

EDUCATION

The Education function includes three sub-functions: The Department of Education (K-12); the Nevada System of Higher Education (NSHE); and other education programs, which include the Department of Cultural Affairs, the Western Interstate Commission for Higher Education (WICHE), and the Commission on Postsecondary Education. The Governor has recommended General Fund appropriations of \$1.519 billion in FY 2012, a decrease of 11.5 percent compared to FY 2011, and \$1.444 billion in FY 2013, which represents an additional decrease of 5.0 percent. Budget recommendations for education from all funding sources total \$2.273 billion in FY 2012, a decrease of 14.5 percent compared to FY 2011, and \$2.212 billion in FY 2013, which represents a decrease of 2.7 percent from FY 2012 after interagency transfers are deducted.

EDUCATION (K-12)

The budget accounts for K-12 education include the Distributive School Account (DSA), the School Remediation Trust Fund, Incentives for Licensed Educational Personnel, Other State Education Programs, the Educational Trust Fund and the State Supplemental School Support Fund. The following table compares state K-12 education funding approved in the 2009 Legislative Session and as adjusted by the 26th Special Session (2010), with the Governor's recommended state K-12 education funding for the 2011-13 biennium:

| K-12 Education State Funding | (millions) | | | (millions) | | | (millions) | | | % Change Gov Rec to Leg App | % Change Gov Rec to 26th S.S. |
|---|-----------------|-----------------|-----------------|----------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------------------------|-------------------------------------|
| | Leg Approved | | | 26th Special Session | | | Gov Recommend | | | | |
| | 2010 | 2011 | 2009-11 | 2010 | 2011 | 2009-11 | 2012 | 2013 | 2011-13 | | |
| DSA (Total State Share) ¹ | \$ 1,360 | \$ 1,431 | \$ 2,791 | \$ 1,332 | \$ 1,318 | \$ 2,650 | \$ 1,036 | \$ 1,018 | \$ 2,054 | -26% | -22% |
| Remediation Trust Fund ¹ | 26 | 25 | 51 | 26 | 25 | 51 | 170 | 191 | 361 | 608% | 608% |
| Licensed Teacher Incentives ¹ | | 25 | 25 | | 25 | 25 | 13 | 12 | 25 | 0% | 0% |
| Other State Education Programs ¹ | 10 | 9 | 20 | 10 | 9 | 19 | - | - | - | -100% | -100% |
| Total State Funding K-12 Education | \$ 1,396 | \$ 1,491 | \$ 2,887 | \$ 1,368 | \$ 1,377 | \$ 2,745 | \$ 1,219 | \$ 1,221 | \$ 2,440 | -15% | -11% |

¹ Comparisons are impacted by transfers recommended in The Executive Budget within K-12 budgets.

DISTRIBUTIVE SCHOOL ACCOUNT

The funding which supports Nevada's public elementary and secondary schools is a shared responsibility with state, local and federal sources contributing to the school districts' and charter schools' operating funds. It is important to recognize that the 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 following table summarizes the elements (in millions) that are the basis for the DSA as approved by the 2009 Legislature and adjusted by the 26th Special Session for the 2009-11 biennium and as recommended by the Governor for the 2011-13 biennium.

While the “Total Required State Support” is guaranteed by the State, only the “Total State Share” portion of the table below is included in the DSA budget account.

| <u>The Nevada Plan</u> | | | | | | | |
|--|-------------------------------|------------|-----------------------------|------------|---------------------|---------------------------|---------------------------|
| | <u>Legislatively Approved</u> | | <u>The Executive Budget</u> | | | Change from 2009-11 | Change from 26th SS |
| | 2009-11 Biennium | 26th SS | FY12 | FY13 | 2011-13 Biennium | | |
| Total Operating Expenditures | \$ 6,689 | \$ 6,574 | \$ 2,861 | \$ 2,873 | \$ 5,734 | -14.3% | -12.8% |
| Less: Local Revenues Outside the DSA | \$ (1,848) | \$ (1,848) | \$ (636) | \$ (641) | \$ (1,277) | | |
| Less: Non-Basic Support Programs | \$ (288) | \$ (288) | \$ (144) | \$ (145) | \$ (289) | | |
| Total Regular Basic Support | \$ 4,553 | \$ 4,439 | \$ 2,081 | \$ 2,087 | \$ 4,168 | -8.4% | -6.1% |
| Plus Programs other than Basic Support | \$ 603 | \$ 603 | \$ 144 | \$ 145 | \$ 289 | | |
| <u>State Guarantee</u> | | | | | | | |
| Total Required State Support | \$ 5,156 | \$ 5,041 | \$ 2,225 | \$ 2,232 | \$ 4,457 | -13.6% | -11.6% |
| Less: Local "Inside" Revenues | \$ (2,366) | \$ (2,391) | \$ (1,188) | \$ (1,215) | \$ (2,403) | | |
| <u>Distributive School Account</u> | | | | | | | |
| Total State Share* | \$ 2,790 | \$ 2,650 | \$ 1,036 | \$ 1,018 | \$ 2,054 | | |
| Miscellaneous DSA Revenues | \$ (322) | \$ (322) | \$ (125) | \$ (129) | \$ (254) | | |
| General Fund Support | \$ 2,468 | \$ 2,328 | \$ 911 | \$ 889 | \$ 1,800 | -27.1% | -22.7% |
| * Totals may not balance due to rounding | | | | | | | |

The Executive Budget recommends the total operating expenditures for Nevada school district and charter school budgets decrease to \$2.861 billion for FY 2012 and \$2.873 billion for FY 2013, compared to \$3.325 billion and \$3.364 billion for operating expenditures approved by the 2009 Legislature for FY 2010 and FY 2011, respectively, a decrease of 14.3 percent.

NEVADA PLAN

The Legislature determines the level of state aid for school districts and charter schools through a formula called the “Nevada Plan,” which allows for differences across districts in the costs of providing education and in local wealth. A guaranteed amount of basic support per pupil is calculated for each school district and is established in law each session. The State through the DSA, and local districts through the Local School Support (sales) Tax (LSST) and property tax, share the responsibility for providing the money needed to fund the guaranteed basic support.

Nevada Plan “Outside” Revenues

As indicated above, certain locally-generated revenues are considered before the State’s responsibility is determined. These revenues are referred to as being “outside” of the Nevada Plan (the State’s responsibility) and consist of the following:

- Property Tax – State law requires a property tax rate of 75 cents per \$100 of assessed valuation for the support of schools. One-third of the proceeds from the 75-cent property tax rate is “inside” the Nevada Plan while the remaining two-thirds of the proceeds of the 75-cent property tax rate is “outside” the DSA funding

formula. For FY 2010, the two-thirds portion totaled \$525.7 million and is projected to decrease 19 percent to \$425.8 million in FY 2011. The Executive Budget projects that the two-thirds portion will generate \$391.7 million in FY 2012, which represents an 8.0 percent decrease over the amount projected for FY 2011 and \$395.7 million in FY 2013, an increase of 1.0 percent over FY 2012.

- Local Government Services Tax – Formerly called the Motor Vehicle Privilege Tax, this tax is estimated to generate \$68.9 million in both FY 2012 and FY 2013. These estimates represent a decrease of 9.0 percent compared to FY 2010 actual collections of \$75.7 million.
- Other Local Sources – Franchise taxes, federal revenue, interest, tuition and other local revenue and opening balances are estimated to contribute \$175.9 million in FY 2012 and \$176.0 million in FY 2013.

These locally-generated “outside” revenues **are not guaranteed** by the State, thus the local school districts and charter schools benefit when actual revenues are in excess of projections, or suffer the loss when revenues do not meet projections. Revenues “outside” of the Nevada Plan are budgeted to generate approximately 22.3 percent of the revenue necessary to support the budgets of school districts and charter schools (27.6 percent in the current biennium), with the balance being funded through the Nevada Plan (the State’s responsibility).

Nevada Plan “Inside” Revenues

Nevada Plan funding for school districts and charter schools consists of state financial support received through the DSA and locally-collected revenues that are “inside” the Nevada Plan, namely the LSST (sales tax) and the remaining one-third of the proceeds from the 75-cent property tax rate. As part of the revenue enhancements approved by the 2009 Legislature, the LSST rate was increased by 0.35 percent (from 2.25 percent to 2.60 percent) for the period beginning July 1, 2009, until June 30, 2011. For the 2011-13 biennium, the 2.25 percent LSST is estimated at \$779.8 million for FY 2012 (12.2 percent decrease over FY 2011 projections) and \$804.5 million for FY 2013 (3.2 percent increase over budgeted FY 2012).

Local funding from the one-third portion of the proceeds from the 75-cent property tax rate is budgeted at \$195.8 million for FY 2012 (8.0 percent decrease over FY 2011 projections) and \$197.9 million for FY 2013 (1.0 percent increase over budgeted FY 2012). It is important to note that these two local revenue amounts **are guaranteed** by the State; thus, if budgeted amounts are not actually collected, the State funds the difference, and conversely, if actual revenues exceed projections, the amount of State General Fund support is reduced.

Combined, local sources “inside” the Nevada Plan recommended by the Governor provide approximately 53.9 percent of the total required state support amount, with the State contributing the remaining 46.1 percent. For the current biennium, due to lower than budgeted LSST and collections of the one-third portion of the proceeds from the 75-cent property tax rate, both guaranteed by the State, a supplemental appropriation will be required for the DSA to fund the guaranteed basic support.

Excess Debt-Service Reserves

The 2009 Legislature, inclusive of the 26th Special Session, approved the use of \$45 million of Clark County School District capital projects funds as local funds available for operating purposes during the 2009-11 biennium. The Executive Budget proposes to utilize excess school district debt service reserves in the amount of \$212.5 million each year of the 2011-13 biennium as local funding available for operating purposes. The proposal would also allow districts, for the 2011-13 biennium only, to retain higher than budgeted LSST for the purpose of restoring the debt service reserves utilized for operating purposes. Proposed legislation will be submitted to reduce the debt service reserves threshold requirements and to outline specific details of the Governor's proposal.

State Support

As recommended in the Governor's budget, the total required state support of school district expenditures within the DSA totals \$2.225 billion and \$2.232 billion for FY 2012 and FY 2013, respectively, a decrease of 13.6 percent from the amounts approved by the 2009 Legislature for the current biennium, and an 11.6 percent decrease when compared to the amounts as adjusted by the 26th Special Session of the Legislature. If the Governor's recommended General Fund transfers for various programs historically funded in the DSA budget are excluded, the resulting decreases in total required state support are 7.8 percent and 5.7 percent respectively, from the amounts approved by the 2009 Legislature and as adjusted by the 26th Special Session.

In The Executive Budget, the State's share of funding in the DSA is largely provided by General Fund appropriations of \$911 million in FY 2012 and \$889 million in FY 2013, totaling \$1.800 billion for the 2011-13 biennium. This is \$668 million less than the \$2.468 billion appropriated for the 2009-11 biennium, representing a 27.1 percent decrease (inclusive of the recommended transfers of General Fund for various programs historically funded in the DSA). If the recommended funding transfers are excluded from the comparison, the change in General Fund support represents a 15.0 percent decrease when compared to General Fund approved by the 2009 Legislature and a 9.9 percent decrease in General Fund support as adjusted by the 26th Special Session of the Legislature. An annual tax on slot machines, interest earned on investments from the Permanent School Fund, revenue from leases of federal land for mineral exploration and from royalties, and LSST from sales that cannot be attributed to a specific county also provide funding for the DSA and are included in the previous table as "Miscellaneous DSA Revenues."

Funding for K-12 education recommended in The Executive Budget (excluding the Department of Education budgets) represents approximately 37.4 percent of the State's General Fund for the 2011-13 biennium, compared to 39.1 percent of the General Fund approved for K-12 education by the 2009 Legislature. Again, it is important to remember that the State's share does not include the entire funding for K-12 education, but rather includes only the State's portion of the school district operating funds that provide the basic support guarantee and other state-supported programs.

DISTRIBUTIVE SCHOOL ACCOUNT - SUMMARY FOR 2011-13 BIENNIUM

| | 2009-10 | | 2010-11 | | 2011-12 | 2012-13 |
|--|----------------------------------|----------------|----------------------------------|-------------------|---------------------|---------------------|
| | 26 th Special Session | 2009-10 Actual | 26 th Special Session | 2010-11 Estimated | Governor Recommends | Governor Recommends |
| WEIGHTED ENROLLMENT | 425,648.40 | 421,386.60 | 429,706.60 | 422,569.60 | 423,191.80 | 424,460.30 |
| ADDITIONAL ENROLLMENT FOR HOLD HARMLESS | 0 | 4,140.60 | 0 | 1,367.20 | 0 | 0 |
| TOTAL WEIGHTED APPORTIONMENT ENROLLMENT * | 425,648.40 | 425,527.20 | 429,706.60 | 423,936.80 | 423,191.80 | 424,460.30 |
| AVERAGE BASIC SUPPORT PER PUPIL | 5,186 | 5,186 | 5,192 | 5,192 | 4,918 | 4,918 |
| TOTAL REGULAR BASIC SUPPORT ** | 2,207,566,730 | 2,206,615,525 | 2,230,973,023 | 2,201,166,405 | 2,081,061,165 | 2,087,663,685 |
| CLASS-SIZE REDUCTION PROGRAM (CSR) | 142,682,929 | 142,682,930 | 144,348,993 | 144,348,993 | 0 | 0 |
| SPECIAL EDUCATION *** | 121,252,632 | 121,252,632 | 121,252,632 | 121,252,632 | 121,252,632 | 121,252,632 |
| SPECIAL UNITS/GIFTED AND TALENTED | 162,571 | 162,566 | 167,459 | 167,459 | 0 | 0 |
| ADULT HIGH SCHOOL DIPLOMA PROGRAM | 21,170,456 | 21,170,456 | 22,673,833 | 22,673,833 | 21,641,050 | 22,990,577 |
| NATIONAL SCHOOL LUNCH PROGRAM STATE MATCH | 588,732 | 588,732 | 588,732 | 588,732 | 588,732 | 588,732 |
| NRS ADJUSTMENTS | 0 | 7,225,368 | 0 | 0 | 0 | 0 |
| SCHOOL IMPROVEMENT PROGRAMS: | | | | | | |
| RPDP | 7,897,804 | 7,897,804 | 7,897,804 | 7,897,804 | 0 | 0 |
| SPECIAL FUNDING: | | | | | | |
| EARLY CHILDHOOD EDUCATION | 3,338,875 | 3,304,982 | 3,338,875 | 3,372,768 | 0 | 0 |
| LIBRARY MEDIA SPECIALIST | 18,798 | 18,798 | 18,798 | 18,798 | 0 | 0 |
| SPECIAL ELEMENTARY COUNSELING | 850,000 | 850,000 | 850,000 | 850,000 | 0 | 0 |
| CSR - AT-RISK KINDERGARTEN | 1,580,391 | 1,580,390 | 1,586,508 | 1,586,508 | 0 | 0 |
| SPECIAL TRANSPORTATION | 170,908 | 128,541 | 170,908 | 170,908 | 0 | 0 |
| OTHER ADJUSTMENTS | 0 | (39,739) | 0 | 0 | 0 | 0 |
| TOTAL REQUIRED STATE SUPPORT | 2,507,280,826 | 2,513,438,985 | 2,533,867,566 | 2,504,094,840 | 2,224,543,579 | 2,232,495,627 |
| LESS | | | | | | |
| LOCAL SCHOOL SUPPORT TAX (LSST) | (905,809,371) | (872,948,748) | (944,174,996) | (888,433,910) | (779,778,090) | (804,494,600) |
| PSOPT (1/3 PROCEEDS FROM 75-CENT TAX RATE) | (253,196,604) | (262,851,182) | (231,116,201) | (212,922,114) | (195,835,699) | (197,851,663) |
| SCHOOL DISTRICT DEBT SVCE EXCESS RESERVES | 0 | 0 | 0 | 0 | (212,500,000) | (212,500,000) |
| CCSD CAPITAL CONSTRUCTION FUNDS | (10,000,000) | (10,000,000) | (35,000,000) | (35,000,000) | 0 | 0 |
| TRANSFER FROM CLOSURE OF CC RDA | (6,000,000) | (6,000,000) | (5,400,000) | (5,400,000) | 0 | 0 |
| TOTAL STATE SHARE | 1,332,274,851 | 1,361,639,055 | 1,318,176,369 | 1,362,338,816 | 1,036,429,790 | 1,017,649,364 |
| STATE SHARE ELEMENTS | | | | | | |
| GENERAL FUND | 1,173,542,690 | 1,173,542,690 | 1,154,625,174 | 1,154,625,174 | 911,206,551 | 889,019,289 |
| GENERAL FUND TRANSFER FY 2010 TO 2009 | 0 | (18,917,900) | 0 | 0 | 0 | 0 |
| GENERAL FUND TRANSFER FY 2011 TO 2010 | 0 | 69,080,821 | 0 | (69,080,821) | 0 | 0 |
| DSA SHARE OF SLOT TAX | 35,888,197 | 33,712,074 | 36,554,830 | 33,359,606 | 33,502,329 | 34,264,675 |
| PERMANENT SCHOOL FUND | 13,100,000 | 9,173,420 | 13,100,000 | 6,700,000 | 6,600,000 | 6,800,000 |
| FEDERAL MINERAL LAND LEASE REVENUE | 10,706,000 | 8,116,846 | 10,706,000 | 8,000,000 | 8,000,000 | 8,000,000 |
| OUT-OF-STATE LSST REVENUE | 98,037,864 | 86,190,829 | 102,190,265 | 87,867,090 | 77,120,910 | 79,565,400 |
| REAL PROPERTY TAX (SEC. 36 of AB 458) | 1,000,000 | 0 | 1,000,000 | 0 | 0 | 0 |
| ESTATE TAX | 100 | 0 | 100 | 0 | 0 | 0 |
| PRIOR YR REFUNDS | 0 | 816,539 | 0 | 0 | 0 | 0 |
| STATE SUPPLEMENTAL APPROPRIATION | 0 | 0 | 0 | 140,833,874 | 0 | 0 |
| REVERSION TO GENERAL FUND | 0 | (42,371) | 0 | 0 | 0 | 0 |
| BALANCE FORWARD TO NEXT FISCAL YEAR | 0 | (33,893) | 0 | 33,893 | 0 | 0 |
| TOTAL SHARE STATE ELEMENTS | 1,332,274,851 | 1,361,639,055 | 1,318,176,369 | 1,362,338,816 | 1,036,429,790 | 1,017,649,364 |
| SPECIAL EDUCATION UNITS | | | | | | |
| | No. of Units | | \$ per Unit | | No. of Units | |
| | 2009-2010 | 3,049 | 39,768.00 | 2011-2012 | 3,049 | 39,768.00 |
| | 2010-2011 | 3,049 | 39,768.00 | 2012-2013 | 3,049 | 39,768.00 |

* FY 10 Actual Weighted Apportioned Enrollment; FY 11, 12 & 13 reflect Estimated and Projected

** Totals May Not Balance Due to Rounding

*** Special Education Unit funded separately from Basic Support

BASIC SUPPORT PER PUPIL

The 2009 Legislature approved basic support per pupil of \$5,251 for FY 2010 and \$5,395 for FY 2011, which was reduced to \$5,186 and \$5,192 per pupil, respectively, as a result of budget reductions approved by the 26th Special Session. By the time the 26th Special Session convened in February 2010, enrollment figures for the 2010 school year were all but finalized. As a result, actual versus projected enrollment figures were virtually identical, and as such, the actual FY 2010 per-pupil support of \$5,186 was the same as the \$5,186 per pupil amount approved during the 26th Special Session. **The guaranteed basic support per pupil should not be confused with expenditures per pupil.** Resources not considered within the Nevada Plan are also available to cover school district and charter schools’ operating costs.

The Executive Budget recommends guaranteed basic support of \$4,918 per pupil for each year of the 2011-13 biennium. The chart below compares the increases and decreases of the statewide average guaranteed basic support funding by fiscal year since 2004:

| FY 2004 Actual | FY 2005 Actual | FY 2006 Actual | FY 2007 Actual | FY 2008 Actual | FY 2009 Actual | FY 2010 **Actual | FY 2011 **Leg. App. | FY 2012 Gov. Rec. | FY 2013 Gov. Rec. |
|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|------------------------|----------------------|----------------------|
| \$4,298 | \$4,433 | \$4,490 | \$4,699 | \$5,125 | \$5,212 | \$5,186 | \$5,395 | \$4,918 | \$4,918 |
| \$311 | \$135 | \$57 | \$209 | \$426 | \$87 | (\$26) | (\$209) | (\$477) | \$0 |

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

ENROLLMENT

Each school district’s guaranteed level of funding is determined by multiplying the basic support per pupil by weighted enrollment. Weighted enrollment 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. Handicapped preschoolers and kindergarten pupils are only counted as six-tenths of a pupil because they typically attend school for half a day or less. The following chart compares audited weighted enrollment numbers by fiscal year and the percent of increase each year over the preceding year:

| FY 2004 Actual | FY 2005 Actual | FY 2006 Actual | FY 2007 Actual | FY 2008 Actual | FY 2009 Actual | FY 2010 Actual | FY 2011 Projected | FY 2012 Gov. Rec. | FY 2013 Gov. Rec. |
|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|----------------------|----------------------|----------------------|
| 373,498 | 387,834 | 400,101 | 413,260 | 420,830 | 422,112 | 421,387 | 422,570 | 423,192 | 424,460 |
| 4.14% | 3.84% | 3.16% | 3.29% | 1.83% | 0.30% | -0.17% | 0.28% | 0.15% | 0.30% |

The Executive Budget reflects a K-12 enrollment increase of 0.15 percent in FY 2012 and an increase of 0.30 percent in FY 2013. The recommended enrollment increase for the Adult High School Diploma program, based on a five-year Adult Education enrollment growth average, is 4.53 percent each year of the 2011-13 biennium compared to an overall 6.11 percent Adult Education enrollment growth average for the 2011-13 biennium. The Executive Budget recommends a combined General Fund total of \$5.6 million in FY 2012 and \$15.2 million in FY 2013 to provide for the projected enrollment growth for both K-12 education and the Adult High School Diploma program.

A total of 10 school districts in FY 2010 (including Clark, Elko and Washoe) and 15 school districts (*excluding* Clark and Elko) in FY 2011 experienced a decline in enrollment and were eligible to use the hold harmless provision of NRS 387.1233(2) for apportionment purposes. Under hold harmless, funding is based on the higher of the previous two years' weighted apportionment enrollment if enrollment declines by 5 percent or more from the previous year; otherwise, the weighted apportionment enrollment is the higher of the current or previous year's enrollment. For the 2009-11 biennium, the hold harmless provision for eligible school districts and charter schools increased the State responsibility by approximately \$29.7 million, compared to the hold harmless costs of \$16.1 million for the 2007-09 biennium.

POSITIONS AND SALARIES

To determine the number of employees needed to accommodate increased enrollment, the Budget Division calculated the actual student-employee ratios for each major job classification in the FY 2009-10 base year. Position counts for each year of the upcoming biennium were computed by maintaining the same student-employee ratio in each job classification. The Budget Division estimates that an additional 91 licensed, instructional personnel will be needed to maintain the average of 20.8:1 student-teacher ratio throughout the 2011-13 biennium.

Actual statewide average teacher salaries for FY 2010 were \$53,436 (\$73,242 with benefits) and are estimated at \$53,970 for FY 2011. Average teacher salaries (excluding benefits) are budgeted at \$48,624 in FY 2012 and \$48,587 in FY 2013, inclusive of the Governor's recommended funding reductions related to salaries. 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 affect average teacher salaries.

BASIC SUPPORT BUDGET REDUCTION RECOMMENDATIONS

The Executive Budget recommends reductions in guaranteed basic support funding totaling \$121.0 million in FY 2012 and \$117.2 million in FY 2013, which, based on projected enrollment, equates to a per pupil funding reduction of \$286 and \$276 for FY 2012 and FY 2013, respectively.

SALARY RECOMMENDATIONS

For the 2011-13 biennium, consistent with recommendations for state employees, the Governor recommends a 5 percent reduction of funding for salaries and a suspension of funding for merit salary increases for district and charter school employees, effective July 1, 2011. The recommendation results in General Fund savings of \$127.0 million in FY 2012 and \$129.6 million in FY 2013. Savings from merit pay suspensions are estimated to be \$46.8 million in FY 2012 and \$94.6 million in FY 2013.

The Executive Budget further recommends a reduction in funding for salaries for district and charter school employees of approximately \$100.3 million in FY 2012 and \$100.6 million in FY 2013 representing one-half of the pay reduction, or 5.3075 percent, charged to state employees who participate in the employer-paid Public Employees' Retirement System (PERS). State employees who elect the employer-paid PERS option receive a salary reduction of 10.615 percent as their contribution to PERS, with the State paying the full PERS contribution. Presently, though school district and charter school employees participate in the employer-paid PERS, funding for salaries is not reduced in the DSA for the employee contribution to PERS.

Although the Governor's salary recommendations may have an impact on the salaries of school district and charter school employees, the actual salary impact is uncertain since the employee groups are subject to collective bargaining with negotiations either in progress or yet to take place.

FRINGE BENEFIT ADJUSTMENTS

The Governor recommends an adjustment to fringe benefits for the increase in the retirement rate from 21.50 percent to 23.75 percent, with a corresponding reduction in funding for salary costs for one-half of the amount for the employee portion of the increase. This is consistent with the methodology that will be utilized to implement the retirement increase for state employees on the employer-paid plan. The Executive Budget also recommends funding an increase in the unemployment insurance rate from 0.36 percent to 0.55 percent for school districts and charter schools. The combined General Funds recommended for these fringe benefit rate increases is \$20.7 million in FY 2012 and \$21.1 million in FY 2013.

SUPPLEMENTAL APPROPRIATIONS

The Executive Budget recommends a supplemental appropriation of \$140.8 million for the DSA, primarily due to lower-than-projected sales tax revenue collections (LSST) inside the Nevada Plan and guaranteed by the State. The supplemental appropriation for the DSA projected prior to the actions taken in the 26th Special Session was over \$200 million.

TEXTBOOK FUNDING

The 2009 Legislature approved funding in the DSA for textbooks, instructional supplies, instructional hardware and instructional software totaling \$84.8 million in FY 2010 and \$88.8 million in FY 2011. To allow school districts and charter schools flexibility in addressing budget shortfalls during the 2009-11 biennium, the Legislature passed Assembly Bill 5 (26th Special Session) that provides a temporary waiver from the minimum expenditure requirements for textbooks, instructional supplies, instructional hardware and software through the end of the 2009-11 biennium.

For the 2011-13 biennium, The Executive Budget recommends funding in the DSA for textbooks, instructional supplies, instructional hardware and instructional software in

FY 2012 and FY 2013 totaling \$101.6 million and \$101.9 million, respectively, reflecting the total actual expenditures incurred for these items by school districts and charter schools in FY 2010 increased for enrollment. The Budget Division indicates the Governor will submit a bill draft request to remove the minimum textbook expenditure requirement, either temporarily or permanently, in order to provide greater flexibility to school districts and charter schools.

INFLATION

The 2009 Legislature approved a total of \$19 million over the 2009-11 biennium for inflationary increases in costs for textbooks, library books, instructional and other supplies, instructional computer software and utilities. The Executive Budget does not recommend funding for inflationary increases for these items for the 2011-13 biennium.

SPECIAL EDUCATION

Nevada provides state funding for special education on the basis of special education program units, which are defined by NRS 387.1211 as organized instructional units in which a licensed, full-time teacher is providing an instructional program that meets minimum standards prescribed by the State Board of Education. To qualify for a full apportionment, a unit must have operated the full school day (330 minutes) for at least nine of the school months within a school year.

For FY 2011 the State is funding 3,049 special education units at \$39,768 each, totaling \$121.25 million. For the upcoming biennium, the Governor's recommendation for special education units, remains flat at 3,049 units at a cost of \$39,768 each or \$121.25 million each year of the 2011-13 biennium. It should be noted that the amount school districts receive per special education unit from the DSA does not cover the entire cost of a special education teacher, but rather covers approximately half of the cost. The remainder of the cost of providing special education programs is covered by per-pupil basic support guaranteed by the DSA, other school district revenues and federal funds earmarked for special education.

State support for special education also serves as the maintenance of effort (MOE) for the federal Individuals with Disability Education Act grant. The MOE requirements provide that the State must maintain a level of state support for special education that is at least equal to the amount of state support that was provided in the previous year. The Governor's recommended funding reductions related to salaries impacts special education funding and thereby creates a MOE shortfall. If the State fails to meet the MOE requirements, the State risks a reduction of federal support by the same amount of the MOE shortfall. As a result, the Governor's budget recommends General Funds of \$11.2 million in FY 2012 and \$10.9 million in FY 2013 to offset the MOE shortfall.

For the past several biennia, additional special education funding has been provided for instructional programs incorporating education technology for gifted and talented pupils. The 2009 Legislature authorized \$162,571 and \$167,459 for FY 2010 and FY 2011, respectively. For FY 2012 and FY 2013, The Executive Budget recommends

transferring funding for educational technology for gifted and talented pupils in the amounts of \$171,060 and \$175,004, respectively, from a line item in the DSA to the proposed new Student Achievement Block Grant program.

CLASS SIZE REDUCTION PROGRAM

During the 21 years that the Class Size Reduction (CSR) program has been implemented in the State, funding totaling \$1.7 billion has been approved to support additional teachers to reduce pupil-teacher ratios. To finance salaries and fringe benefits of teachers hired to meet the required ratios of 16:1 in first and second grades and 19:1 in third grade, the 2009 Legislature appropriated a total of \$144.3 million for FY 2010 and \$145.9 million for FY 2011. Assembly Bill 4, passed in the 26th Special Session, provides flexibility for school districts from the requirements of CSR pupil-teacher ratios. This exception applies only for the 2011 school year and sunsets on June 30, 2011.

The Executive Budget includes funding for CSR totaling \$135.8 million (inclusive of the recommended funding reductions related to salaries) for FY 2012, and \$137.4 million for FY 2013, representing decreases of 5.8 percent and 5.9 percent, respectively, over legislatively approved funding in each year of the 2009-11 biennium. However, the Governor recommends all of the funding for the support of the CSR program (\$273.2 million over the 2011-13 biennium) be transferred to the proposed Student Achievement Block Grant program.

EARLY CHILDHOOD EDUCATION PROGRAM

The 2009 Legislature appropriated \$3.34 million each year of the 2009-11 biennium for the Nevada Department of Education to award competitive grants to school districts and community-based organizations for early childhood education (ECE) programs. The Executive Budget recommends \$3.34 million in FY 2012 and \$3.35 million in FY 2013 to continue the ECE program, which represents a 0.30 percent increase over the legislatively approved funding for the 2009-11 biennium. However, the Governor recommends transferring all of the funding for the ECE program (\$6.69 million) to the proposed Student Achievement Block Grant program.

ADULT HIGH SCHOOL DIPLOMA PROGRAM

Each session, the Legislature determines an amount of funding for Adult High School Diploma programs for the general public and for the State's prison inmates in the four school districts that operate programs within prison facilities. The 2009 Legislature approved utilizing a five-year Adult Education enrollment growth average instead of the K-12 education enrollment growth percentage that had been historically utilized. Actual expenditures for the program in FY 2010 were \$21.2 million and a total of \$22.7 million is authorized for FY 2011.

For the 2011-13 biennium, The Executive Budget recommends \$21.6 million for FY 2012 and \$23.0 million for FY 2013 (inclusive of the recommended salary-related funding reductions) representing increases of 2.2 percent and 1.4 percent, respectively, over legislatively approved funding in each year of the 2009-11 biennium. The

Governor's budget retains the funding for the Adult High School Diploma program as a line item in the DSA as opposed to transferring it to the proposed Student Achievement Block Grant program.

REGIONAL PROFESSIONAL DEVELOPMENT PROGRAMS

The 2009 Legislature approved the consolidation of the four existing professional development regions to three (Northwestern, Northeastern and Southern) with a budget of \$7.9 million each year of the 2009-11 biennium. The approved funding included \$100,000 each fiscal year designated to provide additional administrator training.

The Executive Budget recommends General Funds of \$7.9 million each year of the 2011-13 biennium to support the Regional Professional Development Programs (RPDP), representing no change from the legislatively approved funding for the 2009-11 biennium. Additionally, the Governor recommends transferring all funding for the RPDPs from the DSA to the School Remediation Trust Fund account (with no change in purpose) in order to preserve the DSA budget account for apportionment funding.

OTHER STATE EDUCATION PROGRAMS

The 2009 Legislature approved General Funds totaling \$10.3 million in FY 2010 and \$9.4 million in FY 2011 to provide pass-through funds to school districts for the Apprenticeship program, Educational Technology, Library Database, Career and Technical Education, Public Broadcasting, the National Board Certification program for teachers and counselors, and the Speech Pathologist increment and various other smaller programs.

The Executive Budget recommends budget reductions resulting in General Fund savings totaling \$1.1 million in FY 2012 and \$1.0 million in FY 2013, prorated among all programs. The Governor also recommends eliminating this budget and transferring program funds totaling \$7.96 million in FY 2012 and \$7.56 million in FY 2013 to the proposed Student Achievement Block Grant program.

In addition, the Governor recommends transferring General Funds of \$421,165 in FY 2012, used to support the Library Database program, from the Other State Education Programs budget to the State Library and Archives, the budget to which the funding has historically been transferred during the first year of each biennium. The Executive Budget also recommends transferring \$459,449 each year in Apprenticeship program funds to the Department of Employment, Training and Rehabilitation to better align the program's goals and student population.

SCHOOL REMEDIATION TRUST FUND

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

achievement of students. Historically, this budget has included funding for Full-Day Kindergarten, Innovation and Prevention of Remediation programs, and Empowerment programs.

STUDENT ACHIEVEMENT BLOCK GRANT PROGRAM

Beginning with the 2011-13 biennium, The Executive Budget recommends a new Student Achievement Block Grant (SABG) program to be included in the School Remediation Trust Fund budget. The intent of the Governor for this program is to shift categorical and line item funding included in the DSA budget (excluding Special Education, Adult High School Diploma and Regional Professional Development Program funding) as well as other K-12 budget accounts, to a block grant with the goal of providing flexibility while increasing student achievement. The associated statutory requirements to operate such programs would be eliminated and the programs would become optional through the block grant.

The Executive Budget recommends a General Fund reduction of 5.4 percent totaling \$18.7 million over the 2011-13 biennium to funding recommended for the SABG, resulting in net General Fund transfers to the SABG totaling \$162.3 million in FY 2012 and \$162.7 million in FY 2013. The following table lists the program funding recommended to be transferred to the SABG:

| General Fund Programs Recommended for Transfer to the Student Achievement Block Grant | FY 2012 | FY 2013 | Total 2011-13 Biennium |
|---|-----------------------|-----------------------|------------------------|
| Class Size Reduction (CSR) | \$ 134,348,070 | \$ 135,858,088 | \$ 270,206,158 |
| CSR At-Risk Kindergarten | 1,499,962 | 1,506,080 | 3,006,042 |
| Educational Technology for Gifted and Talented | 171,060 | 175,004 | 346,064 |
| Early Childhood Education | 3,343,791 | 3,353,814 | 6,697,605 |
| Special Elementary Counseling | 850,000 | 850,000 | 1,700,000 |
| School Library Media Specialist | 18,798 | 18,798 | 37,596 |
| Special Transportation | 128,542 | 128,542 | 257,084 |
| Full-Day Kindergarten | 21,141,740 | 20,621,415 | 41,763,155 |
| Incentives for Licensed Education Personnel | 4,193,250 | - | 4,193,250 |
| Educational Technology | 1,912,241 | 1,912,241 | 3,824,482 |
| Career and Technical Education | 3,543,822 | 3,543,822 | 7,087,644 |
| Counselor Certification | 668,742 | 668,742 | 1,337,484 |
| Speech Pathologist | 526,785 | 526,785 | 1,053,570 |
| LEA Library Books | 449,142 | 449,142 | 898,284 |
| Other Program Funding | 855,179 | 462,850 | 1,318,029 |
| 5.4 % Reduction to Student Achievement Block Grant | (11,330,650) | (7,374,874) | (18,705,524) |
| Recommended Funding for the Student Achievement Block Grant | \$ 162,320,474 | \$ 162,700,449 | \$ 325,020,923 |

The program description states the SABG would be allocated to both school districts and charter schools. These entities would be required to hold public hearings before approving a final spending plan, which will allow local school boards, charter governing bodies, administrators, teachers and parents to provide input regarding the programs that work best for their student populations. The SABG would provide districts and charters the flexibility to choose which programs to fund to meet their specific needs, which may include existing programs, but schools would no longer be required to utilize the funding for specific programs designated by the State.

FULL-DAY KINDERGARTEN PROGRAM

The Governor recommends General Funds of \$21.1 million in FY 2012 and \$20.6 million in FY 2013 (inclusive of recommended budget reductions) to support the Full-Day Kindergarten program. In addition, The Executive Budget recommends the transfer of all state funding for the Full-Day Kindergarten program (\$41.7 million) to the proposed Student Achievement Block Grant program.

NEW TEACHER PAY FOR PERFORMANCE PROGRAM

The Executive Budget recommends a General Fund appropriation of \$20 million in FY 2012-13 to support a new Teacher Performance Pay program effective July 1, 2012. The Budget Division indicates information outlining details of the new program will be included in a bill draft request.

PROGRAMS FOR INNOVATION AND THE PREVENTION OF REMEDIATION

The Governor's recommended budget does not include funding for Programs for Innovation and the Prevention of Remediation. Under the Governor's newly proposed Student Achievement Block Grant program, grant funds could be used for programs historically supported with Innovation and Remediation program funding.

STATE SUPPLEMENTAL SCHOOL SUPPORT FUND

The State Supplemental School Support Fund was created by Initiative Petition 1, which became law in 2009 pursuant to Article 4, Section 35 of the Nevada Constitution. Initiative Petition 1 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 must be credited to the State General Fund. Per NRS 387.191, beginning on July 1, 2011, the proceeds must be credited to the State Supplemental School Support Fund 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 Initiative Petition 1 Room Tax revenues included in The Executive Budget are forecast at \$107.7 million for FY 2012 and \$113.8 million for FY 2013. However, the Governor recommends that the funds from the Initiative Petition 1 Room Tax revenues continue to be deposited into the General Fund through the 2011-13 biennium, after which time the revenues would be credited to the State Supplemental School Support Fund.

INCENTIVES FOR LICENSED EDUCATIONAL PERSONNEL

Nevada Revised Statutes 391.166 creates a Grant Fund for Incentives for Licensed Educational Personnel and requires each school district to establish a program of incentive pay for licensed educational personnel designed to attract and retain those employees. Financial incentives must not exceed \$3,500 per year. Assembly Bill 1 of

the 23rd Special Session (2007) 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, NRS 391.166 provides an option for those employees participating in the program prior to July 1, 2007, to continue the purchase of retirement credits until they have received an additional one full year of retirement credit at which time they would be eligible to participate in the new program of teacher incentive pay described above. The 1/5 Retirement Credit Purchase program, under the grandfathered provisions noted above, will conclude in FY 2013 (final year of credits earned in FY 2012, to be funded in FY 2013).

The Governor recommends General Fund support for the 1/5 Retirement Credit Purchase program in the amount \$13.0 million in FY 2012 for retirement credits earned in FY 2011 and \$12.1 million in FY 2013 for retirement credits earned in FY 2012. The required level of funding for the 1/5 Retirement Credit Purchase program is obtained from the Department of Education based on the total projected costs for the participants. The Governor recommends an adjustment in funding based on projected 1/5 Retirement Credit costs resulting in General Fund reductions of \$5.1 million in FY 2012 and \$10.3 million in FY 2013.

The Governor recommends General Fund support for the Incentives for Licensed Educational Personnel at \$4.2 million in FY 2012 (only) and recommends the funding be transferred into the proposed Student Achievement Block Grant (SABG) program. Under the SABG program, school districts and charter schools would determine whether or not to continue funding the incentive program or utilize the funding for other desired programs

DEPARTMENT OF EDUCATION

The Executive Budget recommends total funding for the Department of Education (excluding the Distributive School Account, School Remediation Trust Fund, Incentives for Licensed Educational Personnel, Other State Education Programs, the Educational Trust Fund, and the State Supplemental School Support Fund) in the amount of \$714.3 million for the 2011-13 biennium, a decrease of 0.8 percent compared to the 2009-11 biennium. Of this amount, General Fund support is recommended in the amount of \$20.7 million for the upcoming biennium, compared to \$25.8 million for the 2009-11 biennium. This represents a decrease in General Fund support of approximately 19.8 percent, which is primarily due to the elimination of funding for school support teams for non-Title I schools.

The Executive Budget recommends the elimination of approximately \$136.2 million in federal funds over the 2011-13 biennium due to expiring federal grants, including American Recovery and Reinvestment Act funds awarded to the Department for allocations to the school districts.

The Executive Budget recommends position transfers between budgets to align positions with the appropriate funding sources for the duties performed. The Governor also recommends the elimination of 2.51 positions as a result of expiring federal grants, and the elimination of 1 Personnel Analyst due to the proposed centralization of personnel functions within the Division of Human Resource Management, a new division proposed for the Department of Administration.

The Governor recommends \$136,194 over the 2011-13 biennium for computer hardware and software equipment replacement. Of this total, \$44,571 is funded with General Funds, and \$91,623 is funded with federal or other funds.

PROFICIENCY TESTING

Due to budget shortfalls, the 25th Special Session (2008) suspended the administration of the norm-referenced test (NRT) in FY 2009. Through the passage of Senate Bill 416, the 2009 Legislature continued the suspension of the NRT over the 2009-11 biennium, with a scheduled sunset date of June 30, 2011. The Executive Budget recommends the permanent elimination of the NRT, with a corresponding reduction of \$1.85 million in General Funds over the 2011-13 biennium. The NRT is used to measure how Nevada students compare to other students nationwide.

The criterion-referenced test (CRT) in reading and math is administered annually in grades 3 through 8, science in grades 5 and 8, and analytical writing assessment in grades 5 and 8. Students in grades 10 through 12 are tested in math, reading and writing, and grades 10 and 11 in science, on the High School Proficiency Exam (HSPE). The CRTs and the HSPE are used by the State to meet the federal No Child Left Behind mandates for determining adequate yearly progress of Nevada schools. The Executive Budget recommends General Funds of \$11.6 million over the 2011-13 biennium for the Proficiency Testing program, representing a 0.9 percent increase over the \$11.7 million approved for the 2009-11 biennium.

SAIN – SYSTEM FOR ACCOUNTABILITY INFORMATION IN NEVADA

Pursuant to NRS 386.650, the Department of Education is required to establish and maintain an automated system of accountability information for Nevada to report the results of student achievement and provide longitudinal comparisons of academic achievement, rate of attendance, and rate of graduation of pupils over time. The system requirements allow analysis of the results of pupils on a school level basis. The Executive Budget recommends \$425,501 in General Fund over the 2011-13 biennium to support the SAIN program, representing a 28 percent decrease from the \$590,554 approved for the 2009-11 biennium.

DRUG ABUSE EDUCATION

The Safe and Drug Free Schools and Communities federal grant provides for drug abuse education and programs to prevent violence in schools. Due to elimination of this program at the federal level, The Executive Budget eliminates this account and the one position funded by the grant.

ELEMENTARY AND SECONDARY EDUCATION ACT – TITLE I

Title I programs include the majority of the federal funds utilized by school districts to comply with requirements of the No Child Left Behind Act. The Executive Budget recommends federal authority of \$209.1 million over the 2011-13 biennium to continue Title I basic programs, which includes funds awarded by the American Recovery and Reinvestment Act (ARRA) in FY 2011 for school improvement and school reform efforts. Additional Title I funds awarded through ARRA over the 2009-11 biennium, and federal funds for the Reading First and Even Start programs, are eliminated in The Executive Budget for the 2011-13 biennium.

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

The Governor recommends \$37.5 million in federal grant funds over the 2011-13 biennium for the Improving Teacher Quality, State Assessments and federal Technology grant programs, representing a 24.1 percent decrease from the \$49.4 million approved for Title programs during the 2009-11 biennium. The decrease in federal funds for this account are primarily due to the elimination of federal funding for the Math and Science Partnership grant, and a reduction in funding for state assessments and technology.

INDIVIDUALS WITH DISABILITIES ACT

The Individuals with Disabilities Act (IDEA) provides federal funding to assist students with disabilities to improve their performance on statewide assessments, with the goal of increasing the high school graduation rate and assisting students with disabilities to improve skills and behaviors to benefit post-secondary outcomes. In addition to the Department administering the IDEA program and providing subgrants to school districts, the Department monitors students whose individual educational program cannot be met at their home school district (NRS 395 program). The Executive Budget recommends a total of \$149.4 million over the 2011-13 biennium, representing a 15.4 percent decrease over the \$176.6 million approved for the 2009-11 biennium. Of the \$149.5 million recommended for the 2011-13 biennium, approximately \$42,000 represents General Fund to support the NRS 395 program. Additional IDEA funds awarded through American Recovery and Reinvestment Act over the 2009-11 biennium have been eliminated in The Executive Budget for the 2011-13 biennium.

SCHOOL NUTRITION PROGRAM

The School Nutrition program includes the National School Lunch program, the School Breakfast program, and other smaller programs for certain eligible students. The Executive Budget recommends federal authority of \$217.8 million for the School Nutrition program, representing a 24.2 percent increase compared to the \$175.4 million approved for the 2009-11 biennium. State General Fund appropriations to meet the federal match and maintenance of effort requirements are included in this budget and the State Distributive School Account.

EDUCATION JOBS FUNDS

The State was awarded \$83.2 million in federal Education Jobs Funds in FY 2011 for school districts to hire, rehire, and retain school-level educational personnel. Although funds unspent in FY 2011 can be utilized in FY 2012, The Executive Budget does not recommend a carry forward of funds in FY 2012.

CHARTER SCHOOLS

The Executive Budget recommends \$1.68 million in administrative fees collected from state-sponsored charter schools over the 2011-13 biennium, a substantial increase compared to the \$468,397 approved for the 2009-11 biennium. As a result of increased enrollment in state-sponsored charter schools during the current biennium, administrative fees of \$689,646 were actually collected in FY 2010. Administrative Fees are used to support the staff and operating costs of the Office of Charter Schools within the Department, which provides technical and administrative assistance to state-sponsored charter schools.

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); Western Nevada College (WNC); Great Basin College (GBC); Truckee Meadows Community College (TMCC); the UNR School of Medicine (UNSOM), the UNLV Law School, the UNLV Dental School and the Desert Research Institute (DRI).

GOVERNOR RECOMMENDS PROPERTY TAX REVENUES IN PLACE OF GENERAL FUND APPROPRIATIONS AT UNLV AND UNR

The Governor recommends redirecting approximately \$60.4 million in FY 2012 and \$60.8 million in FY 2013 in existing property tax revenues from Clark and Washoe Counties to UNLV and UNR respectively, and using these revenues to reduce General Fund appropriations to NSHE in each of those years. No property tax revenues are recommended for the community colleges. There are two distinct sources of these property tax revenues. The first is the 4-cent per \$100 of assessed value operating rate for the counties in which proceeds generated from that rate are transferred to the State General Fund in the current biennium pursuant to Assembly Bill 543 of the 2009 Session. The second is the 5-cent per \$100 of assessed value capital rate imposed pursuant to *Nevada Revised Statutes* 354.59815. Proceeds generated from a portion of that rate are being transferred to the State Highway Fund pursuant to *Nevada Revised Statutes* 354.59815, while, for the 2009-11 biennium, the remaining portion that would otherwise transfer to the counties to fund capital projects is being transferred to

the General Fund pursuant to Assembly Bill 543 of the 2009 Session. The manner in which the funding is allocated to UNLV and UNR is reflected in the table below:

| Institution | FY 2012 Gen. Fund (Gov. Rec.) | FY 2012 Property Tax (Gov. Rec.) | FY 2013 Gen. Fund (Gov. Rec.) | FY 2013 Property Tax (Gov. Rec.) |
|---------------|-------------------------------------|--|-------------------------------------|--|
| UNR | \$ (11,379,450) | \$ 11,379,450 | \$ (11,475,637) | \$ 11,475,637 |
| UNLV | \$ (49,066,646) | \$ 49,066,646 | \$ (49,346,811) | \$ 49,346,811 |
| TOTALS | \$ (60,446,096) | \$ 60,446,096 | \$ (60,822,448) | \$ 60,822,448 |

GOVERNOR RECOMMENDS 27.3 PERCENT DECREASE IN GOVERNMENTAL SUPPORT

The Governor recommends \$740.7 million in General Fund support to NSHE for the 2011-13 biennium. This is a decrease of \$259.5 million or 25.9 percent from the \$1.0 billion, excluding the Western Interstate Commission on Higher Education (WICHE), approved by the 2009 Legislature for the 2009-11 biennium.

When other sources of governmental funding such as federal American Recovery and Reinvestment Act (ARRA) revenues and real property tax revenues are included with General Funds in the comparison, governmental support recommended by the Governor decreases \$323.0 million or 27.3 percent compared to the \$1.185 billion in governmental support approved by the 2009 Legislature for the 2009-11 biennium. Federal ARRA State Fiscal Stabilization Funds (SFSF) for education will not be available in the upcoming biennium; however, as noted, the Governor recommends \$121.3 million in property tax revenues over the biennium. The property tax revenues would offset 65.6 percent of the loss of the ARRA education stabilization funds budgeted in the 2009-11 biennium.

| Governmental Support Revenue Type | 2009-11 Leg. Approved Governmental Support (Millions) | 2011-13 Governor Rec. Governmental Support (Millions) | 2011-13 Dollar Change Governmental Support (Millions) | % Change |
|---|---|---|---|---------------|
| General Fund Appropriation | \$1,000.1 | \$740.7 | (\$259.5) | -25.9% |
| ARRA SFSF-Education | \$184.8 | \$0.0 | (\$184.8) | -100.0% |
| Property Tax (A.B. 595, 2007 Session and A.B. 543, 2009 Session) | \$0.0 | \$121.3 | \$121.3 | New |
| TOTALS | \$1,184.9 | \$862.0 | (\$323.0) | -27.3% |

Note: Totals exclude funding for WICHE.

ENROLLMENT GROWTH

To project enrollments for the 2011-13 biennium, NSHE did not utilize the traditional three-year weighted average projection methodology. Instead, NSHE proposed the continued use of the 2009-11 biennium “flat” enrollment projection methodology, which was approved as a one-biennium exception by the 2009 Legislature’s money committees. As proposed, the FY 2012 and FY 2013 enrollments at NSHE’s seven teaching institutions would be flat or equal to the actual enrollments experienced

in FY 2010. Enrollments are projected to increase during the 2011-13 biennium when compared to the enrollments budgeted for the 2009-11 biennium by the 2009 Legislature using flat enrollment projections. System-wide, actual full-time equivalent (FTE) enrollments grew by 4.77 percent in FY 2010 over FY 2009 – higher than the budgeted enrollment growth of 0.29 percent. Projected enrollments in FY 2012 are 4.46 percent higher system-wide than the FTE enrollments budgeted in FY 2011. NSHE projects no enrollment growth in FY 2013 over FY 2012. The Governor's recommended budget utilizes NSHE's enrollment methodology and figures.

As shown in the table below, NSC, WNC and GBC are projected to have the largest percentage enrollment increases, although enrollment growth is projected to occur at all seven teaching institutions.

| 2011-13 Biennium Governor Recommended NSHE Annualized Actual and Projected FTE Enrollments Based Upon "Flat" Enrollment Projection Methodology | | | | | | | | | |
|---|---------------------------------|-----------------------------------|---------------------------------|-----------------------------------|-----------------------------------|------------------------------------|-----------------------------------|------------------------------------|-----------------------------------|
| Campus | FY 09 Actual FTE | FY 10 Budgeted FTE | FY 10 Actual FTE | % Chg FY 10/ FY 09 | FY 11 Budgeted FTE | FY 12 Projected FTE | % Chg FY 12/ FY 11 | FY 13 Projected FTE | % Chg FY 13/ FY 12 |
| UNLV | 19,545 | 19,645 | 20,086 | 2.77% | 19,645 | 20,086 | 2.24% | 20,086 | 0.0% |
| UNR | 12,583 | 12,622 | 12,770 | 1.49% | 12,622 | 12,770 | 1.17% | 12,770 | 0.0% |
| CSN | 21,042 | 21,069 | 22,027 | 4.68% | 21,069 | 22,027 | 4.55% | 22,027 | 0.0% |
| TMCC | 6,796 | 6,802 | 7,307 | 7.52% | 6,802 | 7,307 | 7.42% | 7,307 | 0.0% |
| WNC | 2,489 | 2,492 | 2,888 | 16.03% | 2,492 | 2,888 | 15.89% | 2,888 | 0.0% |
| GBC | 1,786 | 1,801 | 1,994 | 11.65% | 1,801 | 1,994 | 10.72% | 1,994 | 0.0% |
| NSC | 1,424 | 1,427 | 1,726 | 21.21% | 1,427 | 1,726 | 20.95% | 1,726 | 0.0% |
| TOTALS | 65,665 | 65,858 | 68,798 | 4.77% | 65,858 | 68,798 | 4.46% | 68,798 | 0.0% |

FORMULA FUNDING

The seven teaching institutions' state-supported operating budgets have primarily been funded through enrollment-driven formulas. In Fiscal Years 2008 and 2009, the Legislature funded higher education formulas at the 85.5 percent level. For the 2009-11 biennium, the Governor recommended formula funding levels of 59.5 percent and 60.0 percent in each respective year of the 2009-11 biennium.

In addressing the reduced level of General Fund appropriation available for the 2009-11 biennium, the Legislature contended with a "capped" funding amount significantly below the \$677.1 million appropriated for FY 2009 by the 2007 Legislature. As a result, the funding formula was not utilized by the Legislature to determine funding allocations at the 85.5 percent level. However, the funding formula was utilized to distribute the available General Fund after accounting for adjustments such as equity and stop-loss allocations. Based upon the combined \$592.5 million in General Fund appropriation and federal ARRA funding and inclusive of student registration fee and non-resident tuition revenues, the Legislature restored formula funding to a projected level of 74.1 percent in each year of the 2009-11 biennium.

As recommended by the Governor, The Executive Budget does not utilize the funding formula in either calculating or distributing funding for the seven teaching institutions. Instead, The Executive Budget follows the Board of Regents' recommendation in determining base and maintenance funding for the 2011-13 biennium. The Regents proposed that each institution's base General Fund appropriation would equal the FY 2011 level approved by the 26th Special Session (2010) of the Legislature before adding back professional merit, classified merit, longevity and furlough-generated savings.

No maintenance decision module to fund the projected enrollment growth is included in the Governor's budget. Additionally, recommended General Fund operating appropriations for the seven teaching institutions are subsequently reduced by \$56.2 million in FY 2012 and \$117.6 million in FY 2013 in an enhancement decision unit. The following table displays the governmental support funding levels recommended in The Executive Budget for the seven teaching institutions.

| 2011-13 Biennium Executive Budget Recommended Governmental Support Compared To FY 2011 Legislatively Approved Governmental Support | | | | | | | |
|---|---|--|--|--|--|--|--|
| | FY 2011 General Fund and ARRA (Leg. Approved.) | | FY 2012 General Fund and Property Tax (Gov. Rec.) | % Change Over FY 2011 | | FY 2013 General Fund and Property Tax (Gov. Rec.) | % Change Over FY 2011 |
| UNR | \$124,085,141 | | \$ 95,632,792 | -22.9% | | \$ 81,409,408 | -34.4% |
| UNLV | \$154,997,284 | | \$125,413,961 | -19.1% | | \$106,525,137 | -31.3% |
| NSC | \$ 13,826,922 | | \$ 9,040,401 | -34.6% | | \$ 7,602,701 | -45.0% |
| GBC | \$ 17,531,947 | | \$ 13,941,066 | -20.5% | | \$ 11,793,317 | -32.7% |
| CSN | \$ 97,086,121 | | \$ 75,944,918 | -21.8% | | \$ 64,667,849 | -33.4% |
| WNC | \$ 19,614,843 | | \$ 14,941,033 | -23.8% | | \$ 12,621,694 | -35.7% |
| TMCC | \$ 37,959,454 | | \$ 29,890,760 | -21.3% | | \$ 25,418,350 | -33.0% |
| TOTAL | \$ 465,101,712 | | \$ 364,804,931 | -21.6% | | \$ 310,038,456 | -33.3% |

FEES AND TUITION

For each year of the 2011-13 biennium, the Board of Regents chose not to approve any additional increases to the per-credit hour registration fees charged to either undergraduate or graduate students. However, in doing so, the Regents made permanent the surcharges approved in the 2009-11 biennium. For example, at the community college level, students will pay \$69.25 per credit hour in FY 2012 and FY 2013. This is the same amount that a community college student pays in FY 2011 when the current \$63.00 credit hour fee is combined with the \$6.25 credit hour surcharge. Likewise at UNR and UNLV, an undergraduate will pay \$156.75 per credit hour in both FY 2012 and FY 2013. Currently undergraduates pay the \$156.75 based upon a surcharge of \$14.00 in addition to the regular \$142.75 per credit hour approved registration fee. As shown below, for all three institutional levels, the Regents approved

a 2.3 percent increase in non-resident tuition for each year of the biennium. The Regents-approved fee schedule for the 2011-13 biennium is as follows:

| Type of Institution/Fee | FY 2011 (includes Surcharges) | Regents Approved FY 2012 | % Change | Regents Approved FY 2013 | % Change |
|-------------------------|-------------------------------------|--------------------------------|----------|--------------------------------|----------|
| Community Colleges | | | | | |
| Resident | \$ 69.25/credit | \$ 69.25/credit | 0.0% | \$ 69.25/credit | 0.0% |
| Upper Division | \$113.25/credit | \$113.25/credit | 0.0% | \$113.25/credit | 0.0% |
| Non-Resident | \$6,347/year | \$6,495/year | 2.3% | \$6,645/year | 2.3% |
| | | | | | |
| Nevada State College | | | | | |
| Resident | \$113.25/credit | \$113.25/credit | 0.0% | \$113.25/credit | 0.0% |
| Non-Resident | \$9,818/year | \$10,045/year | 2.3% | \$10,275/year | 2.3% |
| | | | | | |
| Universities | | | | | |
| Resident | \$156.75/credit | \$156.75/credit | 0.0% | \$156.75/credit | 0.0% |
| Graduate | \$239.50/credit | \$239.50/credit | 0.0% | \$239.50/credit | 0.0% |
| Non-Resident | \$13,290/year | \$13,595/year | 2.3% | \$13,910/year | 2.3% |

ADJUSTED BASE

The adjusted base totals \$805.4 million in FY 2012, net of interagency transfers, reflecting a 9.5 percent decrease over the FY 2011 legislatively approved adjusted base budget of \$890.0 million. In FY 2013, the adjusted base increases to \$817.6 million, an 8.1 percent decrease from FY 2011. Pursuant to the 2011-13 biennium budget instructions, the NSHE's adjusted base budget includes adjustments such as the restoration of professional merit, classified step increases, and longevity. However, The Executive Budget subsequently recommends the removal of longevity and merit step/professional merit increases and a 5 percent reduction in salaries through a series of negative enhancement modules. There are several other notable items within the adjusted base as follows:

- Restoration of Operating Capital Investment Revenues – The Executive Budget restores Operating Capital Investment income and recommends \$1.73 million in each year of the 2011-13 biennium. For the 2009-11 biennium, the 2009 Legislature's money committees concurred with NSHE's request that Operating Capital Investment income not be budgeted due to NSHE's reduced ability to earn investment income as a result of the economic environment. However, in doing so the 2009 money committees also issued a letter of intent indicating that this revenue source should be restored by NSHE for the 2011-13 biennium.
- Reallocation of Non-Formula Equipment Funding – Consistent with the letter of intent issued by the 2009 money committees, The Executive Budget restores non-formula equipment funding to NSHE's non-formula budgets by reallocating funding from NSC. In approving the 2009-11 biennium budgets, the money committees approved NSHE's recommendation that \$959,873 in annual funding, which would otherwise support workstation equipment replacement in non-formula

budgets, be reallocated to NSC as a one-time transfer in order to reduce to approximately 24 percent budget reduction approved for NSC.

- Elimination of Federal ARRA Funding – The 2009 Legislature budgeted a total of \$184.8 million in federal ARRA SFSF education stabilization funding in the NSHE seven formula budgets. Funding of \$92.4 million was included in each year of the 2009-11 biennium. The 26th Special Session of the Legislature subsequently revised the allocations by transferring the ARRA funds reserved for FY 2011 into FY 2010, and moving an equal amount of General Fund appropriations from FY 2010 to FY 2011. The Executive Budget does not include a decision module to replace the expired ARRA funds.

MAINTENANCE ITEMS

The maintenance section of the operating budget totals \$1.8 million in FY 2012 and \$11.4 million in FY 2013 and is entirely General Fund appropriation supported. The maintenance modules are described in more detail below.

- Inflation – The Governor recommends a net decrease of \$105,671 in each year of the 2011-13 biennium based upon projected changes to the employee bond insurance and Attorney General tort claim insurance rates.
- Operation and Maintenance of New Space – The Governor recommends General Fund appropriations of \$1.6 million in FY 2012 and \$1.5 million in FY 2013 for operations and maintenance (O&M) costs related to formula-driven new space added or anticipated to be added during the 2011-13 biennium. The following amounts are recommended by the Governor:

| NSHE Institution | FY 2012 (Gov. Rec.) | FY 2013 (Gov. Rec.) |
|---------------------|------------------------|------------------------|
| UNR | \$ 757,334 | \$ 716,649 |
| UNLV | \$ 245,562 | \$ 236,134 |
| UNSOM | \$ 123,193 | \$ 119,845 |
| CSN | \$ 81,006 | \$ 73,404 |
| GBC | \$ 340,422 | \$ 328,973 |
| DRI | \$ 25,101 | \$ 24,514 |
| TOTAL CHANGE | \$ 1,572,618 | \$ 1,499,519 |

- UNR – The Governor recommends a net increase of 76,487 square feet. New space includes adding back a combined 88,787 square feet in Getchell Library space. In FY 2009 a total of 93,000 square feet was removed while funding to mothball Getchell Library at \$228,380 was provided. Recommended new space also includes 57,614 square feet in the new Health Sciences Education (Medical Education) Building. Additionally, 5.44 acres associated with both the Center for Molecular Medicine and the Medical Education building is proposed to be added while a total of 69,914 square feet is proposed for elimination including 26,000 square feet in agricultural facilities.

- UNLV – A net change of 22,660 square feet is proposed in each year of the biennium for the proposed addition of 38,500 square feet in new space for the new basketball practice facility offset by the recommended elimination of 15,840 square feet of existing modular space.
 - UNSOM – The Governor recommends adding 13,671 square feet to reflect a correction to the existing leased space square footage.
 - CSN – The Governor recommends a net increase of 5,666 square feet at CSN. The new space recommended encompasses 18,000 square feet for a Health Sciences addition and 4,660 square feet for the new Fire Station learning space. A total of 16,994 square feet including the Desert Garden Center is proposed for elimination.
 - GBC – A net addition of 36,755 square feet is recommended for GBC. Recommended new space for each year encompasses 40,555 square feet in the new Electrical and Industrial Building and 1,200 square feet in the Leonard Student Life Building in Elko. A net 5,000 square feet of classroom space in Pahrump is proposed for elimination.
 - DRI – The Governor recommends adding 2,400 square feet in each year at the Reno campus for the Renewable Energy Experimental Facility (REEF).
- Fringe Rate Adjustments – The Executive Budget recommends net increases of \$360,986 in FY 2012 and \$10.0 million in FY 2013 to fund fringe rate adjustments. The most significant rate changes are retirement contribution rate increases, which total approximately \$5.2 million for each year of the biennium, and active and retired employees’ group insurance rate changes, which decrease \$4.7 million in FY 2012 but increase \$4.9 million in FY 2013.

ENHANCEMENTS

- Salary and Benefit Reductions – The Governor proposes a 5 percent salary reduction, the continued suspension of professional and classified merit pay, suspension of longevity pay and benefit reductions that cumulatively decrease funding by an additional \$40.7 million in FY 2012 and \$54.4 million in FY 2013, as shown in the following table:

| Executive Budget Compensation Decision Modules | FY 2012 General Fund Reduction (Gov. Rec.) | FY 2013 General Fund Reduction (Gov. Rec.) |
|---|---|---|
| 5% Salary Reduction | \$ 28,675,878) | \$ (28,854,098) |
| Merit Pay Suspension | \$ (11,217,259) | \$ (23,640,125) |
| Longevity Pay Suspension | \$ (775,750) | \$ (891,925) |
| Part-Time Employee Health Insurance Rate Change | \$ - | \$ (1,029,756) |
| TOTAL REDUCTIONS | \$ (40,668,887) | \$ (54,415,904) |

- Transfer-Out of UNR Fire Science Academy to Office of the Military – The Governor proposes to transfer the UNR Fire Science Academy (FSA) in Carlin to the Office of the Military. To effectuate the transfer, The Executive Budget proposes to transfer General Fund appropriation of \$899,877 in FY 2012 and \$910,115 in FY 2013, which supports personnel (10 positions, 7.65 FTE) and associated operating costs. Through a 20-year lease agreement between NSHE/UNR and the Office of the Military, UNR will sublease from the Office of the Military and continue to operate the FSA infrastructure. A companion (Transfer-In) decision unit is included in the Governor’s recommended budget (BA 3651) for the Office of the Military.

CAPITAL IMPROVEMENTS

The Executive Budget includes funding for ten capital improvement projects. All ten are categorized as recommended to meet critical maintenance needs. Funding for new construction is not included. A total of \$15.0 million in funding is recommended, with \$10.0 million coming from state sources and \$5.0 million recommended from other sources (slot machine excise tax).

| Project Number | Institution | Project Description | State Funds | Other Funds | Total Request |
|-----------------------|--------------------|---|---------------------|--------------------|----------------------|
| M19 | CSN | HVAC Renovation: Building A, W. Charleston | \$ 1,755,140 | \$ 0.0 | \$ 1,755,140 |
| M22 | TMCC | HVAC Renovation: Red Mountain Building | \$ 812,752 | \$ 0.0 | \$ 812,752 |
| M24 | WNC | HVAC Renovation: Child Dev. Center, CC | \$ 105,879 | \$ 0.0 | \$ 105,879 |
| M28 | DRI | HVAC Pipe/Heat Pump Replacement: DRI LV | \$ 1,509,246 | \$ 0.0 | \$ 1,509,246 |
| M35 | WNC | HVAC Renovation: Aspen Building | \$ 280,473 | \$ 0.0 | \$ 280,473 |
| M42 | GBC | Roof Replacement: McMullen Hall, Elko | \$ 303,808 | \$ 0.0 | \$ 303,808 |
| M07 | WNC | ADA & Life Safety Retrofit-Carson City Campus | \$ 815,617 | \$ 0.0 | \$ 815,617 |
| M41 | WNC | HVAC Replacement, Pinion Hall, Fallon Campus | \$ 281,065 | \$ 0.0 | \$ 281,065 |
| M46 | TMCC | Exterior Building Envelope Restoration, Red Mtn | \$ 1,280,406 | \$ 0.0 | \$ 1,280,406 |
| M39 | Multiple | Deferred Maintenance (HECC/SHECC) | \$ 2,855,614 | \$5,000,000 | \$ 7,855,614 |
| NSHE TOTALS | | | \$10,000,000 | \$5,000,000 | \$ 15,000,000 |

DEPARTMENT OF CULTURAL AFFAIRS

The Department of Cultural Affairs provides leadership in cultural and information management, preservation of cultural heritage and the promotion of cultural resources, activities and education. The Department currently operates with 122 positions and is comprised of four divisions: the Division of Museums and History, the State Library and Archives, the State Historic Preservation Office and the Nevada Arts Council.

The Governor proposes to disband the Department and transfer its divisions to other state agencies. The following table depicts the proposed organizational changes. The Executive Budget recommends overall funding for the components of the Department that totals \$26.5 million over the 2011-13 biennium, which is a decrease of

16.4 percent (\$5.2 million) from the amount approved by the Legislature for the 2009-11 biennium. General Fund support is recommended to decrease by 35.5 percent (\$7.6 million).

| DCA Agency | New Organizational Location |
|---|--|
| Nevada State Library and Archives (NSLA) | Department of Administration |
| Museums and History | Commission on Tourism |
| Nevada Arts Council (NAC) | Commission on Tourism |
| State Historic Preservation Office (SHPO) | Department of Conservation and Natural Resources |
| Comstock Historic District | Department of Conservation and Natural Resources |

As part of the reorganization, 8 administrative positions are recommended to transfer to the administrative offices of the new organizational locations. The Executive Budget proposes to eliminate 16 positions department-wide.

DIRECTOR'S OFFICE

The Executive Budget recommends closing the Director's Office effective October 1, 2011. The Governor proposes to transfer two administrative positions to the Commission on Tourism and eliminate six positions including the Director and the Administrative Services Officer. The General Fund reductions associated with the closure of the Director's office total \$596,139 in FY 2012 and \$820,948 in FY 2013.

DIVISION OF MUSEUMS AND HISTORY

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

The Executive Budget does not recommend closing any of the Division's seven museums. However, the Governor proposes to organizationally place the museums under the direction of the Commission on Tourism and to replace half of the museums' General Fund support with Tourism's Room Tax revenues. The Executive Budget notes that this will allow the seven museums to remain open at the current reduced operations of four days per week. The Governor's proposal would eliminate the Museums and History Administrator's office by merging it with the Commission on Tourism. The change in the museum funding is projected to save \$1.2 million in FY 2012 and \$1.7 million in FY 2013 of General Funds.

The Governor recommends the continued mothballing of the State Museum at the Las Vegas Springs Preserve for the 2011-13 biennium. General construction was completed in June 2009, and construction of the final exhibits is estimated to be completed by April 15, 2011. The Executive Budget does not include funding for staffing and operating the museum during the upcoming biennium.

NEVADA ARTS COUNCIL

The Nevada Arts Council promotes Nevada's cultural life through grants and technical assistance to individuals, as well as organizations. The Executive Budget recommends transferring the Nevada Arts Council organizationally under the Commission on Tourism and replacing \$844,825 of the Council's General Fund appropriations with Room Tax revenues over the upcoming biennium. In addition, the Governor proposes to reduce the pass-through funds to the Nevada Humanities program from \$50,000 to \$10,000 per year and to merge the Humanities program into the Nevada Arts Council.

The Governor proposes to relocate the Las Vegas Arts Council's office, eliminate two vacant Arts Council positions and decrease overall funding for various grant programs to meet a 10 percent budget reduction target. The Governor recommends reducing General Fund support during the 2011-13 biennium by 51 percent compared to the funding approved by the 2009 Legislature.

STATE HISTORIC PRESERVATION OFFICE

The State Historic Preservation Office's mandate is to encourage preservation, documentation, and use of cultural resources through state and federal programs. Programs include preservation of buildings and archeological sites, grant distribution and management, the national and state registers of historical places, and historical markers. As part of the reorganization, The Executive Budget recommends transferring the State Historic Preservation Office and the Comstock Historic District into the Department of Conservation and Natural Resources. As part of the change, the State Historic Preservation Office is being recommended to move out of its current location at the Nevada State Library and move into the Department of Conservation and Natural Resources building. Overall, the Division's General Fund support is recommended to increase by 47 percent, from the \$616,242 biennial amount approved by the 2009 Legislature, to the \$908,451 amount the Governor recommends for the upcoming biennium.

STATE LIBRARY AND ARCHIVES

The Division of State Library and Archives provides a variety of reference and research information and support services to state agencies, public libraries and the general public throughout the State. The Division of Library and Archives is being recommended to transfer to the Department of Administration as part of the Governor's proposal to centralize state support services. The Governor also recommends that the Library Database program transfer out of the Department of Education and remain as part of the Nevada State Library.

The Executive Budget recommends several major changes to the Division. The Governor proposes to privatize the State's Micrographics and Imaging program, resulting in the elimination of the account's four positions. The Executive Budget

continues the closure of the Nevada Literacy Office as approved by the 26th Special Session (2010). The Governor recommends reducing and consolidating the facility space occupied by the Nevada State Library staff. Further reductions in General Fund support is proposed for public library collection development and rural bookmobile services.

**Nevada Legislative Counsel Bureau
Source of Funds Summary
2011-13 Fiscal Report**

| | 2009-2010 Actual | 2010-2011 Work Program | 2011-2012 GOVERNOR RECOMMENDS | % Change | 2012-2013 GOVERNOR RECOMMENDS | % Change |
|--|---------------------|---------------------------|-------------------------------------|-------------|-------------------------------------|-------------|
| EDUCATION | | | | | | |
| DEPARTMENT OF EDUCATION | | | | | | |
| NDE - INCENTIVES FOR LICENSED EDUCATION PERSONNEL | 22,366,247 | 25,355,052 | 13,049,546 | -48.53 | 12,055,905 | -7.61 |
| GENERAL FUND | | 16,277,056 | 13,049,546 | -19.83 | 12,055,905 | -7.61 |
| BALANCE FORWARD | 22,331,351 | 9,077,996 | | | | |
| OTHER FUND | 34,896 | | | | | |
| NDE - EDUCATIONAL TRUST FUND | | 49,481 | 58,481 | 18.19 | 67,481 | 15.39 |
| BALANCE FORWARD | -8,911 | 49,481 | 49,481 | | 58,481 | 18.19 |
| INTER-AGENCY TRANSFER | 8,911 | | 9,000 | | 9,000 | |
| NDE - DISTRIBUTIVE SCHOOL ACCOUNT | 1,361,639,054 | 1,249,129,442 | 1,036,429,792 | -17.03 | 1,017,649,364 | -1.81 |
| GENERAL FUND | 1,223,671,717 | 1,085,578,247 | 911,206,553 | -16.06 | 889,019,289 | -2.43 |
| FEDERAL FUND | 8,116,846 | 10,706,000 | 8,000,000 | -25.28 | 8,000,000 | |
| OTHER FUND | 129,892,862 | 152,845,195 | 117,223,239 | -23.31 | 120,630,075 | 2.91 |
| REVERSIONS | -42,371 | | | | | |
| NDE - OTHER STATE EDUCATION PROGRAMS | 9,977,174 | 9,331,378 | | | | |
| GENERAL FUND | 10,313,804 | 9,331,378 | | | | |
| OTHER FUND | 1,640 | | | | | |
| REVERSIONS | -338,270 | | | | | |
| NDE - SCHOOL REMEDIATION TRUST FUND | 26,221,025 | 26,752,290 | 170,218,278 | 536.28 | 190,598,253 | 11.97 |
| GENERAL FUND | 25,506,299 | 25,474,591 | 170,218,278 | 568.19 | 190,598,253 | 11.97 |
| BALANCE FORWARD | -203 | 203 | | | | |
| INTERIM FINANCE | 610,294 | | | | | |
| OTHER FUND | 104,635 | 1,277,496 | | | | |
| NDE - EDUCATION STATE PROGRAMS | 3,794,550 | 3,607,511 | 2,921,675 | -19.01 | 2,897,454 | -.83 |
| GENERAL FUND | 3,834,010 | 3,593,511 | 2,921,560 | -18.70 | 2,897,339 | -.83 |
| INTER-AGENCY TRANSFER | 10,000 | | | | | |
| OTHER FUND | 115 | 14,000 | 115 | -99.18 | 115 | |
| REVERSIONS | -49,575 | | | | | |
| NDE - EDUCATION STAFFING SERVICES | 1,251,436 | 1,437,827 | 1,474,562 | 2.55 | 1,499,354 | 1.68 |
| INTER-AGENCY TRANSFER | 1,251,436 | 1,437,827 | 1,474,562 | 2.55 | 1,499,354 | 1.68 |
| NDE - EDUCATION SUPPORT SERVICES | 2,644,902 | 4,156,915 | 4,217,029 | 1.45 | 4,362,092 | 3.44 |
| BALANCE FORWARD | -526,240 | 916,427 | 1,000,477 | 9.17 | 1,239,318 | 23.87 |
| INTER-AGENCY TRANSFER | 3,171,142 | 3,240,488 | 3,216,552 | -.74 | 3,122,774 | -2.92 |
| NDE - PROFICIENCY TESTING | 5,284,795 | 5,732,552 | 5,677,723 | -.96 | 5,881,997 | 3.60 |
| GENERAL FUND | 5,928,830 | 5,732,552 | 5,677,723 | -.96 | 5,881,997 | 3.60 |
| INTER-AGENCY TRANSFER | 30,400 | | | | | |
| REVERSIONS | -674,435 | | | | | |
| NDE - TEACHER EDUCATION AND LICENSING | 1,337,842 | 2,015,666 | 1,659,509 | -17.67 | 1,559,756 | -6.01 |
| GENERAL FUND | 100 | 100 | 100 | | 100 | |
| BALANCE FORWARD | 72,287 | 475,833 | 392,184 | -17.58 | 260,121 | -33.67 |
| OTHER FUND | 1,265,555 | 1,539,733 | 1,267,225 | -17.70 | 1,299,535 | 2.55 |
| REVERSIONS | -100 | | | | | |

**Nevada Legislative Counsel Bureau
Source of Funds Summary
2011-13 Fiscal Report**

| | 2009-2010 Actual | 2010-2011 Work Program | 2011-2012 GOVERNOR RECOMMENDS | % Change | 2012-2013 GOVERNOR RECOMMENDS | % Change |
|---|---------------------|---------------------------|-------------------------------------|-------------|-------------------------------------|-------------|
| NDE - DRUG ABUSE EDUCATION | 908,660 | 846,998 | | | | |
| FEDERAL FUND | 895,472 | 846,998 | | | | |
| INTER-AGENCY TRANSFER | 13,188 | | | | | |
| NDE - SCHOOL HEALTH EDUCATION - AIDS | 212,102 | 273,182 | 274,555 | .50 | 256,182 | -6.69 |
| FEDERAL FUND | 212,102 | 273,182 | 274,555 | .50 | 256,182 | -6.69 |
| NDE - GEAR UP | 2,021,510 | 3,631,357 | 3,094,992 | -14.77 | 3,096,137 | .04 |
| FEDERAL FUND | 1,562,818 | 1,972,875 | 1,511,679 | -23.38 | 1,512,037 | .02 |
| INTER-AGENCY TRANSFER | | 46,735 | 1,583,313 | 3,287.85 | 1,584,100 | .05 |
| OTHER FUND | 458,692 | 1,611,747 | | | | |
| NDE - OTHER UNRESTRICTED ACCOUNTS | 772,430 | 1,263,942 | 1,614,021 | 27.70 | 1,779,376 | 10.24 |
| BALANCE FORWARD | -299,111 | 709,763 | 501,311 | -29.37 | 583,250 | 16.34 |
| FEDERAL FUND | 372,195 | 291,769 | 305,241 | 4.62 | 304,372 | -.28 |
| OTHER FUND | 699,346 | 262,410 | 807,469 | 207.71 | 891,754 | 10.44 |
| NDE - DISCRETIONARY GRANTS - RESTRICTED | 14,848,177 | 111,169,043 | 12,978,795 | -88.33 | 12,979,470 | .01 |
| GENERAL FUND | 1,875 | 1,875 | 1,875 | | 1,875 | |
| FEDERAL FUND | 14,846,302 | 28,053,990 | 12,976,920 | -53.74 | 12,977,595 | .01 |
| INTER-AGENCY TRANSFER | | 83,113,178 | | | | |
| NDE - ELEMENTARY & SECONDARY ED - TITLE I | 95,068,131 | 156,544,875 | 104,540,839 | -33.22 | 104,521,042 | -.02 |
| FEDERAL FUND | 95,068,131 | 156,544,875 | 104,540,839 | -33.22 | 104,521,042 | -.02 |
| NDE - ELEMENTARY & SECONDARY ED TITLES II, V, & VI | 27,677,658 | 32,577,596 | 19,007,326 | -41.66 | 18,455,647 | -2.90 |
| FEDERAL FUND | 27,677,658 | 32,577,596 | 19,007,326 | -41.66 | 18,455,647 | -2.90 |
| NDE - STUDENT INCENTIVE GRANTS | 535,401 | 540,488 | 497,302 | -7.99 | 497,302 | .00 |
| GENERAL FUND | 383,036 | 383,382 | 381,634 | -.46 | 381,634 | |
| FEDERAL FUND | 153,423 | 157,106 | 115,668 | -26.38 | 115,668 | |
| REVERSIONS | -1,058 | | | | | |
| NDE - CAREER AND TECHNICAL EDUCATION | 8,613,902 | 9,035,255 | 9,219,055 | 2.03 | 9,272,673 | .58 |
| GENERAL FUND | 476,103 | 476,103 | 488,233 | 2.55 | 488,233 | |
| FEDERAL FUND | 8,122,328 | 8,559,152 | 8,730,822 | 2.01 | 8,784,440 | .61 |
| INTER-AGENCY TRANSFER | 3,341 | | | | | |
| INTERIM FINANCE | 12,130 | | | | | |
| NDE - CONTINUING EDUCATION | 5,517,274 | 6,974,922 | 6,208,069 | -10.99 | 6,214,003 | .10 |
| GENERAL FUND | 661,861 | 661,595 | 661,861 | .04 | 661,861 | |
| FEDERAL FUND | 4,861,183 | 6,313,327 | 5,546,208 | -12.15 | 5,552,142 | .11 |
| REVERSIONS | -5,770 | | | | | |
| NDE - NUTRITION EDUCATION PROGRAMS | 90,331,268 | 89,071,592 | 104,198,718 | 16.98 | 113,900,992 | 9.31 |
| GENERAL FUND | 355,646 | 380,305 | 106,934 | -71.88 | 107,582 | .61 |
| BALANCE FORWARD | -198,982 | 225,955 | 26,676 | -88.19 | 25,662 | -3.80 |
| FEDERAL FUND | 90,072,667 | 88,465,332 | 104,055,055 | 17.62 | 113,757,695 | 9.32 |
| OTHER FUND | 184,684 | | 10,053 | | 10,053 | |
| REVERSIONS | -82,747 | | | | | |

**Nevada Legislative Counsel Bureau
Source of Funds Summary
2011-13 Fiscal Report**

| | 2009-2010 Actual | 2010-2011 Work Program | 2011-2012 GOVERNOR RECOMMENDS | % Change | 2012-2013 GOVERNOR RECOMMENDS | % Change |
|---|---------------------|---------------------------|-------------------------------------|-------------|-------------------------------------|-------------|
| NDE - INDIVIDUALS WITH DISABILITIES (IDEA) | 99,525,665 | 105,995,078 | 74,691,067 | -29.53 | 74,762,939 | .10 |
| GENERAL FUND | 20,991 | 20,991 | 20,991 | | 20,991 | |
| FEDERAL FUND | 99,524,856 | 105,974,087 | 74,670,076 | -29.54 | 74,741,948 | .10 |
| REVERSIONS | -20,182 | | | | | |
| NDE - STATE SUPPLEMENTAL SCHOOL SUPPORT FUND | | | | | | |
| TOTAL DEPARTMENT OF EDUCATION | 1,780,549,203 | 1,845,492,442 | 1,572,031,334 | -14.82 | 1,582,307,419 | .65 |
| GENERAL FUND | 1,271,154,272 | 1,147,911,686 | 1,104,735,288 | -3.76 | 1,102,115,059 | -.24 |
| BALANCE FORWARD | 21,370,191 | 11,455,658 | 1,970,129 | -82.80 | 2,166,832 | 9.98 |
| FEDERAL FUND | 351,485,981 | 440,736,289 | 339,734,389 | -22.92 | 348,978,768 | 2.72 |
| INTER-AGENCY TRANSFER | 4,488,418 | 87,838,228 | 6,283,427 | -92.85 | 6,215,228 | -1.09 |
| INTERIM FINANCE | 622,424 | | | | | |
| OTHER FUND | 132,642,425 | 157,550,581 | 119,308,101 | -24.27 | 122,831,532 | 2.95 |
| REVERSIONS | -1,214,508 | | | | | |
| COMMISSION ON POSTSECONDARY EDUCATION | | | | | | |
| NDE - COMMISSION ON POSTSECONDARY EDUCATION | 408,737 | 403,807 | 406,070 | .56 | 410,665 | 1.13 |
| GENERAL FUND | 316,194 | 317,283 | 303,811 | -4.25 | 301,447 | -.78 |
| FEDERAL FUND | 101,069 | 86,524 | 102,259 | 18.19 | 109,218 | 6.81 |
| REVERSIONS | -8,526 | | | | | |
| TOTAL COMMISSION ON POSTSECONDARY EDUCATION | 408,737 | 403,807 | 406,070 | .56 | 410,665 | 1.13 |
| GENERAL FUND | 316,194 | 317,283 | 303,811 | -4.25 | 301,447 | -.78 |
| FEDERAL FUND | 101,069 | 86,524 | 102,259 | 18.19 | 109,218 | 6.81 |
| REVERSIONS | -8,526 | | | | | |
| NEVADA SYSTEM OF HIGHER EDUCATION | | | | | | |
| NSHE - SYSTEM ADMINISTRATION | 5,017,185 | 4,988,931 | 4,501,175 | -9.78 | 3,841,254 | -14.66 |
| GENERAL FUND | 4,905,725 | 4,877,471 | 4,389,715 | -10.00 | 3,729,794 | -15.03 |
| OTHER FUND | 111,460 | 111,460 | 111,460 | | 111,460 | |
| NSHE - SPECIAL PROJECTS | 2,319,191 | 3,830,023 | 1,937,241 | -49.42 | 1,625,089 | -16.11 |
| GENERAL FUND | 2,319,191 | 2,234,034 | 1,937,241 | -13.29 | 1,625,089 | -16.11 |
| BALANCE FORWARD | | 1,595,989 | | | | |
| NSHE - UNIVERSITY PRESS | 795,751 | 614,656 | 537,892 | -12.49 | 456,855 | -15.07 |
| GENERAL FUND | 795,751 | 614,656 | 537,892 | -12.49 | 456,855 | -15.07 |
| NSHE - SYSTEM COMPUTING CENTER | 19,427,733 | 18,715,545 | 16,459,778 | -12.05 | 14,048,281 | -14.65 |
| GENERAL FUND | 19,428,946 | 18,715,545 | 16,459,778 | -12.05 | 14,048,281 | -14.65 |
| REVERSIONS | -1,213 | | | | | |
| NSHE - STATE-FUNDED PERKINS LOAN | 42,699 | 41,132 | 35,653 | -13.32 | 29,853 | -16.27 |
| GENERAL FUND | 42,699 | 41,132 | 35,653 | -13.32 | 29,853 | -16.27 |
| NSHE - UNIVERSITY OF NEVADA - RENO | 174,880,681 | 178,477,441 | 146,802,658 | -17.75 | 132,295,864 | -9.88 |
| GENERAL FUND | 72,465,931 | 117,925,883 | 84,253,342 | -28.55 | 69,933,771 | -17.00 |
| INTER-AGENCY TRANSFER | 48,576,210 | 9,500,000 | | | | |
| OTHER FUND | 53,848,673 | 51,051,558 | 62,549,316 | 22.52 | 62,362,093 | -.30 |
| REVERSIONS | -10,133 | | | | | |

**Nevada Legislative Counsel Bureau
Source of Funds Summary
2011-13 Fiscal Report**

| | 2009-2010 Actual | 2010-2011 Work Program | 2011-2012 GOVERNOR RECOMMENDS | % Change | 2012-2013 GOVERNOR RECOMMENDS | % Change |
|--|---------------------|---------------------------|-------------------------------------|-------------|-------------------------------------|-------------|
| NSHE - INTERCOLLEGIATE ATHLETICS - UNR | 5,850,602 | 5,328,304 | 4,534,454 | -14.90 | 3,817,347 | -15.81 |
| GENERAL FUND | 5,850,602 | 5,328,304 | 4,534,454 | -14.90 | 3,817,347 | -15.81 |
| NSHE - STATEWIDE PROGRAMS - UNR | 5,746,204 | 5,229,267 | 4,245,788 | -18.81 | 3,556,866 | -16.23 |
| GENERAL FUND | 5,746,204 | 5,229,267 | 4,245,788 | -18.81 | 3,556,866 | -16.23 |
| NSHE - SCHOOL OF MEDICAL SCIENCES | 32,887,635 | 33,194,064 | 29,816,535 | -10.18 | 25,861,567 | -13.26 |
| GENERAL FUND | 29,990,810 | 30,018,348 | 26,308,025 | -12.36 | 21,869,839 | -16.87 |
| OTHER FUND | 2,916,496 | 3,175,716 | 3,508,510 | 10.48 | 3,991,728 | 13.77 |
| REVERSIONS | -19,671 | | | | | |
| NSHE - HEALTH LABORATORY AND RESEARCH | 1,772,797 | 1,702,580 | 1,434,393 | -15.75 | 1,216,092 | -15.22 |
| GENERAL FUND | 1,772,797 | 1,702,580 | 1,434,393 | -15.75 | 1,216,092 | -15.22 |
| NSHE - AGRICULTURAL EXPERIMENT STATION | 9,403,998 | 6,955,069 | 5,914,211 | -14.97 | 5,183,555 | -12.35 |
| GENERAL FUND | 7,874,313 | 5,565,671 | 4,384,526 | -21.22 | 3,653,870 | -16.66 |
| FEDERAL FUND | 1,529,685 | 1,389,398 | 1,529,685 | 10.10 | 1,529,685 | |
| NSHE - COOPERATIVE EXTENSION SERVICE | 9,858,240 | 9,525,895 | 8,126,863 | -14.69 | 7,172,611 | -11.74 |
| GENERAL FUND | 8,087,473 | 7,678,549 | 6,220,844 | -18.98 | 5,264,522 | -15.37 |
| FEDERAL FUND | 1,130,794 | 1,153,230 | 1,324,387 | 14.84 | 1,326,457 | .16 |
| OTHER FUND | 639,973 | 694,116 | 581,632 | -16.21 | 581,632 | |
| NSHE - BUSINESS CENTER NORTH | 2,227,906 | 2,139,664 | 1,805,133 | -15.63 | 1,529,380 | -15.28 |
| GENERAL FUND | 2,227,906 | 2,139,664 | 1,805,133 | -15.63 | 1,529,380 | -15.28 |
| NSHE - UNIVERSITY OF NEVADA - LAS VEGAS | 243,198,018 | 247,104,684 | 218,094,832 | -11.74 | 199,774,132 | -8.40 |
| GENERAL FUND | 90,118,804 | 145,967,488 | 76,347,315 | -47.70 | 57,178,326 | -25.11 |
| INTER-AGENCY TRANSFER | 61,868,547 | 5,696,280 | | | | |
| OTHER FUND | 91,267,398 | 95,440,916 | 141,747,517 | 48.52 | 142,595,806 | .60 |
| REVERSIONS | -56,731 | | | | | |
| NSHE - INTERCOLLEGIATE ATHLETICS - UNLV | 7,749,932 | 7,465,366 | 6,457,744 | -13.50 | 5,424,714 | -16.00 |
| GENERAL FUND | 7,749,932 | 7,465,366 | 6,457,744 | -13.50 | 5,424,714 | -16.00 |
| NSHE - STATEWIDE PROGRAMS - UNLV | 1,281,008 | 1,233,971 | 1,054,642 | -14.53 | 892,178 | -15.40 |
| GENERAL FUND | 1,281,008 | 1,233,971 | 1,054,642 | -14.53 | 892,178 | -15.40 |
| NSHE - UNLV LAW SCHOOL | 12,188,349 | 12,258,380 | 10,887,927 | -11.18 | 9,928,914 | -8.81 |
| GENERAL FUND | 8,058,123 | 7,762,242 | 6,524,974 | -15.94 | 5,500,387 | -15.70 |
| OTHER FUND | 4,130,226 | 4,496,138 | 4,362,953 | -2.96 | 4,428,527 | 1.50 |
| NSHE - DENTAL SCHOOL - UNLV | 14,170,585 | 14,124,954 | 12,701,601 | -10.08 | 11,788,950 | -7.19 |
| GENERAL FUND | 8,490,987 | 8,179,238 | 6,384,372 | -21.94 | 5,281,478 | -17.27 |
| OTHER FUND | 5,679,598 | 5,945,716 | 6,317,229 | 6.25 | 6,507,472 | 3.01 |
| NSHE - BUSINESS CENTER SOUTH | 1,909,549 | 1,839,433 | 1,566,041 | -14.86 | 1,332,134 | -14.94 |
| GENERAL FUND | 1,909,549 | 1,839,433 | 1,566,041 | -14.86 | 1,332,134 | -14.94 |

**Nevada Legislative Counsel Bureau
Source of Funds Summary
2011-13 Fiscal Report**

| | 2009-2010 Actual | 2010-2011 Work Program | 2011-2012 GOVERNOR RECOMMENDS | % Change | 2012-2013 GOVERNOR RECOMMENDS | % Change |
|---|---------------------|---------------------------|-------------------------------------|-------------|-------------------------------------|-------------|
| NSHE - DESERT RESEARCH INSTITUTE | 8,724,378 | 9,314,677 | 7,498,120 | -19.50 | 6,365,292 | -15.11 |
| GENERAL FUND | 8,575,892 | 8,239,230 | 7,349,634 | -10.80 | 6,216,806 | -15.41 |
| BALANCE FORWARD | | 926,961 | | | | |
| OTHER FUND | 148,486 | 148,486 | 148,486 | | 148,486 | |
| NSHE - GREAT BASIN COLLEGE | 19,842,495 | 19,613,999 | 17,332,602 | -11.63 | 15,187,998 | -12.37 |
| GENERAL FUND | 10,010,183 | 16,510,575 | 13,941,066 | -15.56 | 11,793,317 | -15.41 |
| FEDERAL FUND | 6,951,222 | | | | | |
| OTHER FUND | 2,881,090 | 3,103,424 | 3,391,536 | 9.28 | 3,394,681 | .09 |
| NSHE - WESTERN NEVADA COLLEGE | 23,327,369 | 22,491,432 | 19,748,785 | -12.19 | 17,511,125 | -11.33 |
| GENERAL FUND | 11,418,628 | 18,472,126 | 14,941,033 | -19.12 | 12,621,694 | -15.52 |
| INTER-AGENCY TRANSFER | 7,833,048 | | | | | |
| OTHER FUND | 4,075,693 | 4,019,306 | 4,807,752 | 19.62 | 4,889,431 | 1.70 |
| NSHE - COLLEGE OF SOUTHERN NEVADA | 131,435,328 | 131,036,760 | 117,044,219 | -10.68 | 105,688,364 | -9.70 |
| GENERAL FUND | 56,936,209 | 91,430,100 | 75,944,918 | -16.94 | 64,667,849 | -14.85 |
| INTER-AGENCY TRANSFER | 38,877,489 | | | | | |
| OTHER FUND | 35,643,587 | 39,606,660 | 41,099,301 | 3.77 | 41,020,515 | -.19 |
| REVERSIONS | -21,957 | | | | | |
| NSHE - TRUCKEE MEADOWS COMMUNITY COLLEGE | 48,064,801 | 48,470,685 | 42,194,961 | -12.95 | 37,661,214 | -10.74 |
| GENERAL FUND | 22,164,588 | 35,748,021 | 29,890,760 | -16.38 | 25,418,350 | -14.96 |
| INTER-AGENCY TRANSFER | 15,175,896 | | | | | |
| OTHER FUND | 10,775,155 | 12,722,664 | 12,304,201 | -3.29 | 12,242,864 | -.50 |
| REVERSIONS | -50,838 | | | | | |
| NSHE - NEVADA STATE COLLEGE AT HENDERSON | 16,625,330 | 16,556,418 | 13,041,412 | -21.23 | 11,638,630 | -10.76 |
| GENERAL FUND | 7,949,496 | 13,021,396 | 9,040,401 | -30.57 | 7,602,701 | -15.90 |
| FEDERAL FUND | 5,496,209 | | | | | |
| OTHER FUND | 3,504,040 | 3,535,022 | 4,001,011 | 13.18 | 4,035,929 | .87 |
| REVERSIONS | -324,415 | | | | | |
| NSHE - W.I.C.H.E. LOAN & STIPEND | 1,069,283 | 1,023,027 | 1,100,076 | 7.53 | 1,113,946 | 1.26 |
| GENERAL FUND | 652,098 | 606,977 | 558,554 | -7.98 | 558,125 | -.08 |
| OTHER FUND | 417,185 | 416,050 | 541,522 | 30.16 | 555,821 | 2.64 |
| NSHE - W.I.C.H.E. ADMINISTRATION | 314,030 | 319,655 | 317,565 | -.65 | 320,116 | .80 |
| GENERAL FUND | 314,030 | 319,655 | 317,565 | -.65 | 320,116 | .80 |
| TOTAL NEVADA SYSTEM OF HIGHER EDUCATION | 800,131,077 | 803,596,012 | 695,192,301 | -13.49 | 625,262,321 | -10.06 |
| GENERAL FUND | 397,137,875 | 558,866,922 | 406,865,803 | -27.20 | 335,539,734 | -17.53 |
| BALANCE FORWARD | | 2,522,950 | | | | |
| FEDERAL FUND | 15,107,910 | 2,542,628 | 2,854,072 | 12.25 | 2,856,142 | .07 |
| INTER-AGENCY TRANSFER | 172,331,190 | 15,196,280 | | | | |
| OTHER FUND | 216,039,060 | 224,467,232 | 285,472,426 | 27.18 | 286,866,445 | .49 |
| REVERSIONS | -484,958 | | | | | |

**Nevada Legislative Counsel Bureau
Source of Funds Summary
2011-13 Fiscal Report**

| | 2009-2010 Actual | 2010-2011 Work Program | 2011-2012 GOVERNOR RECOMMENDS | % Change | 2012-2013 GOVERNOR RECOMMENDS | % Change |
|---|---------------------|---------------------------|-------------------------------------|-------------|-------------------------------------|-------------|
| DEPARTMENT OF CULTURAL AFFAIRS | | | | | | |
| DCA - CULTURAL AFFAIRS ADMINISTRATION | 816,490 | 868,668 | 207,233 | -76.14 | | |
| GENERAL FUND | 812,658 | 799,029 | 207,233 | -74.06 | | |
| INTER-AGENCY TRANSFER | 14,566 | 49,639 | | | | |
| INTERIM FINANCE | | 20,000 | | | | |
| REVERSIONS | -10,734 | | | | | |
| DCA - NEVADA HUMANITIES | 50,000 | 50,000 | | | | |
| GENERAL FUND | 50,000 | 50,000 | | | | |
| TOURISM - MUSEUMS & HISTORY | 418,527 | 367,296 | 89,748 | -75.57 | | |
| GENERAL FUND | 427,808 | 367,296 | 89,748 | -75.57 | | |
| REVERSIONS | -9,281 | | | | | |
| TOURISM - MUSEUMS & HIST - LOST CITY MUSEUM | 338,690 | 426,268 | 380,493 | -10.74 | 384,081 | .94 |
| GENERAL FUND | 301,323 | 287,471 | 189,546 | -34.06 | 152,629 | -19.48 |
| INTER-AGENCY TRANSFER | 8,291 | 44,998 | 113,728 | 152.74 | 152,630 | 34.21 |
| OTHER FUND | 55,098 | 93,799 | 77,219 | -17.68 | 78,822 | 2.08 |
| REVERSIONS | -26,022 | | | | | |
| TOURISM - MUSEUMS & HIST-NEVADA HISTORICAL SOCIETY | 417,940 | 439,573 | 464,013 | 5.56 | 471,176 | 1.54 |
| GENERAL FUND | 356,193 | 358,967 | 255,353 | -28.86 | 207,140 | -18.88 |
| INTER-AGENCY TRANSFER | 35,275 | 23,735 | 153,212 | 545.51 | 207,141 | 35.20 |
| OTHER FUND | 43,710 | 56,871 | 55,448 | -2.50 | 56,895 | 2.61 |
| REVERSIONS | -17,238 | | | | | |
| TOURISM - MUSEUMS & HIST - NEVADA STATE MUSEUM, CC | 1,352,154 | 1,335,395 | 1,364,616 | 2.19 | 1,376,675 | .88 |
| GENERAL FUND | 1,072,943 | 969,017 | 644,708 | -33.47 | 520,578 | -19.25 |
| INTER-AGENCY TRANSFER | 5,800 | | 386,825 | | 520,578 | 34.58 |
| INTERIM FINANCE | 25,790 | | | | | |
| OTHER FUND | 292,301 | 366,378 | 333,083 | -9.09 | 335,519 | .73 |
| REVERSIONS | -44,680 | | | | | |
| TOURISM - MUSEUMS & HIST - NEVADA STATE MUSEUM, LV | 875,792 | 956,382 | 1,109,574 | 16.02 | 1,123,512 | 1.26 |
| GENERAL FUND | 877,922 | 886,182 | 654,154 | -26.18 | 529,521 | -19.05 |
| FEDERAL FUND | 2,500 | | | | | |
| INTER-AGENCY TRANSFER | 2,059 | | 392,493 | | 529,521 | 34.91 |
| OTHER FUND | 32,661 | 70,200 | 62,927 | -10.36 | 64,470 | 2.45 |
| REVERSIONS | -39,350 | | | | | |
| TOURISM - MUSEUMS & HIST - STATE RAILROAD MUSEUMS | 1,099,062 | 1,573,636 | 1,119,477 | -28.86 | 1,134,607 | 1.35 |
| GENERAL FUND | 697,524 | 594,617 | 503,636 | -15.30 | 409,717 | -18.65 |
| INTER-AGENCY TRANSFER | 222,118 | 594,681 | 302,181 | -49.19 | 409,717 | 35.59 |
| OTHER FUND | 258,882 | 384,338 | 313,660 | -18.39 | 315,173 | .48 |
| REVERSIONS | -79,462 | | | | | |

**Nevada Legislative Counsel Bureau
Source of Funds Summary
2011-13 Fiscal Report**

| | 2009-2010 Actual | 2010-2011 Work Program | 2011-2012 GOVERNOR RECOMMENDS | % Change | 2012-2013 GOVERNOR RECOMMENDS | % Change |
|--|---------------------|---------------------------|-------------------------------------|-------------|-------------------------------------|-------------|
| DCNR - STATE HISTORIC PRESERVATION OFFICE | 1,218,677 | 1,574,253 | 1,110,699 | -29.45 | 1,066,784 | -3.95 |
| GENERAL FUND | 164,955 | 125,571 | 312,900 | 149.18 | 296,731 | -5.17 |
| FEDERAL FUND | 821,686 | 1,153,006 | 703,066 | -39.02 | 675,561 | -3.91 |
| INTER-AGENCY TRANSFER | 205,762 | 213,024 | 67,233 | -68.44 | 66,992 | -.36 |
| INTERIM FINANCE | | 66,146 | | | | |
| OTHER FUND | 27,500 | 16,506 | 27,500 | 66.61 | 27,500 | |
| REVERSIONS | -1,226 | | | | | |
| DCNR - HISTORIC PRES - COMSTOCK HISTORIC DISTRICT | 141,066 | 144,218 | 150,169 | 4.13 | 148,651 | -1.01 |
| GENERAL FUND | 143,061 | 144,218 | 150,169 | 4.13 | 148,651 | -1.01 |
| REVERSIONS | -1,995 | | | | | |
| ADMINISTRATION - NSLA - NEVADA STATE LIBRARY | 5,629,063 | 5,457,022 | 4,776,532 | -12.47 | 4,335,740 | -9.23 |
| GENERAL FUND | 3,312,496 | 3,266,177 | 3,194,908 | -2.18 | 2,750,203 | -13.92 |
| FEDERAL FUND | 1,928,979 | 2,126,067 | 1,579,581 | -25.70 | 1,583,494 | .25 |
| INTER-AGENCY TRANSFER | 472,340 | | | | | |
| INTERIM FINANCE | | 58,332 | | | | |
| OTHER FUND | 4,073 | 6,446 | 2,043 | -68.31 | 2,043 | |
| REVERSIONS | -88,825 | | | | | |
| ADMINISTRATION - NSLA - ARCHIVES AND RECORDS | 690,301 | 791,178 | 769,107 | -2.79 | 780,702 | 1.51 |
| GENERAL FUND | 776,676 | 742,669 | 762,498 | 2.67 | 774,093 | 1.52 |
| FEDERAL FUND | 4,244 | 47,666 | 4,244 | -91.10 | 4,244 | |
| OTHER FUND | 2,409 | 843 | 2,365 | 180.55 | 2,365 | |
| REVERSIONS | -93,028 | | | | | |
| ADMINISTRATION - NSLA - LITERACY | 149,503 | 852 | | | | |
| GENERAL FUND | 77,853 | 852 | | | | |
| FEDERAL FUND | 76,182 | | | | | |
| REVERSIONS | -4,532 | | | | | |
| ADMINISTRATION - NSLA - CLAN | 276,757 | 720,770 | 239,727 | -66.74 | 240,788 | .44 |
| BALANCE FORWARD | 38,275 | 207,288 | | | | |
| INTER-AGENCY TRANSFER | 33,061 | 234,819 | 41,730 | -82.23 | 41,730 | |
| OTHER FUND | 205,421 | 278,663 | 197,997 | -28.95 | 199,058 | .54 |
| ADMINISTRATION - NSLA - MICROGRAPHICS AND IMAGING | 456,821 | 521,910 | 62,170 | -88.09 | | |
| BALANCE FORWARD | 5,883 | 101,479 | 62,170 | -38.74 | | |
| INTER-AGENCY TRANSFER | 450,938 | 420,431 | | | | |
| TOURISM - NEVADA ARTS COUNCIL | 2,204,507 | 2,227,564 | 1,772,572 | -20.43 | 1,812,747 | 2.27 |
| GENERAL FUND | 1,064,207 | 1,106,460 | 595,557 | -46.17 | 487,491 | -18.15 |
| BALANCE FORWARD | 69,080 | 40,760 | | | 18,084 | |
| FEDERAL FUND | 1,008,710 | 933,795 | 747,300 | -19.97 | 747,300 | |
| INTER-AGENCY TRANSFER | 14,170 | | 357,334 | | 487,491 | 36.42 |
| OTHER FUND | 103,491 | 146,549 | 72,381 | -50.61 | 72,381 | |
| REVERSIONS | -55,151 | | | | | |

**Nevada Legislative Counsel Bureau
Source of Funds Summary
2011-13 Fiscal Report**

| | 2009-2010 Actual | 2010-2011 Work Program | 2011-2012 GOVERNOR RECOMMENDS | % Change | 2012-2013 GOVERNOR RECOMMENDS | % Change |
|---|---------------------|---------------------------|-------------------------------------|-------------|-------------------------------------|-------------|
| TOTAL DEPARTMENT OF CULTURAL AFFAIRS | 16,135,350 | 17,454,985 | 13,616,130 | -21.99 | 12,875,463 | -5.44 |
| GENERAL FUND | 10,135,619 | 9,698,526 | 7,560,410 | -22.05 | 6,276,754 | -16.98 |
| BALANCE FORWARD | 113,238 | 349,527 | 62,170 | -82.21 | 18,084 | -70.91 |
| FEDERAL FUND | 3,842,301 | 4,260,534 | 3,034,191 | -28.78 | 3,010,599 | -.78 |
| INTER-AGENCY TRANSFER | 1,464,380 | 1,581,327 | 1,814,736 | 14.76 | 2,415,800 | 33.12 |
| INTERIM FINANCE | 25,790 | 144,478 | | | | |
| OTHER FUND | 1,025,546 | 1,420,593 | 1,144,623 | -19.43 | 1,154,226 | .84 |
| REVERSIONS | -471,524 | | | | | |
| EDUCATION | | | | | | |
| GENERAL FUND | 1,678,743,960 | 1,716,794,417 | 1,519,465,312 | -11.49 | 1,444,232,994 | -4.95 |
| BALANCE FORWARD | 21,483,429 | 14,328,135 | 2,032,299 | -85.82 | 2,184,916 | 7.51 |
| FEDERAL FUND | 370,537,261 | 447,625,975 | 345,724,911 | -22.76 | 354,954,727 | 2.67 |
| INTER-AGENCY TRANSFER | 178,283,988 | 104,615,835 | 8,098,163 | -92.26 | 8,631,028 | 6.58 |
| INTERIM FINANCE | 648,214 | 144,478 | | | | |
| OTHER FUND | 349,707,031 | 383,438,406 | 405,925,150 | 5.86 | 410,852,203 | 1.21 |
| REVERSIONS | -2,179,516 | | | | | |
| TOTAL FOR EDUCATION | 2,597,224,367 | 2,666,947,246 | 2,281,245,835 | -14.46 | 2,220,855,868 | -2.65 |
| Less: INTER-AGENCY TRANSFER | 178,283,988 | 104,615,835 | 8,098,163 | -92.26 | 8,631,028 | 6.58 |
| NET EDUCATION | 2,418,940,379 | 2,562,331,411 | 2,273,147,672 | -11.29 | 2,212,224,840 | -2.68 |