees

participating in PEBP are projected to increase from 36,173 in FY 2017 to 38,472 in FY 2019, which is an increase of 2,299 participants, or 6.4 percent.

The Executive Budget recommends a decrease in premium income revenues of \$10.3 million in FY 2018 and \$16.0 million in FY 2019 to reflect a projected decrease in the total number of non-state active employees and retirees participating in PEBP. In total, non-state participants are projected to decline from 6,902 participants in FY 2017 to 6,368 participants in FY 2019. This is a net reduction of 534 participants, or 7.7 percent, over the 2017-19 biennium.

PEBP REORGANIZATION

Currently, PEBP is a separate special purpose agency governed by a Board that is responsible for establishing and administering the program, meaning the Board is responsible for approving plan benefits design and rates, subject to the limits of legislatively approved funding and state contributions established in session law. The Executive Budget recommends moving PEBP to a newly created Employee Benefits Division within the Department of Administration. Senate Bill 80 of the 2017 Legislative Session, requested by the Department of Administration, has been referred to the Committee on Government Affairs. The bill also proposes to transition the PEBP Board to an advisory role and transfer the powers and duties of establishing and administering the program to the Department of Administration.

OFFICE OF THE MILITARY

The Office of the Military is responsible for the supervision of the military affairs of the state, which includes both state and federal roles. The primary state mission of the office is to enlist, organize, arm, equip, and train the state's militia and National Guard units and to protect the lives and property of the public in times of emergency, disorder and disaster. The primary federal mission is to provide combat-ready reserve forces for the United States Armed Forces to respond to a federal mobilization as directed by the President or Congress. The Adjutant General provides command and control of the Army National Guard and the Air National Guard. Funding for the office is provided primarily through federal sources and General Fund appropriations.

The Executive Budget recommends General Fund appropriations for the office in the amount of \$8.0 million over the 2017-19 biennium, an increase of \$345,619 or 4.5 percent when compared to the General Fund appropriation legislatively approved for the 2015-17 biennium.

The Executive Budget recommends a new Facility Manager position funded with General Fund appropriations totaling \$167,358 over the 2017-19 biennium. The new Facility Manager position would be located in Carson City and serve as the statewide safety coordinator and would provide management of the Facility Supervisors overseeing construction and maintenance for the Nevada National Guard facilities statewide. The Executive Budget also recommends the elimination of five vacant

Military Security Officer positions due to a reduction in federal funds totaling \$597,269 over the 2017-19 biennium.

The Governor recommends seven projects as part of the Capital Improvement Program (CIP) for the Office of the Military totaling \$41.2 million over the 2017-19 biennium funded with a combination of state funds (\$4.7 million) and federal funds (\$36.5 million). The recommended projects include a new readiness center to be located in North Las Vegas; power service upgrades at the Army Aviation Support Facility in Stead, the U.S. Property and Fiscal Office in Carson City, and the Plumb Lane Armory in Reno; central plant renovation and building remodel at the Carlin Readiness Center; remodel restrooms and showers at the Army Aviation Support Facility in Reno; and roofing projects at the Washoe County Armory and the Office of the Adjutant General in Carson City.

The Executive Budget recommends various statewide maintenance projects with emphasis on life and safety issues that are not included as part of the CIP at a total cost of \$854,500 (\$436,000 General Fund appropriations and \$418,500 federal funds) over the 2017-19 biennium. The maintenance projects include the replacement of electrical panels at the Plumb Lane Readiness Center located in Reno; replacement of the electronic communications boards in all 43 heat pumps; the addition of 6 new electrical subpanels and roof repairs at the Office of the Adjutant General located in Carson City; fire alarm upgrades for both the Fallon and Henderson armories; replacement of water heaters at the Carlin Readiness Center; and the purchase of a wireless reporting system to monitor, test and document emergency exit lights and signs at the North Las Vegas Readiness Center.

Finally, The Executive Budget recommends \$1.1 million (\$1.07 million federal funds and \$62,000 General Fund appropriations) over the 2017-19 biennium to meet federal military security requirements.

DEPARTMENT OF VETERANS SERVICES

The Department of Veterans Services consists of the Office of Veterans Services and the Nevada State Veterans Home. The Office of Veterans Services is responsible for assisting veterans and their families in obtaining services, compensation, and government benefits, as well as supervising the operation and maintenance of the Nevada Veterans Memorial Cemeteries located in Boulder City and Fernley. The office also oversees the operation of the 180-bed Nevada State Veterans Home in Boulder City.

OFFICE OF VETERANS SERVICES

For the 2017-19 biennium, the Governor recommends General Fund appropriations of \$3.8 million for the Office of Veterans Services budget, which represents an increase of \$186,299, or 5.2 percent, from the amount approved for the 2015-17 biennium. Overall funding, including federal funds and interagency transfers, is recommended to increase by 6.3 percent, driven mainly by interagency transfers and General Fund appropriations.

The Governor recommends additional General Fund appropriations of \$233,966 over the 2017-19 biennium for two new Veterans Service Representative positions and related expenditures to assist veterans in filing claims for health care, compensation/pension, special adaptive housing, employment benefits, educational benefits, vocational rehabilitation, memorial affairs, loan guaranty, and life insurance.

SOUTHERN NEVADA VETERANS HOME

The Nevada State Veterans Home is a 180-bed, 24-hour skilled nursing facility located in Boulder City. The Veterans Home admitted its first residents in August 2002 and provides a wide range of residential and support services for veterans, their spouses, and Gold Star residents (parents who had a child who died while in military service). The Governor recommends a total of \$53.0 million for the Veterans Home for the 2017-19 biennium, an increase of 3.1 percent, or \$1.6 million, over the amount legislatively approved for the 2015-17 biennium. By the end of FY 2019, the Governor's budget projects \$5.7 million in reserves, compared to \$5.1 million at the end of FY 2016, an increase of 12.5 percent.

The Governor recommends expenditures totaling \$510,697 over the 2017-19 biennium for building maintenance projects at the Southern Nevada Veterans Home, including the replacement of flooring, an upgrade to seven community shower rooms, and enhanced security measures to the building and parking lot facility. A total of \$712,761 is recommended over the 2017-19 biennium for new and replacement equipment such as computer hardware/software, furniture, culinary equipment, and various other items for the Southern Nevada Veterans Home. The Governor also recommends a Capital Improvement Project for the 2017-19 biennium totaling \$309,542 in General Fund appropriations for the installation of a secondary water treatment system.

NORTHERN NEVADA VETERANS HOME

The Governor recommends the creation of a new budget, along with four new positions, for the planning and operation of the Northern Nevada Veterans Home to be located in Sparks. The Northern Nevada Veterans Home budget includes General Fund appropriations of \$226,901 in FY 2018 and \$7.4 million in FY 2019 to begin planning for staff and implementing operations of the 96-bed skilled nursing care facility for veterans, spouses of veterans and Gold Star parents. In conjunction with this new budget, the Governor is recommending state funding of \$36.0 million to advance the construction of a new 102,000 square foot, 96-bed Northern Nevada Veterans Home, including administration offices, receiving/storage space, nursing offices, and other support operations to serve veterans.

SILVER STATE HEALTH INSURANCE EXCHANGE

The Silver State Health Insurance Exchange (SSHIX) was established pursuant to Senate Bill 440 (2011 Legislative Session) to create and administer a state-based health insurance exchange, facilitate the purchase and sale of qualified health plans, and provide for the establishment of a program to help certain small employers in Nevada facilitate the enrollment of employees in qualified health plans

pursuant to the federal Patient Protection and Affordable Care Act and the federal Health Care and Education Reconciliation Act of 2010. The health insurance exchange has been operational to consumers since October 1, 2013.

The SSHIX is governed by a Board of Directors, consisting of seven voting members and three ex officio nonvoting members comprising the directors, or their designees, of the Department of Health and Human Services, the Department of Business and Industry, and the Governor's Finance Office. The Board of Directors appoints an Executive Director, who in turn may employ such persons as are necessary and as funding allows. The SSHIX is supported by a per member per month (PMPM) assessment, which is charged to insurance providers and based on the percentage of total health insurance premiums sold on the exchange. For calendar year (CY) 2017, the SSHIX is charging carriers a 3.15 percent fee. The Board typically adopts a fee in February of every year for the subsequent year.

With its inception in 2013, Nevada's Health Insurance Exchange operated as a State Based Marketplace (SBM), and secured a contractor to design, develop, and implement a health insurance exchange system. After determining Nevada's privately developed system had insurmountable development flaws, the Silver State Health Insurance Exchange Board (Board) voted in May 2014 to transition to the federally-developed exchange technology (*Healthcare.gov*), but retain responsibility for plan management functions, consumer assistance and outreach, and for ensuring that all marketplace requirements are met. The U.S. Department of Health and Human Services refers to this type of model as a State-Based Exchange on the Federal Platform (SBE-FP).

From Nevada's transition to *Healthcare.gov* in 2014 through December 2016, the federal government did not charge Nevada and other SBE-FP states a fee to use the federal government's health insurance exchange technology and call center infrastructure. However, the Centers for Medicare and Medicaid Services (CMS) began charging a user fee of 1.5 percent of monthly premiums for each policy offered through an SBE-FP beginning in CY 2017, and will increase the fee to 2.0 percent of premiums for CY 2018, moving to 3.0 percent of premiums in CY 2019. Based on the increases in the user fee charged by CMS, the SSHIX has determined that it is not financially feasible to continue paying CMS and continue to meet its mission to provide Nevada's consumers with affordable health insurance options. Accordingly, the Governor proposes to allow the SSHIX to contract with a vendor to provide a private system designed to serve Nevada's needs at a lower rate than the federal option funded with reserve reductions of \$9.4 million over the 2017-19 biennium.

The Executive Budget recommends using additional reserves of \$6.4 million in FY 2018 to allow the SSHIX to pay a 2.0 percent user fee to remain on *Healthcare.gov* through the end of FY 2018. In total, the Governor recommends expenditures of \$39.7 million for the SSHIX in the 2017-19 biennium, equating to an increase of \$24.5 million, or 161 percent, compared to the legislatively approved amount for the 2015-17 biennium. The Executive Budget projects PMPM revenue to be \$23.7 million over the 2017-19 biennium, an increase of \$11.0 million, or 87.1 percent, compared to the \$12.7 million approved for the 2015-17 biennium.

**Nevada Legislative Counsel Bureau
Source of Funds Summary
2017-19 Fiscal Report**

	2015-2016 Actual	2016-2017 Work Program	2017-2018 GOVERNOR RECOMMENDS	% Change	2018-2019 GOVERNOR RECOMMENDS	% Change
SPECIAL PURPOSE AGENCIES						
PUBLIC EMPLOYEES' RETIREMENT SYSTEM						
PERS - PUBLIC EMPLOYEES' RETIREMENT SYSTEM	10,795,806	11,094,302	14,049,674	26.64	12,130,803	-13.66
BALANCE FORWARD		200,000	200,000		200,000	
OTHER FUND	10,795,806	10,894,302	13,849,674	27.13	11,930,803	-13.85
ADMINISTRATION - PUBLIC EMPLOYEES BENEFITS PROGRAM	347,755,649	485,838,384	467,167,554	-3.84	475,448,721	1.77
BALANCE FORWARD	3,947,115	139,569,074	97,034,201	-30.48	84,887,604	-12.52
INTERAGENCY TRANSFER	247,434,678	250,782,833	273,725,256	9.15	293,064,846	7.07
OTHER FUND	96,373,856	95,486,477	96,408,097	.97	97,496,271	1.13
ADMINISTRATION - RETIRED EMPLOYEE GROUP INSURANCE	35,931,986	36,766,196	41,047,409	11.64	43,045,079	4.87
BALANCE FORWARD	3,703,531					
INTERAGENCY TRANSFER	32,213,079	36,758,980	41,032,033	11.62	43,029,703	4.87
OTHER FUND	15,376	7,216	15,376	113.08	15,376	
ADMINISTRATION - ACTIVE EMPLOYEES GROUP INSURANCE	211,062,447	213,855,456	232,237,602	8.60	249,579,521	7.47
INTERAGENCY TRANSFER	211,062,447	213,855,456	232,237,602	8.60	249,579,521	7.47
TOTAL PUBLIC EMPLOYEES' RETIREMENT SYSTEM	605,545,888	747,554,338	754,502,239	.93	780,204,124	3.41
BALANCE FORWARD	7,650,646	139,769,074	97,234,201	-30.43	85,087,604	-12.49
INTERAGENCY TRANSFER	490,710,204	501,397,269	546,994,891	9.09	585,674,070	7.07
OTHER FUND	107,185,038	106,387,995	110,273,147	3.65	109,442,450	-.75
DEFERRED COMPENSATION						
ADMINISTRATION - DEFERRED COMPENSATION COMMITTEE	477,291	445,858	403,130	-9.58	419,732	4.12
BALANCE FORWARD	321,131	130,485	75,464	-42.17	68,827	-8.79
OTHER FUND	156,160	315,373	327,666	3.90	350,905	7.09
TOTAL DEFERRED COMPENSATION	477,291	445,858	403,130	-9.58	419,732	4.12
BALANCE FORWARD	321,131	130,485	75,464	-42.17	68,827	-8.79
OTHER FUND	156,160	315,373	327,666	3.90	350,905	7.09
OFFICE OF MILITARY						
MILITARY	22,441,076	25,903,945	25,500,745	-1.56	24,939,946	-2.20
GENERAL FUND	3,598,159	3,694,250	3,867,071	4.68	3,749,912	-3.03
FEDERAL FUND	19,323,046	22,209,695	21,633,674	-2.59	21,190,034	-2.05
REVERSIONS	-480,129					
MILITARY EMERG OPERATIONS CENTER	303,088	599,354	591,297	-1.34	579,283	-2.03
BALANCE FORWARD	-30,669	272,597	287,311	5.40	275,297	-4.18
INTERAGENCY TRANSFER	333,757	326,757	303,986	-6.97	303,986	
MILITARY ADJUTANT GENERAL'S SPECIAL FACILITY ACCT	459	57,275	57,316	.07	57,357	.07
BALANCE FORWARD	60	37,796	57,275	51.54	57,316	.07
OTHER FUND	399	19,479	41	-99.79	41	
MILITARY NATIONAL GUARD BENEFITS	57,824	57,824	57,824	.00	57,824	.00
GENERAL FUND	57,824	57,824	57,824		57,824	

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	2015-2016 Actual	2016-2017 Work Program	2017-2018 GOVERNOR RECOMMENDS	% Change	2018-2019 GOVERNOR RECOMMENDS	% Change
MILITARY PATRIOT RELIEF FUND	117,325	134,172	117,325	-12.56	117,325	.00
GENERAL FUND	88,743	124,062	116,925	-5.75	116,925	
BALANCE FORWARD	28,165	10,110				
OTHER FUND	417		400		400	
TOTAL OFFICE OF MILITARY	22,919,772	26,752,570	26,324,507	-1.60	25,751,735	-2.18
GENERAL FUND	3,744,726	3,876,136	4,041,820	4.27	3,924,661	-2.90
BALANCE FORWARD	-2,444	320,503	344,586	7.51	332,613	-3.47
FEDERAL FUND	19,323,046	22,209,695	21,633,674	-2.59	21,190,034	-2.05
INTERAGENCY TRANSFER	333,757	326,757	303,986	-6.97	303,986	
OTHER FUND	816	19,479	441	-97.74	441	
REVERSIONS	-480,129					
VETERANS SERVICES						
NDVS - OFFICE OF VETERANS SERVICES	3,460,300	3,858,757	3,931,943	1.90	4,059,159	3.24
GENERAL FUND	1,732,865	1,831,555	1,827,052	-2.25	1,923,667	5.29
BALANCE FORWARD	-1,636	1,637				
FEDERAL FUND	1,539,500	1,715,487	1,705,899	-5.56	1,722,487	.97
INTERAGENCY TRANSFER	277,544	310,077	398,990	28.67	413,003	3.51
OTHER FUND	1,353	1	2	100.00	2	
REVERSIONS	-89,326					
NDVS - SOUTHERN NEVADA VETERANS HOME ACCOUNT	18,501,531	23,513,625	27,250,175	15.89	25,784,110	-5.38
BALANCE FORWARD	2,951,591	5,097,867	7,640,224	49.87	6,786,989	-11.17
FEDERAL FUND	7,959,314	8,591,842	10,546,489	22.75	10,216,888	-3.13
INTERAGENCY TRANSFER	3,054,869	4,641,591	3,420,897	-26.30	3,313,997	-3.12
OTHER FUND	4,535,757	5,182,325	5,642,565	8.88	5,466,236	-3.12
NDVS - NORTHERN NEVADA VETERANS HOME ACCOUNT			226,901		7,391,926	3,157.78
GENERAL FUND			226,901		7,391,926	3,157.78
TOTAL VETERANS SERVICES	21,961,831	27,372,382	31,409,019	14.75	37,235,195	18.55
GENERAL FUND	1,732,865	1,831,555	2,053,953	12.14	9,315,593	353.54
BALANCE FORWARD	2,949,955	5,099,504	7,640,224	49.82	6,786,989	-11.17
FEDERAL FUND	9,498,814	10,307,329	12,252,388	18.87	11,939,375	-2.55
INTERAGENCY TRANSFER	3,332,413	4,951,668	3,819,887	-22.86	3,727,000	-2.43
OTHER FUND	4,537,110	5,182,326	5,642,567	8.88	5,466,238	-3.12
REVERSIONS	-89,326					
SILVER STATE HEALTH INSURANCE EXCHANGE						
SILVER STATE HEALTH INSURANCE EXCHANGE ADMIN	5,958,243	25,494,558	22,078,187	-13.40	17,634,781	-20.13
BALANCE FORWARD	-4,136,842	8,836,490	10,585,158	19.79	5,452,170	-48.49
FEDERAL FUND	1,177,100	6,066,223				
OTHER FUND	8,917,985	10,591,845	11,493,029	8.51	12,182,611	6.00
TOTAL SILVER STATE HEALTH INSURANCE EXCHANGE	5,958,243	25,494,558	22,078,187	-13.40	17,634,781	-20.13
BALANCE FORWARD	-4,136,842	8,836,490	10,585,158	19.79	5,452,170	-48.49
FEDERAL FUND	1,177,100	6,066,223				
OTHER FUND	8,917,985	10,591,845	11,493,029	8.51	12,182,611	6.00

Nevada Legislative Counsel Bureau
 Source of Funds Summary
 2017-19 Fiscal Report

	2015-2016 Actual	2016-2017 Work Program	2017-2018 GOVERNOR RECOMMENDS	% Change	2018-2019 GOVERNOR RECOMMENDS	% Change
SPECIAL PURPOSE AGENCIES						
GENERAL FUND	5,477,591	5,707,691	6,095,773	6.80	13,240,254	117.20
BALANCE FORWARD	6,782,446	154,156,056	115,879,633	-24.83	97,728,203	-15.66
FEDERAL FUND	29,998,960	38,583,247	33,886,062	-12.17	33,129,409	-2.23
INTERAGENCY TRANSFER	494,376,374	506,675,694	551,118,764	8.77	589,705,056	7.00
OTHER FUND	120,797,109	122,497,018	127,736,850	4.28	127,442,645	-.23
REVERSIONS	-569,455					
TOTAL FOR SPECIAL PURPOSE AGENCIES	656,863,025	827,619,706	834,717,082	.86	861,245,567	3.18
Less: INTER-AGENCY TRANSFER	494,376,374	506,675,694	551,118,764	8.77	589,705,056	7.00
NET SPECIAL PURPOSE AGENCIES	162,486,651	320,944,012	283,598,318	-11.64	271,540,511	-4.25

APPENDIX

Report of the State of Nevada Economic Forum

*Forecast of Future State Revenues
December 6, 2016*

STATE OF NEVADA
ECONOMIC FORUM



FORECAST OF FUTURE
STATE REVENUES

December 6, 2016

THE STATE OF NEVADA ECONOMIC FORUM

Ken Wiles, Chairman
Matt Maddox, Vice Chairman
Marvin Leavitt
Jennifer Lewis
Linda Rosenthal



December 6, 2016

The Honorable Brian Sandoval
Governor of Nevada
Capitol Building
Carson City, Nevada 89701-4747

Dear Governor Sandoval:

Enclosed is the Economic Forum's report on future state revenues prepared pursuant to Nevada Revised Statutes 353.228. This report includes a description of the purpose of the Economic Forum, the methodology employed in arriving at the estimated General Fund revenues, economic assumptions and the final revenue projections. As required by statute, the Economic Forum plans to revisit these projections before May 1, 2017, to determine if any adjustment is necessary.

Respectfully submitted,

Handwritten signature of Ken Wiles in blue ink, written over a horizontal line.

Ken Wiles, Chairman
State of Nevada Economic Forum

Handwritten signature of Matt Maddox in blue ink, written over a horizontal line.

Matt Maddox, Vice Chairman

Handwritten signature of Marvin Leavitt in blue ink, written over a horizontal line.

Marvin Leavitt

Handwritten signature of Jennifer Lewis in blue ink, written over a horizontal line.

Jennifer Lewis

Handwritten signature of Linda Rosenthal in blue ink, written over a horizontal line.

Linda Rosenthal

Enclosure

THE STATE OF NEVADA ECONOMIC FORUM

Ken Wiles, Chairman
Matt Maddox, Vice Chairman
Marvin Leavitt
Jennifer Lewis
Linda Rosenthal



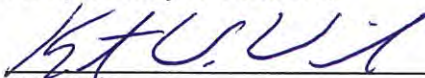
December 6, 2016

Members of the 79th Legislature
Legislative Building
Capitol Complex
Carson City, Nevada 89701-4747

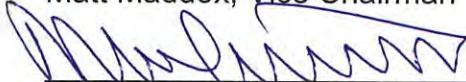
Dear Nevada Legislator:

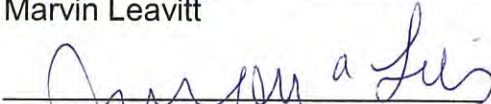
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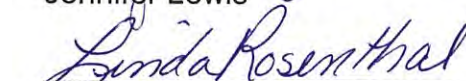
Respectfully submitted,


Ken Wiles, Chairman
State of Nevada Economic Forum


Matt Maddox, Vice Chairman


Marvin Leavitt


Jennifer Lewis


Linda Rosenthal

Enclosure

**REPORT TO THE GOVERNOR
AND THE LEGISLATURE ON
FUTURE STATE REVENUES**

December 6, 2016

Senate Bill 23 (1993) provided for the creation of an Economic Forum to forecast future State General Fund revenues. The Forum, a panel of five representatives from the private sector with backgrounds in economics, business, and taxation, is required to adopt an official forecast of unrestricted General Fund revenues for the biennial budget cycle. All agencies of the state, including the Governor and the Legislature, must use the Forum's forecast. A seven-member Technical Advisory Committee made up of Executive and Legislative Branch staff members as well as a representative of local government was also created in S.B. 23 to provide assistance and resources to the Forum.

The Forum must submit its forecast to the Governor and the Legislature by December 3 of each even-numbered year, and any required revisions by May 1 of each odd-numbered year; however, if either of these dates falls on a weekend or a holiday, the Forum must submit its forecast to the Governor and the Legislature no later than the second business day following these dates. Since December 3, 2016, falls on a Saturday, the Forum must submit its forecast to the Governor and the Legislature by December 6, 2016.

This report includes the December 6, 2016, forecast of unrestricted General Fund revenues for Fiscal Years 2017, 2018, and 2019.

Methodology and Procedures

Based on the provisions of Assembly Bill 332 (2011), the Forum is required to hold two additional informational meetings during each biennium to consider current economic indicators and update the status of actual General Fund revenues compared to the most recent revenue estimates made by the Forum. These two informational meetings of the Forum were held on December 10, 2015, and June 9, 2016. These interim meetings allowed the Forum to receive regular updates on current economic conditions and the outlook for the state's economy while also tracking the actual FY 2015 and FY 2016 revenues against the Forum's May 2015 forecast. During these meetings, the Forum reviewed various economic indicators and received a series of presentations from Legislative Counsel Bureau staff and several Executive Branch agencies, including the Department of Taxation; the Department of Employment, Training and Rehabilitation; the Department of Business and Industry; and the Governor's Office of Economic Development.

Governor Sandoval appointed the five members of the Economic Forum in 2016 for a two-year term. These appointments include two members nominated by the leadership of the Senate and Assembly. The Forum has since held public meetings three times on October 7, 2016, November 10, 2016, and December 6, 2016, to complete its assigned responsibilities and duties regarding the approval of forecasts of unrestricted General Fund revenues for Fiscal Years 2017, 2018, and 2019.

The first meeting of the Forum on October 7, 2016, was devoted to organizing and reviewing the assigned tasks; reviewing the accuracy of forecasts prepared in December 2014 and May 2015; and determining a course of action for future meetings. The Forum also reviewed historical taxable sales and gaming market statistics and received presentations on a variety of subjects related to the Nevada economy, such as residential real estate trends; economic development programs available through the Governor's Office of Economic Development; state Medicaid enrollment and health insurance trends related to the Affordable Care Act; and the Nevada New Markets Jobs Act.

During the November 10, 2016, meeting, the Forum received presentations on the outlook for the national, state, and local economies. Daniel White, Economist, Moody's Analytics (an economic consulting firm under contract with the state), provided a national, regional and Nevada economic outlook; Bill Anderson, Chief Economist, Nevada Department of Employment, Training and Rehabilitation, provided an update to Nevada's employment and unemployment outlook; and Jeff Hardcastle, State Demographer, provided an outlook for Nevada's population.

At the meeting of the Forum on November 10, 2016, the Budget Division of the Governor's Office of Finance (Budget Division) and the Fiscal Analysis Division of the Legislative Counsel Bureau (Fiscal Analysis Division) provided preliminary projections and economic analysis for eight major General Fund revenues. The Department of Taxation and the Gaming Control Board also provided projections and analysis concerning the major revenues for which they are responsible to collect. In addition to the state agency information, the Forum received forecasts of gaming percentage fees and sales taxes from Moody's Analytics (Moody's). The Forum also received forecasts of all non-major General Fund revenues developed by the Technical Advisory Committee for the Forum's review and consideration.

The Economic Forum reviewed the forecast information and requested that any updated forecasts and information be provided at the meeting on December 6, 2016. At that time, the Forum directed the Technical Advisory Committee to prepare forecasts for non-major revenues based on projections by individual state agencies, the Budget Division, and the Fiscal Analysis Division.

At the December 6, 2016, meeting, the Forum received revised forecasts and economic analysis from the Budget Division, Fiscal Analysis Division, Department of Taxation, Gaming Control Board and the Technical Advisory Committee, which were used to produce the binding forecast of all unrestricted General Fund revenue. A copy of the Economic Forum's official December 6, 2016, forecast is provided in the attached table. A final meeting of the Forum will be scheduled during the 79th Legislative Session, on or before May 1, 2017, to make any necessary revisions to the December 6, 2016, forecast.

Economic Review

The U.S. economy is now in its eighth year of expansion following the end of the Great Recession in June 2009, currently reflecting the fourth longest expansion since WW II. Although this recovery has been characterized as being one of the weakest in terms of growth in gross domestic product, the resiliency of the recovery is characterized by the fact that the U.S. has experienced job growth on a year-over-year basis during each month since September 2010. As of May 2014, the U.S. economy had recovered all of the 8.7 million jobs that were lost during the recession and over 15 million jobs have now been added since the previous low in February of 2010. According to Moody's Analytics, there are five states currently in recession, all of which are energy producers (Alaska, Louisiana, North Dakota, West Virginia and Wyoming). However, only 25 metro areas nationwide are currently in recession. These metro areas account for just less than 9% of all metro areas but represent only 2.5% of total metro area gross product.

TABLE 1. ANNUAL GROWTH IN ECONOMIC INDICATORS
CALENDAR YEARS 2010-2015

	2010	2011	2012	2013	2014	2015
<u>U.S.</u>						
Real GDP	2.5%	1.6%	2.2%	1.7%	2.4%	2.6%
Employment (Total Nonfarm)	-0.7%	1.2%	1.7%	1.6%	1.9%	2.1%
Wage Growth	2.0%	4.0%	4.5%	2.7%	5.1%	5.1%
Personal Income	3.2%	6.2%	5.0%	1.1%	5.2%	4.4%
Consumer Price Inflation	1.6%	3.1%	2.1%	1.5%	1.6%	0.1%
Fuels & Utilities	1.7%	2.9%	-0.6%	2.8%	4.2%	-1.9%
Housing Starts	5.7%	4.5%	28.1%	18.4%	7.8%	10.7%
Oil (\$ per barrel)	\$80	\$95	\$94	\$98	\$93	\$49
<u>Nevada</u>						
Gross State Product	0.2%	2.5%	2.0%	1.4%	5.6%	5.4%
Employment (Total Nonfarm)	-2.7%	0.7%	1.7%	2.6%	3.6%	3.3%
Personal Income	2.2%	3.7%	4.5%	0.5%	5.9%	5.4%
Wage Growth	-3.0%	2.3%	2.9%	3.5%	5.0%	5.5%
Housing Starts	-6.4%	-1.2%	43.8%	19.6%	18.8%	7.8%
Las Vegas Visitors	2.7%	4.3%	2.1%	-0.2%	3.7%	2.9%

Sources: Bureau of Economic Analysis, Bureau of Labor Statistics, Census Bureau, Nevada Department of Employment, Training and Rehabilitation, Las Vegas Convention and Visitors Authority

During 2012 and 2013, economic growth was at times sluggish and uncertainty lingered regarding the speed at which the economy would recover from the recession as real GDP growth slowed from to 2.2% in 2012 to 1.7% in 2013. The slower pace of growth nationally in 2013 was also evident in other economic indicators including employment, wages, and personal income. The slower growth in both wages and personal income was due in part to several policy changes, such as a 2.0 percent increase in the federal payroll tax, mandatory federal spending cuts, and the expiration of federal unemployment benefits, all of which took effect in January 2013. The impacts of the federal government shutdown at the end of 2013 also contributed to the slower overall growth in 2013 compared to 2012.

Although unemployment continued to decline, concerns regarding the labor force participation rate impacted the outlook regarding long-term job growth. Concerns were also raised about the risks of higher inflation after several rounds of quantitative easing by the Federal Reserve which caused significant increases in the money supply between late 2008 and 2012. However, through 2014 those concerns were not actualized as job growth accelerated to 1.9 percent and price increases remained relatively low. In fact, by 2015 a considerable drop in oil prices from over \$90 per barrel to just \$49 per barrel contributed to lower prices for goods and services throughout the rest of the economy and helped to push the Consumer Price Index (CPI) down to just 0.1 percent.

Job growth nationwide started to occur in the fourth quarter of 2011 and has been gaining momentum throughout the recovery. In 2012 and 2013, job growth averaged 186,000 and 194,000 jobs per month, respectively. Annual job growth increased from 1.6 percent in 2013 to 1.9 percent in 2014 with an average of 213,000 jobs created per month in 2014. The rate of job growth increased to 2.1 percent in 2015 with an average of 241,000 jobs created per month in 2015.

Commensurate with the increases in employment, wage growth nationally exceeded 5.0 percent in both 2014 and 2015, and growth in personal income has been above 4.0 percent in three out of the previous 4 years, in spite of a relatively low inflation rate during the last several years. (The Consumer Price Index, or CPI, grew by only

0.1 percent in 2015, after growing by 2.1 percent in 2012, 1.5 percent in 2013, and 1.6 percent in 2014.) With inflation expected to increase by rates in excess of 2.0 percent in 2017, 2018, and 2019, wages and personal income are expected to see continued increases as well.

Growth Moderates in 2016

After several years of moderate gains, a slowing pace of job growth in the U.S. has been occurring for nearly the past two years as the monthly average job growth nationwide slowed from 251,000 per month in 2014 to 229,000 in 2015 and 181,000 so far in 2016. Although the economy continues to create jobs at a relatively solid pace, some industries are beginning to face challenges combined with the diminishing availability of qualified workers as the economy continues to edge toward full employment.

In Nevada, where economic recovery started later than the other 49 states and was initially considerably slower than what was seen elsewhere in the nation, signs of recovery have become more evident in 2016. Though it took more than two years longer than the nation as a whole to do so, Nevada's job market finally recovered the 186,400 jobs lost during the Great Recession by September 2016. These job gains, coupled with increases in wages and visitor growth, have led to continued moderate growth in Nevada's economy during the current year.

When the Economic Forum last produced a report in December 2014, the state of Nevada had added nearly 90,000 jobs since the end of the recession, but was still more than 8.0 percent, or close to 100,000 jobs, below the pre-recession peak of 1.3 million jobs during the second quarter of 2007. The job growth that had started at the beginning of 2011, and which continued through 2012 and 2013, continued through 2014 and beyond, with total employment increasing by 3.6 percent in 2014 and 3.3 percent in 2015. Average statewide employment increased by approximately 42,500 jobs in 2014 and 40,600 jobs in 2015, driven by increases in several sectors, including professional services; trade, transportation, and utilities; leisure and hospitality; education and health services; and construction.

The job growth seen in Nevada since 2011, and particularly during 2014 and 2015, has also translated to increases in wages for Nevada employees. Total Nevada wages, after having increased by 2.9 percent in 2012 and 3.5 percent in 2013, increased by 5.0 percent in 2014 and 5.5 percent in 2015. As observed at the federal level, with the low rates of increase in the CPI (1.6 percent in 2014 and 0.1 percent in 2015), these increases in total Nevada wages indicate that the wages are also increasing in inflation-adjusted terms.

Further contributing to the economic recovery in Nevada is the growth in visitors since the end of the Great Recession. After hitting a pre-recession peak of 39.2 million visitors to Las Vegas in 2007, annual visitation fell to a low of 36.4 million in 2009 before climbing steadily upward. By 2012, annual visitation had surpassed the pre-recession peak, and in 2015, more than 42 million visitors to Las Vegas were reported by the Las Vegas Convention and Visitors Authority. Visitation for the first nine months of 2016 are also continuing this upward trend, with 1.8 percent more visitors reported compared to the same period in 2015.

Though present economic conditions, as well as the prospects of future growth resulting from economic development projects in both Northern and Southern Nevada, are encouraging signs for the near future in Nevada, housing affordability and supply remain concerns for residents of the state, particularly in the urban areas around Las Vegas and Reno. Additionally, current uncertainty in the national and global economy resulting from the Brexit vote and the U.S. federal elections in 2016 may affect growth in the national economy as well as at the regional and state level. Changes in U.S. monetary policy may impact inflation and interest rates which can affect the economic growth in both the consumer and business sectors.

Housing

Nationwide, single-family home sales were one of the largest casualties of the Great Recession, falling from a high of 6 million units in 2006 to a low of 3.7 million in 2008. The federal income tax credits for first-time homebuyers approved under the Bush and Obama administrations in 2008 and 2009 resulted in a temporary bump in sales in 2009 to slightly less than 3.9 million, before falling back to the 3.7 million level in 2010. Since 2010, single-family sales nationwide have steadily increased, from 3.8 million in 2011 to 4.6 million in 2015 – similar to levels seen during the late 1990s. With the exception of 2014, where sales decreased by 3.1 percent, the last six years have been marked by home sales increases. Calendar year 2016 has been no exception, as sales for the first three quarters have been 3.1 percent higher than the first three quarters of 2015.

Home prices were slower to recover following the Great Recession, as prices continued to fall until 2012 due in part to the glut of foreclosures that were reaching the market at discounted prices during this period. Since 2012, though, prices have increased steadily, with increases of 9.6 percent in 2013, 6.6 percent in 2014, and 4.6 percent in 2015. For the first six months of 2016, prices nationwide have increased by 5.1 percent compared to the first six months of 2015, with prices approaching the peak levels seen in late 2005 and early 2006.

TABLE 2: SELECTED U.S. HOUSING MARKET STATISTICS
CALENDAR YEARS 2010 - 2015

	2010	2011	2012	2013	2014	2015
New Housing Completions (% change)	-5.0%	-9.9%	7.2%	19.1%	8.6%	4.5%
Sales of New Single-Family Homes (% change)	-13.9%	-5.3%	21.0%	16.3%	2.3%	14.1%
Case-Shiller Home Price Index (% change)	-2.6%	-3.7%	1.3%	9.6%	6.6%	4.6%
Sales of Existing Single-Family Homes (% change)	-4.2%	2.4%	8.8%	8.5%	-3.1%	6.6%
Total Mortgage Originations (% change)	-14.4%	-16.5%	44.3%	-8.9%	-32.2%	28.7%
Total Mortgage Loans Delinquent (% change)	-5.2%	-2.6%	-4.6%	-4.1%	-12.3%	-6.9%
Total Foreclosures Started (% change)	-7.8%	-16.8%	-14.6%	-29.3%	-30.1%	-8.0%

Sources: National Association of Realtors, Standard and Poor's, U.S. Census Bureau, Federal Reserve Board, Mortgage Bankers' Association

As a result of the Great Recession, new single-family home completions in 2011 were at their lowest level in nearly fifty years with a total of only 443,000 units completed. This total has steadily increased since that year – to 478,000 in 2012; 569,000 in 2013; 619,000 in 2014; and nearly 647,000 in 2015. For calendar year 2016, Moody's forecasts continued growth in single-family home completions nationwide – growth of 14.9 percent for 2016 corresponds to approximately 743,000 units completed; however, this total is still lower than any year since 1982, when single-family home completions were slightly more than 630,000.

In contrast to the national housing market, where single-family home sales have trended upwards, Nevada existing single-family home sales have steadily decreased. Due to a high level of foreclosures hitting the market during the early part of this decade, sales in Nevada reached an all-time high of 91,000 in 2011. As these foreclosed homes have cleared the market, though, the number of sales has steadily decreased, reaching a level of slightly less than 68,000 sales in 2015. For 2016, Moody's forecasts that sales in Nevada will be 61,000 units, a 10.7 percent decrease compared to 2015, further continuing the downward trend.

During 2011 and 2012, single-family home prices were at mid-1990s levels in Nevada, due in part to the effect of foreclosures on the market. As these homes have cleared the market, prices have predictably increased – the Case-Shiller index has increased for three consecutive years (2013, 2014, and 2015), reaching an average price level equivalent to home prices in late 2003 and early 2004. Thus far in 2016, the index is continuing to increase, which has led to renewed concerns relating to affordability of single-family homes in the state; however, the data from the second quarter of 2016 suggests that home prices are still closer to the prices seen in 2004 than to the peak levels seen in mid-2006.

Single-family home completions, which had decreased from a high of 38,000 units in 2004 to a low of 5,100 units in 2011, have steadily increased since reaching bottom, with increases of 12.7 percent in 2012, 40.9 percent in 2013, 6.4 percent in 2014, and 14.9 percent in 2015. Despite four straight years of increases, however, statewide

completions barely reached 10,000 units by the end of 2015, which is still one quarter of the 2006 peak and less than half of the completion levels seen during the mid-1990s.

Inflation

Shortly before the December 2014 meeting of the Economic Forum, the Federal Reserve ended its third round of “quantitative easing” – the creation of additional U.S. currency for the purposes of repurchasing debt held by the U.S. The repurchase of trillions of dollars of federal debt and securities over the three rounds of quantitative easing led to concerns of inflation increases; however, those concerns ended up being unfounded, as inflation has grown only modestly since 2010. Following a decrease of 0.3 percent in 2009, inflation grew by only 1.6 percent in 2010, 3.1 percent in 2011, 2.1 percent in 2012, 1.3 percent in 2013, and 1.6 percent in 2014.

In December of 2015, the Federal Reserve’s Open Markets Committee increased the federal funds rate – the rate at which banks may borrow money from the Federal Reserve Bank – by 0.25 percent, which was the first increase in the rate since 2006, and the first actions taken by the Fed to tighten monetary policy since before the first round of quantitative easing began in 2008. This action came at the end of a year in which inflation increased by only 0.1 percent compared to 2014.

The low rate of inflation in 2015 also was greatly affected by the price of oil. Average crude oil prices, as measured by the West Texas Intermediate Spot rate, decreased from a high of \$106 per barrel in the third quarter of 2013 to an average of \$42 per barrel by the fourth quarter of 2015, with the average price decreasing from \$98 in 2013 to \$48 in 2015. The average price continued to fall in 2016 to an average of less than \$34 in the first quarter, but increased into the mid-\$40 range through the second and third quarters and reached above \$50 per barrel by October of this year. Moody’s has forecasted oil to continue increasing in 2017 and 2018 to prices in excess of \$60 per barrel; however, short-term price fluctuations after the November elections in the U.S. have resulted in price decreases that may affect subsequent forecasts.

Through the first three quarters of 2016, the CPI has increased by 1.1 percent. With a projected increase of 1.4 percent in the fourth quarter, Moody's forecasts that the CPI will increase by 1.2 percent for calendar year 2016. Moody's is forecasting the CPI to increase by 2.5 percent in 2017, 2.7 percent in 2018, and 2.8 percent in 2019.

Employment

After six years of steady declines, the U.S. unemployment rate, which hit a high of 10.0 percent in October 2009, fell below 5.0 percent in January 2016, falling to a rate of 4.9 percent in January. The rate has slightly fluctuated since then, increasing again to 5.0 percent in February and March, decreasing to 4.7 percent in April, before increasing again in the third quarter of 2016 to its current rate of 4.9 percent in October.

Despite the fluctuations in the unemployment rate, the number of persons employed nationwide has increased during 2016. According to the Bureau of Labor Statistics, approximately 2.5 million more people nationwide were employed at the end of the third quarter of 2016 than were employed during the third quarter of 2015. The gains during that period were primarily in the education and health services sector, which added nearly 630,000 jobs; the professional and business services sector, which added nearly 610,000 jobs; the trade, transportation, and utilities sector, which added 400,000 jobs; the leisure and hospitality sector, which added 380,000 jobs; the construction sector, which added 210,000 jobs; and the financial sector, which added nearly 170,000 jobs. A smaller increase has been seen in the information sector, which added 18,000 jobs. Sectors experiencing negative job growth during those four quarters include the natural resources and mining sector, which lost 120,000 jobs, and the manufacturing sector, which lost 43,000 jobs.

Between the third quarter of 2015 and the third quarter of 2016, the government sector has added a total of 167,000 jobs. The bulk of the increase in public sector jobs during this time period is attributable to local governments, which gained about 110,000 jobs during this period; however, federal employment increased by approximately 37,000 and state employment increased by approximately 20,000 during the same time period.

In October 2014, Nevada's unemployment rate, at 7.1 percent, was higher than all but five other states, and 1.3 percent higher than the national rate at the time. Two years later, Nevada's unemployment rate is at 5.5 percent, only 0.6 percent above the national rate. Though Nevada's rate is still above the national rate, it fares more comparably against other states – currently, eight states and the District of Columbia have a higher unemployment rate, and the current rate of 5.5 percent is equivalent to the most recent rates observed in two other states (California and Rhode Island).

For comparison to the U.S., from the third quarter of 2015 to the third quarter of 2016, Nevada's total nonfarm employment has gained 36,500 jobs, with the most significant gains in trade, transportation, and utilities (10,500 jobs gained); leisure and hospitality services (8,100 jobs gained); construction (4,900 jobs gained); professional services (3,600 jobs gained); government (3,600 jobs gained); and education and health services (3,300 jobs gained). For the government sector, local governments had a net gain of 2,600 jobs, with the state and federal governments also gaining over that period, by 600 and 400 jobs, respectively.

Among the major sectors that lost jobs during this period were information services (1,400 jobs lost) and natural resources and mining (770 jobs lost).

One industry that has seen minimal growth in the last four quarters has been the manufacturing industry, which added only 130 jobs between the third quarter of 2015 and the third quarter of 2016. Looking forward, though, the continued expansion of the Tesla gigafactory in Storey County, as well as the potential Faraday Future project in Clark County, should bring the net increase in manufacturing jobs higher in 2017 and future years. Additionally, other sectors – particularly the construction and leisure and hospitality industries – should see benefit from the Las Vegas Convention Center expansion project that will occur as a result of legislative action during the 30th Special Session in October 2016, as well as other projects that are scheduled to open in the next several years.

Consumer Spending

As already noted, the relative weakness of the current recovery, in terms of growth in the U.S. gross domestic product, has been mitigated by monthly job growth in each month since September 2010. This job growth, along with increases in wages and personal income, has translated into growth in consumer spending for most of the same period.

Consumer spending, which fell by nearly \$170 billion between 2008 and 2009 as a result of the Great Recession, has increased every year since 2010 and continues to increase into 2016. In the first three quarters of 2016, total consumer expenditures have increased on average by 3.5 percent compared to the first three quarters in 2015. This increase is primarily driven by expenditures on services, which increased by 4.5 percent during this period, but was offset by expenditures on nondurable goods, which only increased by 0.8 percent during this period. An increase in expenditures on durable goods of 2.8 percent also contributed to these gains.

In addition, in 2014 and 2015, the amount of personal income that is being saved by Americans increased. This trend has continued into 2016, with an increase in the total personal saving of 5.7 percent in the first three quarters of 2016 compared to the same period in 2015.

Going forward into 2017, Moody's Analytics is forecasting continued recovery and expansion of the U.S. economy, with modest increases in the GDP, consumer spending, employment, wages, and personal income. Uncertainty following the 2016 election, however, may pose risks to the economy, particularly depending on the actions that the Trump administration may take with respect to existing trade agreements, such as the North American Free Trade Agreement, or other laws passed during previous administrations, such as the Affordable Care Act.

Additional uncertainty in foreign financial markets, such as those in Europe related to the referendum approved in the U.K. to leave the European Union, may also lead to an increased risk of instability in the U.S. economy.

General Fund Revenue Forecast – Fiscal Years 2017, 2018, and 2019

At the December 6, 2016, meeting, the Economic Forum took into consideration presentations made at the meeting on November 10, 2016. These presentations included the Nevada employment outlook made by Bill Anderson from the Nevada Department of Employment, Training, and Rehabilitation; the Nevada population outlook by Jeff Hardcastle, State Demographer; and the U.S. and Nevada general economic outlook by Daniel White from Moody's Analytics. The Forum also took into consideration the economic outlooks used to derive the General Fund revenue forecasts made by the Budget Division, the Department of Taxation, the Gaming Control Board, Moody's Analytics, and the Fiscal Analysis Division.

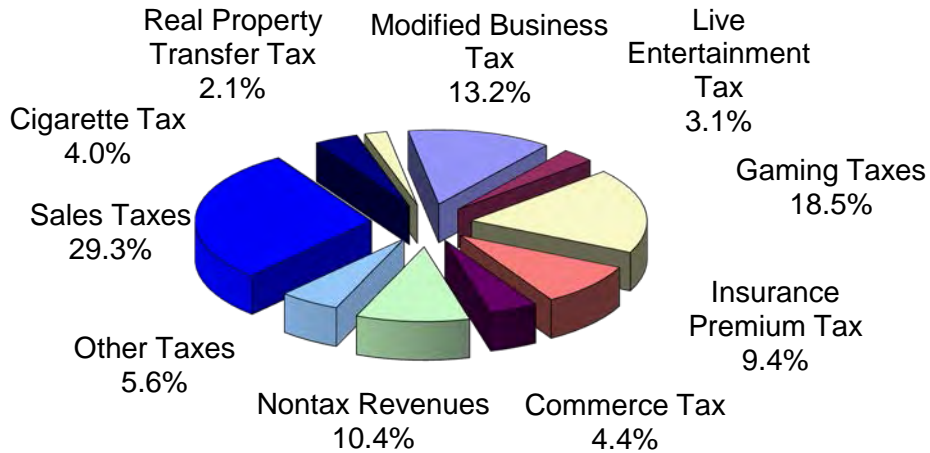
(Exhibits presented to the Economic Forum at its meetings are available from the Fiscal Analysis Division upon request, or on the Legislative Counsel Bureau's website: <https://www.leg.state.nv.us/App/InterimCommittee/REL/Interim2015/Committee/284>.)

Based on consideration of the information that was provided to the Forum at these meetings, the following forecast was approved at the December 6, 2016, meeting.

Total Nevada General Fund revenues, before the application of any tax credits approved by the Legislature, are forecast at \$3.939 billion for FY 2018 and \$4.091 billion for FY 2019. The 2017-2019 biennial total of \$8.030 billion is 5.7 percent higher than the current revised estimate for FY 2017 and the actual collections for FY 2016 of \$7.594 billion for the 2015-2017 biennium.

As you will note in the chart below, gaming taxes are forecast to provide 18.5 percent of all General Fund revenues during the 2017-19 biennium, a decrease from the 18.8 percent now estimated for the current biennium. Sales tax collections are forecast to provide 29.3 percent of all General Fund revenues during the 2017-19 biennium, an increase from the 28.0 percent currently estimated for the 2015-17 biennium. Modified business tax collections are forecast to provide 13.2 percent of all General Fund revenues during the 2017-19 biennium, a decrease from the 13.5 percent currently estimated for the 2015-17 biennium.

NEVADA GENERAL FUND REVENUES ECONOMIC FORUM FORECASTS, 2017-19 BIENNIUM



More detailed information on specific revenues in addition to gaming, sales, and modified business taxes is available in the accompanying table.

Sales Tax

Sales tax collections are forecast to reach \$1.097 billion in FY 2017, a 5.8 percent increase from FY 2016 levels. Sales taxes are expected to increase by 5.4 percent in FY 2018 and increase by 5.1 percent in FY 2019. These forecasts result in projected total sales tax receipts of \$2.371 billion during the 2017-19 biennium.

Gaming Percentage Fee Tax

Total gaming percentage fee tax revenues are forecast to reach \$725.0 million in FY 2017, an increase of 3.5 percent from actual FY 2016 collections. From this base, the tax is estimated to increase by 1.4 percent in FY 2018 and increase by 3.7 percent in FY 2019 to yield revenues of \$1.498 billion for the General Fund during the 2017-19 biennium.

Modified Business Tax

Total modified business tax revenues, before the effect of the credit that may be taken against this tax by persons who pay the commerce tax, are forecast to reach \$597.4 million in FY 2017, an increase of 5.5 percent from actual FY 2016 collections. Modified business taxes are estimated to increase by 5.3 percent in FY 2018 and increase by 5.1 percent in FY 2019 to yield revenues of \$1.290 billion for the General Fund during the 2017-19 biennium.

Collections for the modified business tax are additionally estimated to be reduced by \$82.5 million in FY 2017, \$86.5 million in FY 2018, and \$90.6 million in FY 2019, as a result of the commerce tax credit allowed against the modified business tax. The commerce tax credit is discussed in greater detail on the next page.

Insurance Premium Tax

Total insurance premium tax revenues are forecast to reach \$373.8 million in FY 2017, an increase of 11.6 percent from actual FY 2016 collections. From this base, the tax is estimated to increase by 3.7 percent in FY 2018 and increase by 3.4 percent in FY 2019 to yield revenues of \$788.1 million for the General Fund during the 2017-19 biennium.

Live Entertainment Tax - Gaming

Total live entertainment tax revenues from gaming establishments are forecast to reach \$106.4 million in FY 2017, a decrease of 5.0 percent from actual FY 2016 collections. From this base, the tax is estimated to increase by 3.0 percent in FY 2018 and increase by 3.1 percent in FY 2019 to yield revenues of \$222.5 million for the General Fund during the 2017-19 biennium.

Real Property Transfer Tax

Total real property transfer tax revenues are forecast to reach \$81.0 million in FY 2017, an increase of 6.8 percent from actual FY 2016 collections. From this base, the tax is estimated to increase by 4.8 percent in FY 2018 and increase by 3.2 percent in FY 2019 to yield revenues of \$172.4 million for the General Fund during the 2017-19 biennium.

Cigarette Tax

Total cigarette tax revenues are forecast to reach \$173.3 million in FY 2017, an increase of 13.2 percent from actual FY 2016 collections. From this base, the tax is estimated to decrease by 1.7 percent in FY 2018 and decrease by 1.7 percent in FY 2019 to yield revenues of \$337.9 million for the General Fund during the 2017-19 biennium.

Commerce Tax

Total commerce tax revenues are forecast to reach \$194.4 million in FY 2017, an increase of 35.5 percent from actual FY 2016 collections. From this base, the tax is estimated to decrease by 6.8 percent in FY 2018 and increase by 4.8 percent in FY 2019 to yield revenues of \$371.1 million for the General Fund during the 2017-19 biennium.

As approved by the Legislature during the 2015 Session, taxpayers who have a commerce tax liability in a preceding fiscal year are entitled to take a credit of up to 50 percent of that liability against the modified business tax in the current fiscal year. Based on the actual FY 2016 collections of \$143.5 million, as well as actual and projected revenue based on FY 2016 taxable activity but not collected until FY 2017, the commerce tax credit is estimated to reduce modified business tax revenues by \$82.5 million in FY 2017.

The commerce tax credit is estimated to reduce modified business tax revenues by \$86.5 million in FY 2018 and by \$90.6 million in FY 2019.

GENERAL FUND REVENUES - ECONOMIC FORUM DECEMBER 6, 2016, FORECAST
ACTUAL: FY 2014 THROUGH FY 2016 AND FORECAST: FY 2017 THROUGH FY 2019
ECONOMIC FORUM'S FORECAST FOR FY 2017, FY 2018, AND FY 2019 APPROVED AT THE DECEMBER 6, 2016, MEETING

DESCRIPTION	FY 2014		FY 2015		FY 2016		ECONOMIC FORUM DECEMBER 6, 2016, FORECAST					
	ACTUAL	% Change	ACTUAL	% Change	ACTUAL	% Change	FY 2017 FORECAST	% Change	FY 2018 FORECAST	% Change	FY 2019 FORECAST	% Change
TAXES												
MINING TAX												
3064 Net Proceeds of Minerals [1-12][2-12][1-14][2-14][2-16][3-16]	\$26,221,970	-76.4%	\$51,733,594	97.3%	\$34,674,918	-33.0%	\$13,604,000	-60.8%	\$45,022,000	230.9%	\$43,953,000	-2.4%
3241 Net Proceeds Penalty			\$0		\$0		\$0		\$0		\$0	
3245 Centrally Assessed Penalties		-100.0%	\$21		\$68,648		\$13,800	-79.9%	\$13,800	0.0%	\$13,800	0.0%
TOTAL MINING TAXES AND FEES	\$26,221,970	-76.4%	\$51,733,615	97.3%	\$34,743,566	-32.8%	\$13,617,800		\$45,035,800		\$43,966,800	
SALES AND USE												
3001 Sales & Use Tax	\$931,319,687	4.8%	\$994,764,970	6.8%	\$1,036,549,227	4.2%	\$1,097,045,000	5.8%	\$1,156,198,000	5.4%	\$1,214,657,000	5.1%
3002 State Share - LSST [4-12][3-14][4-16]	\$9,194,669	4.6%	\$9,726,146	5.8%	\$10,155,240	4.4%	\$10,696,000	5.3%	\$11,273,000	5.4%	\$11,843,000	5.1%
3003 State Share - BCCRT	\$4,088,755	5.0%	\$4,334,753	6.0%	\$4,506,053	4.0%	\$4,800,000	6.5%	\$5,058,000	5.4%	\$5,314,000	5.1%
3004 State Share - SCCRT	\$14,305,300	5.0%	\$15,166,566	6.0%	\$15,764,607	3.9%	\$16,799,000	6.6%	\$17,704,000	5.4%	\$18,599,000	5.1%
3005 State Share - PTT	\$8,797,760	6.9%	\$9,461,562	7.5%	\$10,028,644	6.0%	\$10,687,000	6.6%	\$11,263,000	5.4%	\$11,832,000	5.1%
TOTAL SALES AND USE	\$967,706,171	4.8%	\$1,033,453,997	6.8%	\$1,077,003,772	4.2%	\$1,140,027,000	5.9%	\$1,201,496,000	5.4%	\$1,262,245,000	5.1%
GAMING - STATE												
3041 Percent Fees - Gross Revenue: <u>Before Tax Credits</u>	\$682,311,672	0.5%	\$693,232,048	1.6%	\$700,773,974	1.1%	\$725,000,000	3.5%	\$735,000,000	1.4%	\$762,535,000	3.7%
Tax Credit Programs:												
Film Transferrable Tax Credits [TC-1]			\$0		-\$4,288,194		\$0		\$0		\$0	
Economic Development Transferrable Tax Credits [TC-2]			\$0		-\$20,461,554		\$0		\$0		\$0	
Catalyst Account Transferrable Tax Credits [TC-4]			\$0		\$0		\$0		\$0		\$0	
Total - Tax Credit Programs			\$0		-\$24,749,748		\$0		\$0		\$0	
Percent Fees - Gross Revenue: <u>After Tax Credits</u>	\$682,311,672		\$693,232,048		\$676,024,226		\$725,000,000	7.2%	\$735,000,000	1.4%	\$762,535,000	3.7%
3032 Pari-mutuel Tax	\$2,758	-10.1%	\$2,964	7.5%	\$3,261	10.0%	\$3,400	4.3%	\$3,600	5.9%	\$3,700	2.8%
3181 Racing Fees	\$9,258	6.4%	\$7,456	-19.5%	\$9,293	24.6%	\$10,000	7.6%	\$9,900	-1.0%	\$10,000	1.0%
3247 Racing Fines/Forfeitures	\$0		\$500		\$700		\$0	-100.0%	\$0		\$0	
3042 Gaming Penalties	\$7,862,472	439.7%	\$337,544	-95.7%	\$4,069,112	1105.5%	\$2,800,000	-31.2%	\$775,000	-72.3%	\$775,000	0.0%
3043 Flat Fees-Restricted Slots [5-12]	\$8,305,289	-1.2%	\$8,291,051	-0.2%	\$8,225,963	-0.8%	\$8,185,000	-0.5%	\$8,170,400	-0.2%	\$8,236,700	0.8%
3044 Non-Restricted Slots [5-12]	\$11,383,000	-7.4%	\$11,164,523	-1.9%	\$10,861,213	-2.7%	\$10,682,000	-1.7%	\$10,586,300	-0.9%	\$10,528,400	-0.5%
3045 Quarterly Fees-Games	\$6,410,111	-0.6%	\$6,522,917	1.8%	\$6,450,491	-1.1%	\$6,431,000	-0.3%	\$6,423,300	-0.1%	\$6,444,000	0.3%
3046 Advance License Fees	\$672,263	-49.9%	\$1,733,482	157.9%	\$1,780,785	2.7%	\$1,974,000	10.8%	\$750,000	-62.0%	\$800,000	6.7%
3048 Slot Machine Route Operator	\$37,000	-8.6%	\$35,000	-5.4%	\$34,000	-2.9%	\$33,500	-1.5%	\$34,000	1.5%	\$34,500	1.5%
3049 Gaming Info Systems Annual	\$18,000	0.0%	\$42,000	133.3%	\$42,000	0.0%	\$36,000	-14.3%	\$36,000	0.0%	\$36,000	0.0%
3028 Interactive Gaming Fee - Operator	\$604,167	38.1%	\$500,000	-17.2%	\$500,000	0.0%	\$500,000	0.0%	\$500,000	0.0%	\$500,000	0.0%
3029 Interactive Gaming Fee - Service Provider	\$75,000	177.8%	\$61,000	-18.7%	\$63,000	3.3%	\$64,000	1.6%	\$65,000	1.6%	\$66,000	1.5%
3030 Interactive Gaming Fee - Manufacturer	\$700,000	-9.7%	\$200,000	-71.4%	\$175,000	-12.5%	\$150,000	-14.3%	\$150,000	0.0%	\$150,000	0.0%
3033 Equip Mfg. License	\$290,000	6.0%	\$281,000	-3.1%	\$279,500	-0.5%	\$279,000	-0.2%	\$281,000	0.7%	\$284,000	1.1%
3034 Race Wire License	\$29,736	-14.8%	\$28,406	-4.5%	\$36,391	28.1%	\$29,000	-20.3%	\$28,000	-3.4%	\$27,000	-3.6%
3035 Annual Fees on Games	\$105,341	-0.7%	\$107,822	2.4%	\$115,214	6.9%	\$124,700	8.2%	\$115,200	-7.6%	\$112,400	-2.4%
TOTAL GAMING - STATE: BEFORE TAX CREDITS	\$718,816,067	1.2%	\$722,547,713	0.5%	\$733,419,897	1.5%	\$756,301,600	3.1%	\$762,927,700	0.9%	\$790,542,700	3.6%
Tax Credit Programs												
TOTAL GAMING - STATE: AFTER TAX CREDITS	\$718,816,067	1.2%	\$722,547,713	0.5%	\$708,670,149	-1.9%	\$756,301,600	6.7%	\$762,927,700	0.9%	\$790,542,700	3.6%
LIVE ENTERTAINMENT TAX (LET)												
3031G Live Entertainment Tax-Gaming [5-16]	\$139,156,240	10.7%	\$130,861,416	-6.0%	\$111,994,620	-14.4%	\$106,449,000	-5.0%	\$109,598,000	3.0%	\$112,946,000	3.1%
3031NG Live Entertainment Tax-Nongaming [5-16]	\$14,979,978	28.0%	\$14,965,649	-0.1%	\$16,536,346	10.5%	\$17,389,000	5.2%	\$17,915,000	3.0%	\$18,475,000	3.1%
TOTAL LET	\$154,136,218	12.2%	\$145,827,065	-5.4%	\$128,530,966	-11.9%	\$123,838,000	-3.7%	\$127,513,000	3.0%	\$131,421,000	3.1%
COMMERCE TAX												
Commerce Tax [6-16]					\$143,507,593		\$194,412,000	35.5%	\$181,220,000	-6.8%	\$189,919,000	4.8%
TRANSPORTATION CONNECTION EXCISE TAX												
Transportation Connection Excise Tax [7-16]					\$11,898,532		\$21,032,000	76.8%	\$16,769,000	-20.3%	\$22,232,000	32.6%
CIGARETTE TAX												
3052 Cigarette Tax [8-16]	\$79,628,983	-4.1%	\$92,774,433	16.5%	\$153,033,176	65.0%	\$173,301,000	13.2%	\$170,402,000	-1.7%	\$167,534,000	-1.7%

**GENERAL FUND REVENUES - ECONOMIC FORUM DECEMBER 6, 2016, FORECAST
 ACTUAL: FY 2014 THROUGH FY 2016 AND FORECAST: FY 2017 THROUGH FY 2019
 ECONOMIC FORUM'S FORECAST FOR FY 2017, FY 2018, AND FY 2019 APPROVED AT THE DECEMBER 6, 2016, MEETING**

DESCRIPTION	FY 2014		FY 2015		FY 2016		ECONOMIC FORUM DECEMBER 6, 2016, FORECAST					
	ACTUAL	% Change	ACTUAL	% Change	ACTUAL	% Change	FY 2017 FORECAST	% Change	FY 2018 FORECAST	% Change	FY 2019 FORECAST	% Change
TAXES - CONTINUED												
MODIFIED BUSINESS TAX (MBT)												
MBT - NONFINANCIAL BUSINESSES (MBT-NFI) [6-12][4-14][9-16] [10-16][11-16][12-16]												
3069 MBT - Nonfinancial: <u>Before Tax Credits</u>	\$361,095,880	-0.6%	\$387,769,692	7.4%	\$517,135,234	33.4%	\$547,083,000	5.8%	\$577,066,000	5.5%	\$607,468,000	5.3%
Commerce Tax Credits [13-16]					\$0							
MBT - Nonfinancial: <u>After Commerce Tax Credits</u>			\$387,769,692		\$517,135,234		\$547,083,000	5.8%	\$577,066,000	5.5%	\$607,468,000	5.3%
Tax Credit Programs:												
Film Transferrable Tax Credits [TC-1]			\$0		-\$82,621		\$0		\$0		\$0	
Economic Development Transferrable Tax Credits [TC-2]			\$0		\$0		\$0		\$0		\$0	
Catalyst Account Transferrable Tax Credits [TC-4]			\$0		\$0		\$0		\$0		\$0	
Education Choice Scholarship Tax Credits [TC-5]			\$0		-\$4,401,540		\$0		\$0		\$0	
College Savings Plan Tax Credits [TC-6]			\$0		\$0		\$0		\$0		\$0	
Total - Tax Credit Programs			\$0		-\$4,484,161		\$0		\$0		\$0	
MBT - Nonfinancial: <u>After Tax Credit Programs</u>	<u>\$361,095,880</u>		<u>\$387,769,692</u>		<u>\$512,651,073</u>		<u>\$547,083,000</u>	6.7%	<u>\$577,066,000</u>	5.5%	<u>\$607,468,000</u>	5.3%
MBT - FINANCIAL BUSINESSES (MBT-FI) [12-16]												
3069 MBT - Financial: <u>Before Tax Credits</u>	\$23,789,898	1.8%	\$24,144,270	1.5%	\$27,188,910	12.6%	\$28,224,000	3.8%	\$29,819,000	5.7%	\$31,372,000	5.2%
Commerce Tax Credits [13-16]					\$0							
MBT - Financial: <u>After Commerce Tax Credits</u>			\$24,144,270		\$27,188,910		\$28,224,000	3.8%	\$29,819,000	5.7%	\$31,372,000	5.2%
Tax Credit Programs:												
Film Transferrable Tax Credits [TC-1]			\$0		\$0		\$0		\$0		\$0	
Economic Development Transferrable Tax Credits [TC-2]			\$0		\$0		\$0		\$0		\$0	
Catalyst Account Transferrable Tax Credits [TC-4]			\$0		\$0		\$0		\$0		\$0	
Education Choice Scholarship Tax Credits [TC-5]			\$0		\$0		\$0		\$0		\$0	
College Savings Plan Tax Credits [TC-6]			\$0		\$0		\$0		\$0		\$0	
Total - Tax Credit Programs			\$0		\$0		\$0		\$0		\$0	
MBT - Financial: <u>After Tax Credit Programs</u>	<u>\$23,789,898</u>		<u>\$24,144,270</u>		<u>\$27,188,910</u>		<u>\$28,224,000</u>	3.8%	<u>\$29,819,000</u>	5.7%	<u>\$31,372,000</u>	5.2%
MBT - MINING BUSINESSES (MBT-MINING) [11-16]												
3069 MBT - Mining: <u>Before Tax Credits</u>					\$21,938,368		\$22,099,000	0.7%	\$22,055,000	-0.2%	\$21,988,000	-0.3%
Commerce Tax Credits [13-16]					\$0		\$0		\$0		\$0	
MBT - Mining: <u>After Commerce Tax Credits</u>					\$21,938,368		\$22,099,000	0.7%	\$22,055,000	-0.2%	\$21,988,000	-0.3%
Tax Credit Programs:												
Film Transferrable Tax Credits [TC-1]			\$0		\$0		\$0		\$0		\$0	
Economic Development Transferrable Tax Credits [TC-2]			\$0		\$0		\$0		\$0		\$0	
Catalyst Account Transferrable Tax Credits [TC-4]			\$0		\$0		\$0		\$0		\$0	
Education Choice Scholarship Tax Credits [TC-5]			\$0		\$0		\$0		\$0		\$0	
College Savings Plan Tax Credits [TC-6]			\$0		\$0		\$0		\$0		\$0	
Total - Tax Credit Programs			\$0		\$0		\$0		\$0		\$0	
MBT - Mining - <u>After Tax Credit Programs</u>					<u>\$21,938,368</u>		<u>\$22,099,000</u>	0.7%	<u>\$22,055,000</u>	-0.2%	<u>\$21,988,000</u>	-0.3%
TOTAL MBT - NFI, FI, & MINING												
TOTAL MBT: <u>BEFORE TAX CREDITS</u>	<u>\$384,885,778</u>	-0.4%	<u>\$411,913,962</u>	7.0%	<u>\$566,262,513</u>	37.5%	<u>\$597,406,000</u>	5.5%	<u>\$628,940,000</u>	5.3%	<u>\$660,828,000</u>	5.1%
TOTAL COMMERCE TAX CREDITS [13-16]					\$0		-\$82,500,000		-\$86,460,000		-\$90,610,000	
TOTAL MBT: <u>AFTER COMMERCE TAX CREDITS</u>			<u>\$411,913,962</u>		<u>\$566,262,513</u>		<u>\$514,906,000</u>	-9.1%	<u>\$542,480,000</u>	5.4%	<u>\$570,218,000</u>	5.1%
Tax Credit Programs:												
Film Transferrable Tax Credits [TC-1]			\$0		-\$82,621		\$0		\$0		\$0	
Economic Development Transferrable Tax Credits [TC-2]			\$0		\$0		\$0		\$0		\$0	
Catalyst Account Transferrable Tax Credits [TC-4]			\$0		\$0		\$0		\$0		\$0	
Education Choice Scholarship Tax Credits [TC-5]			\$0		-\$4,401,540		-\$6,098,460		-\$6,050,000		-\$6,655,000	
College Savings Plan Tax Credits [TC-6]			\$0		\$0		-\$69,000		-\$138,000		-\$207,000	
Total - Tax Credit Programs			\$0		-\$4,484,161		-\$6,167,460		-\$6,188,000		-\$6,862,000	
TOTAL MBT: <u>AFTER TAX CREDIT PROGRAMS</u>	<u>\$384,885,778</u>		<u>\$411,913,962</u>		<u>\$561,778,352</u>		<u>\$508,738,540</u>	-9.4%	<u>\$536,292,000</u>	5.4%	<u>\$563,356,000</u>	5.0%

GENERAL FUND REVENUES - ECONOMIC FORUM DECEMBER 6, 2016, FORECAST
ACTUAL: FY 2014 THROUGH FY 2016 AND FORECAST: FY 2017 THROUGH FY 2019
ECONOMIC FORUM'S FORECAST FOR FY 2017, FY 2018, AND FY 2019 APPROVED AT THE DECEMBER 6, 2016, MEETING

DESCRIPTION	FY 2014		FY 2015		FY 2016		ECONOMIC FORUM DECEMBER 6, 2016, FORECAST					
	ACTUAL	% Change	ACTUAL	% Change	ACTUAL	% Change	FY 2017 FORECAST	% Change	FY 2018 FORECAST	% Change	FY 2019 FORECAST	% Change
TAXES - CONTINUED												
INSURANCE TAXES												
3061 Insurance Premium Tax: <u>Before Tax Credits</u> [1-16]	\$263,531,578	6.0%	\$305,075,537	15.8%	\$335,118,754	9.8%	\$373,840,000	11.6%	\$387,533,000	3.7%	\$400,520,000	3.4%
Tax Credit Programs:												
Film Transferrable Tax Credits [TC-1]			\$0		\$0		\$0		\$0		\$0	
Economic Development Transferrable Tax Credits [TC-2]			\$0		\$0		\$0		\$0		\$0	
Catalyst Account Transferrable Tax Credits [TC-4]			\$0		\$0		\$0		\$0		\$0	
Nevada New Markets Job Act Tax Credits [TC-3]			-\$12,410,882		-\$26,005,450		-\$26,000,000		-\$24,000,000		-\$22,000,000	
Total - Tax Credit Programs			-\$12,410,882		-\$26,005,450		-\$26,000,000		-\$24,000,000		-\$22,000,000	
Insurance Premium Tax: <u>After Tax Credit Programs</u>	\$263,531,578		\$292,664,655		\$309,113,304		\$347,840,000	12.5%	\$363,533,000	4.5%	\$378,520,000	4.1%
3062 Insurance Retaliatory Tax	\$234,807	-3.1%	\$355,819	51.5%	\$185,855	-47.8%	\$215,000	15.7%	\$215,000	0.0%	\$215,000	0.0%
3067 Captive Insurer Premium Tax	\$755,517	19.0%	\$901,712	19.4%	\$923,869	2.5%	\$946,600	2.5%	\$969,800	2.5%	\$993,700	2.5%
TOTAL INSURANCE TAXES: <u>BEFORE TAX CREDITS</u>	\$264,521,903	6.1%	\$306,333,069	15.8%	\$336,228,478	9.8%	\$375,001,600	11.5%	\$388,717,800	3.7%	\$401,728,700	3.3%
TAX CREDIT PROGRAMS			-\$12,410,882		-\$26,005,450		-\$26,000,000		-\$24,000,000		-\$22,000,000	
TOTAL INSURANCE TAXES: <u>AFTER TAX CREDITS</u>	\$264,521,903	6.1%	\$293,922,187	11.1%	\$310,223,028	5.5%	\$349,001,600	12.5%	\$364,717,800	4.5%	\$379,728,700	4.1%
REAL PROPERTY TRANSFER TAX (RPTT)												
3055 Real Property Transfer Tax	\$60,047,457	9.2%	\$64,214,342	6.9%	\$75,794,844	18.0%	\$80,964,000	6.8%	\$84,856,000	4.8%	\$87,559,000	3.2%
GOVERNMENTAL SERVICES TAX (GST)												
3051 Governmental Services Tax [5-14][14-16]	\$62,267,322	-1.9%	\$62,865,504	1.0%	\$66,731,895	6.2%	\$37,915,000	-43.2%				
OTHER TAXES												
3113 Business License Fee [7-12][6-14][15-16]	\$72,166,482	4.6%	\$75,359,976	4.4%	\$103,045,619	36.7%	\$101,469,000	-1.5%	\$101,877,000	0.4%	\$102,468,000	0.6%
3050 Liquor Tax	\$41,838,536	4.9%	\$42,707,046	2.1%	\$43,944,413	2.9%	\$43,877,000	-0.2%	\$44,448,000	1.3%	\$45,043,000	1.3%
3053 Other Tobacco Tax	\$11,620,286	12.3%	\$11,458,040	-1.4%	\$13,131,919	14.6%	\$13,479,000	2.6%	\$13,863,000	2.8%	\$14,296,000	3.1%
4862 HECC Transfer	\$5,000,000	0.0%	\$5,000,000	0.0%	\$5,000,000	0.0%	\$5,000,000	0.0%	\$5,000,000	0.0%	\$5,000,000	0.0%
3065 Business License Tax	\$2,814	-4.3%	\$1,850	-34.3%	\$243	-86.9%	\$0		\$0		\$0	
3068 Branch Bank Excise Tax	\$2,788,166	-7.0%	\$3,129,940	12.3%	\$2,786,429	-11.0%	\$2,772,000	-0.5%	\$2,788,000	0.6%	\$2,802,000	0.5%
TOTAL TAXES: <u>BEFORE TAX CREDITS</u>	\$2,851,648,150	0.2%	\$3,029,320,553	6.2%	\$3,495,063,854	15.4%	\$3,680,413,000	5.3%	\$3,775,853,300	2.6%	\$3,927,585,200	4.0%
TOTAL COMMERCE TAX CREDITS [13-16]					\$0		-\$82,500,000		-\$86,460,000		-\$90,610,000	
TOTAL TAXES: <u>AFTER COMMERCE TAX CREDITS</u>			\$3,029,320,553		\$3,495,063,854		\$3,597,913,000	2.9%	\$3,689,393,300	2.5%	\$3,836,975,200	4.0%
Tax Credit Programs:												
Film Transferrable Tax Credits [TC-1]			\$0		-\$4,370,815		-\$5,629,185		\$0		\$0	
Economic Development Transferrable Tax Credits [TC-2]			\$0		-\$20,461,554		-\$36,475,946		-\$31,562,500		-\$47,925,000	
Catalyst Account Transferrable Tax Credits [TC-4]			\$0		\$0		-\$1,000,000		-\$2,000,000		-\$2,000,000	
Nevada New Markets Job Act Tax Credits [TC-3]			-\$12,410,882		-\$26,005,450		-\$26,000,000		-\$24,000,000		-\$22,000,000	
Education Choice Scholarship Tax Credits [TC-5]			\$0		-\$4,401,540		-\$6,098,460		-\$6,050,000		-\$6,655,000	
College Savings Plan Tax Credits [TC-6]			\$0		\$0		-\$69,000		-\$138,000		-\$207,000	
Total - Tax Credit Programs			-\$12,410,882		-\$55,239,359		-\$75,272,591		-\$63,750,500		-\$78,787,000	
TOTAL TAXES: <u>AFTER TAX CREDITS</u>	\$2,851,648,150	0.2%	\$3,016,909,671	5.8%	\$3,439,824,495	14.0%	\$3,522,640,409	2.4%	\$3,625,642,800	2.9%	\$3,758,188,200	3.7%

**GENERAL FUND REVENUES - ECONOMIC FORUM DECEMBER 6, 2016, FORECAST
 ACTUAL: FY 2014 THROUGH FY 2016 AND FORECAST: FY 2017 THROUGH FY 2019
 ECONOMIC FORUM'S FORECAST FOR FY 2017, FY 2018, AND FY 2019 APPROVED AT THE DECEMBER 6, 2016, MEETING**

DESCRIPTION	FY 2014		FY 2015		FY 2016		ECONOMIC FORUM DECEMBER 6, 2016, FORECAST					
	ACTUAL	% Change	ACTUAL	% Change	ACTUAL	% Change	FY 2017 FORECAST	% Change	FY 2018 FORECAST	% Change	FY 2019 FORECAST	% Change
LICENSES												
3101 Insurance Licenses	\$17,925,429	7.8%	\$18,347,454	2.4%	\$19,913,616	8.5%	\$20,113,000	1.0%	\$20,716,000	3.0%	\$21,234,000	2.5%
3120 Marriage License	\$371,684	-1.8%	\$371,099	-0.2%	\$367,116	-1.1%	\$363,000	-1.1%	\$360,600	-0.7%	\$359,300	-0.4%
SECRETARY OF STATE												
3105 UCC	\$1,714,724	1.7%	\$1,740,910	1.5%	\$1,915,810	10.0%	\$1,751,000	-8.6%	\$1,761,400	0.6%	\$1,773,800	0.7%
3129 Notary Fees	\$544,060	-4.8%	\$516,832	-5.0%	\$514,489	-0.5%	\$508,100	-1.2%	\$503,100	-1.0%	\$499,900	-0.6%
3130 Commercial Recordings [16-16]	\$66,661,943	2.5%	\$68,833,079	3.3%	\$73,701,665	7.1%	\$73,789,000	0.1%	\$74,167,000	0.5%	\$74,576,000	0.6%
3131 Video Service Franchise	\$3,525	-50.2%	\$1,550	-56.0%	\$525	-66.1%	\$500		\$500		\$500	
3121 Domestic Partnership Registry Fee	\$51,621	17.4%	\$36,437	-29.4%	\$28,790	-21.0%	\$24,500	-14.9%	\$20,800	-15.1%	\$17,700	-14.9%
3152 Securities	\$25,947,110	5.5%	\$27,029,365	4.2%	\$27,978,707	3.5%	\$28,891,000	3.3%	\$29,470,000	2.0%	\$29,889,000	1.4%
TOTAL SECRETARY OF STATE	\$94,922,982	3.2%	\$98,158,173	3.4%	\$104,139,985	6.1%	\$104,964,100	0.8%	\$105,922,800	0.9%	\$106,756,900	0.8%
3172 Private School Licenses [7-14]	\$284,569	15.0%	\$255,613	-10.2%	\$236,690	-7.4%	\$236,500	-0.1%	\$236,400	0.0%	\$236,700	0.1%
3173 Private Employment Agency	\$11,400	-2.6%	\$11,000	-3.5%	\$14,800	34.5%	\$11,400	-23.0%	\$11,400	0.0%	\$11,400	0.0%
REAL ESTATE												
3161 Real Estate License [17-16]	\$1,372,080	-59.7%	\$1,383,840	0.9%	\$2,137,010	54.4%	\$2,256,000	5.6%	\$2,159,000	-4.3%	\$2,199,000	1.9%
3162 Real Estate Fees	\$4,820	66.8%	\$3,643	-24.4%	\$4,710	29.3%	\$4,800	1.9%	\$4,700	-2.1%	\$4,800	2.1%
TOTAL REAL ESTATE	\$1,376,900	-59.6%	\$1,387,483	0.8%	\$2,141,720	54.4%	\$2,260,800	5.6%	\$2,163,700	-4.3%	\$2,203,800	1.9%
3102 Athletic Commission Fees [18-16]	\$5,334,498	37.9%	\$8,922,606	67.3%	\$5,041,720	-43.5%	\$4,500,000	-10.7%	\$4,500,000	0.0%	\$4,500,000	0.0%
TOTAL LICENSES	\$120,227,462	3.2%	\$127,453,427	6.0%	\$131,855,647	3.5%	\$132,448,800	0.4%	\$133,910,900	1.1%	\$135,302,100	1.0%
FEES AND FINES												
3200 Vital Statistics Fees [8-14]												
3203 Divorce Fees	\$174,376	1.8%	\$175,202	0.5%	\$170,348	-2.8%	\$167,100	-1.9%	\$165,900	-0.7%	\$165,300	-0.4%
3204 Civil Action Fees	\$1,325,805	0.1%	\$1,291,308	-2.6%	\$1,316,607	2.0%	\$1,286,800	-2.3%	\$1,273,700	-1.0%	\$1,276,700	0.2%
3242 Insurance Fines	\$723,272	-40.2%	\$505,360	-30.1%	\$349,206	-30.9%	\$300,000	-14.1%	\$300,000	0.0%	\$300,000	0.0%
3103MD Medical Plan Discount Reg. Fees					\$1,500		\$1,500		\$1,500		\$1,500	
REAL ESTATE FEES												
3107IOS IOS Application Fees	\$7,840	-10.8%	\$6,030	-23.1%	\$5,700	-5.5%	\$5,900	3.5%	\$6,200	5.1%	\$6,000	-3.2%
3165 Land Co Filing Fees [19-16]	\$167,495	27.5%	\$157,592	-5.9%	\$28,530	-81.9%	\$27,600	-3.3%	\$28,600	3.6%	\$28,500	-0.3%
3167 Real Estate Adver Fees	\$590	-78.5%	\$210	-64.4%	\$2,010	857.1%	\$6,700		\$0		\$0	
3169 Real Estate Reg Fees	\$15,700	-12.8%	\$15,700	0.0%	\$8,550	-45.5%	\$8,700	1.8%	\$8,700	0.0%	\$9,000	3.4%
4741 Real Estate Exam Fees	\$174,117	1.7%	\$174,117	0.0%	\$387,294	122.4%	\$378,400	-2.3%	\$347,200	-8.2%	\$329,500	-5.1%
3171 CAM Certification Fee												
3178 Real Estate Accred Fees	\$86,475	7.9%	\$95,675	10.6%	\$93,450	-2.3%	\$94,000	0.6%	\$96,700	2.9%	\$98,500	1.9%
3254 Real Estate Penalties	\$36,835	-64.6%	\$25,455	-30.9%	\$65,595	157.7%	\$68,000	3.7%	\$68,500	0.7%	\$69,600	1.6%
3190 A.B. 165, Real Estate Inspectors	\$60,150	18.8%	\$46,960	-21.9%	\$53,860	14.7%	\$52,900	-1.8%	\$51,300	-3.0%	\$52,300	1.9%
TOTAL REAL ESTATE FEES	\$549,202	-3.1%	\$521,739	-5.0%	\$644,989	23.6%	\$642,200	-0.4%	\$607,200	-5.5%	\$593,400	-2.3%
3066 Short Term Car Lease [8-12]	\$46,151,238	0.9%	\$48,754,438	5.6%	\$51,914,285	6.5%	\$54,416,000	4.8%	\$56,055,000	3.0%	\$57,438,000	2.5%
3103AC Athletic Commission Licenses/Fines	\$234,245	8.5%	\$213,145	-9.0%	\$468,376	119.7%	\$196,200	-58.1%	\$215,800	10.0%	\$215,800	0.0%
3205 State Engineer Sales [9-14]												
3206 Supreme Court Fees	\$216,785	12.2%	\$186,560	-13.9%	\$201,305	7.9%	\$201,300	0.0%	\$201,300	0.0%	\$201,300	0.0%
3115 Notice of Default Fee	\$1,706,387	-38.3%	\$1,755,460	2.9%	\$1,400,099	-20.2%	\$1,134,100	-19.0%	\$918,600	-19.0%	\$744,100	-19.0%
3271 Misc Fines/Forfeitures	\$3,125,839	-72.0%	\$9,564,851	206.0%	\$2,735,813	-71.4%	\$2,500,000	-8.6%	\$2,500,000	0.0%	\$2,500,000	0.0%
TOTAL FEES AND FINES	\$54,207,150	-19.1%	\$62,968,063	16.2%	\$59,202,527	-6.0%	\$60,845,200	2.8%	\$62,239,000	2.3%	\$63,436,100	1.9%

GENERAL FUND REVENUES - ECONOMIC FORUM DECEMBER 6, 2016, FORECAST
ACTUAL: FY 2014 THROUGH FY 2016 AND FORECAST: FY 2017 THROUGH FY 2019
ECONOMIC FORUM'S FORECAST FOR FY 2017, FY 2018, AND FY 2019 APPROVED AT THE DECEMBER 6, 2016, MEETING

DESCRIPTION	FY 2014		FY 2015		FY 2016		ECONOMIC FORUM DECEMBER 6, 2016, FORECAST					
	ACTUAL	% Change	ACTUAL	% Change	ACTUAL	% Change	FY 2017 FORECAST	% Change	FY 2018 FORECAST	% Change	FY 2019 FORECAST	% Change
USE OF MONEY AND PROP												
OTHER REPAYMENTS												
4403 Forestry Nurseries Fund Repayment (05-M27)	\$20,670		\$20,670		\$20,670		\$20,670		\$20,670		\$20,670	
4408 Comp/Fac Repayment	\$23,744		\$23,744		\$23,744		\$23,744		\$23,744		\$13,032	
4408 CIP 95-M1, Security Alarm	\$2,998		\$2,998		\$2,998		\$2,998		\$0		\$0	
4408 CIP 95-M5, Facility Generator	\$6,874		\$6,874		\$6,874		\$6,874		\$0		\$0	
4408 CIP 95-S4F, Advance Planning	\$1,000		\$1,000		\$1,000		\$1,000		\$0		\$0	
4408 CIP 97-C26, Capitol Complex Conduit System, Phase I	\$62,542		\$62,542		\$62,542		\$62,542		\$62,542		\$62,542	
4408 CIP 97-S4H, Advance Planning Addition to Computer Facility	\$9,107		\$9,107		\$9,107		\$9,107		\$9,107		\$9,107	
4408 EITS Repayment - State Microwave Communications System [1-18]							\$0		\$57,900		\$57,900	
4409 Motor Pool Repay - LV [10-14]	\$62,500		\$125,000		\$125,000		\$125,000		\$125,000		\$125,000	
4402 State Personnel IFS Repayment; S.B. 201, 1997 Legislature	\$202,987		\$202,988		\$0		\$0		\$0		\$0	
TOTAL OTHER REPAYMENTS	\$392,422	-13.5%	\$454,923	15.9%	\$251,935	-44.6%	\$251,935	0.0%	\$298,963	18.7%	\$288,251	-3.6%
INTEREST INCOME												
3290 Treasurer [9-12]	\$589,930	-5.7%	\$916,780	55.4%	\$1,247,554	36.1%	\$2,188,000	75.4%	\$3,162,000	44.5%	\$3,937,000	24.5%
3291 Other	\$4,156	-46.2%	\$5,363	29.0%	\$18,411	243.3%	\$20,000	8.6%	\$21,000	5.0%	\$22,000	4.8%
TOTAL INTEREST INCOME	\$594,086	-6.2%	\$922,143	55.2%	\$1,265,964	37.3%	\$2,208,000	74.4%	\$3,183,000	44.2%	\$3,959,000	24.4%
TOTAL USE OF MONEY & PROP	\$986,508	-9.2%	\$1,377,066	39.6%	\$1,517,900	10.2%	\$2,459,935	62.1%	\$3,481,963	41.5%	\$4,247,251	22.0%
OTHER REVENUE												
3059 Hoover Dam Revenue	\$300,000	0.0%	\$300,000	0.0%	\$300,000	0.0%	\$300,000	0.0%	\$300,000	0.0%	\$300,000	0.0%
MISC SALES AND REFUNDS												
4794 GST Commissions and Penalties / DMV [10-12][11-14][20-16]			\$28,761,000									
3047 Expired Slot Machine Wagering Vouchers [11-12]	\$7,486,068	4.1%	\$8,383,408	12.0%	\$8,778,021	4.7%	\$9,117,000	3.9%	\$9,505,800	4.3%	\$9,923,800	4.4%
3107 Misc Fees	\$298,822	-2.1%	\$318,681	6.6%	\$347,803	9.1%	\$320,700	-7.8%	\$312,800	-2.5%	\$314,300	0.5%
3109 Court Admin Assessments [13-12][12-14][21-16]	\$2,511,100	-39.0%	\$2,428,655	-3.3%	\$0	-100.0%	\$0		\$0		\$0	
3114 Court Administrative Assessment Fee	\$2,335,123	-7.0%	\$2,135,726	-8.5%	\$2,012,172	-5.8%	\$1,978,000	-1.7%	\$1,957,000	-1.1%	\$1,944,000	-0.7%
3168 Declare of Candidacy Filing Fee	\$92,200	143.0%	\$12,384	-86.6%	\$35,975	190.5%	\$12,500	-65.3%	\$40,000	220.0%	\$12,500	-68.8%
3202 Fees & Writs of Garnishments	\$2,535	-2.7%	\$2,140	-15.6%	\$2,190	2.3%	\$2,200	0.5%	\$2,200	0.0%	\$2,200	0.0%
3220 Nevada Report Sales	\$3,480	-59.6%	\$6,120	75.9%	\$11,495	87.8%	\$17,200	49.6%	\$23,000	33.7%	\$17,200	-25.2%
3222 Excess Property Sales	\$46,603	74.0%	\$97,446	109.1%	\$17,668	-81.9%	\$27,600	56.2%	\$27,600	0.0%	\$27,600	0.0%
3240 Sale of Trust Property	\$3,447	-26.9%	\$3,990	15.8%	\$850	-78.7%	\$5,900	593.8%	\$2,000	-66.1%	\$2,000	0.0%
3243 Insurance - Misc	\$416,576	6.6%	\$423,928	1.8%	\$371,455	-12.4%	\$400,000	7.7%	\$400,000	0.0%	\$400,000	0.0%
3274 Misc Refunds	\$30,729	-66.1%	\$113,081	268.0%	\$31,709	-72.0%	\$50,000	57.7%	\$50,000	0.0%	\$50,000	0.0%
3276 Cost Recovery Plan [13-14]	\$8,883,972	4.9%	\$8,486,081	-4.5%	\$10,572,088	24.6%	\$10,121,000	-4.3%	\$9,666,100	-4.5%	\$10,278,200	6.3%
TOTAL MISC SALES & REF	\$22,110,653	-67.2%	\$51,172,638	131.4%	\$22,181,427	-56.7%	\$22,052,100	-0.6%	\$21,986,500	-0.3%	\$22,971,800	4.5%
3255 Unclaimed Property [14-12]	\$17,466,436	-46.9%	\$24,301,834	39.1%	\$38,960,791	60.3%	\$28,454,000	-27.0%	\$27,506,000	-3.3%	\$27,766,000	0.9%
TOTAL OTHER REVENUE	\$39,877,089	-60.4%	\$75,774,472	90.0%	\$61,442,218	-18.9%	\$50,806,100	-17.3%	\$49,792,500	-2.0%	\$51,037,800	2.5%
TOTAL GENERAL FUND REVENUE: BEFORE TAX CREDITS	\$3,066,946,360	-2.1%	\$3,296,893,581	7.5%	\$3,749,082,146	13.7%	\$3,926,973,035	4.7%	\$4,025,277,663	2.5%	\$4,181,608,451	3.9%
TOTAL COMMERCE TAX CREDITS [13-16]					\$0		-\$82,500,000		-\$86,460,000		-\$90,610,000	
TOTAL GENERAL FUND REVENUE: AFTER COMMERCE TAX CREDITS			\$3,296,893,581		\$3,749,082,146		\$3,844,473,035	2.5%	\$3,938,817,663	2.5%	\$4,090,998,451	3.9%
TAX CREDIT PROGRAMS:												
FILM TRANSFERABLE TAX CREDITS [TC-1]			\$0.00		-\$4,370,815		-\$5,629,185		\$0		\$0	
ECONOMIC DEVELOPMENT TRANSFERABLE TAX CREDITS [TC-2]			\$0		-\$20,461,554		-\$36,475,946		-\$31,562,500		-\$47,925,000	
CATALYST ACCOUNT TRANSFERABLE TAX CREDITS [TC-4]			\$0		\$0		-\$1,000,000		-\$2,000,000		-\$2,000,000	
NEVADA NEW MARKET JOBS ACT TAX CREDITS [TC-3]			-\$12,410,882		-\$26,005,450		-\$26,000,000		-\$24,000,000		-\$22,000,000	
EDUCATION CHOICE SCHOLARSHIP TAX CREDITS [TC-5]			\$0		-\$4,401,540		-\$6,098,460		-\$6,050,000		-\$6,655,000	
COLLEGE SAVINGS PLAN TAX CREDITS [TC-6]			\$0		\$0		-\$69,000		-\$138,000		-\$207,000	
TOTAL- TAX CREDIT PROGRAMS			-\$12,410,882		-\$55,239,359		-\$75,272,591		-\$63,750,500		-\$78,787,000	
TOTAL GENERAL FUND REVENUE: AFTER TAX CREDITS	\$3,066,946,360	-2.1%	\$3,284,482,699	7.1%	\$3,693,842,787	12.5%	\$3,769,200,444	2.0%	\$3,875,067,163	2.8%	\$4,012,211,451	3.5%

GENERAL FUND REVENUES - ECONOMIC FORUM DECEMBER 6, 2016, FORECAST
ACTUAL: FY 2014 THROUGH FY 2016 AND FORECAST: FY 2017 THROUGH FY 2019
ECONOMIC FORUM'S FORECAST FOR FY 2017, FY 2018, AND FY 2019 APPROVED AT THE DECEMBER 6, 2016, MEETING

DESCRIPTION	FY 2014		FY 2015		FY 2016		ECONOMIC FORUM DECEMBER 6, 2016, FORECAST					
	ACTUAL	% Change	ACTUAL	% Change	ACTUAL	% Change	FY 2017 FORECAST		FY 2018 FORECAST		FY 2019 FORECAST	
								% Change		% Change		% Change

NOTES:

FY 2012

- [1-12] S.B. 493 clarifies and eliminates certain deductions allowed against gross proceeds to determine net proceeds for the purpose of calculating the Net Proceeds of Minerals (NPM) tax liability. All of the deduction changes are effective beginning with the NPM tax payments due in FY 2012 based on calendar year 2012 mining activity and are permanent, except for the elimination of the deduction for health and industrial insurance expenses, which are effective for FY 2012 and FY 2013 only. Deduction changes are estimated to generate \$11,919,643 in additional revenue in both FY 2012 and FY 2013.
- [2-12] A.B. 561 extends the June 30, 2011, sunset (approved in S.B. 429 (2009)) to June 30, 2013, on the Net Proceeds of Minerals (NPM) tax, which continues the payment of taxes in the current fiscal year based on the estimated net proceeds for the current calendar year with a true-up against actual net proceeds for the calendar year in the next fiscal year. The two-year extension of the sunset is estimated to yield \$69,000,000 in FY 2012 only as tax payments are required in FY 2013 with or without the extension of the sunset.
- [3-12] S.B. 493 repeals the Mining Claims Fee, approved in A.B. 6 (26th Special Session), requiring payment of the fee in FY 2011 only with the June 30, 2011, sunset. S.B. 493 establishes provisions for entities that paid the Mining Claims Fee to apply to the Department of Taxation for a credit against their Modified Business Tax (MBT) liability or for a refund. No estimate of the impact in FY 2012 and FY 2013 from Mining Claims Fee credits was prepared so no adjustment was made to the Economic Forum May 2, 2011, forecast for MBT - Nonfinancial tax collections.
- [4-12] Extension of the sunset on the 0.35% increase in the Local School Support Tax (LSST) in A.B. 561 from June 30, 2011, to June 30, 2013, generates additional revenue from the 0.75% General Fund Commission assessed against LSST proceeds before distribution to school districts in each county. Estimated to generate \$1,052,720 in FY 2012 and \$1,084,301 in FY 2013.
- [5-12] A.B. 500 reduces the portion of the quarterly licensing fees imposed on restricted and non-restricted slot machines from \$2 to \$1 per slot machine that is dedicated to the Account to Support Programs for the Prevention and Treatment of Problem Gambling. The other \$1 is deposited in the State General Fund in FY 2012 and FY 2013, due to the June 30, 2013, sunset in A.B. 500. Estimated to generate \$682,982 in FY 2012 and \$692,929 in FY 2013 from non-restricted slot machines and \$75,970 in FY 2012 and \$77,175 in FY 2013 from restricted slot machines.
- [6-12] A.B. 561 changes the structure and tax rate for the Modified Business Tax on General Business (nonfinancial institutions) for FY 2012 and FY 2013 by exempting taxable wages (gross wages less allowable health care expenses) paid by an employer to employees up to and including \$62,500 per quarter and taxable wages exceeding \$62,500 per quarter are taxed at 1.17%, effective July 1, 2011. These provisions for the MBT-General Business sunset effective June 30, 2013, at which time the tax rate will be 0.63% on all taxable wages per quarter. Estimated to generate an additional \$117,981,497 in FY 2012 and \$119,161,117 in FY 2013.
- [7-12] A.B. 561 extends the sunset from June 30, 2011, (approved in S.B. 429 (2009 Session)) to June 30, 2013, on the \$100 increase in the Business License Fee (BLF) from \$100 to \$200 for the initial and annual renewal. Estimated to generate an additional \$29,949,000 in FY 2012 and \$30,100,000 in FY 2013.
- [8-12] A.B. 561 requires the 1% portion of the 10% Short-term Car Rental Tax, currently dedicated to the State Highway Fund based on A.B. 595 (2007 Session), to be deposited in the State General Fund along with the other 9%. This change is effective July 1, 2011, and is permanent. Estimated to generate \$4,402,222 in FY 2012 and \$4,457,778 in FY 2013.
- [9-12] The Legislature approved funding for the State Treasurer's Office to use a subscription rating service to allow for more effective investment in corporate securities, which is anticipated to generate additional interest income from the Treasurer's Office investment of the State General Fund. Estimated to generate \$105,313 in FY 2012 and \$244,750 in FY 2013.
- [10-12] S.B. 503 requires the proceeds from the commission retained by the Department of Motor Vehicles from the amount of Governmental Services Tax (GST) collected and any penalties for delinquent payment of the GST to be transferred to the State General Fund in FY 2012 and FY 2013. S.B. 503 specifies that the amount transferred shall not exceed \$20,894,228 from commissions and \$4,672,213 from penalties in both FY 2012 and FY 2013.
- [11-12] A.B. 219 requires 75 percent of the value of expired slot machine wagering vouchers retained by nonrestricted gaming licensees to be remitted to the Gaming Commission for deposit in the State General Fund on a quarterly basis. Based on the expiration period of 180 days for slot machine wagering vouchers and the effective date of July 1, 2011, only one quarterly payment will be made in FY 2012 with four quarterly payments made in FY 2013 and going forward. Estimated to generate \$3,332,750 in FY 2012 and \$13,331,000 in FY 2013.
- [12-12] A.B. 529 requires transfer of \$19,112,621 in FY 2012 and \$19,218,718 in FY 2013 from the Supplemental Account for Medical Assistance to Indigent Persons in the Fund for Hospital Care to Indigent Persons to the State General Fund.
- [13-12] A.B. 531 (2009 Session) requires the deposit of the portion of the revenue generated from Court Administrative Assessment Fees to be deposited in the State General Fund.
- [14-12] S.B. 136 reduces the period from 3 to 2 years after which certain types of unclaimed property is presumed to be abandoned if the holder of the property reported holding more than \$10 million in property presumed to be abandoned for the most recent report filed with the Treasurer's Office. Based on the Treasurer's Office analysis of the entities subject to this change, it was estimated that there would be net gain in unclaimed property receipts in FY 2012 of \$30,594,750, but a net loss in FY 2013 of \$33,669,923.

FY 2014: Represents legislative actions approved during the 2013 Legislative Session.

- [1-14] S.B. 475 extends the June 30, 2013, sunset (approved in A.B. 561 (2011)) to June 30, 2015, on the Net Proceeds of Minerals (NPM) tax, which continues the payment of taxes in the current fiscal year based on the estimated net proceeds for the current calendar year with a true-up against actual net proceeds for the calendar year in the next fiscal year. The two-year extension of the sunset is estimated to yield \$88,295,000 in FY 2014 as tax payments are required in FY 2015 with or without the extension of the sunset. The extension of the sunset is also estimated to generate an additional \$2,936,000 in FY 2015 as the difference between Economic Forum forecast for FY 2015, based on elimination of the sunset, and the estimate based on the extension of the sunset approved in S.B. 475.
- [2-14] S.B. 475 extends the June 30, 2013, sunset (approved in S.B. 493 (2011)) to June 30, 2015, that eliminates health and industrial insurance deductions allowed against gross proceeds to determine net proceeds for the purpose of calculating the Net Proceeds of Minerals (NPM) tax liability. These deduction changes are effective for the NPM tax payments due in FY 2014 and FY 2015. The health and industrial insurance deduction changes are estimated to generate \$7,393,000 in additional revenue in FY 2014 and \$9,741,000 in FY 2015.
- [3-14] Extension of the sunset on the 0.35% increase in the Local School Support Tax (LSST) in S.B. 475 from June 30, 2013, to June 30, 2015, generates additional revenue from the 0.75% General Fund Commission assessed against LSST proceeds before distribution to school districts in each county. Estimated to generate \$1,226,600 in FY 2014 and \$1,294,100 in FY 2015.
- [4-14] S.B. 475 changes the structure and tax rate for the Modified Business Tax on General Business (nonfinancial institutions) for FY 2014 and FY 2015 by exempting taxable wages (gross wages less allowable health care expenses) paid by an employer to employees up to and including \$85,000 per quarter and taxable wages exceeding \$85,000 per quarter are taxed at 1.17%, effective July 1, 2013. The taxable wages exemption threshold was \$62,500 per quarter for FY 2012 and FY 2013, based on A.B. 561 (2011). These provisions in S.B. 475 for the MBT-General Business sunset effective June 30, 2015, at which time the tax rate will be 0.63% on all taxable wages per quarter. Estimated to generate an additional \$113,501,000 in FY 2014 and \$120,572,000 in FY 2015.

GENERAL FUND REVENUES - ECONOMIC FORUM DECEMBER 6, 2016, FORECAST
ACTUAL: FY 2014 THROUGH FY 2016 AND FORECAST: FY 2017 THROUGH FY 2019
ECONOMIC FORUM'S FORECAST FOR FY 2017, FY 2018, AND FY 2019 APPROVED AT THE DECEMBER 6, 2016, MEETING

DESCRIPTION	FY 2014		FY 2015		FY 2016		ECONOMIC FORUM DECEMBER 6, 2016, FORECAST					
	ACTUAL	% Change	ACTUAL	% Change	ACTUAL	% Change	FY 2017 FORECAST	% Change	FY 2018 FORECAST	% Change	FY 2019 FORECAST	% Change
[5-14]	A.B. 491 requires the portion of the Governmental Services Tax (GST) generated from the 10% depreciation schedule change, approved in S.B. 429 (2009), to continue to be allocated to the State General Fund for FY 2014 and FY 2015, instead of the State Highway Fund as approved in S.B. 429 (2009). Under A.B. 491, the additional revenue generated from the GST depreciation schedule change is required to be deposited in the State Highway Fund beginning in FY 2016. The GST depreciation schedule change is estimated to generate \$64,224,000 in FY 2014 and \$65,134,000 in FY 2015.											
[6-14]	S.B. 475 extends the sunset from June 30, 2013, (approved in A.B. 561 (2011)) to June 30, 2015, on the \$100 increase in the Business License Fee (BLF) from \$100 to \$200 for the initial and annual renewal. Estimated to generate an additional \$31,273,000 in FY 2014 and \$31,587,000 in FY 2015.											
[7-14]	S.B. 470 increases certain existing fees and imposes a new fee collected by the Commission on Postsecondary Education from certain private postsecondary educational institutions. The fee changes are estimated to generate an additional \$86,675 in FY 2014 and \$80,700 in FY 2015.											
[8-14]	A.B. 449 requires revenue from fees for vital statistics collected by the Health Division of the Department of Health and Human Services to be retained by the division and not deposited in the State General Fund, beginning in FY 2014. Estimated to result in a reduction of General Fund revenue of \$1,027,500 in FY 2014 and \$1,007,300 in FY 2015.											
[9-14]	S.B. 468 increases various fees and requires the revenue from the fees collected by the State Water Engineer of the Department of Conservation and Natural Resources (DCNR) to be deposited in the Water Distribution Revolving Account for use by the Division of Water Resources of DCNR and not deposited in the State General Fund, beginning in FY 2014. Estimated to result in a reduction of General Fund revenue of \$2,600,000 in FY 2014 and FY 2015.											
[10-14]	Section 23 of S.B. 521 allows the Fleet Services Division of the Department of Administration to use revenues from intergovernmental transfers to the State General Fund for the repayment of \$2.5 million that was appropriated to the Division for the purchase of a building in Las Vegas. The legislatively approved repayment from the Division to the State General Fund is \$83,332 in FY 2014 and \$125,000 in FY 2015, with an annual repayment of \$125,000 each year through FY 2035.											
[11-14]	A.B. 491 requires the proceeds from the commission retained by the Department of Motor Vehicles from the amount of Governmental Services Tax (GST) collected and any penalties for delinquent payment of the GST to be transferred to the State General Fund in FY 2015 only. A.B. 491 specifies that the amount transferred shall not exceed \$20,813,716 from commissions and \$4,097,964 from penalties in FY 2015.											
[12-14]	Estimated portion of the revenue generated from Court Administrative Assessment Fees to be deposited in the State General Fund (pursuant to subsection 9 of NRS 176.059), based on the legislatively approved budget for the Court Administrative Assessment Fee revenues (pursuant to subsection 8 of NRS 176.059).											
[13-14]	Adjustment to the Statewide Cost Allocation amount included in the Legislature Approves budget after the May 1, 2013, approval of the General Fund revenue forecast by the Economic Forum.											
FY 2016: Note 1 represents legislative actions approved during the 28th Special Session in September 2014.												
[1-16]	Assembly Bill 3 (28th S.S.) limits the amount of the home office credit that may be taken against the Insurance Premium Tax to an annual limit of \$5 million, effective January 1, 2016. The home office credit is eliminated pursuant to this bill, effective January 1, 2021.											
FY 2016: Notes 2 through 21 represent legislative actions approved during the 2015 Legislative Session.												
[2-16]	S.B. 483 extends the June 30, 2015, sunset (approved in S.B. 475 (2013)) by one year to June 30, 2016, on the Net Proceeds of Minerals (NPM) tax, which continues the payment of taxes in the current fiscal year based on the estimated net proceeds for the current calendar year with a true-up against actual net proceeds for the calendar year in the next fiscal year. The one-year extension of the sunset is estimated to yield \$34,642,000 in FY 2016. There is no estimated tax payment in FY 2017 with the one-year extension of the prepayment of NPM taxes.											
[3-16]	S.B. 483 extends the June 30, 2015, sunset (approved in S.B. 475 (2013)) by one-year to June 30, 2016, that eliminates health and industrial insurance deductions allowed against gross proceeds to determine net proceeds for the purpose of calculating the Net Proceeds of Minerals (NPM) tax liability. These deduction changes are effective for the NPM tax payments due in FY 2016. The health and industrial insurance deduction changes are estimated to generate \$4,221,000 in additional revenue in FY 2016.											
[4-16]	S.B. 483 makes the 0.35% increase in the Local School Support Tax (LSST) permanent. The 0.35% increase generates additional revenue from the 0.75% General Fund Commission assessed against LSST proceeds before distribution to school districts in each county, which is estimated to generate \$1,387,300 in FY 2016 and \$1,463,400 in FY 2017.											
[5-16]	S.B. 266 makes changes to the structure of the tax base and tax rate for the Live Entertainment Tax (LET) in NRS Chapter 368A that is administered by the Gaming Control Board for live entertainment at licensed gaming establishments and the Department of Taxation for live entertainment provided at non-gaming establishments. Under existing law, the tax rate is 10% of the admission charge and amounts paid for food, refreshments, and merchandise, if the live entertainment is provided at a facility with a maximum occupancy of less than 7,500 persons, and 5% of the admission charge only, if the live entertainment is provided at a facility with a maximum occupancy equal to or greater than 7,500 persons. S.B. 266 removes the occupancy threshold and establishes a single 9% tax rate on the admission charge to the facility only. The tax rate does not apply to amounts paid for food, refreshments, and merchandise unless that is the consideration required to enter the facility for the live entertainment. S.B. 266 adds the total amount of consideration paid for escorts and escort services to the LET tax base and makes these activities subject to the 9% tax rate. The bill provides that the exemption from the LET for certain nonprofit organizations applies depending on the number of tickets sold and the type of live entertainment being provided. S.B. 266 establishes an exemption for the following: 1.) the value of certain admissions provided on a complimentary basis; 2.) a charge for access to a table, seat, or lounge or for food, beverages, and merchandise that are in addition to the admission charge to the facility; and 3.) certain license and rental fees of luxury suites, boxes, or similar products at a facility with a maximum occupancy of more than 7,500 persons. The provisions of S.B. 266 also make other changes to the types of activities that are included or excluded from the tax base as live entertainment events subject to the 9% tax rate. The provisions of S.B. 266 are effective October 1, 2015. The amounts shown reflect the estimated net change from the provisions of S.B. 266 on the amount of the LET collected from the portion administered by the Gaming Control Board and the Department of Taxation separately and the combined impact. The changes to the LET are estimated to reduce LET-Gaming collections by \$19,165,000 in FY 2016 and by \$26,551,000 in FY 2017, but increase LET-Nongaming collections by \$15,483,000 in FY 2016 and \$25,313,000 in FY 2017. The combined net effect on total LET collections is estimated to be reduction of \$3,682,000 in FY 2016 and \$1,238,000 in FY 2017.											
[6-16]	S.B. 483 establishes the Commerce Tax as an annual tax on each business entity engaged in business in the state whose Nevada gross revenue in a fiscal year exceeds \$4,000,000 at a tax rate based on the industry in which the business is primarily engaged. The Commerce Tax is due on or before the 45th day immediately following the fiscal year taxable period (June 30th). Although the Commerce Tax collections are received after the June 30th end of the fiscal year tax period, the proceeds from the Commerce Tax will be accrued back and accounted for in that fiscal year, since that fiscal year is not officially closed until the third Friday in September. The Commerce Tax provisions are effective July 1, 2015, for the purpose of taxing the Nevada gross revenue of a business, but the first tax payment will not be made until August 14, 2016, for the FY 2016 annual taxable business activity period.											
[7-16]	A.B. 175 requires the collection of an excise tax by the Nevada Transportation Authority or the Taxicab Authority, as applicable, on the connection of a passenger to a driver affiliated with a transportation network company, a common motor carrier of passengers, or a taxicab equal to 3% of the fare charged to the passenger. The excise tax becomes effective on passage and approval (May 29, 2015) for transportation network companies and August 28, 2015, for common motor carrier and taxicab companies. The first \$5,000,000 in tax proceeds from each biennium are required to be deposited in the State Highway Fund and the estimate for FY 2016 reflects this requirement.											
[8-16]	S.B. 483 increases the cigarette tax per pack of 20 by \$1.00 from 80 cents per pack (10 cents to Local Government Distribution Fund, 70 cents to State General Fund) to \$1.80 per pack (10 cents to Local Government Distribution Fund, \$1.70 to State General Fund), effective July 1, 2015. The \$1.00 per pack increase is estimated to generate \$96,872,000 in FY 2016 and \$95,391,000 in FY 2017.											

GENERAL FUND REVENUES - ECONOMIC FORUM DECEMBER 6, 2016, FORECAST
ACTUAL: FY 2014 THROUGH FY 2016 AND FORECAST: FY 2017 THROUGH FY 2019
ECONOMIC FORUM'S FORECAST FOR FY 2017, FY 2018, AND FY 2019 APPROVED AT THE DECEMBER 6, 2016, MEETING

DESCRIPTION	FY 2014		FY 2015		FY 2016		ECONOMIC FORUM DECEMBER 6, 2016, FORECAST					
	ACTUAL	% Change	ACTUAL	% Change	ACTUAL	% Change	FY 2017 FORECAST	% Change	FY 2018 FORECAST	% Change	FY 2019 FORECAST	% Change
[9-16]	S.B. 483 permanently changes the structure and tax rate for the Modified Business Tax on General Business (nonfinancial institutions) by exempting quarterly taxable wages (gross wages less allowable health care expenses) paid by an employer to employees up to and including \$50,000 per quarter and taxable wages exceeding \$50,000 per quarter are taxed at 1.475%. The taxable wages exemption threshold was \$85,000 per quarter for FY 2014 and FY 2015 with a 1.17% tax rate on quarterly taxable wages exceeding \$85,000, based on S.B. 475 (2013). These provisions in S.B. 475 were scheduled to sunset effective June 30, 2015, at which time the tax rate would have been 0.63% on all taxable wages per quarter. The provisions in S.B. 483 are effective July 1, 2015. The estimated net increase in MBT-NFI tax collections from the 1.475% tax rate on quarterly taxable wages exceeding \$50,000 compared to the Economic Forum May 1, 2015, forecast, based on the 0.63% tax rate on all quarterly taxable wages before accounting for the estimated impact of any other legislatively approved changes to the MBT-NFI is \$268,041,000 for FY 2016 and \$281,443,000 for FY 2017.											
[10-16]	A.B. 389 deems the client company of an employee leasing company to be the employer of the employees it leases for the purposes of NRS Chapter 612 (unemployment compensation). Under these provisions, the wages of employees leased from employee leasing companies by client companies will no longer be reported on an aggregated basis under the employee leasing company. The wages of the employees will now be reported on a disaggregated basis under each client company. Instead of the \$50,000 quarterly exemption applying to the employee leasing company, it will now apply to each client company. These provisions are effective October 1, 2015. The wages paid to employees being reported on a disaggregated basis for each client company versus an aggregated basis for the employee leasing company is estimated to reduce MBT-NFI collections by \$2,758,000 in FY 2016 and \$3,861,000 in FY 2017.											
[11-16]	S.B. 483 requires businesses subject to the Net Proceeds of Minerals (NPM) tax in NRS Chapter 362 to pay a 2.0% tax on all quarterly taxable wages paid by the employer to the employees, which is identical to the Modified Business Tax (MBT) paid by financial institutions under NRS Chapter 363A. These provisions are effective July 1, 2015. This change is estimated to reduce MBT-NFI tax collections by \$10,884,000 in both FY 2016 and FY 2017. The mining companies paying the 2% tax rate on all taxable wages are estimated to generate \$17,353,000 in both FY 2016 and FY 2017 for the MBT-Mining. This change is estimated to yield a net increase in General Fund revenue of \$6,469,000 in both FY 2016 and FY 2017.											
[12-16]	S.B. 103 exempts from the definition of "financial institution" in NRS Chapter 363A any person who is primarily engaged in the sale, solicitation, or negotiation of insurance, which makes such a person subject to the Modified Business Tax on General Business (nonfinancial institutions) in NRS Chapter 363B at 1.475% on quarterly taxable wages exceeding \$50,000 and not the 2.0% tax on all quarterly taxable wages. These provisions are effective July 1, 2015. MBT-NFI is estimated to be reduced by \$891,000 in FY 2016 and \$936,000 and the MBT-NFI is estimated to be increased by \$278,000 in FY 2016 and \$291,000 in FY 2017. The net decrease in General Fund revenue is estimated to be \$613,000 in FY 2016 and \$645,000 in FY 2017.											
[13-16]	S.B. 483 provides for a credit against a business's Modified Business Tax (MBT) due during the current fiscal year not to exceed 50% of the Commerce Tax paid by the business for the preceding fiscal year. The credit can be taken against any or all of the four quarterly MBT payments for the current fiscal year, but any amount of credit not used cannot be carried forward and used in succeeding fiscal years. The total estimated Commerce Tax credits against the MBT are estimated to be \$59,913,000 in FY 2017, but this estimated credit amount was not allocated separately to the MBT-NFI, MBT-FI, and MBT-Mining.											
[14-16]	S.B. 483 requires 100% of the proceeds from the portion of the Governmental Services Tax (GST) generated from the 10% depreciation schedule change, approved in S.B. 429 (2009), to be allocated to the State General Fund in FY 2016. In FY 2017, 50% of the proceeds will be allocated to the State General Fund and 50% to the State Highway Fund. Under S.B. 483, 100% of the additional revenue generated from the GST 10% depreciation schedule change is required to be deposited in the State Highway Fund beginning in FY 2018 and going forward permanently.											
[15-16]	S.B. 483 makes the \$100 increase in the Business License Fee (BLF) from \$100 to \$200 permanent for the initial and annual renewal, that was scheduled to sunset on June 30, 2015, (as approved in A.B. 475 (2013)) for all types of businesses, except for corporations. The initial and annual renewal fee for corporations, as specified in S.B. 483, is increased from \$200 to \$500 permanently. These provisions are effective July 1, 2015. The changes to the BLF are estimated to generate additional General Fund revenue of \$63,093,000 in FY 2016 and \$64,338,000 in FY 2017 in relation to the Economic Forum May 1, 2015, forecast with all business types paying a \$100 annual fee.											
[16-16]	S.B. 483 permanently increases the fee for filing the initial and annual list of directors and officers by \$25 that is required to be paid by each business entity organizing under the various chapters in Title 7 of the NRS, effective July 1, 2015. The \$25 increase in the initial and annual list filing fee is estimated to increase Commercial Recordings Fee revenue by \$2,751,000 in FY 2016 and \$2,807,000 in FY 2017.											
[17-16]	A.B. 475 changes the initial period from 24 to 12 months and the renewal period from 48 to 24 months for a license as a real estate broker, broker-salesperson, or salesperson and also changes the period for other licenses from 48 to 24 months, effective July 1, 2015. Existing licenses issued before July 1, 2015, do not need to be renewed until the expiration date required under statute prior to July 1, 2015. This change in the licensing period is estimated to reduce Real Estate License Fee revenue by \$1,693,400 in FY 2016 and \$1,404,200 in FY 2017.											
[18-16]	A.B. 476 increases the current 6% license fee on the gross receipts from admission charges to unarmed combat events, that is dedicated to the State General Fund, by 2% to 8% with 75% of the proceeds from the 8% fee deposited in the State General Fund and 25% retained by the Athletic Commission to fund the agency's operations. A.B. 476 repeals the two-tiered fee based on the revenues from the sale or lease of broadcast, television and motion picture rights that is dedicated to the State General Fund. A.B. 476 allows the promoter of an unarmed combat event a credit against the 8% license fee equal to the amount paid to the Athletic Commission or organization sanctioned by the Commission to administer a drug testing program for unarmed combatants. These provisions are effective June 9, 2015, based on the passage and approval effective date provisions of A.B. 476. These changes are estimated to reduce Athletic Commission Fee revenue by \$600,000 in both FY 2016 and FY 2017.											
[19-16]	A.B. 478 increases certain fees relating to application or renewals paid by developers for exemptions to any provisions administered by the Real Estate Division of the Department of Business and Industry, and requires that all fees collected for this purpose be kept by the Division, effective July 1, 2015. This requirement for the Division to keep these fees is estimated to reduce Real Estate Land Company filing fees by approximately \$152,600 in FY 2016 and \$153,300 in FY 2017.											
[20-16]	A.B. 491 (2013) required the proceeds from the commission retained by the Department of Motor Vehicles from the amount of Governmental Services Tax (GST) collected and any penalties for delinquent payment of the GST to be transferred to the State General Fund in FY 2015 only. A.B. 491 specified that the amount transferred shall not exceed \$20,813,716 from commissions and \$4,097,964 from penalties in FY 2015. A.B. 490 amended the commissions amount to \$23,724,000 and the penalties amount to \$5,037,000. This results in an estimated net increase in General Fund revenue of \$3,849,320 in FY 2015 from GST Commissions and Penalties.											
[21-16]	Estimated portion of the revenue generated from Court Administrative Assessment Fees to be deposited in the State General Fund (pursuant to subsection 9 of NRS 176.059), based on the legislatively approved projections and the authorized allocation for the Court Administrative Assessment Fee revenues (pursuant to subsection 8 of NRS 176.059) for FY 2016 and FY 2017.											
FY 2018: Note 1 represents legislative actions approved during the 2015 Legislative Session.												
[1-18]	Section 51 of S.B. 514 allows the Division of Enterprise Information Technology Services of the Department of Administration to use revenues from intergovernmental transfers to the State General Fund for the repayment of special appropriations that were made to the Division for the replacement of the state's microwave communications system. The legislatively approved repayment from the Division to the State General Fund is \$57,900 per year between FY 2018 and FY 2021, with increased repayments between FY 2022 and FY 2028.											

**GENERAL FUND REVENUES - ECONOMIC FORUM DECEMBER 6, 2016, FORECAST
 ACTUAL: FY 2014 THROUGH FY 2016 AND FORECAST: FY 2017 THROUGH FY 2019
 ECONOMIC FORUM'S FORECAST FOR FY 2017, FY 2018, AND FY 2019 APPROVED AT THE DECEMBER 6, 2016, MEETING**

DESCRIPTION	FY 2014		FY 2015		FY 2016		ECONOMIC FORUM DECEMBER 6, 2016, FORECAST					
	ACTUAL	% Change	ACTUAL	% Change	ACTUAL	% Change	FY 2017 FORECAST	% Change	FY 2018 FORECAST	% Change	FY 2019 FORECAST	% Change

TAX CREDIT PROGRAMS APPROVED BY THE LEGISLATURE IN THE 2013 AND 2015 REGULAR SESSIONS AND THE 24TH SPECIAL SESSION IN SEPTEMBER 2014

- [TC-1] Pursuant to S.B. 165 (2013), the Governor's Office of Economic Development (GOED) could issue up to \$20 million per fiscal year for a total of \$80 million for the four-year pilot program in transferrable tax credits that may be used against the Modified Business Tax, Insurance Premium Tax, and Gaming Percentage Fee Tax. The provisions of the film tax credit program were amended in S.B. 1 (28th Special Session (2014)) to reduce the total amount of the tax credits that may be approved by GOED to a total of \$10 million. The amounts shown reflect estimates based on information provided by GOED during the 2015 Session on the amount of tax credits that have been or will be approved for use in FY 2015 and FY 2016.
- [TC-2] Pursuant to S.B. 1 (28th Special Session (2014)), for certain qualifying projects, the Governor's Office of Economic Development (GOED) is required to issue transferrable tax credits that may be used against the Modified Business Tax, Insurance Premium Tax, and the Gaming Percentage Fee Tax. The amount of transferrable tax credits are equal to \$12,500 for each qualified employee employed by the participants in the project, to a maximum of 6,000 employees, plus 5 percent of the first \$1 billion of new capital investment in the State made collectively by the participants in the qualifying project, plus an additional 2.8 percent of the next \$2.5 billion in new capital investment in the State made collectively by the participants in the project. The amount of credits approved by GOED may not exceed \$45 million per fiscal year (though any unissued credits may be issued in subsequent fiscal years), and GOED may not issue total credits in excess of \$195 million. The forecast for FY 2017, 2018, and 2019 if \$45 million per year, which reflects the maximum amount of credits that may be approved in each fiscal year for the Tesla project.
- Pursuant to S.B. 1 (29th Special Session (2015)), for certain qualifying projects, the Governor's Office of Economic Development (GOED) is required to issue transferrable tax credits that may be used against the Modified Business Tax, Insurance Premium Tax, and the Gaming Percentage Fee Tax. The amount of transferrable tax credits are equal to \$9,500 for each qualified employee employed by the participants in the project, to a maximum of 4,000 employees. The amount of credits approved by GOED may not exceed \$7.6 million per fiscal year (though any unissued credits may be issued in subsequent fiscal years), and GOED may not issue total credits in excess of \$38 million. The forecast for FY 2018 and FY 2019 is \$7.6 million per year, which reflects the maximum amount of credits that may be approved in each fiscal year for the Faraday project.
- [TC-3] Pursuant to S.B. 357 (2013), the Nevada New Markets Jobs Act allows insurance companies to receive a credit against the tax imposed on insurance premiums in exchange for making qualified equity investments in community development entities, particularly those that are local and minority-owned. A total of \$200 million in qualified equity investments may be certified by the Department of Business and Industry. In exchange for making the qualified equity investment, insurance companies are entitled to receive a credit against the Insurance Premium Tax in an amount equal to 58 percent of the total qualified equity investment that is certified by the Department. The credits may be taken in increments beginning on the second anniversary date of the original investment, as follows:
 2 years after the investment is made: 12 percent of the qualified investment
 3 years after the investment is made: 12 percent of the qualified investment
 4 years after the investment is made: 12 percent of the qualified investment
 5 years after the investment is made: 11 percent of the qualified investment
 6 years after the investment is made: 11 percent of the qualified investment
- Under the provisions of S.B. 357, the insurance companies were allowed to begin taking tax credits in the third quarter of FY 2015. The amounts shown reflect estimates of the amount of tax credits that will be taken in each fiscal year based on information provided by the Department of Business and Industry and the Department of Taxation during the 2015 Session.
- [TC-4] S.B. 507 (2015) authorizes the Governor's Office of Economic Development (GOED) to approve transferrable tax credits that may be used against the Modified Business Tax, Insurance Premium Tax, and Gaming Percentage Fee Tax to new or expanding businesses to promote the economic development of Nevada. As approved in S.B. 507, the total amount of transferrable tax credits that may be issued is \$500,000 in FY 2016, \$2,000,000 in FY 2017, and \$5,000,000 for FY 2018 and each fiscal year thereafter. The amounts shown are the estimate based on the maximum amount that can be issued in each fiscal year.
- A.B. 1 of the 29th Special Session (2015) reduced the total amount of transferrable tax credits that may be issued by GOED to zero in FY 2016, \$1 million in FY 2017, \$2 million per year in FY 2018 and FY 2019, and \$3 million in FY 2020. For FY 2021 and future fiscal years, the amount of credits that may be issued by GOED remains at \$5 million per year.
- [TC-5] A.B. 165 (2015) allows taxpayers who make donations of money to certain scholarship organizations to receive a dollar-for-dollar credit against the taxpayer's liability for the Modified Business Tax (MBT). The total amount of credits that may be approved by the Department is \$5 million in FY 2016, \$5.5 million in FY 2017, and 110 percent of the total amount of credits authorized in the previous year, for all subsequent fiscal years. The amounts shown reflect the estimate based on the assumption that the total amount authorized for each fiscal year will be donated to a qualified scholarship organization and taken as credits against the MBT.
- [TC-6] S.B. 412 (2015) provides a tax credit against the Modified Business Tax (MBT) to certain employers who match the contribution of an employee to one of the college savings plans offered through the Nevada Higher Education Prepaid Tuition Program and the Nevada College Savings Program authorized under existing law. The amount of the tax credit is equal to 25 percent of the matching contribution, not to exceed \$500 per contributing employee per year, and any unused credits may be carried forward for 5 years. The provisions relating to the Nevada College Savings Program are effective January 1, 2016, and the Higher Education Prepaid Tuition Program are effective July 1, 2016. The amounts shown are estimates based on information provided by the Treasurer's Office on enrollment and contributions for the college savings plans.