



STATE OF NEVADA

Special Session

Executive Budget Overview

July 8, 2020

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Summary of Proposed Actions to Address General Fund Shortfall FY 2019-2020

Proposed Actions to Address General Fund Shortfall Fiscal Year 2019-2020	Fiscal Year 2019-20			
	Legislature Approved	Projected	Difference	Projected Revenue Shortfall
Unappropriated General Fund Balance - July 1, 2019	\$249,983,124	\$352,865,473	\$102,882,349	
Unrestricted General Fund Revenue *	\$4,446,282,105	\$3,988,870,169	(\$457,411,936)	(\$457,411,936)
General Fund Reversions	\$50,000,000	\$65,000,000	\$15,000,000	
Total Unrestricted General Fund Revenue	\$4,746,265,229	\$4,406,735,642	(\$339,529,587)	(\$457,411,936)
Ongoing Operating Appropriations - (2019 Legislative Approved)	(\$4,368,808,982)	(\$4,368,808,982)	\$0	
One-Time Appropriations-(2019 Legislative Approved)	(\$38,947,588)	(\$38,947,588)	\$0	
Projected DSA Appropriation Transfer		(\$172,192,127)	(\$172,192,127)	(\$172,192,127)
Welfare Division Transfer (IFC approved 6-25-20)		(\$1,321,837)	(\$1,321,837)	(\$1,321,837)
Attorney General Extradition Transfer (IFC approved 6-25-20)		(\$160,266)	(\$160,266)	(\$160,266)
Transfer to Disaster Relief Account	(\$2,000,000)	(\$1,500,000)	\$500,000	
Transfer to Rainy Day Account (based on 1% of anticipated revenue)	(\$44,462,821)	(\$44,462,821)	\$0	
Transfer to Rainy Day Account (based on Ending Fund Balance)		(\$25,028,566)	(\$25,028,566)	
Total Appropriations/Transfers	(\$4,454,219,391)	(\$4,652,422,187)	(\$198,202,796)	(\$173,674,230)
Unrestricted General Fund Balance - June 30, 2020 As Adjusted for Actions	\$292,045,838	(\$245,686,545)	(\$537,732,383)	(\$631,086,166)

*GFO/LCB Consensus Projection 6/29/2020

Revenue FY 2020 Outlook

GENERAL FUND FY 2020

<u>Revenue Source</u>	<u>Economic Forum</u>	<u>Budget/Fiscal</u>	<u>Difference</u>	<u>% Change</u>
	<u>May 2019 Forecast</u>	<u>June 29, 2020</u> <u>Consensus Estimate</u>		
Sales Tax: 2%	\$1,310,969,000	\$1,184,931,963	-\$126,037,037	-9.6%
Sales Tax: GF Commissions	\$53,262,000	\$47,776,574	-\$5,485,426	-10.3%
Gaming Percentage Fees Tax	\$781,256,000	\$619,989,591	-\$161,266,409	-20.6%
LET: Gaming and Nongaming	\$129,294,000	\$92,622,695	-\$36,671,305	-28.4%
Modified Business Tax Total	\$725,920,000	\$684,044,985	-\$41,875,015	-5.8%
Insurance Premium Tax	\$466,254,000	\$456,853,282	-\$9,400,718	-2.0%
Commerce Tax	\$222,470,000	\$193,846,500	-\$28,623,500	-12.9%
Real Property Transfer Tax	\$105,083,000	\$99,100,925	-\$5,982,075	-5.7%
Transportation Connection Tax	\$29,284,000	\$19,803,275	-\$9,480,725	-32.4%
Cigarette Tax	\$156,650,000	\$144,314,876	-\$12,335,124	-7.9%
Liquor Tax	\$45,682,000	\$42,931,125	-\$2,750,875	-6.0%
Short-term Car Rental Tax	\$57,392,000	\$43,260,025	-\$14,131,975	-24.6%
Other Tobacco Products (OTP) Tax	\$22,834,000	\$22,147,876	-\$686,124	-3.0%
SOS-Commercial Recordings	\$77,843,000	\$71,745,747	-\$6,097,253	-7.8%
Governmental Services Tax	\$21,954,000	\$20,238,202	-\$1,715,798	-7.8%
Business License Fee	\$113,000,000	\$101,679,957	-\$11,320,043	-10.0%
All Other Revenue	\$235,069,079	\$235,069,079	\$0	0.0%
Total GF: Before Tax Credits	\$4,554,216,079	\$4,080,356,677	-\$473,859,402	-10.4%
Commerce Tax Credit and All Other Tax Credits	(\$107,933,974)	(\$91,486,504)	\$16,447,470	-15.2%
Total GF: After Tax Credits	<u>\$4,446,282,105</u>	<u>\$3,988,870,173</u>	<u>-\$457,411,932</u>	<u>-10.3%</u>

Consensus Legislative Counsel Bureau, Fiscal Analysis Division and Governor's Office of Finance, Budget Division
29-Jun-20

Distributive School Account Revised Summary Fiscal Year 2019-20

DISTRIBUTIVE SCHOOL ACCOUNT SUMMARY 2019-20		
	FY 2020 Legislature Approved	FY 2020 Governor's Finance Office Amounts
WEIGHTED ENROLLMENT	486,465	485,000
ADDITIONAL ENROLLMENT FOR HOLD HARMLESS	-	350
TOTAL ENROLLMENT	486,465	485,350
BASIC SUPPORT	\$ 6,218	\$ 6,218
TOTAL REGULAR BASIC SUPPORT ¹	\$ 3,024,676,999	\$ 3,017,906,300
CATEGORICAL FUNDING:		
SPECIAL EDUCATION	\$ 211,504,167	\$ 211,504,167
SPECIAL EDUCATION 50% ABOVE 13% CAP	\$ 1,500,000	\$ 1,500,000
CLASS-SIZE REDUCTION	\$ 161,650,216	\$ 161,650,216
SCHOOL LUNCH PROGRAM STATE MATCH	\$ 588,732	\$ 588,732
SPECIAL TRANSPORTATION	\$ 142,555	\$ 142,555
NRS ADJUSTMENT	\$ -	\$ -
OTHER ADJUSTMENTS	\$ -	\$ -
TOTAL REQUIRED STATE SUPPORT	\$ 3,400,062,669	\$ 3,393,291,970
LESS - GUARANTEED REVENUE		
LOCAL SCHOOL SUPPORT TAX - 2.60%	\$ (1,483,224,000)	\$ (1,308,277,776)
1/3 PUBLIC SCHOOLS OPERATING PROPERTY TAX	\$ (254,709,500)	\$ (258,897,963)
ADJUSTMENT FOR LANDER AND STOREY REVENUE	\$ -	\$ -
TOTAL STATE SHARE	\$ 1,662,129,169	\$ 1,826,116,231
STATE SHARE ELEMENTS		
GENERAL FUND	\$ 1,166,677,713	\$ 1,166,677,713
FY 2017 OVERPAYMENTS TO BE RECEIVED FY 2018	\$ -	\$ -
TRANSFER FROM TAXATION - REC & MED MARIJUANA	\$ 40,983,256	\$ 37,083,168
RECREATIONAL MARIJUANA RETAIL TAX	\$ 58,554,600	\$ 57,065,498
GENERAL FUND TRANSFER FROM FY21 TO FY20	\$ -	\$ -
DSA SHARE OF SLOT TAX	\$ 27,421,600	\$ 20,354,915
PERMANENT SCHOOL FUND	\$ 7,000,000	\$ 13,239,523
FEDERAL MINERAL LEASE REVENUE	\$ 4,000,000	\$ 5,600,000
OUT OF STATE LSST - 2.60%	\$ 170,315,000	\$ 213,701,543
ROOM TAX REVENUE TRANSFER	\$ 187,177,000	\$ 140,201,744
GENERAL FUND SUPPLEMENTAL APPROPRIATION	\$ -	\$ -
REVERSION TO GENERAL FUND	\$ -	\$ -
PRIOR YEAR REFUND	\$ -	\$ -
BALANCE FORWARD FROM/TO NEXT FISCAL YEAR	\$ -	\$ -
TOTAL STATE SHARE ELEMENTS	\$ 1,662,129,169	\$ 1,653,924,104
	\$ (0)	\$ 172,192,127

Summary of Proposed Actions to Address General Fund Shortfall FY 2019-2020

Proposed Actions to Address General Fund Shortfall Fiscal Year 2019-2020	Fiscal Year 2019-20		
	Legislature Approved	Projected	Difference
Transfer from Account to Stabilize Operation of State Government		\$401,186,220	\$401,186,220
Budget Reserves-Operating Appropriations		\$65,400,314	\$65,400,314
Budget Reserves - One Time Appropriations		\$21,572,577	\$21,572,577
Capital Improvement Program Budget Reserves		\$26,888,176	\$26,888,176
Budget Reserves TRPA, LCB, Judicial		\$2,162,795	\$2,162,795
CARES Act Reimbursement		\$35,864,305	\$35,864,305
Booked Budget Reserves Budget Account 9015		\$23,592,408	\$23,592,408
Total Actions to Address General Fund Shortfall - FY2020	\$0	\$576,666,795	\$576,666,795
Unrestricted General Fund Balance - June 30, 2020 as Adjusted for Actions	\$292,045,838	\$330,980,250	\$38,934,412
5% Minimum Ending Fund Balance	\$218,440,449	\$227,124,161	

Summary of Proposed Actions to Address General Fund Shortfall FY 2020-2021

Proposed Actions to Address General Fund Shortfall Fiscal Year 2020-21	Fiscal Year 2020-21			
	Legislature Approved	Projected	Difference	Projected Revenue Shortfall
Unappropriated General Fund Balance - July 1, 2020	\$292,045,837	\$330,551,781	\$38,505,944	
Unrestricted General Fund Revenue *	\$4,596,029,611	\$3,758,003,669	(\$838,025,942)	(\$838,025,942)
General Fund Reversions	\$99,551,000	\$50,000,000	(\$49,551,000)	
Total Unrestricted General Fund Revenue	\$4,987,626,448	\$4,138,555,450	(\$849,070,998)	(\$838,025,942)
Ongoing Operating Appropriations - (2019 Legislative Approved)	(\$4,507,094,894)	(\$4,507,094,894)	\$0	
One-Time Appropriations-(2019 Legislative Approved)	(\$13,358,618)	(\$13,358,618)	\$0	
DSA Supplemental Appropriation		(\$490,868,386)	(\$490,868,386)	(\$490,868,386)
Welfare Division Supplemental Appropriation		(\$1,321,837)	(\$1,321,837)	(\$1,321,837)
Attorney General Extradition Supplemental Appropriation		(\$160,266)	(\$160,266)	(\$160,266)
Projected DSA Appropriation Transfer		\$172,192,127	\$172,192,127	\$172,192,127
Welfare Division Transfer (IFC approved 6-25-20)		\$1,321,837	\$1,321,837	\$1,321,837
Attorney General Extradition Transfer (IFC approved 6-25-20)		\$160,266	\$160,266	\$160,266
Transfer to Disaster Relief Account	(\$2,000,000)		\$2,000,000	
Transfer to Rainy Day Account (based on 1% of anticipated revenue)	(\$45,960,296)		\$45,960,296	
Transfer to Rainy Day Account (based on Ending Fund Balance)			\$0	
Cost of the 2021 Legislature	(\$19,447,280)	(\$19,447,280)	\$0	
Total Appropriations/Transfers	(\$4,587,861,088)	(\$4,858,577,051)	(\$270,715,963)	(\$318,676,259)
Unrestricted General Fund Balance - June 30, 2021	\$399,765,360	(\$720,021,601)	(\$1,119,786,961)	(\$1,156,702,201)

*GFO/LCB Consensus Projection 6/29/2020

Revenue FY 2021 Outlook

GENERAL FUND FY 2021

<u>Revenue Source</u>	<u>Economic Forum</u>	<u>Budget/Fiscal</u>	<u>Difference</u>	<u>% Change</u>
	<u>May 2019 Forecast</u>	<u>June 29, 2020</u> <u>Consensus Estimate</u>		
Sales Tax: 2%	\$1,356,168,000	\$1,165,689,594	-\$190,478,406	-14.0%
Sales Tax: GF Commissions	\$55,099,000	\$47,003,694	-\$8,095,306	-14.7%
Gaming Percentage Fees Tax	\$792,106,000	\$468,785,027	-\$323,320,973	-40.8%
LET: Gaming and Nongaming	\$130,440,000	\$55,849,987	-\$74,590,013	-57.2%
Modified Business Tax Total	\$753,606,000	\$654,230,599	-\$99,375,401	-13.2%
Insurance Premium Tax	\$492,665,000	\$468,357,341	-\$24,307,659	-4.9%
Commerce Tax	\$231,527,000	\$195,689,570	-\$35,837,430	-15.5%
Real Property Transfer Tax	\$106,357,000	\$87,137,051	-\$19,219,949	-18.1%
Transportation Connection Tax	\$37,051,000	\$18,868,851	-\$18,182,149	-49.1%
Cigarette Tax	\$151,826,000	\$126,057,415	-\$25,768,585	-17.0%
Liquor Tax	\$46,058,000	\$41,984,243	-\$4,073,757	-8.8%
Short-term Car Rental Tax	\$58,135,000	\$29,560,557	-\$28,574,443	-49.2%
Other Tobacco Products (OTP) Tax	\$28,423,000	\$24,257,040	-\$4,165,960	-14.7%
SOS-Commercial Recordings	\$78,515,000	\$69,724,517	-\$8,790,483	-11.2%
Governmental Services Tax	\$22,321,000	\$23,781,874	\$1,460,874	6.5%
Business License Fee	\$113,352,000	\$102,950,698	-\$10,401,302	-9.2%
All Other Revenue	\$236,975,611	\$236,975,611	\$0	0.0%
Total GF: Before Tax Credits	\$4,690,624,611	\$3,816,903,669	-\$873,720,942	-18.6%
Commerce Tax Credit and All Other Tax Credits	(\$94,595,000)	(\$58,900,000)	\$35,695,000	-37.7%
Total GF: After Tax Credits	<u>\$4,596,029,611</u>	<u>\$3,758,003,669</u>	<u>-\$838,025,942</u>	<u>-18.2%</u>

Consensus Legislative Counsel Bureau, Fiscal Analysis Division and Governor's Office of Finance, Budget Division
29-Jun-20

Distributive School Account Revised Summary FY 2020-2021

DISTRIBUTIVE SCHOOL ACCOUNT SUMMARY 2020-21		
	FY 2021 Legislature Approved	FY 2021 Governor's Finance Office Amounts
WEIGHTED ENROLLMENT	490,561	490,561
ADDITIONAL ENROLLMENT FOR HOLD HARMLESS	-	-
TOTAL ENROLLMENT	490,561	490,561
BASIC SUPPORT	\$ 6,288	\$ 6,288
TOTAL REGULAR BASIC SUPPORT ¹	\$ 3,084,585,180	\$ 3,084,585,180
CATEGORICAL FUNDING:		
SPECIAL EDUCATION	\$ 218,041,746	\$ 218,041,746
SPECIAL EDUCATION 50% ABOVE 13% CAP	\$ 1,500,000	\$ 1,500,000
CLASS-SIZE REDUCTION	\$ 165,487,286	\$ 165,487,286
SCHOOL LUNCH PROGRAM STATE MATCH	\$ 588,732	\$ 588,732
SPECIAL TRANSPORTATION	\$ 145,650	\$ 145,650
NRS ADJUSTMENT	\$ -	\$ -
OTHER ADJUSTMENTS	\$ -	\$ -
TOTAL REQUIRED STATE SUPPORT	\$ 3,470,348,594	\$ 3,470,348,594
LESS - GUARANTEED REVENUE		
LOCAL SCHOOL SUPPORT TAX - 2.60%	\$ (1,528,727,000)	\$ (1,294,312,833)
1/3 PUBLIC SCHOOLS OPERATING PROPERTY TAX	\$ (270,421,900)	\$ (271,493,975)
ADJUSTMENT FOR LANDER AND STOREY REVENUE	\$ -	\$ -
TOTAL STATE SHARE	\$ 1,671,199,694	\$ 1,904,541,786
STATE SHARE ELEMENTS		
GENERAL FUND	\$ 1,162,939,824	\$ 1,162,939,824
FY 2017 OVERPAYMENTS TO BE RECEIVED FY 2018	\$ -	\$ -
TRANSFER FROM TAXATION - REC & MED MARIJUANA	\$ 42,221,670	\$ 30,297,243
RECREATIONAL MARIJUANA RETAIL TAX	\$ 61,253,900	\$ 51,946,093
GENERAL FUND TRANSFER FROM FY21 TO FY20	\$ -	\$ (172,192,127)
DSA SHARE OF SLOT TAX	\$ 27,660,300	\$ 29,593,100
PERMANENT SCHOOL FUND	\$ 7,000,000	\$ 7,000,000
FEDERAL MINERAL LEASE REVENUE	\$ 4,000,000	\$ 4,500,000
OUT OF STATE LSST - 2.60%	\$ 175,539,000	\$ 202,850,436
IP1 (2009) ROOM TAX REVENUE TRANSFER	\$ 190,585,000	\$ 96,738,831
GENERAL FUND SUPPLEMENTAL APPROPRIATION	\$ -	\$ -
REVERSION TO GENERAL FUND	\$ -	\$ -
PRIOR YEAR REFUND	\$ -	\$ -
BALANCE FORWARD FROM/TO NEXT FISCAL YEAR	\$ -	\$ -
TOTAL STATE SHARE ELEMENTS	\$ 1,671,199,694	\$ 1,413,673,400
	\$ (0)	\$ 490,868,386

Summary of Proposed Actions to Address General Fund Shortfall FY 2020-2021

Proposed Actions to Address General Fund Shortfall - FY2021	Fiscal Year 2020-21		
	Legislature Approved	Projected	Difference
Accelerate Net Proceeds of Minerals		\$54,462,726	\$54,462,726
Tax Amnesty Program		\$10,000,000	\$10,000,000
Governmental Service Tax Revise Split 50/50		\$23,781,874	\$23,781,874
Budget Reserves-Operating Appropriations		\$542,792,007	\$542,792,007
Budget Reserves - One Time Appropriations		\$27,975,295	\$27,975,295
Restricted IFC Appropriations		\$26,228,299	\$26,228,299
Transfer from Other Funds or Accounts (Sweeps)		\$69,865,839	\$69,865,839
Capital Improvement Program Budget Reserves		\$72,599,117	\$72,599,117
Attorney General Settlements		\$11,210,764	\$11,210,764
CARES Act Reimbursement		\$29,534,193	\$29,534,193
Furlough - 12 days (state + NSHE)		\$51,739,761	\$51,739,761
Freeze Merit Salary Increase (state + NSHE)		\$14,328,357	\$14,328,357
Total Actions to Address General Fund Shortfall	\$0	\$934,518,232	\$934,518,232
Unrestricted General Fund Balance - June 30 as Adjusted for Actions	\$399,765,360	\$214,925,101	(\$222,183,969)
5% Minimum Ending Fund Balance	\$225,354,745	\$214,148,957	

Summary of Proposed Actions to Address General Fund Shortfall FY 2020–2021

IFC Restricted Contingency Funds

Fiscal Year 2019-21

Description	Appropriation	Budget Reduction
AB500 Section 1 - Smart 21 - HR & Financial System	9,468,199	8,100,000
AB516 Section 1 - Marsy's Law	10,000,000	10,000,000
AB543 Section 78 - Supreme Court - Statewide Case Management System	1,290,292	1,290,292
AB445 Section 16.5 -Taxation-Market Facilitators	1,000,000	458,355
SB528 Section 5 - SPWD Grant Sawyer relocating agency's	1,000,000	1,000,000
SB543 Section 74.5 NDE Pupil Centered Funding Plan Operating cost	6,551,530	5,379,652
Total Budget Reduction		<u><u>26,228,299</u></u>

Summary of Proposed Actions to Address General Fund Shortfall FY 2020–2021

Proposed Transfer from Funds/Accounts FY 2020-21

<u>Fund/Account</u>	<u>Sweep Amount</u>
Charter School Loan Program	\$400,000
Employment Security P&I	\$6,000,000
Promise Scholarship	\$1,063,168
Education Trust Fund	\$375,000
School Remediation Trust	\$1,637,244
Incentive-License Ed personnel	\$600,000
Graffiti Reward Fund	\$21,204
Construction Ed Account	\$100,000
Severe Financial Emergency	\$300,000
Health Facilities Admin Penalty	\$100,000
Alcohol Tax Program	\$500,000
Sagebrush Ecosystem Account	\$180,817
Prison Ranch	\$350,000
Prison Industry	\$250,000
GOED Small Bus Enterprise Loan	\$478,022
Tort Claim Fund	\$960,000
Inmate Welfare/Store Fund	\$8,000,000
Bond Interest & Redemption	\$9,000,000
PEBP	\$12,000,000
Healthy Nevada Fund	\$16,851,440
Disaster Relief Account	\$7,000,000
Behavioral Health Prevention & Treatment AG Settlement Funds	\$1,698,944
Governor Guinn Millennium Scholarship Fund	\$2,000,000
Total	\$69,865,839

Questions?