



STATE OF NEVADA

2019-2021 Executive Budget Overview

January 22, 2019

Michelle White, Chief of Staff, Office of Governor Steve Sisolak
Susan Brown, Director, Office of Finance
Paul Nicks, Deputy Director, Office of Finance

Agenda

- ▶ Economic Overview
- ▶ Revenue Overview
- ▶ General Fund Projected Balance
- ▶ Rainy Day Fund Projected Balance
- ▶ Statutory Spending Limit
- ▶ Planning Framework
- ▶ Budget Overview
- ▶ Significant Budget Items

Economic Overview

▶ National Economy

- U.S. economy added more than 20 million jobs since low point of recession
- Economic growth is modest but steady
- Wage growth is improving
- Consumer confidence has risen to pre-financial crisis levels
- Housing market has improved in tandem with the economy
- Concerns over the government shutdown's economic impacts are growing

Economic Overview

▶ Nevada Economy

○ Employment

- In 2018, more than 52,000 jobs added
- Record high employment at over 1.4 million jobs
- Lowest jobless rate since June 2007

○ Population

- 2018 population growth (2.1%) is –strongest in the nation along with Idaho

○ Visitor Volume

- In 2018, Las Vegas is on pace to repeat last year’s 42 million visitor numbers

○ Personal Income

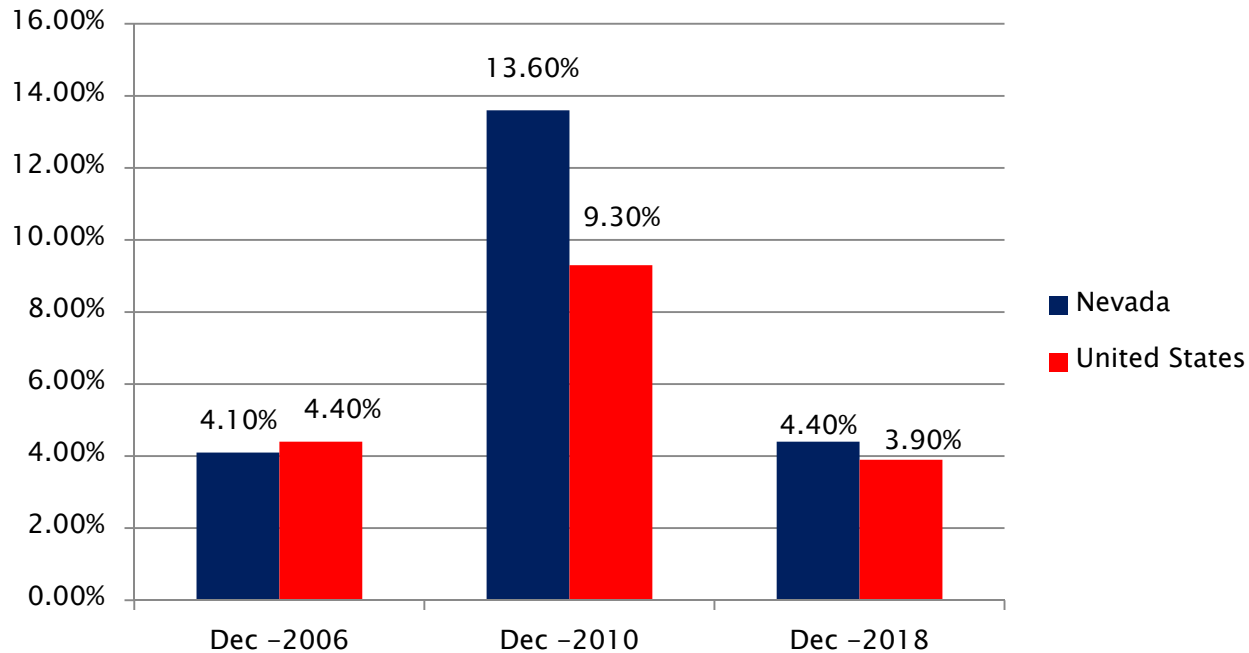
- Up 5.6% (3rd quarter 2018 compared to 3rd quarter 2017)

○ Housing

- Housing prices –3rd quarter 2018 up 15% compared to same period in 2017

Economic Overview

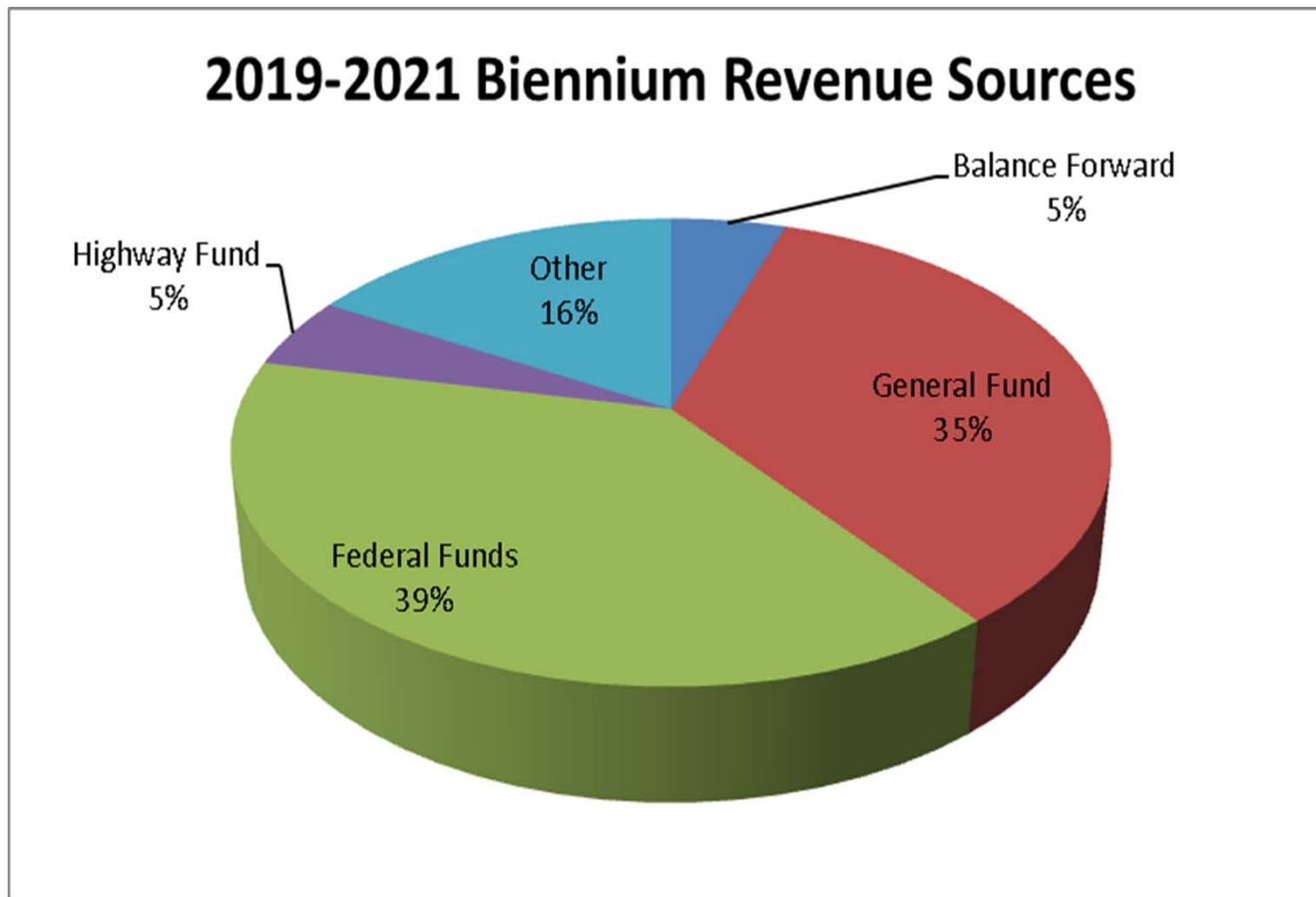
- ▶ What a difference 2010 versus 2018 (Unemployment)



Revenue Overview

Revenue Sources				
	Legislature Approved**		Governor Recommended	
	2017-2019 Biennium		2019-2021 Biennium	
Source	FY 2018	FY 2019	FY 2020	FY 2021
Balance Forward	\$562,909,465	\$538,827,047	\$658,958,356	\$643,131,537
General Fund	\$3,936,772,740	\$4,049,283,241	\$4,405,414,383	\$4,526,690,226
Federal Fund	\$4,448,098,018	\$4,583,108,501	\$4,883,715,473	\$5,094,042,365
Highway Fund	\$472,610,247	\$470,651,663	\$637,994,937	\$648,085,546
Other*	\$2,080,046,292	\$1,943,558,930	\$2,118,510,842	\$2,162,526,446
Total	\$11,500,436,762	\$11,585,429,382	\$12,704,593,991	\$13,074,476,120
Dollar Change	929,851,492	84,992,620	1,119,164,609	369,882,129
Percentage Change	8.8%	0.7%	9.7%	2.9%
Biennium Total		\$23,085,866,144		\$25,779,070,111
Dollar Change		\$2,146,207,763		\$2,693,203,967
Percentage Change		10.2%		11.7%
*Net of Inter-Agency Transfers		**Source: Legislative Appropriations Report, Nov. 2017		

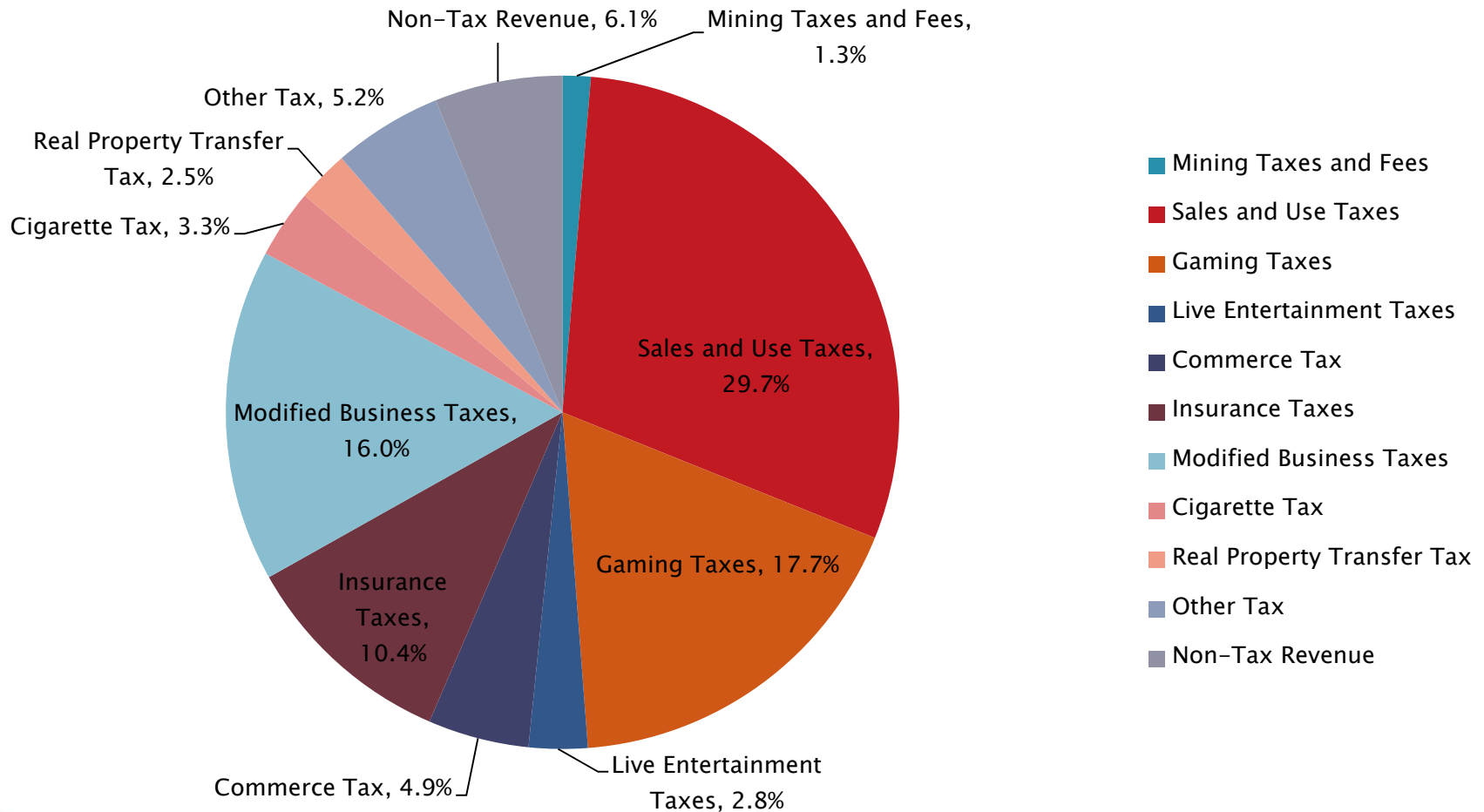
Revenue Overview



Revenue Overview

General Fund Revenue by Source				
SOURCE (MILLIONS)	2017-2019 Biennium		2019-2021 Biennium Governor Recommends	
	FY 2018 Actual	FY 2019 EF Forecast	FY 2020	FY 2021
Mining Taxes & Fees	\$63.5	\$63.9	\$61.8	\$61.5
Sales & Use Tax	\$1,189.2	\$1,269.0	\$1,335.6	\$1,388.5
Gaming Taxes (Before Tax Credits)	\$785.5	\$793.8	\$801.8	\$820.2
Live Entertainment Taxes	\$125.4	\$126.8	\$128.1	\$129.5
Commerce Tax	\$201.9	\$210.2	\$218.1	\$226.9
Transportation Connection Tax	\$21.8	\$30.6	\$29.0	\$36.7
Insurance Premium Tax (Before Tax Credits)	\$417.5	\$441.5	\$463.6	\$487.1
Modified Business Tax - Non-Financial (Before Tax Credits)	\$604.0	\$637.0	\$671.0	\$679.7
Modified Business Tax - Financial (Before Tax Credits)	\$29.1	\$30.0	\$31.8	\$32.9
Modified Business Tax - Mining (Before Tax Credits)	\$22.5	\$22.9	\$23.5	\$23.8
Cigarette Tax	\$160.7	\$160.6	\$154.3	\$149.2
Real Property Transfer Tax	\$103.4	\$106.9	\$112.3	\$115.1
Other Taxes	\$199.4	\$203.6	\$206.2	\$208.1
Licenses	\$138.9	\$139.9	\$141.9	\$143.6
Fees & Fines	\$66.4	\$66.3	\$67.5	\$68.6
Use of Money & Property	\$9.6	\$15.1	\$19.8	\$20.2
Other Revenue	\$51.0	\$55.0	\$50.3	\$50.9
TOTAL GENERAL FUND REVENUE (Before Tax Credits)	\$4,189.9	\$4,373.2	\$4,516.7	\$4,642.5
Tax Credits	-\$171.2	-\$147.6	-\$106.4	-\$94.2
TOTAL GENERAL FUND REVENUE (After Tax Credits)	\$4,018.7	\$4,225.6	\$4,410.3	\$4,548.3
Dollar Change		\$206.9		\$138.0
Percentage Change		5.1%		3.1%
Biennium Total		\$8,244.3		\$8,958.6
Dollar Change		\$670.0		\$714.3
Percentage Change		8.8%		8.7%

Revenue Overview

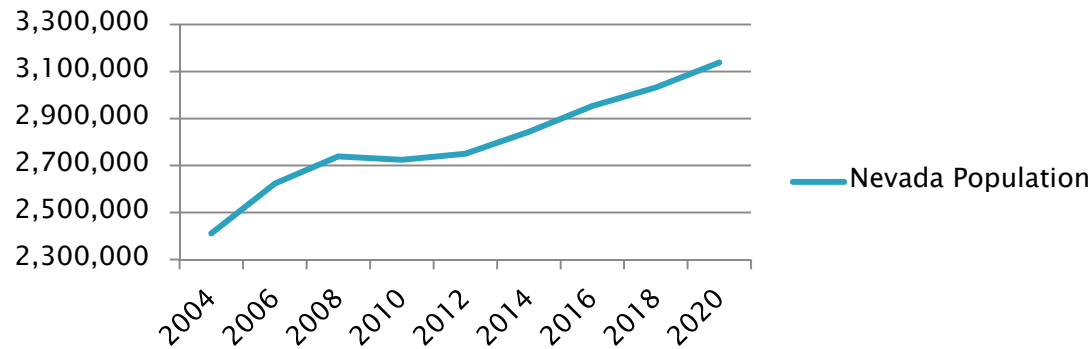


Revenue Overview

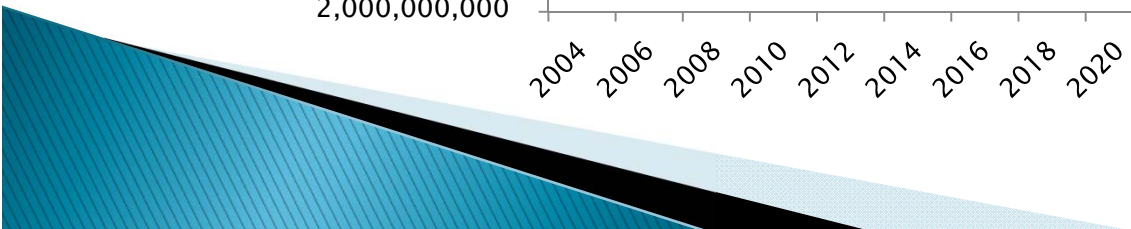
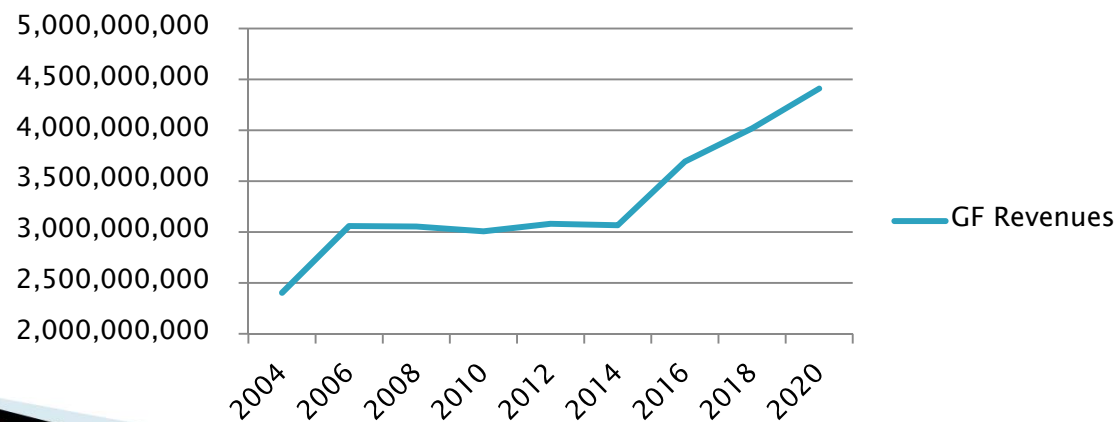
Sunsets (in millions)	FY 2020	FY 2021
Governmental Services Tax (GST)	21.4	21.7
Modified Business Tax (MBT) Rate Buy Down Delay (in millions)		
MBT - Non-Financial	44.1	44.7
MBT - Financial	2.3	2.4
MBT - Mining	1.7	1.8
Problem Gambling (in millions)		
Transfer Problem Gambling Distribution to General Fund	1.3	1.3
Use Gaming Percentage Fees on Gross Gaming for Problem Gambling	-4.7	-4.8
Affordable Housing (in millions)		
Tax Credit		-10.0
Total	66.2	57.1

Revenue Overview

Nevada Population



GF Revenues



General Fund Balance

Statement of Projected Unappropriated General Fund Balance - Fiscal Years 2017-2019

	FY 2018 Actual	Fiscal Year 2019		Difference
		Legislature Approved	Projected	
Unappropriated Balance - July 1	\$ 434,084,863	\$ 236,196,848	\$ 424,842,014	\$ 188,645,166
Revenues				
General Fund Revenues	4,189,924,613	4,255,013,303	4,373,231,561	118,218,258
Tax Credit Programs	(171,213,157)	(178,485,000)	(147,608,563)	30,876,437
Restricted Revenues	9,068,540	9,062,865	9,058,381	(4,484)
Transfer from Rainy Day fund	5,000,000	-	-	-
Reversions	73,633,438	50,000,000	50,000,000	-
Other Reversions	13,954,283	-	-	-
VA Repayment	-	-	33,507,012	33,507,012
Total Resources	\$ 4,554,452,580	\$ 4,371,788,016	\$ 4,743,030,405	\$ 371,242,389
Appropriations / Transfers:				
Operating Appropriations	(3,936,672,740)	(4,049,283,241)	(4,049,283,241)	-
Operating Transfers Between Fiscal Years	(38,020,066)	-	38,020,066	38,020,066
One-Shot Appropriations - 2017 Legislature	(43,849,917)	(8,519,981)	(8,519,981)	-
Restoration of Fund Balances	-	-	(18,753,908)	(18,753,908)
Supplemental Appropriations	-	-	(64,141,841)	(64,141,841)
Other Adjustments	513,870	-	(483,870)	(483,870)
Cost of 2019 Legislature	-	(20,000,000)	(20,000,000)	-
One-Shot Appropriations - 2019 Legislature	-	-	(159,813,005)	(159,813,005)
One Shot Appropriations 2019 CIP	-	-	(88,801,977)	(88,801,977)
UNR Engineering Debt Service	-	(1,037,500)	(1,030,563)	6,937
Restricted Transfers	(9,068,540)	(9,062,865)	(9,058,381)	4,484
Transfers to Rainy Day Fund	(103,472,880)	(40,765,283)	(96,611,881)	(55,846,598)
Transfers to Disaster Relief Account	(2,000,000)	(2,000,000)	(2,000,000)	-
Year-End Adjustments to Fund Balance	2,959,707	-	-	-
Total Uses	\$ (4,129,610,566)	\$ (4,130,668,870)	\$(4,480,478,582)	\$ (349,809,712)
Unappropriated Balance - June 30	\$ 424,842,014	\$ 241,119,146	\$ 262,551,823	\$ 21,432,677
5% Minimum Ending Fund Balance	\$ 198,714,697	\$ 202,516,037	\$ 203,846,722	
Balance Over/(Under) 5% Minimum	\$ 226,127,317	\$ 38,603,109	\$ 58,705,101	\$ 21,432,677

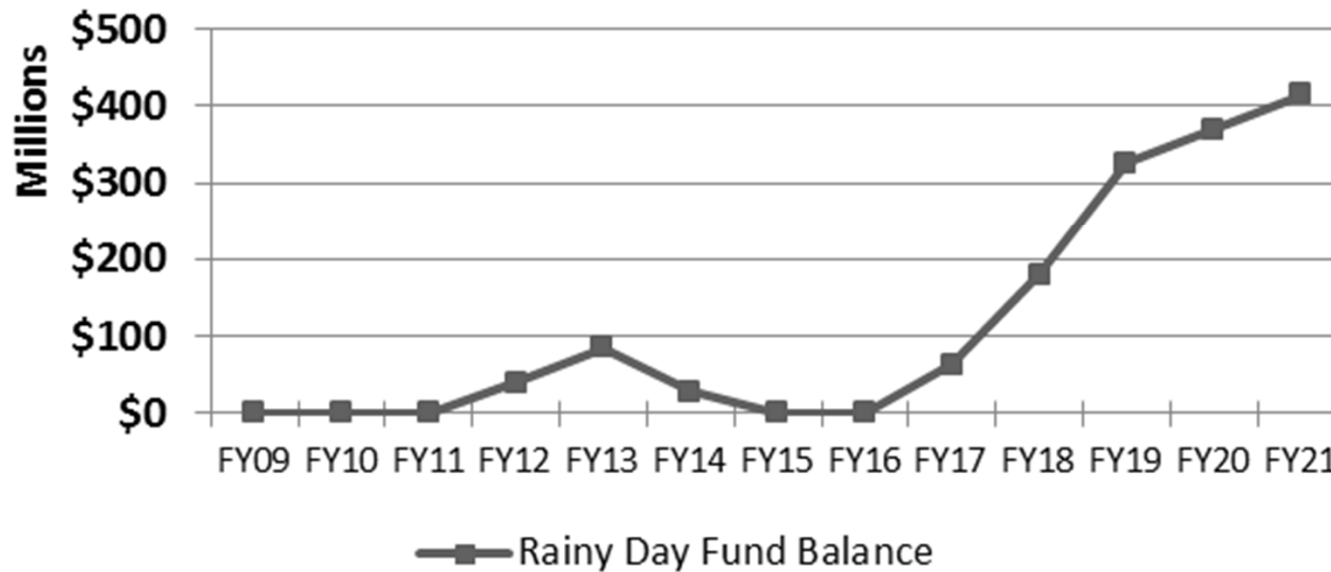
General Fund Balance

Governor's Executive Budget

	Fiscal Year 2020 Governor Recommends	Fiscal Year 2021 Governor Recommends
Resources:		
Unappropriated General Fund Balance - July 1	\$ 262,551,823	\$ 259,302,113
Unrestricted General Fund Revenue		
General Fund Revenues	\$ 4,450,464,805	\$ 4,575,396,905
Extension of Sunsetting Revenue Sources - General Services Tax (Depreciation) - 25% of Total	21,364,800	21,664,500
Deferral of Modified Business Tax Rate Buy-down	48,193,000	48,870,000
Tax Credit Programs	(106,364,974)	(84,179,550)
Affordable Housing Tax Credits		(10,000,000)
Quarterly Slot Tax to General Fund	1,303,673	1,304,112
Percentage Fees to Problem Gambling	(4,663,488)	(4,752,636)
Total Unrestricted General Fund Revenue	\$ 4,410,297,816	\$ 4,548,303,331
Restricted General Fund Revenue		
Unclaimed Property - Millennium Scholarship (NRS 120A.620)	\$ 7,600,000	\$ 7,600,000
Percentage Fees to Problem Gambling	4,663,488	\$ 4,752,636
Live Entertainment Tax (non-Gaming) - Nevada Arts Council	150,000	150,000
Total Restricted General Fund Revenue	\$ 12,413,488	\$ 12,502,636
Unrestricted General Fund Reversions	\$ 50,000,000	\$ 50,000,000
Total General Fund Resources	\$ 4,735,263,127	\$ 4,870,108,080
Appropriations / Transfers:		
Unrestricted Appropriations / Transfers		
Operating Appropriations	\$ (4,405,415,556)	\$ (4,526,690,350)
One-Shot Appropriations - 2019 Legislature (Marsy's Law)	(7,500,000)	(7,500,000)
One-time Appropriations - Forestry	(4,528,992)	-
Cost of 2019 Legislature	-	(19,447,280)
Total Unrestricted Appropriations / Transfers	\$ (4,417,444,548)	\$ (4,553,637,630)
Restricted Transfers		
Millennium Scholarship	\$ (7,600,000)	\$ (7,600,000)
Problem Gambling Percentage Fees	(4,663,488)	(4,752,636)
Live Entertainment Tax (non-Gaming) - Nevada Arts Council	(150,000)	(150,000)
Transfer to the Rainy Day Fund	(44,102,978)	(45,483,033)
Transfer to Disaster Relief Account (maximum \$500,000 per quarter)	(2,000,000)	(2,000,000)
Total Restricted Transfers	\$ (58,516,466)	\$ (59,985,669)
Adjustments to Fund Balance	\$ -	\$ -
Total Appropriations / Transfers	\$ (4,475,961,014)	\$ (4,613,623,299)
Unappropriated Balance June 30	\$ 259,302,113	\$ 256,484,781
Minimum 5% Ending Fund Balance	\$ 220,270,778	\$ 226,334,518
Balance Over/(Under) 5% Minimum	\$ 39,031,335	\$ 30,150,263

Rainy Day Fund

Rainy Day Fund Ending Balance



Spending Limit

General Fund Spending Limit for the 2019-2021 Biennium

Base Expenditures (1975-1977 Biennium) \$388,993,276

2018 Population Adjustment:

July 1974 population	596,747
July 2018 population	3,057,582
Percent Change	412.4%
Base Expenditures Adjusted for Population	\$ 1,993,104,298

2018 Inflation Adjustment:

July 1974 Consumer Price Index	49.4
July 2018 Consumer Price Index	252.0
Percent Change	410.1%

Allowable Expenditures Adjusted for Population and Inflation \$ 10,167,502,679

2019-2021 Executive Budget Appropriations / Transfers \$ 8,992,864,458

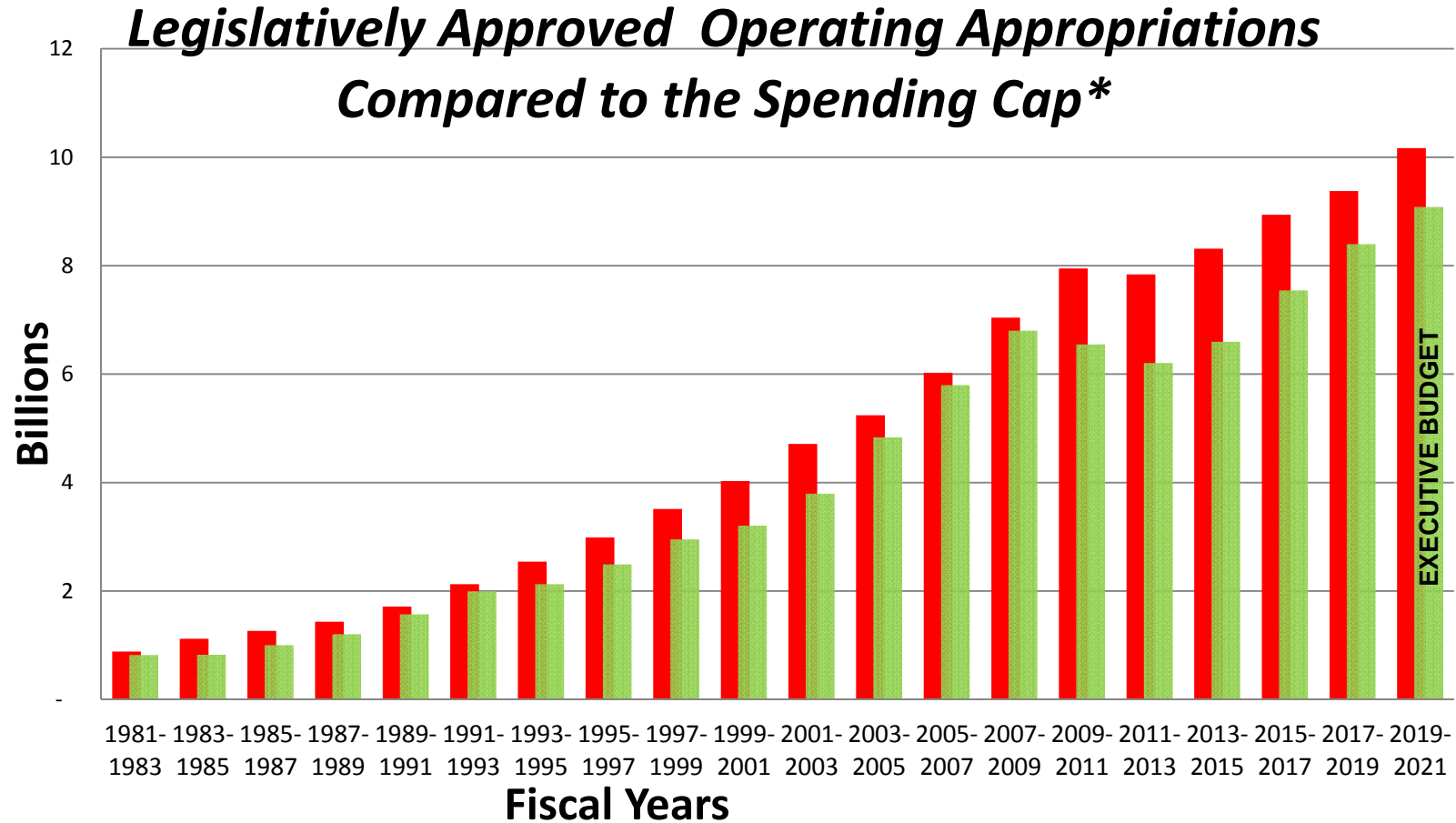
Balance Below Spending Cap \$ 1,174,638,221

Spending Limit Calculation

	FY 20	FY 21	Biennium
Total General Fund Expenditures	4,475,961,014	4,613,623,299	9,089,584,313
Less:	-	-	-
Construction - Capital Improvement Program	-	-	-
Construction - Deferred Maintenance for HECC/SHECC	-	-	-
Construction - Deferred Maintenance	-	-	-
Lease Purchase Payments (a)	(3,571,814)	(3,562,030)	(7,133,844)
Rainy Day Transfer:			
40% of Ending Fund Balance in Excess of 7%	-	-	-
1% of Projected Revenues	(44,102,978)	(45,483,033)	(89,586,011)
Total Subject to Spending Limit	<u>4,428,286,222</u>	<u>4,564,578,236</u>	<u>8,992,864,458</u>

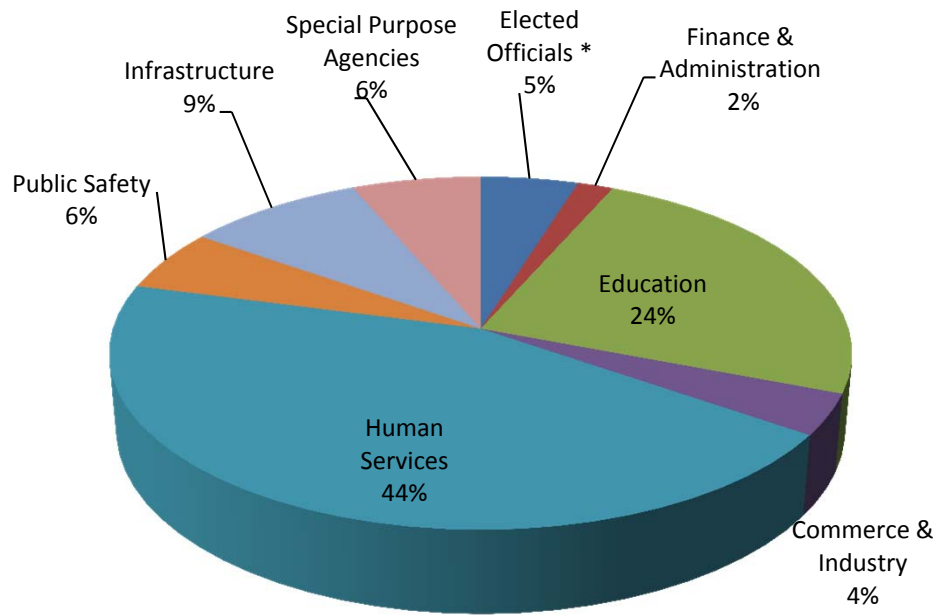
(a)			
Summit View	-	-	-
Casa Grande	1,457,188	1,457,188	2,914,376
Nevada State College	1,556,882	1,556,882	3,113,764
UNR Engineering Building	-	-	-
Bryan Building	557,744	547,960	1,105,704
Total Lease-Purchase Payments	<u>3,571,814</u>	<u>3,562,030</u>	<u>7,133,844</u>

Spending Limit History



Total Spending by Function

2019-2021 All Funds

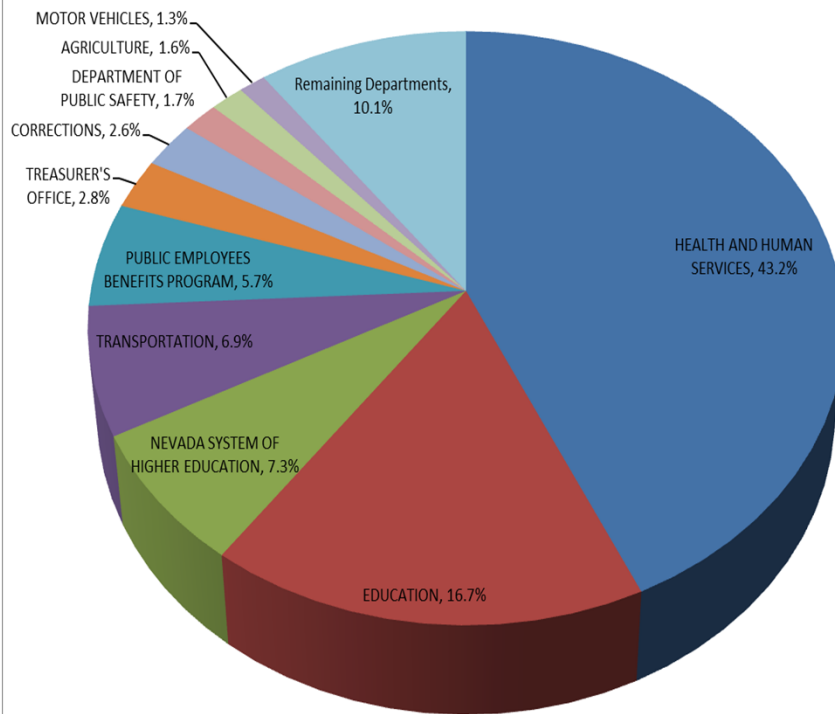


2019 - 2021 All Funds	
Elected Officials*	\$1,427,499,715
Finance & Administration	\$522,670,007
Education	\$7,108,602,578
Commerce & Industry	\$1,110,907,367
Human Services	\$13,079,496,611
Public Safety	\$1,652,598,546
Infrastructure	\$2,609,158,054
Special Purpose Agencies	\$1,886,155,366
Total	\$29,397,088,244

*includes Legislative and Judicial

Total Spending by Department

Percentage of Statewide Spending (All Funding Types)

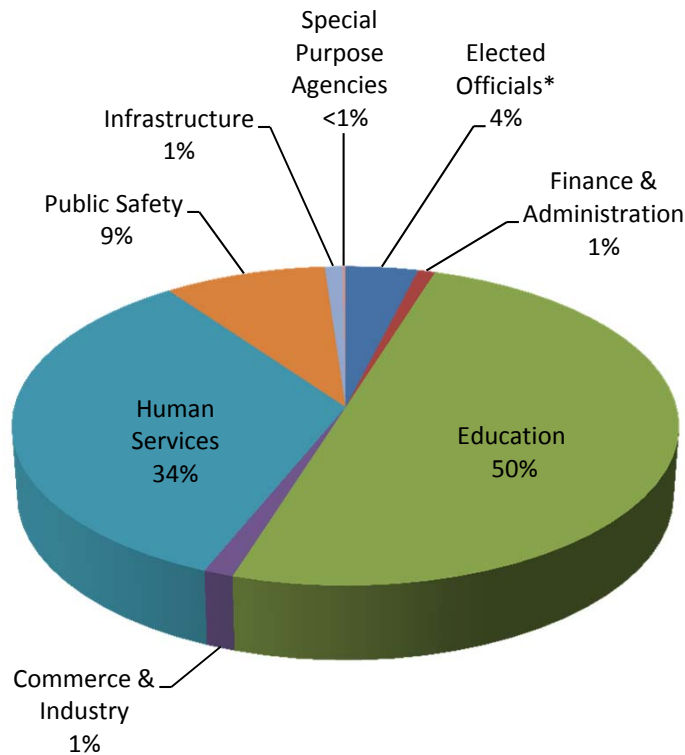


2019-2021 BIENNIAL BUDGET
TOP TEN DEPARTMENTS
(ALL FUNDING TYPES)

DEPARTMENT	AMOUNT	%
HEALTH AND HUMAN SERVICES	\$12,703,938,110	43.2%
EDUCATION	\$4,914,688,711	16.7%
NEVADA SYSTEM OF HIGHER EDUCATION	\$2,146,972,138	7.3%
TRANSPORTATION	\$2,042,721,466	6.9%
PUBLIC EMPLOYEES BENEFITS PROGRAM	\$1,676,303,475	5.7%
TREASURER'S OFFICE	\$812,201,651	2.8%
CORRECTIONS	\$756,593,022	2.6%
DEPARTMENT OF PUBLIC SAFETY	\$507,687,637	1.7%
AGRICULTURE	\$476,113,275	1.6%
MOTOR VEHICLES	\$382,687,273	1.3%
Remaining Departments	\$2,977,181,486	10.1%
Total	\$29,397,088,244	100.0%

General Fund by Function

2019-2021 General Fund



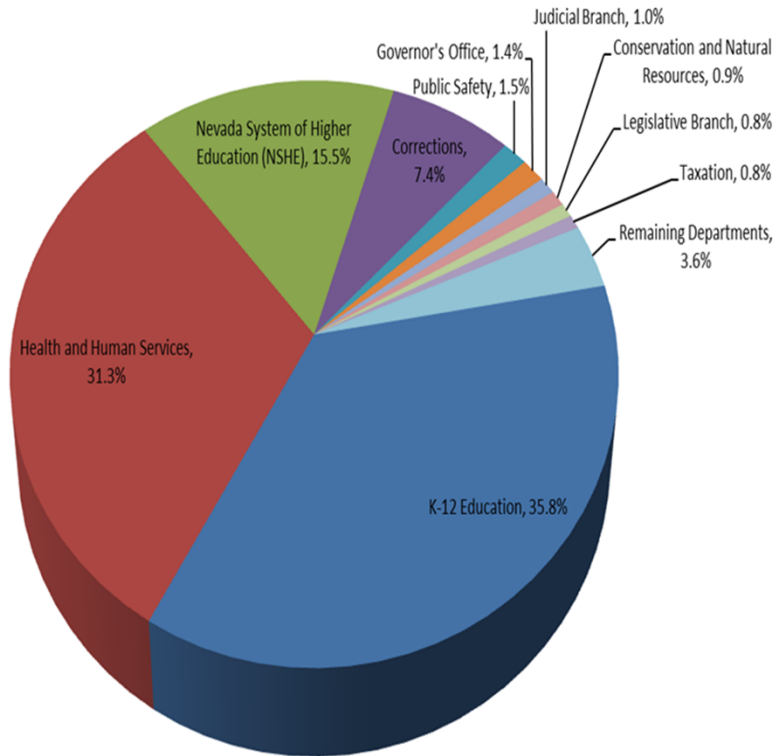
2019 - 2021 General Funds

Elected Officials*	\$351,418,719
Finance & Administration	\$83,323,623
Education	\$4,468,316,687
Commerce & Industry	\$115,757,894
Human Services	\$3,024,391,468
Public Safety	\$787,587,135
Infrastructure	\$84,424,838
Special Purpose Agencies	\$16,885,542
Total	\$8,932,105,906

*includes Legislative and Judicial

General Fund by Department

Percentage of Statewide Spending (General Fund)



2019-2021 BIENNIAL BUDGET
TOP TEN DEPARTMENTS
(GENERAL FUND)

DEPARTMENT	AMOUNT	%
EDUCATION	\$3,055,839,613	34.2%
HEALTH AND HUMAN SERVICES	\$3,014,093,167	33.7%
NEVADA SYSTEM OF HIGHER EDUCATION (NSHE)	\$1,412,477,074	15.8%
CORRECTIONS	\$637,313,494	7.1%
DEPARTMENT OF PUBLIC SAFETY	\$150,095,499	1.7%
GOVERNOR'S OFFICE	\$120,516,389	1.3%
JUDICIAL BRANCH	\$92,535,098	1.0%
CONSERVATION & NATURAL RESOURCES	\$77,503,291	0.9%
LEGISLATIVE BRANCH	\$73,104,219	0.8%
TAXATION	\$70,889,940	0.8%
Remaining Departments	\$227,738,122	2.5%
Total	\$8,932,105,906	100.0%

Significant Budget Items

▶ FTE Changes

Current	Governor's Recommended Budget		Biennium Change (compared to FY 2019)
	FY 2020	FY 2021	
FY 2019			
19,475.25	20,044.65	20,099.9	624.65
Change	569.4	55.25	3.2%

State positions - all funding sources. Excludes Higher Education and the Legislative Branch

Significant Budget Items

▶ Office of New Americans

- Creates a permanent office within the Office of the Governor
- Includes 2 positions to provide services to naturalized citizens
 - \$393k over the biennium
 - A Budgetary Bill Draft Request will be submitted
- **Create the Office of Indigent Defense** – \$1.7 million over the biennium, includes 7 positions

Significant Budget Items

- ▶ **10% Retail Marijuana Tax –Currently deposited to the Rainy Day Fund**
 - Support K–12 School Safety Initiatives (\$53.8 million Retail Marijuana and \$22.2 million GF over the biennium)
 - Governor Guinn Millennium Scholarship (\$33 million over the biennium)
 - A budgetary Bill Draft Request will be submitted to implement this change

Significant Budget Items

▶ Pre-K through 12th Grade

◦ DSA

- Funding of the 2% step and column adjustments
- 3% COLA increase in the first year of the biennium
- Funding PERS and health benefit rate increases at the same rates as state employees
- Funding projected enrollment growth of 1.35% in FY20 and 1.25% in FY21

◦ Teacher School Supply Reimbursement

- Additional funding to increase the per teacher amount from \$100 to \$180 – an additional \$2million/year

Significant Budget Items

- ▶ **Pre-K through 12th Grade**
 - **New Nevada Funding Plan** additional weighted funding for at-risk students performing in the lowest quartile (\$68 million increase over the biennium)
 - **Career and Technical Education** (\$2 million increase over the biennium)
 - Expansion of CTE programs to an additional 2,000 students
 - **Pre-School Development Program** (\$44.7 million over the biennium) to continue quality pre-school development programs

Significant Budget Items

- ▶ **Pre-K through 12th Grade**
 - **Adult Education Programs** (\$2 million increase over the biennium)
 - Expansion of funding to serve an additional 1,200 students
 - **Read by Grade 3** (\$22.4 million increase over the biennium) to fund Learning Strategists for all elementary schools
 - **NV Institute on Teaching and Educator Program** (\$2.5 million over the biennium) to expand this program at UNLV

Significant Budget Items

- ▶ **Nevada System of Higher Education**
 - **Formula Funding**
 - Continue formula funding for institutions with growth in the number of weighted student credit hours (\$42.6 million over the biennium)
 - **Capacity Building** projects at the 8 institutions (\$18.2 million in FY20 and \$22.45 million in FY21)
 - **Expand Programs to Enhance Education and Training of Offenders** (\$875k over the biennium)

Significant Budget Items

- ▶ **Nevada System of Higher Education**
 - UNLV Medical School continuation of build-out (\$14.3 million increase over the biennium)
 - CSN Health and Sciences Building – \$70.7 million state share
 - NSC Education Academic Building – \$55.8 million state share

Significant Budget Items

▶ State Employees

- 3% Cost of Living Adjustment effective July 1, 2019
- PEBP \$11 million over the biennium for HSA/HRA increases for active employees and non-Medicare retirees
- New funding of \$5.7 million over the biennium for Medicare HRA subsidy
- PERS increase proposed for 2019–2021 biennium
 - 14.5% to 15.25% Regular
 - 20.75% to 22.0% Police/Fire

Significant Budget Items

▶ Health and Human Services

◦ Aging and Disability Services

- **Autism Caseload** – \$5.3 million GF and federal funds over the biennium
 - Increase caseload by 239 children
- **Home Delivered Meals for Homebound Seniors**
 - Additional \$1.6 million GF over the biennium to support the program
- **Home and Community Based Care Programs** – \$4.2 million GF and federal funds combined
 - Increase caseload by 360 (8.7%) over the biennium

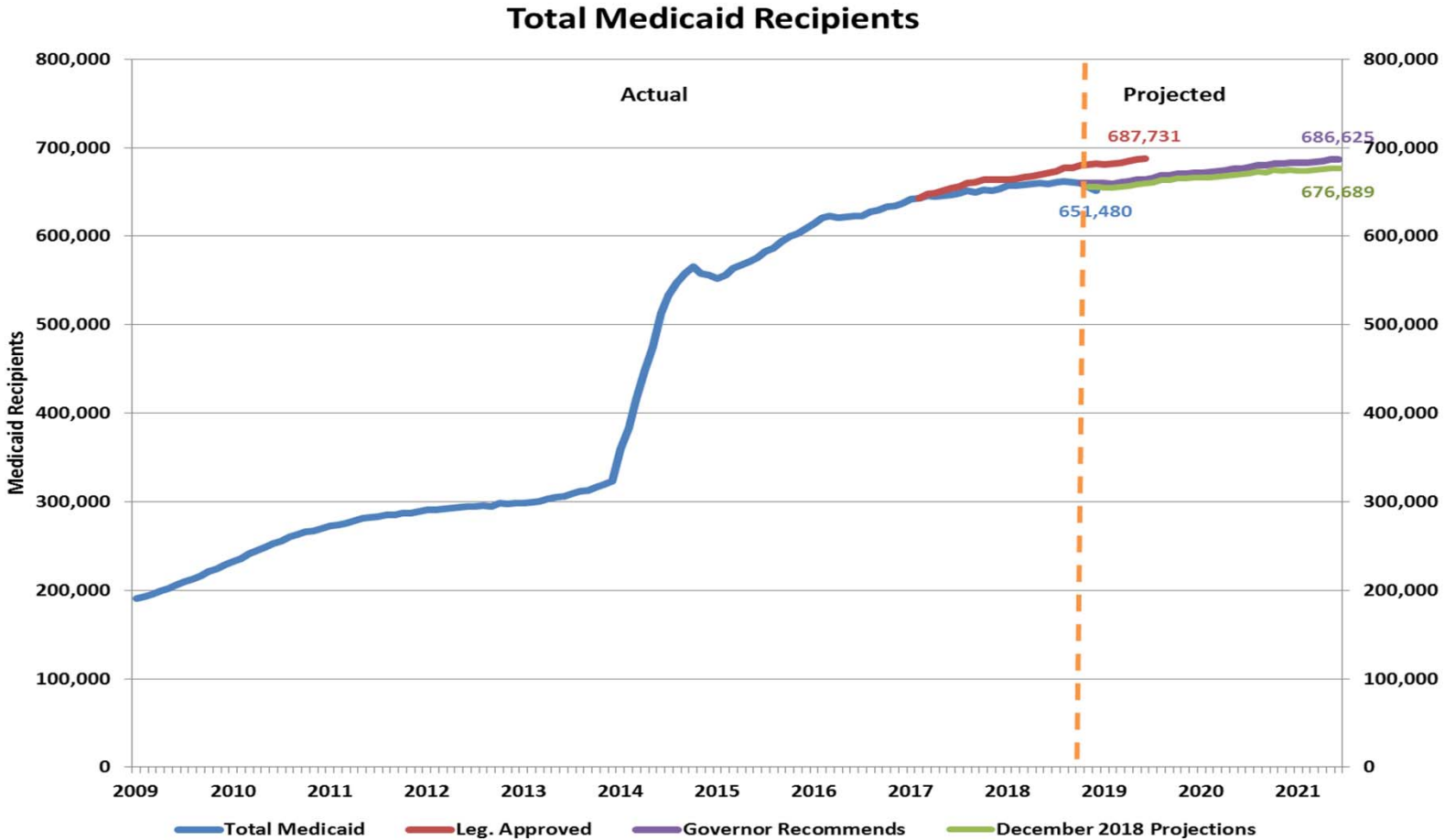
Significant Budget Items

▶ Health and Human Services

◦ Health Care Finance and Policy

- \$77 million in GF included for Medical Inflation
- \$58.7 million in GF included for caseload growth and adjustments to FMAP
 - FMAP for newly eligible decreased to 93% effective 1/1/19
 - Decreases to 90% effective 1/1/2020
 - Blended FMAP for traditional population – 64.17% in FY20; 64.63% in FY21
 - Total Medicaid enrollment increased an estimated 4,950 between June 2018 and June 2019. Projected caseload increases 1.84% in FY20 and 3.35% in FY21.

Significant Budget Items



Significant Budget Items

Summary of Medicaid Medical Spending by Funding Source

	General Fund	Federal	County	Funds Treated Like General Fund	Other	Total
FY 12	\$532,830,840	\$1,008,553,756	\$30,776,986	\$180,570,570	\$2,369,961	\$1,755,102,113
FY 13	\$543,617,285	\$1,157,801,091	\$27,845,095	\$155,866,241	\$1,990,091	\$1,887,119,803
FY 14	\$549,024,282	\$1,493,246,340	\$26,027,510	\$118,940,020	\$1,623,365	\$2,188,861,517
FY 15	\$598,090,666	\$2,373,947,145	\$29,792,291	\$174,602,760	\$3,633,123	\$3,180,065,985
FY 16	\$556,174,144	\$2,642,985,519	\$25,775,483	\$196,284,157	\$4,249,006	\$3,425,468,309
FY 17	\$623,248,921	\$2,885,099,848	\$31,636,921	\$220,948,571	\$4,010,935	\$3,764,945,196
FY 18	\$687,056,122	\$2,907,798,958	\$27,767,686	\$199,256,976	\$4,741,901	\$3,826,621,643
FY 19	\$749,363,222	\$3,045,854,445	\$28,254,974	\$202,343,928	\$4,764,825	\$4,030,581,394
FY 20	\$865,645,985	\$3,302,075,519	\$34,304,533	\$214,169,107	\$4,166,775	\$4,420,361,919
FY 21	\$952,221,246	\$3,487,195,323	\$34,225,001	\$210,640,272	\$4,453,779	\$4,688,735,621

Note: Funds Treated Like General Funds column includes Intergovernmental Transfers (IGT), Provider Tax, Cost Containment Fees and Fines.

Share of Spending by Funding Source

	General Fund	Federal	County	Funds Treated Like General Fund	Other
FY 12	30.3%	57.5%	1.8%	10.3%	0.1%
FY 13	28.8%	61.3%	1.5%	8.3%	0.1%
FY 14	25.1%	68.2%	1.2%	5.4%	0.1%
FY 15	18.8%	74.7%	0.9%	5.5%	0.1%
FY 16	16.2%	77.2%	0.8%	5.7%	0.1%
FY 17	16.6%	76.6%	0.8%	5.9%	0.1%
FY 18	18.0%	76.0%	0.7%	5.2%	0.1%
FY 19	18.6%	75.6%	0.7%	5.0%	0.1%
FY 20	19.6%	74.7%	0.8%	4.8%	0.1%
FY 21	20.3%	74.4%	0.7%	4.5%	0.1%

Significant Budget Items

▶ Health and Human Services

◦ Health Care Finance and Policy

- **Rate Increases** – \$24.7 million GF over the biennium (additional approximate \$47 million in federal funds)
 - Pediatric Intensive Care (15% increase)
 - Neonatal Intensive Care (25% increase)
 - Supported Living Arrangements (19.5% increase)
 - Personal Assistants Services and Community Options for the Elderly (3.3%)
- **1115 Waiver** – Certified Community Behavioral Health Clinics \$8.7 million GF and \$31.6 million in federal funds
- **1915i waiver** – Habilitative Housing \$1.9 million GF and \$7.8 million federal funds

Significant Budget Items

▶ Health and Human Services

◦ Public and Behavioral Health

- **Civil Inpatient Caseload**

- 5 new staff at Rawson Neal/Stein Hospitals to align staffing ratios over the biennium – \$1 million in GF over biennium

- **Forensic Technicians**

- 2 grade salary increase (\$1.7 million over the biennium)

- **Family Planning**

- \$6 million over the biennium to support enhanced family planning services statewide

Significant Budget Items

▶ Health and Human Services

◦ Welfare and Supportive Services

• Caseload Increases

- Assistance to Aged & Blind caseload projected increases of 3.4% per year – \$1 million GF over the biennium
- Child Assistance and Development Programs increase of approximately 690 children – \$7 million in federal funds over the biennium

Significant Budget Items

▶ Health and Human Services

◦ Child and Family Services

- **Juvenile Justice Reform**

- Prison Rape Elimination Act – 97 new positions (\$9 million over the biennium)

- **County Child Welfare**

- \$3.1 million over the biennium to support increased adoption subsidy caseload in Clark and Washoe Counties

Significant Budget Items

- ▶ **Silver State Health Insurance Exchange**
 - **Transition to State Based Exchange**
 - \$13.9 million over the biennium
 - Includes 9 new positions

Significant Budget Items

▶ Department of Corrections

- Forecast need for 173 additional beds over the biennium
 - Security Perimeter Fencing at Three Lakes Valley Camp
 - Return inmates from out-of-state beds
 - 52 new Correctional Officer positions for transportation and out of facility medical supervision (\$5.5 million)
- Ely State Prison and Camp – reinstate 5 percent increase in compensation for custody staff to support recruitment and retention

Significant Budget Items

▶ Department of Public Safety

◦ Highway Patrol

- \$2.8 million in Highway Fund over the biennium to fund 12 new Public Safety Officer positions to provide coverage in southern Nevada and the USA Parkway in northern Nevada

Significant Budget Items

- ▶ **Department of Veterans Services**
 - Addition of 2 Veterans Services Officers to assist veterans with accessing assistance programs
- ▶ **Governor's Office of Economic Development**
 - \$4 million in FY20 for the Workforce Innovations for a New Nevada account to provide for workforce development projects

Significant Budget Items

- ▶ **Department of Taxation – Recreational Marijuana**
 - 10 new positions are requested to support this expanding industry
 - Cannabis Compliance Board to be established by Executive Order

Significant Budget Items

- ▶ **Department of Conservation & Natural Resources**
 - **Division of State Parks**
 - New Positions – 8 new positions to support park activities
 - Ice Age Fossils State Park (Phase II, \$2.2 million GF)
 - Construction of a maintenance area and an amphitheater
 - Park paving project
 - Full trail build-out and improvements to interpretive displays
 - **Division of Forestry**
 - Additional \$3 million GF over the biennium to support fire fighting activities
 - \$4.5 million GF to purchase a replacement helicopter

Significant Budget Items

▶ Drought

- Department of Conservation and Natural Resources, Division of Water Resources
 - Creation of Water Planning and Drought Resiliency Program (\$895k over the biennium)
- Department of Agriculture
 - On-Farm Conservation and Modernization Project

Significant Budget Items

▶ Other Projects

- Special Appropriations – \$16.3 million over the biennium
 - Holocaust Education – \$100k per year
 - Civil Air Patrol – \$25k
 - Nevada Volunteers – \$150k per year
 - Graduate Medical Education Grants – \$14 million
 - Nevada State Prison – \$250k
 - PBS Outdoor NV – \$1.6 million

Significant Budget Items

▶ Capital Improvement Projects

- 95 Proposed construction, maintenance and planning projects totaling \$346.1 million (\$280.8 from State funding sources)
- **Completion of DMV Building in Reno** – \$8.6 million to complete deferred items (Highway Funds)
- **NSC Education Academic Building** (as mentioned under NSHE above) – \$61.8 million in funding with \$6 million provided by NSC
- **CSN Health and Sciences Building** (as mentioned under NSHE above) – \$76.7 million in funding with \$6 million provided by NSHE

Significant Budget Items

▶ Capital Improvement Projects

- Southern Nevada Veterans Cemetery Expansion – \$4.3 million (\$161k GF)
- Corrections – Three Lakes Valley
 - \$4.0 million for security perimeter upgrades
 - \$800k for Heavy Equipment Simulator Classrooms
- State Building Las Vegas – \$6.1 million for design through construction documents

Significant Budget Items

▶ IT Projects

- **Gaming Control Board** – continuation of Alpha Migration Project system replacement (\$2.2 million GF over biennium)
- **Department of Motor Vehicles** – System Technology Application Redesign continuation (\$50m million HF)
- **Statewide** – phase two of replacement of financial and human resources system with ERP (\$42.4 million GF and \$9.9 million HF over the biennium)
- **Department of Public Safety** – Continue modernization of the Nevada Criminal Justice Information System (\$15.5 million over the biennium \$11.5 million GF \$3.9 million from reserves)

Significant Budget Items

▶ IT Projects

- **Division of Welfare and Supportive Services**
 - Modernization of Child Support Enforcement IT system (\$16.8 million GF, \$33.2 million federal over the biennium)
- **Department of Taxation**
 - Phase I of modernization of the Unified Tax System (\$1.7 million GF over the biennium)
- **Department of Administration**
 - Continuation of statewide implementation of enterprise cloud email and business productivity applications (\$2.6million GF)

Significant Budget Items

▶ IT Projects

- **Department of Employment Training and Rehabilitation – Employment Security**
 - Implement Spanish translation in the UInv Customer Self Service Portal (\$1.9 million federal funds over the biennium)
- **Department of Corrections**
 - Implement wireless networking capabilities at all facilities department wide (\$1.4 million GF over the biennium)
 - Continue transition of NOTIS to internal Offender Management System (\$1.8 million GF over the biennium)
 - Implement Key Control system (\$623k GF over the biennium)

Significant Budget Items

▶ Other One-Shot Items

- Nevada Highway Patrol – \$13.2 million for replacement of vehicles and motorcycles
- Statewide – \$7.4 million over the biennium for deferred maintenance and maintenance projects in various budget accounts for agency managed facilities
- NSHE – \$11.5 million to fund the Higher Education and Special Higher Education Capital Construction funds (plus \$3.5 million from Slot Tax for total of \$15 million over the biennium included in the CIP one-shot)

Significant Budget Items

▶ Other One-Shot Items

- Marsy's Law– \$7.5 million per year in the Interim Finance Committee Contingency Account for unanticipated loss of revenues
- Census – \$5 million to fund education and outreach related to the 2020 Census.
- Promise Scholarship – \$4.5 million over the biennium to fund last-dollar financial aid

Significant Budget Items

- ▶ **Statewide Decision Units**
 - EITS Cost Pools and Rate Methodology Changes (M106)
 - PERS Rate Increase (M300)