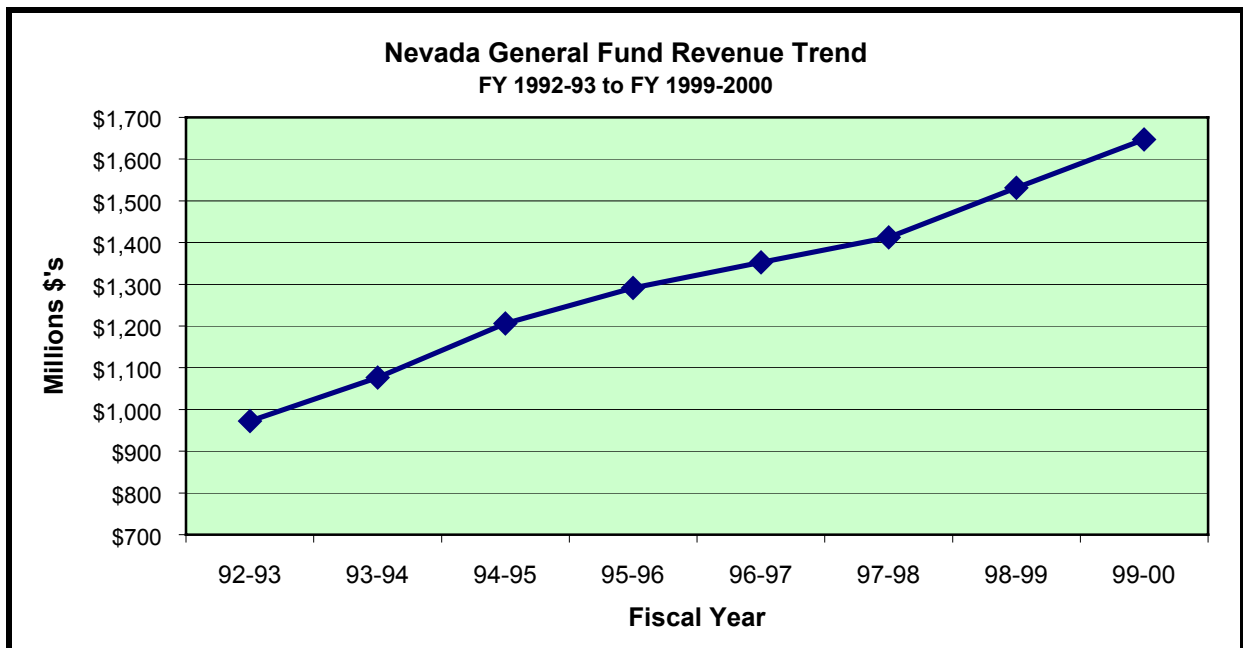


## SECTION I HISTORICAL PERSPECTIVE

This section contains an eight-year history of actual state General Fund revenues with forecasts for the coming biennium and an eight-year history of General Fund appropriations with the Governor's recommendations for the new biennium. Graphs depicting the trends in both General Fund revenues and appropriations are included. The appropriations table also shows the total state budget level, which includes the General Fund and all other available funding sources.

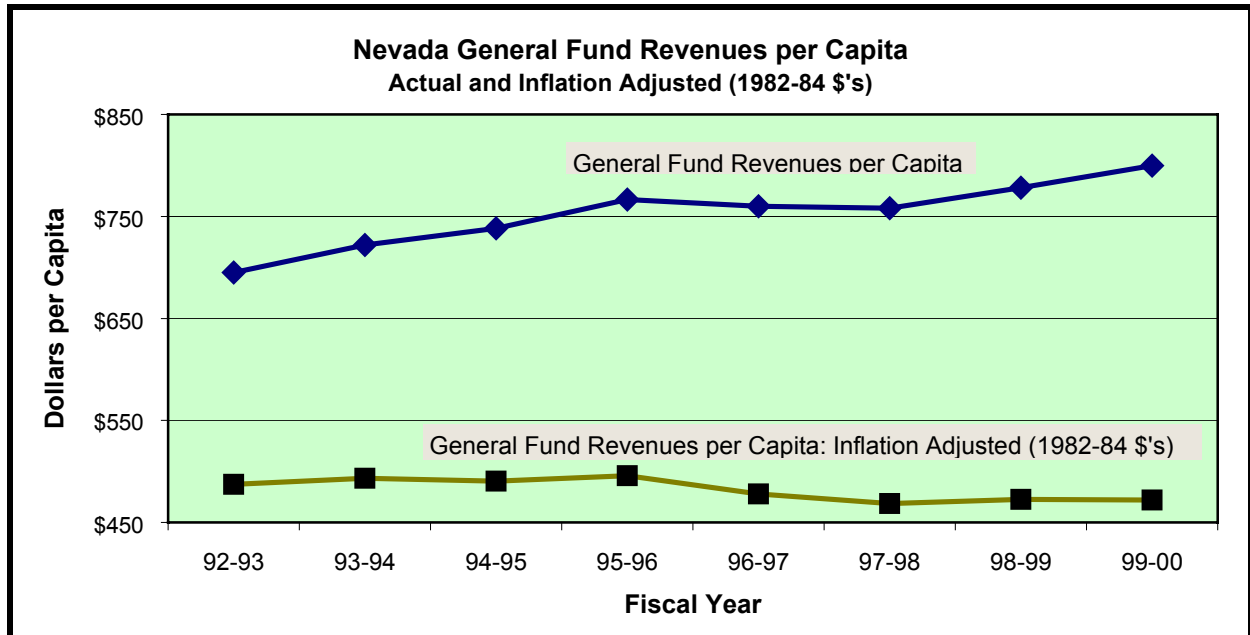
### GENERAL FUND REVENUE TRENDS

General Fund revenues surpassed \$1.6 billion in FY 1999-2000, a 69 percent increase over FY 1992-93 revenues, yielding an average annual growth rate over the last eight years of 7.6 percent. Yearly growth rates, after ignoring the effects of accounting changes, have ranged from a low of 4.4 percent in FY 1997-98 to a high of 10.7 percent in FY 1993-94. A 12 percent growth in FY 1994-95 was largely due to a one-time adjustment based on changes in national accounting rules. The sluggish growth in FY 1997-98 reflected a slowdown in gaming and sales tax collections. Strong growth was observed in both of these revenue sources, especially gaming taxes, in FY 1998-99 and FY 1999-2000, due to the well-received openings of several new mega-resort casinos during this period. Total General Fund revenues grew 8.4 percent in FY 1998-99 and 7.6 percent in FY 1999-2000.

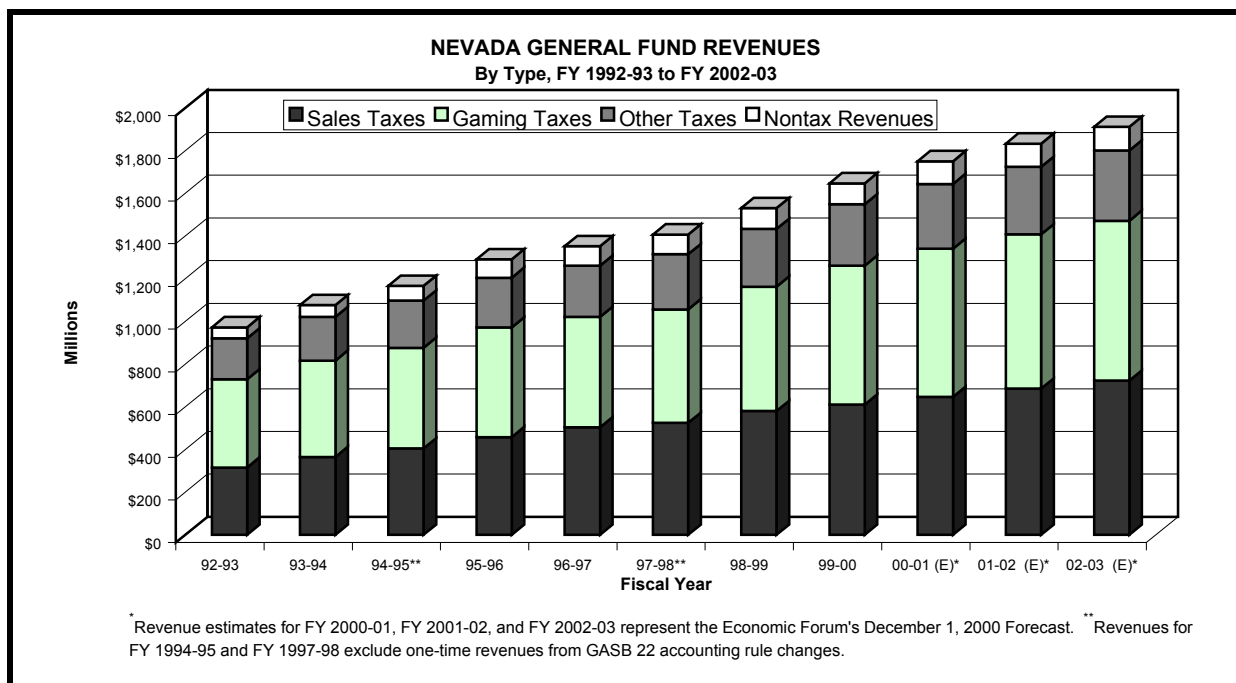


The seemingly strong average growth over the past eight years, however, is misleading. When state population growth and inflation over the period are taken into consideration, real per capita state revenues were actually about 3 percent lower in FY 1999-2000, compared to FY 1992-93. In fact, real per capita revenues have declined an average of 0.5 percent over the past eight years. In effect, the tax system has produced no surplus revenues to fund new or expanded programs.

Enhancements have had to come from adjustments to the state's spending priorities or non-General Fund sources.

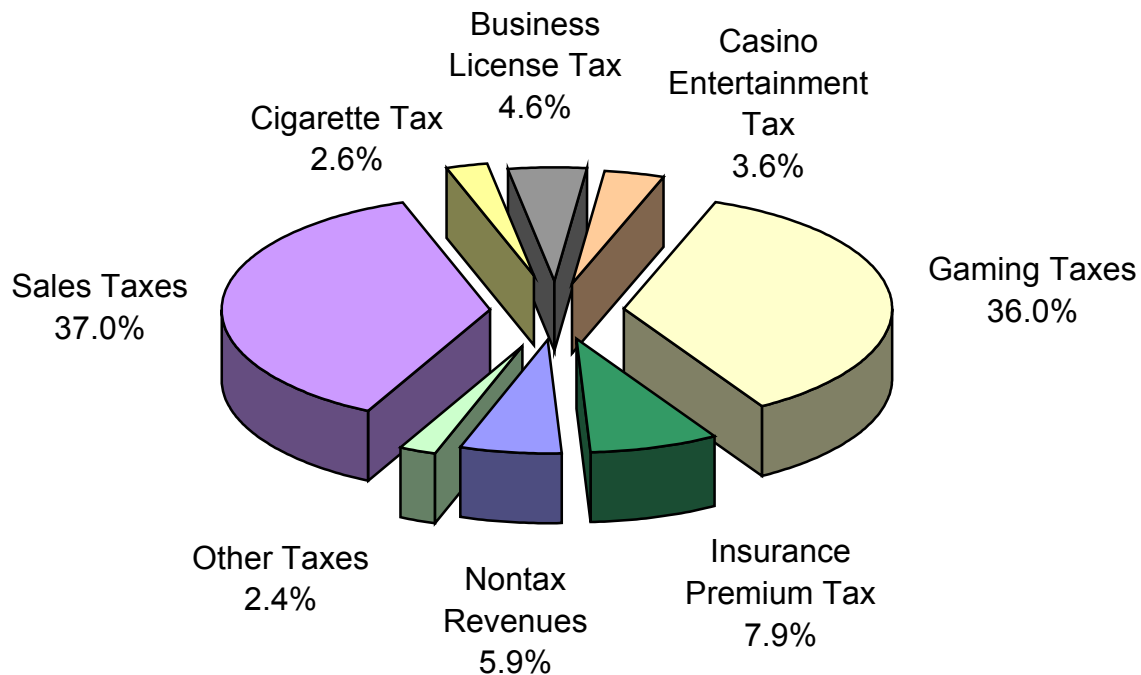


Taxes produced 94.1 percent of ongoing General Fund revenues in FY 1999-2000. This is up from FY 1998-99, but below the share of 94.7 percent produced in FY 1992-93. Sales taxes contributed 37.0 percent of the revenues in FY 1999-2000, up from 32.5 percent in FY 1992-93. Over the same period, gaming's share of revenues, including the casino entertainment tax, has dropped from 42.5 percent to 39.6 percent. Other taxes made up 17.5 percent of revenues in FY 1999-2000, a decrease from 19.8 percent in FY 1992-93.



# NEVADA GENERAL FUND REVENUE

## ACTUAL BY SOURCE, FY 1999-2000



### ~~ACTUAL GENERAL FUND REVENUE - FY 1999-2000~~

STATE GAMING TAXES	36.0%
<u>CASINO ENTERTAINMENT TAX</u>	<u>3.6%</u>
SUBTOTAL GAMING TAXES	39.6%
SALES AND USE TAXES	37.0%
BUSINESS LICENSE TAX	4.6%
INSURANCE PREMIUM TAX	7.9%
CIGARETTE TAX	2.6%

NONTAX REVENUES:	
LICENSES	2.9%
FEES AND FINES	0.8%
CHARGES FOR SERVICES	0.0%
USE OF MONEY AND PROPERTY	1.3%
<u>MISCELLANEOUS REVENUES</u>	<u>0.9%</u>
SUBTOTAL NONTAX REVENUES	5.9%

OTHER TAXES:	
MINING TAX	0.8%
LIQUOR TAX	0.9%
ANNUAL SLOT TAX TRANSFER	0.3%
<u>TOBACCO &amp; OTHER TAXES</u>	<u>0.4%</u>
SUBTOTAL OTHER TAXES	2.4%

SUBTOTAL ALL TAXES 94.1%

**GENERAL FUND REVENUE - DETAIL COMPARISON**  
**ACTUALS: FY 1992-93 THROUGH FY 1999-2000 AND FORECAST: FY 2000-01 THROUGH FY 2002-03**  
 GF REVENUE COMPARISON-12/21/00-09:30AM

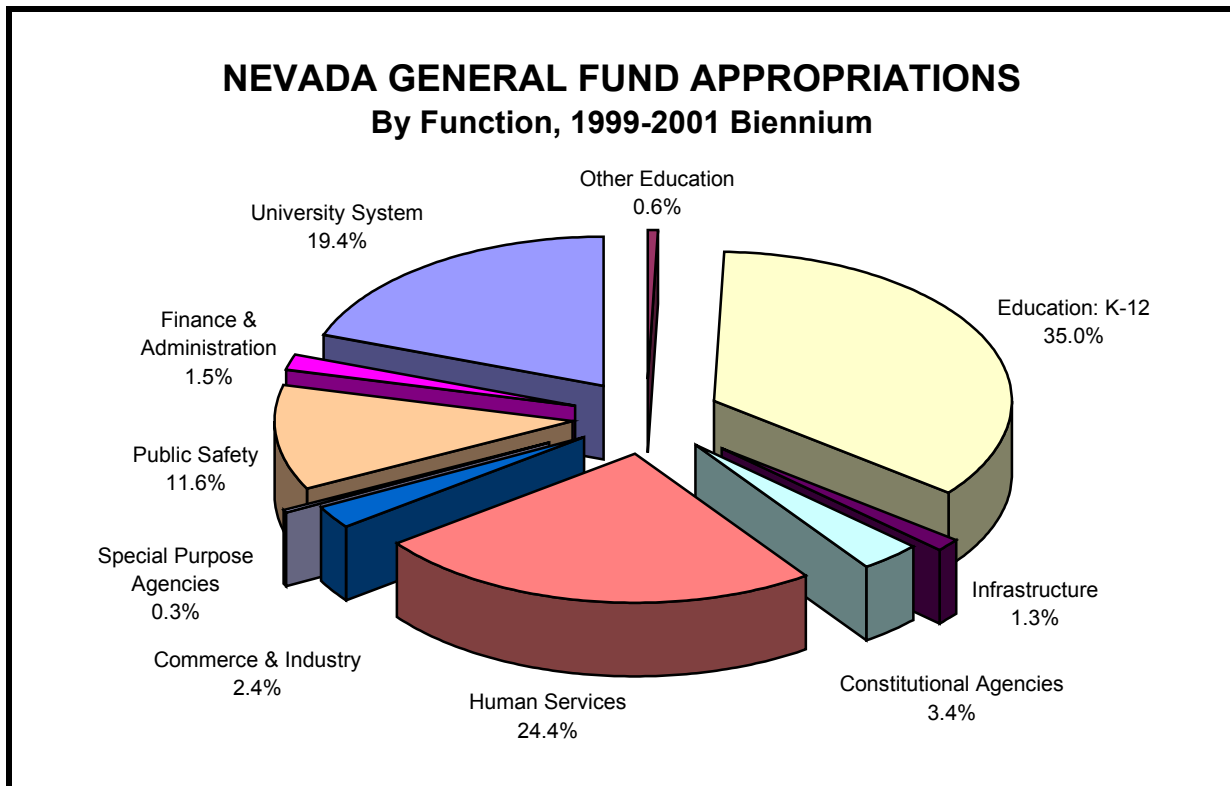
REVENUE CATEGORY	ACTUAL FY 1992-93	ACTUAL FY 1993-94	ACTUAL FY 1994-95	ACTUAL FY 1995-96	ACTUAL FY 1996-97	ACTUAL FY 1997-98	ACTUAL FY 1998-99	ACTUAL FY 1999-00	FORECAST FY 2000-01*	FORECAST FY 2001-02*	FORECAST FY 2002-03*
<b>TAXES</b>											
TOTAL MINING TAXES	\$19,860,464	\$19,908,185	\$25,167,616	\$21,040,507	\$15,703,138	\$15,797,625	\$14,894,647	\$13,446,512	\$12,795,000	\$13,022,000	\$13,250,000
TOTAL SALES AND USE TAXES	\$315,739,098	\$365,295,264	\$404,896,881	\$458,336,236	\$504,374,537	\$525,111,410	\$580,194,636	\$610,070,856	\$646,286,000	\$685,023,000	\$722,739,000
TOTAL GAMING TAXES	\$389,808,443	\$425,029,254	\$441,458,545	\$478,176,937	\$480,199,081	\$491,841,979	\$534,405,763	\$592,335,632	\$631,715,000	\$656,280,000	\$679,217,000
CASINO ENTERTAINMENT TAX	\$23,026,728	\$26,178,281	\$30,020,251	\$35,458,190	\$36,316,362	\$39,109,465	\$47,874,649	\$58,525,658	\$62,674,000	\$66,238,000	\$69,503,000
INSURANCE PREMIUM TAX	\$70,750,439	\$77,279,065	\$83,342,058	\$92,359,073	\$97,290,348	\$110,747,684	\$116,917,615	\$129,333,474	\$139,568,000	\$147,785,000	\$156,002,000
LIQUOR TAX	\$11,938,931	\$12,508,700	\$12,748,682	\$13,256,326	\$13,588,833	\$13,931,111	\$14,670,539	\$15,663,964	\$16,056,000	\$16,537,000	\$17,033,000
CIGARETTE TAX	\$32,716,922	\$32,700,851	\$34,315,477	\$36,147,766	\$38,170,383	\$39,618,525	\$42,124,234	\$42,220,870	\$43,234,000	\$44,142,000	\$45,025,000
OTHER TOBACCO TAX	\$2,347,215	\$2,527,087	\$2,797,478	\$3,443,855	\$4,389,398	\$4,944,712	\$5,358,940	\$5,962,399	\$6,422,000	\$6,881,000	\$7,340,000
JET FUEL TAX	\$63,815	\$28,467		\$49,293	\$52,267						
LAETRILE & GEROVITAL	\$11,776	\$12,709	\$4,963	\$12,590		\$6,940		\$3,776			
HECC TRANSFER (ANNUAL SLOT TAX)	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000
BUSINESS LICENSE FEE AND TAX	\$49,674,497	\$54,861,324	\$58,057,302	\$61,281,126	\$65,366,281	\$68,973,677	\$72,142,566	\$76,437,817	\$79,889,000	\$83,036,000	\$85,822,000
<b>SUBTOTAL TAXES</b>	<b>\$920,938,328</b>	<b>\$1,021,329,187</b>	<b>\$1,097,809,253</b>	<b>\$1,204,561,899</b>	<b>\$1,260,450,628</b>	<b>\$1,315,083,128</b>	<b>\$1,433,583,589</b>	<b>\$1,549,000,957</b>	<b>\$1,643,639,000</b>	<b>\$1,723,944,000</b>	<b>\$1,800,931,000</b>
PERCENT CHANGE	6.8%	10.9%	7.5%	9.7%	4.6%	4.3%	9.0%	8.1%	6.1%	4.9%	4.5%
<b>SUBTOTAL LICENSES</b>	<b>23,561,477</b>	<b>27,386,672</b>	<b>29,733,354</b>	<b>33,282,082</b>	<b>38,373,612</b>	<b>36,767,615</b>	<b>41,398,271</b>	<b>48,386,482</b>	<b>51,819,850</b>	<b>57,688,850</b>	<b>64,276,850</b>
PERCENT CHANGE	9.8%	16.2%	8.6%	11.9%	15.3%	-4.2%	12.6%	16.9%	7.1%	11.3%	11.4%
<b>SUBTOTAL FEES AND FINES</b>	<b>3,464,080</b>	<b>6,189,670</b>	<b>9,556,077</b>	<b>10,518,698</b>	<b>11,980,470</b>	<b>13,601,982</b>	<b>12,971,100</b>	<b>13,244,606</b>	<b>13,217,400</b>	<b>13,527,800</b>	<b>13,834,700</b>
PERCENT CHANGE	-8.4%	78.7%	54.4%	10.1%	13.9%	13.5%	-4.6%	2.1%	-0.2%	2.3%	2.3%
<b>SUBTOTAL CHARGE FOR SERVICES</b>	<b>\$1,311,113</b>	<b>\$1,591,680</b>	<b>\$1,931,451</b>	<b>\$2,102,981</b>	<b>\$5,861</b>						
PERCENT CHANGE	37.6%	21.4%	21.3%	8.9%	-99.7%						
<b>SUBTOTAL USE OF MONEY &amp; PROP.</b>	<b>4,368,757</b>	<b>9,368,505</b>	<b>17,025,904</b>	<b>26,471,929</b>	<b>28,923,963</b>	<b>27,550,646</b>	<b>23,636,662</b>	<b>20,803,245</b>	<b>29,268,682</b>	<b>25,617,568</b>	<b>19,837,397</b>
PERCENT CHANGE	-56.9%	114.4%	81.7%	55.5%	9.3%	-4.7%	-14.2%	-12.0%	40.7%	-12.5%	-22.6%
<b>SUBTOTAL ALL OTHER RECEIPTS</b>	<b>18,632,895</b>	<b>10,851,264</b>	<b>9,918,159</b>	<b>14,349,392</b>	<b>12,854,019</b>	<b>13,976,651</b>	<b>14,367,292</b>	<b>15,388,049</b>	<b>12,099,500</b>	<b>11,696,300</b>	<b>11,985,200</b>
PERCENT CHANGE	16.7%	-41.8%	-8.6%	44.7%	-10.4%	8.7%	2.8%	7.1%	-21.4%	-3.3%	2.5%
<b>SUBTOTAL GENERAL FUND REVENUE</b>	<b>972,276,650</b>	<b>1,076,716,978</b>	<b>1,165,974,198</b>	<b>1,291,286,981</b>	<b>1,352,588,553</b>	<b>1,406,980,022</b>	<b>1,525,956,914</b>	<b>1,646,823,340</b>	<b>1,750,044,432</b>	<b>1,832,474,518</b>	<b>1,910,865,147</b>
PERCENT CHANGE	6.3%	10.7%	8.3%	10.7%	4.7%	4.0%	8.5%	7.9%	6.3%	4.7%	4.3%
DOLLAR CHANGE	57,455,556	104,440,328	89,257,220	125,312,783	61,301,572	54,391,469	118,976,892	120,866,425	103,221,092	82,430,086	78,390,629
<b>ONE-TIME ADJUSTMENTS</b>											
TOTAL SALES AND USE TAX-GASB 22			37,643,189								
CASINO ENTERTAINMENT TAX-GASB 22			2,513,962								
13TH MONTH-LIQUOR TAX						1,175,432					
13TH MONTH-CIGARETTE TAX						3,734,529					
13TH MONTH-OTHER TOBACCO TAX						449,472					
13TH MONTH-PETROLEUM INSPECTION						38,884					
BOND REFINANCING "SWAP"							5,000,000				
<b>TOTAL ONE-TIME ADJUSTMENTS</b>			<b>40,157,151</b>			<b>5,398,317</b>	<b>5,000,000</b>				
<b>TOTAL GENERAL FUND REVENUE</b>	<b>\$972,276,650</b>	<b>\$1,076,716,978</b>	<b>\$1,206,131,349</b>	<b>\$1,291,286,981</b>	<b>\$1,352,588,553</b>	<b>\$1,412,378,339</b>	<b>\$1,530,956,914</b>	<b>\$1,646,823,340</b>	<b>\$1,750,044,432</b>	<b>\$1,832,474,518</b>	<b>\$1,910,865,147</b>
PERCENT CHANGE	6.3%	10.7%	12.0%	7.1%	4.7%	4.4%	8.4%	7.6%	6.3%	4.7%	4.3%
DOLLAR CHANGE	57,455,556	104,440,328	129,414,371	85,155,632	61,301,572	59,789,786	118,578,575	115,866,425	103,221,092	82,430,086	78,390,629

\*REVENUE ESTIMATES FOR FY 2000-01, FY 2001-02, AND FY 2002-03 REPRESENT THE ECONOMIC FORUM'S DECEMBER 1, 2000 FORECAST.

## GENERAL FUND APPROPRIATION TRENDS

General Fund appropriations over the last eight years have grown from \$1.024 billion in FY 1993-94 to over \$1.641 billion in FY 2000-01, a 60.2 percent increase. The average annual growth in General Fund appropriations over the last eight years has been 6.0 percent. The schedule on the following page depicts those appropriations as approved by the Legislature.

The General Fund budget for the current biennium, displayed here graphically, depicts how the budget has been allocated on a functional basis. Education, which receives 55.0 percent of state appropriations, is the largest responsibility of state government.



## TOTAL STATE BUDGET TRENDS

The total legislatively approved state budget, which includes the General Fund, the Highway Fund, federal funds and other funds available to state agencies, has grown over the last eight years from \$2.75 billion in FY 1993-94 to \$4.17 billion in FY 2000-01, a 51.6 percent increase. The average annual increase for this time period has been 6.7 percent after adjusting FY 1993-94 through FY 1998-99 for funding provided to the State Industrial Insurance System (SIIS) and FY 1999-2000 and FY 2000-01 for the privatization of EICON (Employer's Insurance Company of Nevada) and excluding funding provided for the state's boards and commissions for FY 1993-94 through FY 2000-01 for comparison purposes.

**COMPARISON OF  
GENERAL FUND OPERATING APPROPRIATIONS  
1993-95 Biennium Through 2001-03 Biennium**

FUNCTION	LEGISLATURE APPROVED 1993-94 (a.)	LEGISLATURE APPROVED 1994-95 (a.)	LEGISLATURE APPROVED 1995-96 (b.)	LEGISLATURE APPROVED 1996-97 (b.)	LEGISLATURE APPROVED 1997-98 (c.)	LEGISLATURE APPROVED 1998-99 (c.)	LEGISLATURE APPROVED 1999-00 (d.)	LEGISLATURE APPROVED 2000-01 (d.)	GOVERNOR RECOMMENDS 2001-02 (e.)	GOVERNOR RECOMMENDS 2002-03 (e.)
Constitutional Agencies % of Total	\$ 29,808,965 2.9%	\$ 30,915,709 2.8%	\$ 36,421,096 3.1%	\$ 38,008,266 2.9%	\$ 46,606,029 3.2%	\$ 49,614,369 3.2%	\$ 55,014,710 3.5%	\$ 55,558,053 3.4%	\$ 62,052,505 3.3%	\$ 65,281,569 3.3%
Finance and Administration % of Total	\$ 16,160,287 1.6%	\$ 18,746,736 1.7%	\$ 26,964,785 2.3%	\$ 37,565,770 2.8%	\$ 28,134,114 2.0%	\$ 38,701,109 2.5%	\$ 19,853,441 1.3%	\$ 29,405,686 1.8%	\$ 19,899,891 1.1%	\$ 21,816,839 1.1%
Education % of Total	\$ 570,128,239 55.7%	\$ 600,137,282 54.2%	\$ 627,975,635 53.5%	\$ 715,545,818 54.1%	\$ 775,775,725 54.0%	\$ 844,066,777 54.3%	\$ 867,550,965 55.4%	\$ 897,404,786 54.7%	\$ 976,779,482 52.3%	\$ 1,023,525,353 51.8%
Human Services % of Total	\$ 252,572,814 24.7%	\$ 297,941,288 26.9%	\$ 303,345,510 25.8%	\$ 341,848,802 25.9%	\$ 368,712,420 25.6%	\$ 398,740,450 25.6%	\$ 379,066,773 24.2%	\$ 402,649,054 24.5%	\$ 523,300,463 28.0%	\$ 568,072,163 28.7%
Public Safety % of Total	\$ 111,640,595 10.9%	\$ 117,050,463 10.6%	\$ 132,017,329 11.2%	\$ 139,833,202 10.6%	\$ 159,561,614 11.1%	\$ 165,636,358 10.6%	\$ 180,031,613 11.5%	\$ 190,874,322 11.6%	\$ 213,426,755 11.4%	\$ 223,023,532 11.3%
Commerce and Industry % of Total	\$ 26,316,065 2.6%	\$ 26,322,599 2.4%	\$ 28,971,608 2.5%	\$ 29,846,195 2.3%	\$ 34,814,991 2.4%	\$ 35,481,043 2.3%	\$ 38,520,338 2.5%	\$ 38,853,865 2.4%	\$ 42,704,170 2.3%	\$ 44,336,321 2.2%
Infrastructure % of Total	\$ 16,260,599 1.6%	\$ 15,918,282 1.4%	\$ 17,008,735 1.4%	\$ 17,348,658 1.3%	\$ 21,652,182 1.5%	\$ 20,833,565 1.3%	\$ 22,356,758 1.4%	\$ 20,854,538 1.3%	\$ 23,869,282 1.3%	\$ 24,952,927 1.3%
Special Purpose Agencies % of Total	\$ 1,186,617 0.1%	\$ 1,187,974 0.1%	\$ 1,344,643 0.1%	\$ 2,097,823 0.2%	\$ 2,292,888 0.2%	\$ 2,284,659 0.1%	\$ 3,126,075 0.2%	\$ 5,264,452 0.3%	\$ 7,088,790 0.4%	\$ 6,799,065 0.3%
Total General Fund % of Total % Increase % of Total State Budget	\$ 1,024,074,181 100.0% -0.9% 37.4%	\$ 1,108,220,333 100.0% 8.2% 39.2%	\$ 1,174,049,341 100.0% 5.9% 38.8%	\$ 1,322,094,534 100.0% 12.6% 40.5%	\$ 1,437,549,963 100.0% 8.7% 38.6%	\$ 1,555,358,330 100.0% 8.2% 40.4%	\$ 1,565,520,673 100.0% 0.7% 39.0%	\$ 1,640,864,756 100.0% 4.8% 39.6%	\$ 1,869,121,338 100.0% 13.9% 39.2%	\$ 1,977,807,769 100.0% 5.8% 39.1%
Total State Budget (All Funds) % Increase	\$ 2,738,764,195 10.4%	\$ 2,828,530,657 3.3%	\$ 3,029,350,151 7.1%	\$ 3,266,678,990 7.8%	\$ 3,728,300,909 14.1%	\$ 3,851,032,255 3.3%	\$ 4,014,770,358 4.3%	\$ 4,146,946,252 3.3%	\$ 4,773,129,766 15.1%	\$ 5,056,673,880 5.9%

**Note:**

1. The amount for Finance and Administration in the 1997-99 biennium included \$11.4 million in FY 1997-98 and \$21 million in FY 1998-99 in Salary Adjustment Funds.
2. The amount for Finance and Administration in the 1999-2001 biennium included \$78,979 in FY 2000 and \$8.4 million in FY 2001 in Salary Adjustment Funds.
3. Total State Budget (All Funds) is Net of Inter-Agency Transfers.
4. Total State Budget (All Funds) includes the following adjustments for comparison with recommendations in ~~The Executive Budget~~ for FY 2001-02 and FY 2002-03:
  - A. Excludes funding provided for the State Industrial Insurance System (SIIS) for fiscal years 1993-94 through 1998-99; fiscal years 1999-2000 and 2000-01 have been reduced to reflect the privatization of Employer's Insurance Company of Nevada (EICON) (approximately \$2.4 billion per year).
  - B. Excludes funding provided for the state's boards and commissions for fiscal years 1993-94 through 2000-01.

**COMPARISON OF  
GENERAL FUND OPERATING APPROPRIATIONS  
1993-95 Biennium Through 2001-03 Biennium – Governor Recommends**

(a.) Source: Legislative Appropriations Report; Sixty-Seventh Legislature. Includes the following adjustments:

Education	\$528,423	Department of Education Transfer to FY 1994 from FY 1995
Infrastructure	\$250,000	Division of Forestry Transfer to FY 1994 from FY 1995
Constitutional Officers	\$32,711	Supplementals; 1995 Legislature
Finance & Administration	\$1,514,223	Supplementals; 1995 Legislature
Education	\$749,140	Supplementals; 1995 Legislature
Human Services	\$70,483	Supplementals; 1995 Legislature
Public Safety	\$2,973,491	Supplementals; 1995 Legislature
Commerce & Industry	\$64,848	Supplementals; 1995 Legislature
Infrastructure	\$104,998	Supplementals; 1995 Legislature
Special Purpose Agencies	\$80,677	Supplementals; 1995 Legislature

(b.) Source: Legislative Appropriations Report; Sixty-Eighth Legislature. Includes the following adjustments:

Constitutional Agencies	\$9,000	Attorney General Special Fund Transfer to FY 1996 from FY 1997
Human Services	\$461,623	Youth Community Services Transfer to FY 1996 from FY 1997
Constitutional Officers	\$135,551	Supplementals; 1997 Legislature
Finance and Administration	\$560,105	Supplementals; 1997 Legislature
Education	\$54,500	Supplementals; 1997 Legislature
Human Services	\$2,116,681	Supplementals; 1997 Legislature
Commerce & Industry	\$427,890	Supplementals; 1997 Legislature
Infrastructure	\$133,726	Outstanding General Fund Advance; Close of FY 1997

(c.) Source: Legislative Appropriations Report; Sixty-Ninth Legislature. Includes the following adjustments:

Education	\$12,298,402	DSA Transfer from FY 99 to FY 98
Human Services	(\$564,371)	DCFS Transfer from FY 98 to FY 99
Constitutional Officers	\$19,663	Supplementals; 1999 Legislature
Finance and Administration	\$165,000	Supplementals; 1999 Legislature
Education	\$38,459,502	Supplementals; 1999 Legislature
Public Safety	\$387,307	Supplementals; 1999 Legislature
Commerce & Industry	\$203,430	Supplementals; 1999 Legislature
Infrastructure	\$13,918	Supplementals; 1999 Legislature

(d.) Source: Legislative Appropriations Report; Seventieth Legislature. Includes the following adjustments:

A. G. Special Fund	\$16,987	Transfer from FY 01 to FY 00
District Judge/Spouse Pension	\$81,793	Transfer from FY 01 to FY 00
Senior Citizens Property Tax	\$525,000	Transfer from FY 01 to FY 00
Proficiency Testing	(\$715,665)	Transfer from FY 00 to FY 01
Community Juvenile Justice	(\$10,000)	Transfer from FY 00 to FY 01
Unity/Sacwis	(\$1,796,931)	Transfer from FY 00 to FY 01
Youth Alternative Placement	(\$296,135)	Transfer from FY 00 to FY 01
Youth Community Service	\$595,194	Transfer from FY 01 to FY 00
Veteran's Home Account	(\$250,098)	Transfer from FY 00 to FY 01

(e.) For display purposes, reflects the Governor's Recommended Organizational Changes in The Executive Budget for the 2001-03 Biennium:

Senior Citizens Property Tax Assistance Program	Transfer from Finance and Administration (Department of Taxation) to Human Services (Department of Human Resources, Aging Services Division).
	\$7,615,189 in FY 2001-02 and \$8,268,736 in FY 2002-03