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Members:

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Nevada Senate

SEVENTY-SECOND LEGISLATURE

COMMITTEE ON FINANCE

DATE:

March 21, 2003

TO:

Senate Committee on Finance

FROM:

Fiscal Analysis Division

SUBJECT:

A.B. 252 - Makes appropriation to State General Fund from

LEGISLATIVE BUILDING

401 S. Carson Street Carson City, Nevada 89701-4747 Office: (775) 684-1488

> GARY GHIGGERI Fiscal Analyst

BOB GUERNSEY

Principal Deputy Fiscal Analyst

Fund to Stabilize the Operation of State Government.

(BDR S-1233)

Assembly Bill 252, as amended by the Senate Committee on Finance, appropriates \$135 million from the Fund to Stabilize the Operations of State Government (Rainy Day Fund) to the State General Fund. The Senate Committee on Finance amended the legislation increasing the amount of the appropriation from \$100 million to \$135 million. An appropriation of \$100 million combined with increased taxes and other revenues, which were projected to yield \$84.8 million in fiscal year 2003, was recommended by the Governor as an interim solution to partially offset the projected revenue shortfall in fiscal year 2003. The Governor had also recommended a partial repayment of \$50 million from the State General Fund to the Fund to Stabilize the Operation of State Government at the close of fiscal year 2003.

The current balance in the Fund to Stabilize the Operations of State Government is approximately \$136.3 million. The appropriation from the fund will reduce the balance in that fund to approximately \$1.3 million.

ATTACHMENT - 1 PAGE

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EXHIBIT D Senate Committee on Finance Date: 3/20/03 Page 1 of 3

General Fund Balance - Governor Recommends v. Scenario without Tax Increases in FY 2003

	FY 2063						FY 2004			FY 2005	
	Governor		Scenario without				Governor			Governor	
		Recommends	•	Tax Increase*	ı	Difference		Recommends	1	Recommends	
Beginning Fund Balance ^{b.}	S	90,412,495	\$	90,420,838	\$	8,343	5	(30,462,619)	S	(437,670,464	
levenues:	L				_		_		_		
rojected/Actual General Fund Revenue	2	1,813,496,507			Ş	-	2	1,896,022,994	\$	1,992,982,730	
General Fund Reversions	\$	39,370,000		39,370,000	5	•	2	46,964,000		55,384,000	
Additional General Fund Reversions - One-Shots, Etc.	1	61,252,281		61,252,281	\$	-	S	•	\$	•	
reasurer's Refinancing Strategy	15	2,240,000	2	2,240,000	5	•	\$	-	\$	•	
unds from Muni Bond and Bond Interest and Redemption	3	•	-	*	<u>-</u>		ż		-		
Total Revenues	\$	1,916,358,788	3	1,916,358,788	\$	-	ď	1,942,986,994	S	2,048,366,730	
Appropriations:	١.		_	(1.000.330.400)	_	į	1	r ·—			
Operating Appropriations	13	(1,969,/30,496)	,	(1,969,730,496)	3	- 1	1	/1 045 474 002		/1 OAK 060 311	
Basc	1						Æ	(1,965,674,092) (322,986,652)		466,785,477)	
Maintenance	ı						•	(59,534,095)		(87,870,342	
Enhancements	1					//	•	(50,500,000)	•	ער כן טינטן וט)	
Appropriations Transferred Between Fiscal Years Budget Division	s	(237,492)	2	(237,492)	s	. /			l		
Distributive School Account	5	43,852,000			\$./					
Aged and Blind	s	142,043				/ 1					
Check-Up	Īš	65,544		65,544	Š	/.					
Child and Family Services	15	(511,967)				/.]					
Sovernor's Recommended Supplemental Appropriations	1	(211,121)	-	(,,	-	/ /					
Supreme Court	s	(500,748)	s	(500,748)	S	/ -					
Distributive School Account	5	(71,750,340)		(71,750,340)		/ -					
WICHE	s	(3,800)		(3,800)		/ .			•		
Health Division - MOE for SAPT	s	(38,915)		(38,915)	\$	/ -			1		
Welfare Division - EBT	\$	(132,437)		(132,437)		/ - !			i		
Welfare Division - Caseload and Cost Allocation	5	(2,761,305)	\$	(2,761,305)		/ - !					
Check-Up	5	(510,155)		(510,155)		/ -			ı		
Medicaid - Caseload & County Match	S	(7,313,621)		(7,313,621)		/ -					
MH/DS - Rural Clinics	S	(614,729)		(614,729)	s /	-					
Consumer Affairs - Billing from FY 2002	S	(9,238)		(9,238)	\$/	-					
Predatory Animal and Rodent Control - Frozen Merit	2	(30,648)		(30,648)	4	-					
Conservation Districts - Employee & Retirement Costs	15	(3,485)		(3,485)	.	-					
Total Operating and Supplemental Appropriations	\$			(2,010,089,789)	P _						
Cost of 18th Special Session	2	(160,000)		(160,000)	S	-					
Restoration of Fund Balances	\$	(13,992,456)				-	_		١.		
Cost of Legislative Session	<u>s</u>		_		<u> </u>		3		<u>s</u> _	(13,000,000	
Fotal Annronriations	Ş	(2,035,242,245)	s	(2,035,242,245)	\$	-	S	(2,348,194,839)	\$	(2,474,514,13)	
·	ı				ŀ						
Controller's Adjustments	\$	-	\$	•	ŀ				1		
	1		l		İ				l		
Fransfer to Disaster Relief Fund ^{c.}	S	(2,000,000)	\$	(2,000,000)	\$	•	5	(2,000,000)	s	(2,000,000	
	ı		L				_		I.		
Ending Fund Balance	5	(30,470,962)	s	(30,462,619)	s	8,343	5	(437,670,464)	13	(865,817,865	
	ı				1	,			ł		
Revenue Enhancements	١.		ı.		١.		s	135,703,313	١.	561,396,480	
Increased Beginning Fund Balance	Is		1.	-	S			133,103,363		201,070,400	
Transfer from the Fund to Stabilize State Government	1 2					34,000,000	2	•	5	-	
Repayment of Outstanding General Fund Advance	S					-	S		13	076 14	
Increased Repayment from State Personnel	15			•		•	S	975,140	1 -	975,140	
Reduced Repayment from State Treasurer (Tuition Admin)	15		Į		2	•	5	(335,000)		(335,00	
Increased Statewide Cost Recovery	15	11,049	2	11,049	\$ 5	•	\$	3,091,514		3,104,35	
Pinancial Institution License/Fees	13	-	1 2	-	-	-		(1,844,780)		(1,844,78	
Real Estate License/Pecs	15		5		S		S			135,82	
Cigarette Tax	15				S	(29,688,047)		120,921,281		122,784,47	
Liquor Tex	15		3		\$	(4,205,658)				17,740,91	
Business License Tax	15				S	(42,697,678)				190,658,82 28,891,13	
Secretary of State Fee Increase	3				3	(6,784,762) (561,100)		27,998,419 2,306,394		28,891,13	
Restricted Slots	Is		5		1,	(201,100)	;	2,309,39 4 9,075,412		10,313,11	
Business License Fee	15		s		s		5			85,750,03	
Amusement Tax	13		š		Ś	_	ŝ	02,707,030	15	99,534,67	
Property Tax Estimated Cost to Implement Tax Collection	15		s		s	-	٠ ا	(12,500,000)	13	(20,000,00	
Transfer to the Fund to Stabilize the Operation of State Government			_		15	50,000,000	5	4	1;	(50,000,00	
	İŝ		ŝ		<u>*</u>		Š		5		
Total Revenue Enhancements	ľ	133,040,338	ľ	133,703,313	ľ	62,755	ľ	561,396,480	ľ	1,051,461,01	
Pading Pand Datana with Danson Pakasana b	1.	102 1/0 ***	١.	105 340 /0-		4	۱.	177 777 617	۱.	100 250 00	
Ending Fund Balance with Revenue Enhancements *	5	105,169,596	s	105,240,694	s	71,098	13	123,726,016	1,	185,669,80	
Deleves Day Everytive Budget	5	105,169,595	s	105 160 505			ı.	127 684 016	١.	196 508 95	
Balance Per Executive Budget							5	123,654,916		185,598,80 70.00	
Difference Assumes all supplemental appropriations as recommended in The Executive Budg	\$		S		ol reco	ommended by	3	71,100	S	70,95	
he Governor will be funded). Also assumes all revenues as estimated by the Econor							l				
recommended by the Governor will occur.			'				ı				
Subject to reconciliation with Fiscal Division.							ĺ				
	Gen-	cal Fund which	M -	educe the transfer 6	THE IL	e Fund to	l				
			- T		vitt uit	wa					
Legislation could be processed to remove the mandated transfer of funds from the C							ı				
Legislation could be processed to remove the mandated transfer of funds from the Calabilize the Operation of State Government.								•			
Legislation could be processed to remove the mandated transfer of funds from the C	5,340	0,970.	: (24		89 bas	ed on known		•			

General Fund Balance - Governor Recommends v. Scenario without Tax Increases in FY 2003

	FY 2003							FY 2004	_	FY 2005	
		Governor commends		Scenario without Tax Increase ^{a.}		Difference		Governor		Governor	
D		90,412,495		_				ecommends		Recommends	
Beginning Fund Balance ^{b.} Revenues:	\$	70,412,495	\$	90,420,838	\$	8,343	\$	(30,462,619)	S	(437,670,464	
Projected/Actual General Fund Revenue	\$ 1.8	13,496,507	£	1,813,496,507	c	_	\$	1,896,022,994	\$	1,992,982,730	
General Fund Reversions	-		\$	39,370,000		_ i	\$	46,964,000	\$	55,384,000	
Additional General Fund Reversions - One-Shots, Etc.			\$		\$	· 1	\$	40,904,000	\$	22,264,000	
reasurer's Refinancing Strategy	S		\$	2,240,000		- [\$	- 1	3 \$	•	
Funds from Muni Bond and Bond Interest and Redemption	\$	2,240,000	c o	2,240,000	\$	- 1	ð C	-	D	•	
· · · · · · · · · · · · · · · · · · ·		16 250 200	<u>+</u>	1 016 250 700	_		_څ	104200600	3	2 0 40 2 6 6 720	
Total Revenues	\$ 1,9	16,358,788	•	1,916,358,788	\$	-	A.	1,942,986,994	2	2,048,366,730	
Appropriations:	e (1.0	SO 720 406	e	(1 060 770 406)	•		Γ				
	3 (1,9	09,730,490	3	(1,969,730,496)	3	-	1	1 005 674 002		(1 OD C DEG 110	
Base								(1,965,674,092)			
Maintenance]					/\$	(322,986,652)		(466,785,477	
Enhancements		1				Λ	\$	(59,534,095)	2	(87,870,342	
Appropriations Transferred Between Fiscal Years	•	(222 402)	•	(227.402)		/1					
Budget Division	\$	(237,492)		(237,492)		-/-		1			
Distributive School Account				43,852,000		-/ 1					
Aged and Blind	S	142,043		142,043		<i>f</i> 1					
Check-Up	\$	65,544	\$	65,544		/~ i					
Child and Family Services	\$	(511,967)	\$	(511,967)	\$	/- I					
Governor's Recommended Supplemental Appropriations						/ /					
Supreme Court	\$	(500,748)		(500,748)		/ -					
Distributive School Account	\$ ((71,750,340)	\$	(71,750,340)	\$	/ - 1					
WICHE	S	(3,800)	\$	(3,800)		/ - l					
Health Division - MOE for SAPT	\$	(38,915)	\$	(38,915)		/ - I					
Welfare Division - EBT	\$	(132,437)		(132,437)		_/ - I					
Welfare Division - Caseload and Cost Allocation	\$	(2,761,305)		(2,761,305)		/ -					
Check-Up	\$.	(510,155)		(510,155)		/ - 1					
Medicaid - Caseload & County Match	\$	(7,313,621)		(7,313,621)		/ . I					
MH/DS - Rural Clinics	S	(614,729)		(614,729)		/ - 1					
Consumer Affairs - Billing from FY 2002	S	(9,238)		(9,238)		_					
	s	(30,648)		(30,648)							
Predatory Animal and Rodent Control - Frozen Merit	S	(3,485)		(3,485)	7	_					
Conservation Districts - Employee & Retirement Costs	-				ľ	_					
Total Operating and Supplemental Appropriations		110,089,789)	7	(2,010,089,789)	ľ						
Cost of 18th Special Session	\$	(160,000)		(160,000)		-					
Restoration of Fund Balances		(13,992,456)		(13,992,456)		-	_		_	*** *** ***	
Cost of Legislative Session		(11,000,000)		(11,000,000)			2		<u>s</u>	(13,000,000	
Total Appropriations	\$ (2,0)35,242,245)	\$	(2,035,242,245)	S	-	\$	(2,348,194,839)	\$	(2,474,514,131	
	ļ				1			·			
Controller's Adjustments	\$	-	\$	-	1			:	1		
·									ĺ		
Transfer to Disaster Relief Fund ^{c.}	\$	(2,000,000)	\$	(2,000,000)	\$	•	\$	(2,000,000)	\$	(2,000,000	
•	l		l		•						
Ending Fund Balance	\$	(30,470,962)	S	(30,462,619)	S	8,343	\$	(437,670,464)	S	(865,817,865	
Revenue Enhancements	1	,	1				١		1		
Increased Beginning Fund Balance	S	-	\$	-	\$	-	\$	135,703,313	\$	561,396,480	
Transfer from the Fund to Stabilize State Government	s	100,000,000	S	134,000,000	\$	34,000,000	\$	-	S	•	
Repayment of Outstanding General Fund Advance	s	840,796		840,796		-	s	-	\$		
Increased Repayment from State Personnel	s	851,468		851,468		•	s	975,140	\$	975,140	
Reduced Repayment from State Treasurer (Tuition Admin)	Š		Š		Š	-	s	(335,000)		(335,000	
Increased Statewide Cost Recovery	Š	11,049	Š	11,049	-		Š	3,091,514		3,104,350	
Financial Institution License/Fees	s		Š	71,047	ŝ	_	İs	(1,844,780)		(1,844,780	
	Š	_	Š	-	s	_	Š	150,441		135,824	
Real Estate License/Fees	ŝ	29,688,047	_	-	ŝ	(29,688,047)		120,921,281		122,784,47	
Cigarette Tax	S			-	\$	(4,205,658)		17,282,093		17,740,91	
Liquor Tax	1 1	4,205,658							•		
Business License Tax	\$	42,697,678		-	\$	(42,697,678)		176,084,615		190,658,82	
Secretary of State Fee Increase	\$	6,784,762		-	S	(6,784,762)		27,998,419		28,891,13	
Restricted Slots	\$	561,100	5	-	\$	(561,100)	1	2,306,394		2,382,47	
Business License Fee	S	-	\$	•	S	-	S	9,075,412		10,313,11	
Amusement Tax	S	-	\$	-	\$	-	S	82,487,638		85,750,03	
Property Tax	\$	-	\$	-	\$	-	\$	-	\$	99,534,67	
Estimated Cost to Implement Tax Collection	\$	-	\$	-	\$	-	\$	(12,500,000)	\$	(20,000,00	
Transfer to the Fund to Stabilize the Operation of State Government	S	(50,000,000)	\$		<u>s</u>	50,000,000	<u>s</u>		\$	(50,000,00	
Total Revenue Enhancements		135,640,558	_		s	62,755	s	561,396,480	S	1,051,487,67	
				,	ı						
Ending Fund Balance with Revenue Enhancements •		105,169,596			ı	71,098	l	123,726,016	l		
Balance Per Executive Budget	S	105,169,595					Ş	123,654,916		185,598,80	
Difference	\$	1	\$	71,099	1		5	71,100	12	70,5	

Assumes all supplemental appropriations as recommended in The Executive Budget are accurate (no increases or supplementals not recommended by the Governor will be funded). Also assumes all revenues as estimated by the Economic Forum are accurate and the reversions/budget reductions as recommended by the Governor will occur.

Laubject to reconciliation with Fiscal Division.

Legislation could be processed to remove the mandated transfer of funds from the General Fund which would reduce the transfer from the Fund to Stabilize the Operation of State Government.

Current balance in the Fund to Stabilize the Operation of State Government is \$136,340,970.

Miniumum ending fund balance is required to be between 5% and 10% of ongoing appropriations; could be reduced to \$100,504,489 based on known ongoing appropriations (5% of \$2,010,089,789).