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Nevada Senate

SEVENTY-SECOND LEGISLATURE

COMMITTEE ON FINANCE

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

DATE: March 21, 2003

TO: Senate Committee on Finance

FROM: Fiscal Analysis Division

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

I:\ONGOING\Session 2003\Bill Explanations\Senate Finance\AB252_GG_dt.doc

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

	FY 2003			FY 2004	FY 2005
	Governor Recommends	Scenario without Tax Increase[a]	Difference	Governor Recommends	Governor Recommends
Beginning Fund Balance[b]	$ 90,412,495	$ 90,420,838	$ 8,343	$ (30,462,619)	$ (437,670,464)
Revenues:					
Projected/Actual General Fund Revenue	$ 1,813,496,507	$ 1,813,496,507	$ -	$ 1,896,022,994	$ 1,992,982,730
General Fund Reversions	$ 39,370,000	$ 39,370,000	$ -	$ 46,964,000	$ 55,384,000
Additional General Fund Reversions - One-Shots, Etc.	*$ 61,252,281*	*$ 61,252,281*	$ -	$ -	$ -
Treasurer's Refinancing Strategy	*$ 2,240,000*	*$ 2,240,000*	$ -	$ -	$ -
Funds from Muni Bond and Bond Interest and Redemption	$ -	$ -	$ -	$ -	$ -
Total Revenues	$ 1,916,358,788	$ 1,916,358,788	$ -	$ 1,942,986,994	$ 2,048,366,730
Appropriations:					
Operating Appropriations	$ (1,969,730,496)	$ (1,969,730,496)	$ -		
Base				$ (1,965,674,092)	$ (1,906,858,312)
Maintenance				$ (322,986,652)	$ (466,785,477)
Enhancements				$ (59,534,095)	$ (87,870,342)
Appropriations Transferred Between Fiscal Years					
Budget Division	$ (237,492)	$ (237,492)	$ -		
Distributive School Account	$ 43,852,000	$ 43,852,000	$ -		
Aged and Blind	$ 142,043	$ 142,043	$		
Check-Up	$ 65,544	$ 65,544	$ -		
Child and Family Services	$ (511,967)	$ (511,967)	$ -		
Governor's Recommended Supplemental Appropriations					
Supreme Court	$ (500,748)	$ (500,748)	$ -		
Distributive School Account	$ (71,750,340)	$ (71,750,340)	$ -		
WICHE	$ (3,800)	$ (3,800)	$ -		
Health Division - MOE for SAPT	$ (38,915)	$ (38,915)	$ -		
Welfare Division - EBT	$ (132,437)	$ (132,437)	$ -		
Welfare Division - Caseload and Cost Allocation	$ (2,761,305)	$ (2,761,305)	$ -		
Check-Up	$ (510,155)	$ (510,155)	$ -		
Medicaid - Caseload & County Match	$ (7,313,621)	$ (7,313,621)	$ -		
MH/DS - Rural Clinics	$ (614,729)	$ (614,729)	$ -		
Consumer Affairs - Billing from FY 2002	$ (9,238)	$ (9,238)	$ -		
Predatory Animal and Rodent Control - Frozen Merit	$ (30,648)	$ (30,648)	$ -		
Conservation Districts - Employee & Retirement Costs	$ (3,485)	$ (3,485)	$ -		
Total Operating and Supplemental Appropriations	$ (2,010,089,789)	$ (2,010,089,789)			
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)	$ -	$ -	$ (13,000,000)
Total Appropriations	$ (2,035,242,245)	$ (2,035,242,245)	$ -	$ (2,348,194,839)	$ (2,474,514,131)
Controller's Adjustments	$ -	$ -			
Transfer to Disaster Relief Fund[c]	$ (2,000,000)	$ (2,000,000)	$ -	$ (2,000,000)	$ (2,000,000)
Ending Fund Balance	$ (30,470,962)	$ (30,462,619)	$ 8,343	$ (437,670,464)	$ (865,817,865)
Revenue Enhancements					
Increased Beginning Fund Balance	$ -	$ -	$ -	$ 135,703,313	$ 561,396,480
Transfer from the Fund to Stabilize State Government	$ 100,000,000	$ 134,000,000	$ 34,000,000	$ -	$ -
Repayment of Outstanding General Fund Advance	$ 840,796	$ 840,796	$ -	$ -	$ -
Increased Repayment from State Personnel	$ 851,468	$ 851,468	$ -	$ 975,140	$ 975,140
Reduced Repayment from State Treasurer (Tuition Admin)	$ -	$ -	$ -	$ (335,000)	$ (335,000)
Increased Statewide Cost Recovery	$ 11,049	$ 11,049	$ -	$ 3,091,514	$ 3,104,356
Financial Institution License/Fees	$ -	$ -	$ -	$ (1,844,780)	$ (1,844,780)
Real Estate License/Fees	$ -	$ -	$ -	$ 150,441	$ 135,824
Cigarette Tax	$ 29,688,047	$ -	$ (29,688,047)	$ 120,921,281	$ 122,784,474
Liquor Tax	$ 4,205,658	$ -	$ (4,205,658)	$ 17,282,093	$ 17,740,919
Business License Tax	$ 42,697,678	$ -	$ (42,697,678)	$ 176,084,615	$ 190,658,824
Secretary of State Fee Increase	$ 6,784,762	$ -	$ (6,784,762)	$ 27,998,419	$ 28,891,139
Restricted Slots	$ 561,100	$ -	$ (561,100)	$ 2,306,394	$ 2,382,477
Business License Fee	$ -	$ -	$ -	$ 9,075,412	$ 10,313,110
Amusement Tax	$ -	$ -	$ -	$ 82,487,638	$ 85,750,031
Property Tax	$ -	$ -	$ -	$ -	$ 99,534,677
Estimated Cost to Implement Tax Collection	$ -	$ -	$ -	$ (12,500,000)	$ (20,000,000)
Transfer to the Fund to Stabilize the Operation of State Government	$ (50,000,000)	$ -	$ 50,000,000	$ -	$ (50,000,000)
Total Revenue Enhancements	$ 135,640,558	$ 135,703,313	$ 62,755	$ 561,396,480	$ 1,051,487,671
Ending Fund Balance with Revenue Enhancements[e]	$ 105,169,596	$ 105,240,694	$ 71,098	$ 123,726,016	$ 185,669,806
Balance Per Executive Budget	$ 105,169,595	$ 105,169,595		$ 123,654,916	$ 185,598,807
Difference	$ 1	$ 71,099		$ 71,100	$ 70,999

[a] 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.

[b] Subject to reconciliation with Fiscal Division.

[c] 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.

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

[e] 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).

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

	FY 2003			FY 2004	FY 2005
	Governor Recommends	Scenario without Tax Increase[a]	Difference	Governor Recommends	Governor Recommends
Beginning Fund Balance[b]	$ 90,412,495	$ 90,420,838	$ 8,343	$ (30,462,619)	$ (437,670,464
Revenues:					
Projected/Actual General Fund Revenue	$ 1,813,496,507	$ 1,813,496,507	$ -	$ 1,896,022,994	$ 1,992,982,730
General Fund Reversions	$ 39,370,000	$ 39,370,000	$ -	$ 46,964,000	$ 55,384,000
Additional General Fund Reversions - One-Shots, Etc.	*$ 61,252,281*	*$ 61,252,281*	$ -	$ -	$ -
Treasurer's Refinancing Strategy	*$ 2,240,000*	*$ 2,240,000*	$ -	$ -	$ -
Funds from Muni Bond and Bond Interest and Redemption	$ -	$ -	$ -	$ -	$ -
Total Revenues	**$ 1,916,358,788**	**$ 1,916,358,788**	**$ -**	**$ 1,942,986,994**	**$ 2,048,366,730**
Appropriations:					
Operating Appropriations	$ (1,969,730,496)	$ (1,969,730,496)	$ -		
Base				$ (1,965,674,092)	$ (1,906,858,312
Maintenance				$ (322,986,652)	$ (466,785,477
Enhancements				$ (59,534,095)	$ (87,870,342
Appropriations Transferred Between Fiscal Years					
Budget Division	$ (237,492)	$ (237,492)	$ -		
Distributive School Account	$ 43,852,000	$ 43,852,000	$ -		
Aged and Blind	$ 142,043	$ 142,043	$ -		
Check-Up	$ 65,544	$ 65,544	$ -		
Child and Family Services	$ (511,967)	$ (511,967)	$ -		
Governor's Recommended Supplemental Appropriations					
Supreme Court	$ (500,748)	$ (500,748)	$ -		
Distributive School Account	$ (71,750,340)	$ (71,750,340)	$ -		
WICHE	$ (3,800)	$ (3,800)	$ -		
Health Division - MOE for SAPT	$ (38,915)	$ (38,915)	$ -		
Welfare Division - EBT	$ (132,437)	$ (132,437)	$ -		
Welfare Division - Caseload and Cost Allocation	$ (2,761,305)	$ (2,761,305)	$ -		
Check-Up	$ (510,155)	$ (510,155)	$ -		
Medicaid - Caseload & County Match	$ (7,313,621)	$ (7,313,621)	$ -		
MH/DS - Rural Clinics	$ (614,729)	$ (614,729)	$ -		
Consumer Affairs - Billing from FY 2002	$ (9,238)	$ (9,238)	$ -		
Predatory Animal and Rodent Control - Frozen Merit	$ (30,648)	$ (30,648)	$ -		
Conservation Districts - Employee & Retirement Costs	$ (3,485)	$ (3,485)	$ -		
Total Operating and Supplemental Appropriations	**$ (2,010,089,789)**	**$ (2,010,089,789)**			
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)	$ -	$ -	$ (13,000,00
Total Appropriations	**$ (2,035,242,245)**	**$ (2,035,242,245)**	**$ -**	**$ (2,348,194,839)**	**$ (2,474,514,131**
Controller's Adjustments	$ -	$ -			
Transfer to Disaster Relief Fund[c]	**$ (2,000,000)**	**$ (2,000,000)**	**$ -**	**$ (2,000,000)**	**$ (2,000,00**
Ending Fund Balance	**$ (30,470,962)**	**$ (30,462,619)**	**$ 8,343**	**$ (437,670,464)**	**$ (865,817,86**
Revenue Enhancements					
Increased Beginning Fund Balance	$ -	$ -	$ -	$ 135,703,313	$ 561,396,48
Transfer from the Fund to Stabilize State Government	$ 100,000,000	$ 134,000,000	$ 34,000,000	$ -	$ -
Repayment of Outstanding General Fund Advance	$ 840,796	$ 840,796	$ -	$ -	$ -
Increased Repayment from State Personnel	$ 851,468	$ 851,468	$ -	$ 975,140	$ 975,14
Reduced Repayment from State Treasurer (Tuition Admin)	$ -	$ -	$ -	$ (335,000)	$ (335,00
Increased Statewide Cost Recovery	$ 11,049	$ 11,049	$ -	$ 3,091,514	$ 3,104,35
Financial Institution License/Fees	$ -	$ -	$ -	$ (1,844,780)	$ (1,844,78
Real Estate License/Fees	$ -	$ -	$ -	$ 150,441	$ 135,82
Cigarette Tax	$ 29,688,047	$ -	$ (29,688,047)	$ 120,921,281	$ 122,784,47
Liquor Tax	$ 4,205,658	$ -	$ (4,205,658)	$ 17,282,093	$ 17,740,91
Business License Tax	$ 42,697,678	$ -	$ (42,697,678)	$ 176,084,615	$ 190,658,82
Secretary of State Fee Increase	$ 6,784,762	$ -	$ (6,784,762)	$ 27,998,419	$ 28,891,13
Restricted Slots	$ 561,100	$ -	$ (561,100)	$ 2,306,394	$ 2,382,47
Business License Fee	$ -	$ -	$ -	$ 9,075,412	$ 10,313,11
Amusement Tax	$ -	$ -	$ -	$ 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	$ (50,000,000)	$ -	$ 50,000,000	$ -	$ (50,000,00
Total Revenue Enhancements	**$ 135,640,558**	**$ 135,703,313**	**$ 62,755**	**$ 561,396,480**	**$ 1,051,487,67**
Ending Fund Balance with Revenue Enhancements[e]	**$ 105,169,596**	**$ 105,240,694**	**$ 71,098**	**$ 123,726,016**	**$ 185,669,80**
Balance Per Executive Budget	**$ 105,169,595**	**$ 105,169,595**		**$ 123,654,916**	**$ 185,598,80**
Difference	**$ 1**	**$ 71,099**		**$ 71,100**	**$ 70,99**

[a] 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.

[b] Subject to reconciliation with Fiscal Division.

[c] 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.

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

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