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## ECONOMIC AND FISCAL POLICY REPORT

### The Legislatively Approved Budget for the State of Nevada: 2023-2025 Biennium

*A Data Snapshot*

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### Introduction

Nevada's budget operates on a two-year cycle, or biennium, which encompasses two fiscal years. Legislators approve budget bills to finance the operations of the state in advance of the first fiscal year of the biennium.<sup>1</sup> The current 2023-2025 biennium covers two fiscal years: Fiscal Year 2024, which began on July 1, 2023, and goes through June 30, 2024, and FY 2025, which begins on July 1, 2024, and ends on June 30, 2025.

As part of the process, the Nevada Legislature reviews agencies' budget requests and gubernatorial spending priorities. Governor Joe Lombardo released his Executive Budget in January 2023. The Executive Budget contains the Governor Recommends Budget ("Governor's Recommended Budget," which often is referred to as "Gov Rec") and supporting documents. The Governor's Recommended Budget, among other requirements, details funding for state agency operations. The Governor is required to balance proposed expenditures with State General Fund revenue projections, as forecasted by the Economic Forum, when compiling the Governor's Recommended Budget.

The Economic Forum is a statutory panel that convenes to provide revenue forecasts for the State General Fund, which is Nevada's major operating fund.<sup>2</sup> The Economic Forum is required to meet in December of even-numbered years to provide forecasts that the Governor uses in preparing budget recommendations for the upcoming biennium. The Economic Forum meets again in May of odd-numbered years, during the legislative session, to submit final official revenue estimates to the Legislature, and legislators use these forecasts when finalizing the Legislatively Approved Budget. Two additional meetings – one in December (odd-numbered years, e.g., 2023) and one in June (even-numbered years, e.g., 2024) – are held to update the status of actual General Fund revenue collections relative to forecasted amounts.

The differences between the Governor's proposed expenditures and legislators' decisions regarding programmatic and administrative spending are reconciled over the course of the regular legislative session, and, as necessary, special session(s), culminating in five budget implementation bills: the K-12 Education Funding Act, the Appropriations Act, the Authorizations Act, the State Employee Compensation Act, and the Capital Improvement Plan Act.<sup>3</sup>

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<sup>1</sup> The 82<sup>nd</sup> (2023) Session of the Nevada Legislature convened on February 6, 2023, for its biennial 120-day regular session.

<sup>2</sup> See Nevada Revised Statutes (NRS) 353.226 through NRS 353.229.

<sup>3</sup> Under the Nevada Constitution, the K-12 Education Funding Act must be passed first. The K-12 Education Funding Act, the Appropriations Act, the Authorizations Act, and the State Employee Compensation Act passed during the 82<sup>nd</sup> (2023) Session of the Nevada Legislature. The Capital Improvement Plan Act passed during the 34<sup>th</sup> (2023) Special Session that was convened for this purpose.

This data snapshot provides a broad perspective on the Legislatively Approved Budget for the 2023-2025 biennium. It is primarily a visualization that examines revenues and expenditures and situates the budget in historical context. The State General Fund features prominently in this discussion, as it is Nevada's major operating fund. It receives income from own-source unrestricted revenue. Strengths or weaknesses in these revenues mean that the State General Fund can act as a barometer of the state's economic health. Unrestricted State General Fund operating appropriations afford the Governor and the Nevada Legislature the widest latitude to fund state needs and priorities.

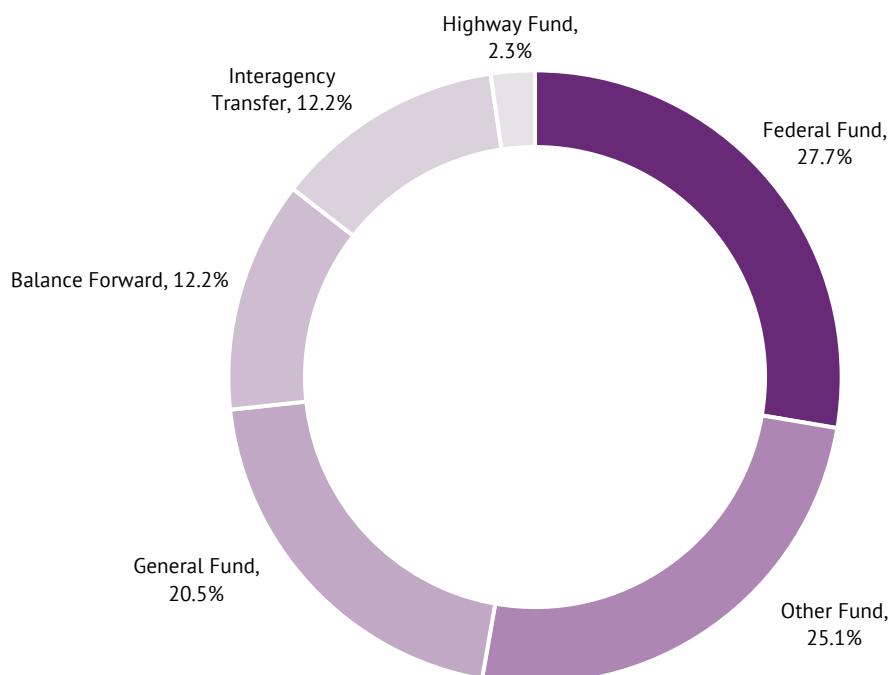


### Legislatively Approved Budget: Highlights (2023-2025 Biennium)

- The Legislatively Approved Budget for the 2023-2025 biennium amounts to approximately \$53.4 billion, an increase of roughly 19.0 percent over the Legislatively Approved Budget of \$44.9 billion for the previous biennium.
- Federal dollars constitute the highest share of total 2023-2025 biennial statewide revenues (27.7 percent).
- The State General Fund, which, as noted, is the state's major operating fund, accounts for 20.5 percent of total statewide revenues in the 2023-2025 Legislatively Approved Budget.
- Sales and Use Taxes (\$3.9 billion) make up the largest share (33.2 percent) of the State General Fund revenue forecast for the current biennium.
- Education accounts for one-third (33.3 percent) of expenditures for the current biennium, including 28.9 percent for the Department of Education (K-12), 4.2 percent for the Nevada System of Higher Education, and 0.2 percent for the State Public Charter School Authority.
- With expenditures of approximately \$20.4 billion, the Department of Health and Human Services is Nevada's largest department. Its share of state expenditures for the 2023-2025 biennium is 38.1 percent.
- Approximately two-thirds of the State General Fund (67.0 percent) finances just two departments: the Department of Health and Human Services (36.4 percent) and the Department of Education (30.6 percent). However, the Department of Health and Human Services' primary funding source is the Federal Fund (53.7 percent).



**Figure 1. Statewide Revenue Summary, by Funding Source: 2023-2025 Biennium**

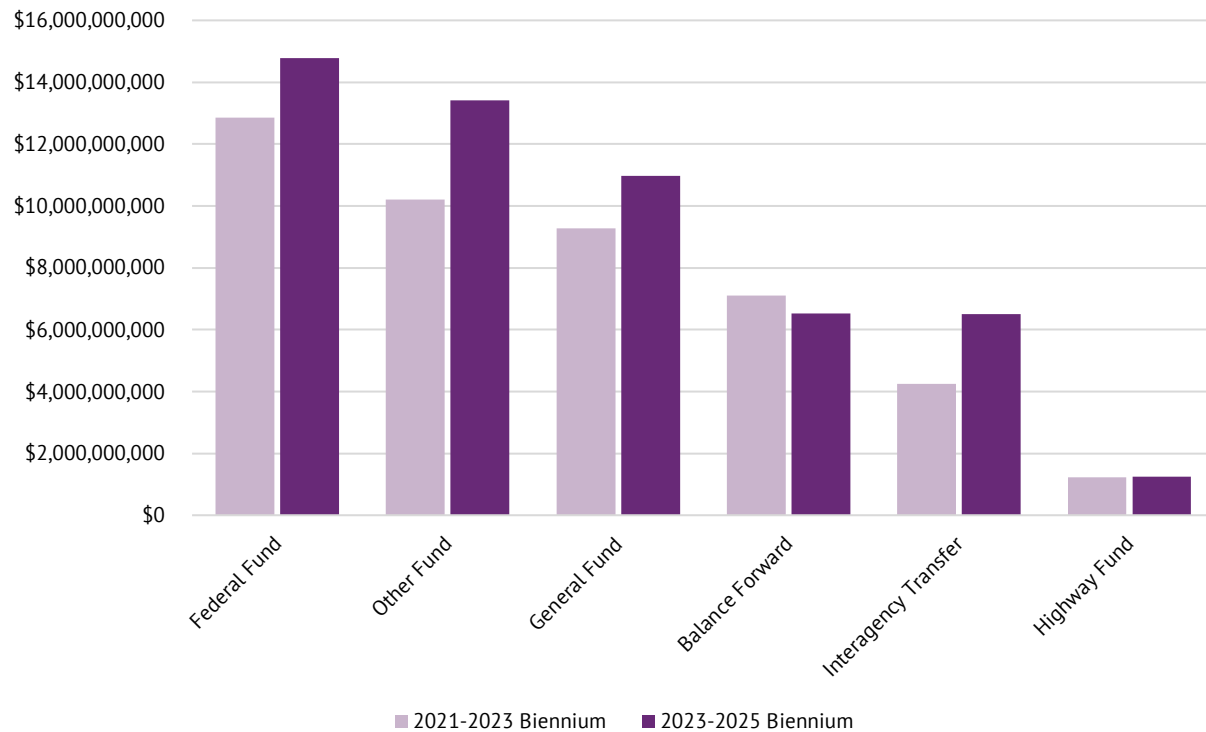


Source: State of Nevada, [Nevada's Transparent Government Website](#)

The funds displayed in Figure 1 are the six funding sources in the budget. Statewide revenues in the Legislatively Approved Budget for the 2023-2025 biennium amount to approximately \$53.4 billion. The Federal Fund is “[f]unding provided by the federal government to support...programs and special uses that may have restrictions on use of funds.” The Federal Fund accounts for the highest share of statewide revenues, at about \$14.8 billion or 27.7 percent. The Federal Fund is followed by the Other Fund, which is defined as “[m]oney coming into the state in the form of fees, licenses, federal and private grants, court assessments, interest income, gifts, and other sources.” Total Other Fund money for the current biennium amounts to roughly \$13.4 billion, or 25.1 percent of statewide revenues. The State General Fund is Nevada’s major operating fund, and it “derives its income from taxes, fees, and other non-tax sources, limited to Economic Forum projections.” The State General Fund represents 20.5 percent of total 2023-2025 biennial revenues. The remaining three funds make up comparatively smaller shares of statewide revenues for the current biennium (Balance Forward, 12.2 percent; Interagency Transfer, 12.2 percent; and Highway Fund, 2.3 percent).<sup>4</sup>

<sup>4</sup> Interagency Transfers generally are transfers-in from other state agencies used for non-reciprocal transactions. Balance Forward is “[t]he carry forward of cash from one fiscal year to a subsequent fiscal year.” The Highway Fund contains “[r]evenues from fuel sales and motor vehicle licensing (supports highway infrastructure and related items).”

**Figure 2. Statewide Revenue Summary, by Funding Source: Biennial Comparison**



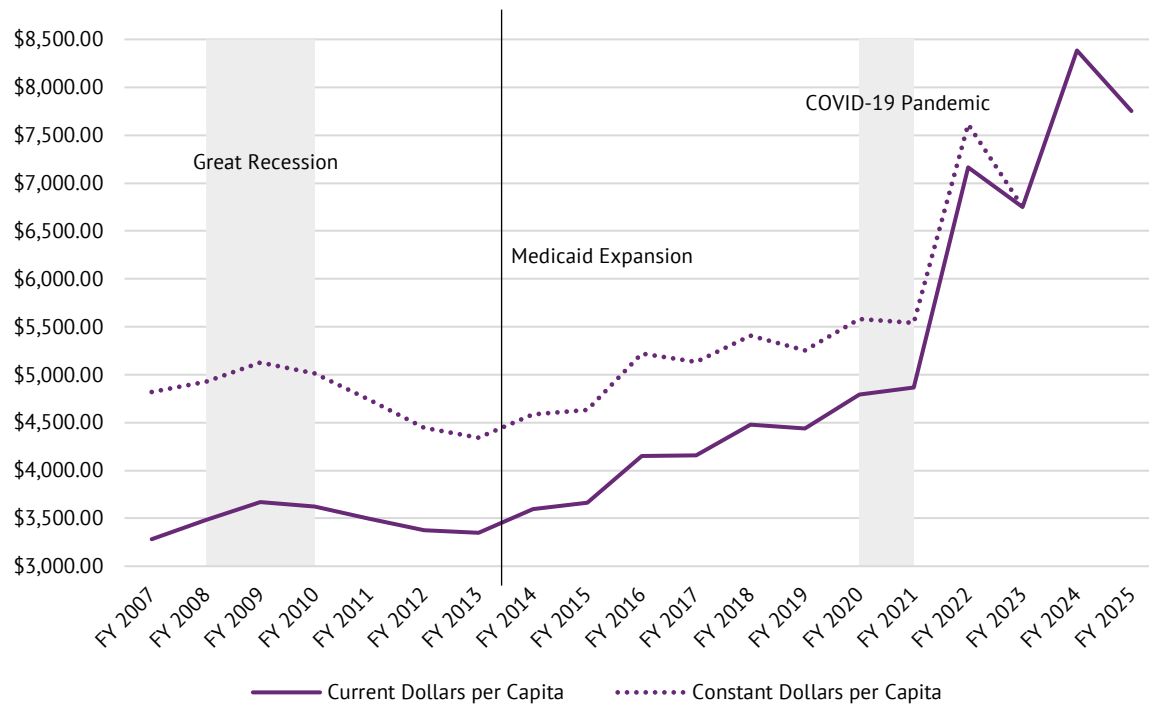
Source: State of Nevada, [Nevada's Transparent Government Website](#)

Statewide revenues in the Legislatively Approved Budget for the 2023-2025 biennium amount to approximately \$53.4 billion, an increase of 19.0 percent over the Legislatively Approved Budget of \$44.9 billion for the 2021-2023 biennium. The Federal Fund increased by 15.0 percent between the previous biennium and the current biennium, for a total dollar difference of about \$1.9 billion. As noted in the Governor's Recommended Budget, "the primary driver of federal fund increases remains related to changes and growth in the Medicaid program." Of all statewide revenues, the Other Fund increased most substantially – about \$3.2 billion (31.5 percent) – between the previous biennium and the current biennium, with increases to the School Support Tax and certain property taxes accounting for 50.6 percent of Other Fund growth.<sup>5</sup> Unrestricted State General Fund revenues available for operating appropriations increased from about \$9.3 billion in the previous biennium to nearly \$11.0 billion in the current biennium (18.4 percent). Interagency Transfers increased by \$2.3 billion (53.3 percent), and the Highway Fund increased by more than \$18 million (1.5 percent), while Balance Forward decreased by \$569 million (8.0 percent).<sup>6</sup>

<sup>5</sup> Property taxes refer here to the support of public schools (see [NRS 387.195](#)).

<sup>6</sup> Transfers of American Rescue Plan Act (ARPA) funds, which amount to almost \$1.6 billion in the 2023-2025 biennium, account for roughly 70.6 percent of the increase in Interagency Transfers between the previous biennium and the current biennium.

**Figure 3. Nevada's Budget, All Funding Sources, FY 2007-FY 2025**



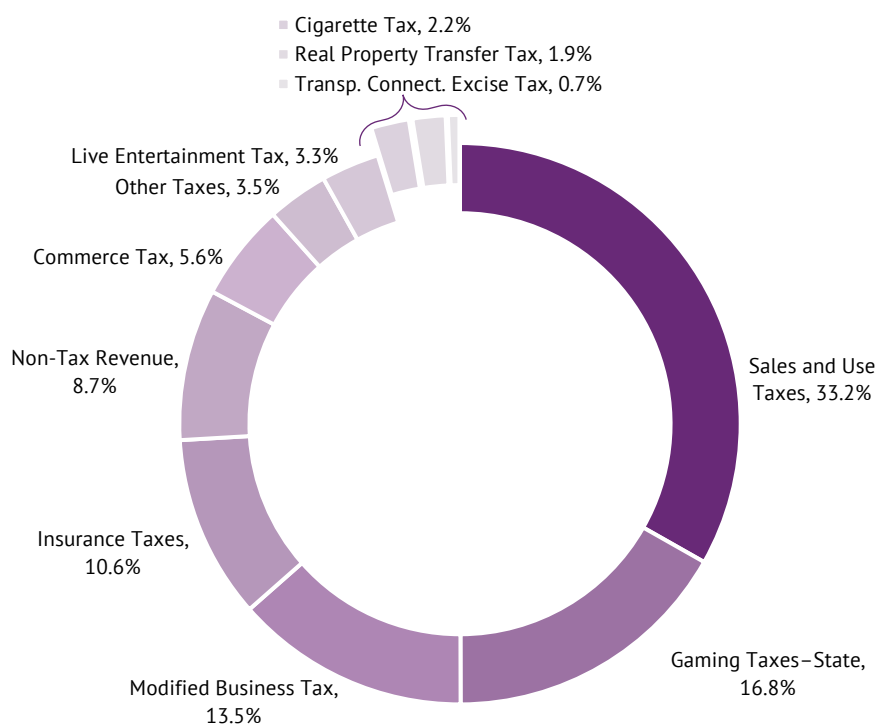
Source: Nevada Legislative Counsel Bureau, Fiscal Analysis Division, [Appropriations Reports](#); State of Nevada, [Nevada's Transparent Government Website](#); U.S. Census Bureau, [American Community Survey](#); State of Nevada Department of Taxation, [Population Projections for Nevada and its Counties - 5 Year; March 2023 Projections](#); and U.S. Bureau of Labor Statistics, [CPI for All Urban Consumers \(CPI-U\)](#)

Figure 3 situates Nevada's total budget (annual statewide revenues) in historical context.<sup>7</sup> Inflation-adjusted statewide revenues per capita increased through the first years of the Great Recession, decreased to a low in FY 2013, increased through FY 2016, stayed somewhat flat for the next three fiscal years, and increased incrementally during the COVID-19 pandemic (FY 2020 and FY 2021). Inflation-adjusted annual statewide revenues per capita increased in the previous biennium and could continue throughout the 2023-2025 biennium, as the line for current dollars per capita indicates. Temporary drivers of inflation-adjusted statewide revenues per capita are federal relief/stimulus dollars that flowed through the budget during the Great Recession and the COVID-19 pandemic. Over the long term, Medicaid expansion produced a more structural change in budgetary growth through the increase in federal matching dollars. The sharp uptick in FY 2022 possibly can be attributed to a statutory change in school funding, which placed certain revenues in the State Education Fund that previously were returned to school districts for distribution.<sup>8</sup>

<sup>7</sup> Adjustments by inflation and population standardize the data, thus permitting comparisons across time. Current dollars do not take inflation into account, while constant dollars are inflation-adjusted. Nevada experienced "higher-than-expected inflation starting in the spring of 2021," and it was the fifth-fastest growing state between 2010 and 2020, following Utah, Idaho, Texas, and North Dakota.

<sup>8</sup> These revenues are treated as Other Fund money for budgetary purposes. Historically, this funding, which can total in billions, was "local" and thus would not have been accounted for at the state level.

**Figure 4. Nevada General Fund Revenues, by Source: 2023-2025 Biennium**

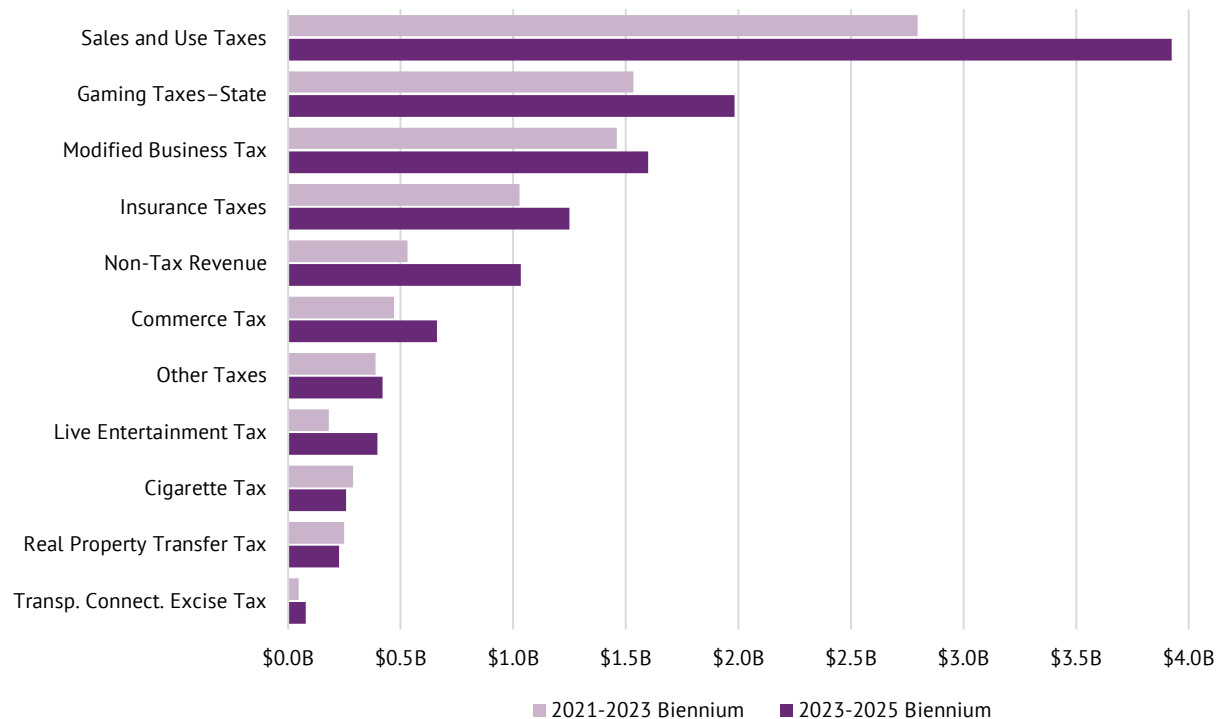


Source: State of Nevada, Economic Forum: May 2023. Note: Before tax credits.

As noted in the Introduction, the Economic Forum “is required to adopt an official forecast of unrestricted [State] General Fund revenues for the biennial budget cycle.” The forecasts take into consideration such economic indicators as Gross Domestic Product (GDP), total nonfarm employment, personal income, wage growth, and housing starts for the United States and Nevada, along with visitation to the state, among others. Figure 4 shows the contribution of the various revenue sources to the State General Fund for the current biennium. Sales and Use Taxes (\$3.9 billion) make up the largest share (33.2 percent) of the State General Fund revenue forecast for the current biennium. They are followed by State Gaming Taxes, at 16.8 percent, then by the Modified Business Tax at 13.5 percent. Insurance Taxes are the fourth-highest contributor. They are forecasted to account for 10.6 percent of the State General Fund. The remaining taxes and non-tax revenues provide smaller shares. Collectively, Sales and Use Taxes and State Gaming Taxes make up half (50.0 percent) of unrestricted State General Fund revenues.<sup>9</sup>

<sup>9</sup> Note that mining taxes will not be deposited in the State General Fund in the current biennium. Mining taxes include the Gold and Silver Excise Tax and the Net Proceeds of Minerals Tax, a tax on the gross yield of mines (less certain production-related expenses). Assembly Bill 495 of the 81<sup>st</sup> (2021) Legislative Session implemented the Gold and Silver Excise Tax, directing it and the Net Proceeds of Minerals Tax to be deposited in the State Education Fund beginning in FY 2024 “for the benefit of K-12 education under the Pupil-Centered Funding Plan.” Also note that, pursuant to Senate Bill 452 of the 82<sup>nd</sup> (2023) Legislative Session, the State General Fund will no longer receive proceeds from the Governmental Services Tax (GST) beginning in FY 2024.

**Figure 5. Nevada General Fund Revenues: Biennial Comparison**



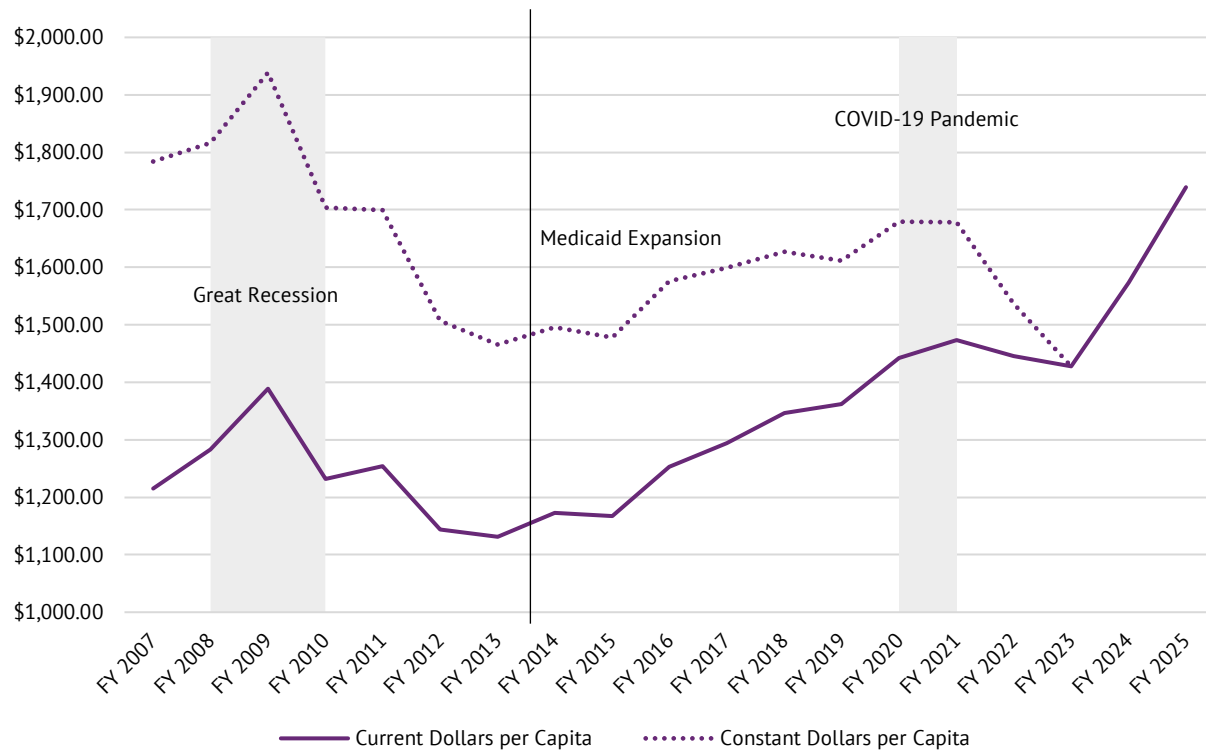
Source: State of Nevada, Economic Forum: [May 2021](#) and [May 2023](#). Note: Before tax credits.

Total unrestricted State General Fund revenues are forecasted to increase over the projections for the previous biennium. After tax credits, the 2023-2025 biennium total is about \$11.6 billion, which is an increase of roughly \$2.5 billion over the previous biennium, or about 26.9 percent. (See Appendix A for a detailed table of unrestricted State General Fund revenues for the previous biennium and the current biennium.) Biennial increases are forecasted in all but two revenue categories: the Cigarette Tax and Real Property Transfer Tax.<sup>10</sup> Sales and Use Taxes are forecasted to increase by about \$1.1 billion (40.3 percent) over the current biennium. Other highlights include State Gaming Taxes, which are forecasted to increase by almost \$449 million (29.3 percent) over the previous biennium, and the Live Entertainment Tax (LET) which is forecasted to increase by nearly \$216 million (119.9 percent) over the previous biennium. Gaming taxes and the LET both hinge heavily on visitation. While pent-up demand for leisure travel has been a source of strength for gaming taxes, the LET has trailed gross gaming revenue post-pandemic and has not peaked due to the lag in business travel. Large events, such as Formula One and the Super Bowl, among others, may increase visitation in the current biennium, which is, in part, why the LET is forecasted to increase. The \$502 million increase in Non-Tax Revenue (94.7 percent) over the previous biennium can be attributed primarily to repayment of interest income forecasted for the current biennium.

<sup>10</sup> With a projected decrease of less than \$30 million, the impact of the Cigarette Tax on State General Fund revenues is minimal. The Real Property Transfer Tax is forecasted to decrease by about 9.4 percent in the current biennium.



**Figure 6. Nevada General Fund Operating Appropriations per Capita, FY 2007-FY 2025**

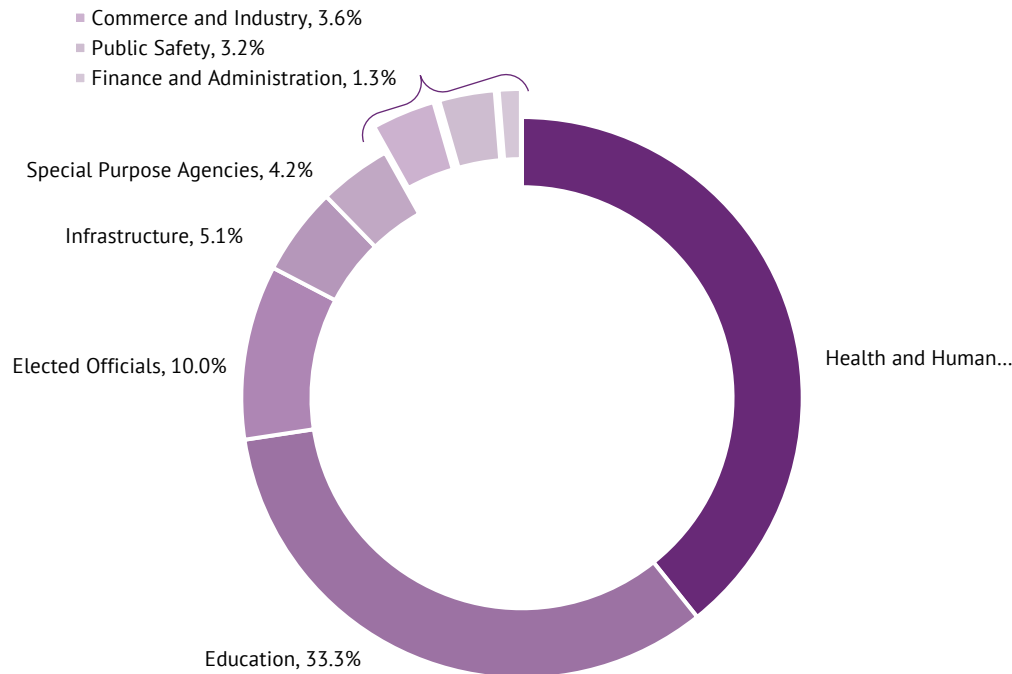


Source: Nevada Legislative Counsel Bureau, Fiscal Analysis Division, [Appropriations Reports](#); State of Nevada, [Nevada's Transparent Government Website](#); U.S. Census Bureau, [American Community Survey](#); State of Nevada Department of Taxation, [Population Projections for Nevada and its Counties - 5 Year: March 2023 Projections](#); and U.S. Bureau of Labor Statistics, [CPI for All Urban Consumers \(CPI-U\)](#)

The State General Fund has not grown consistently over time. Figure 6 shows that, after adjusting for inflation (constant dollars) and population, over the period FY 2007-FY 2025, State General Fund operating appropriations have fluctuated somewhat, but have only exceeded \$1,800 per capita twice and have remained generally in the \$1,400 per capita to \$1,700 per capita range.<sup>11</sup> The decline was the most acute between FY 2009 and FY 2010, which was during the Great Recession. However, after a flat FY 2011, the inflation-adjusted per capita amount declined sharply in FY 2012. There was a slight increase again in FY 2014, but there was no real recovery until FY 2016, after which Nevada experienced an uptick, mixed with some flatness, through FY 2021. The sharpest decline since the Great Recession was between FY 2021 and FY 2022, which reflects the disproportionate effect of the COVID-19 pandemic-induced recession on Nevada's economy. Inflation-adjusted State General Fund operating appropriations per capita decreased by 20.0 percent between FY 2007 (\$1,783.90) and FY 2023 (\$1,427.55). Own-source unrestricted State General Fund revenues available for appropriation have not kept pace of inflation and/or population, unlike the total budget (annual statewide revenues), as highlighted in Figure 3.

<sup>11</sup> See Footnote 4 on the basis for adjustments by inflation and population.

**Figure 7. Statewide Expenditure Summary, by Function: 2023-2025 Biennium**

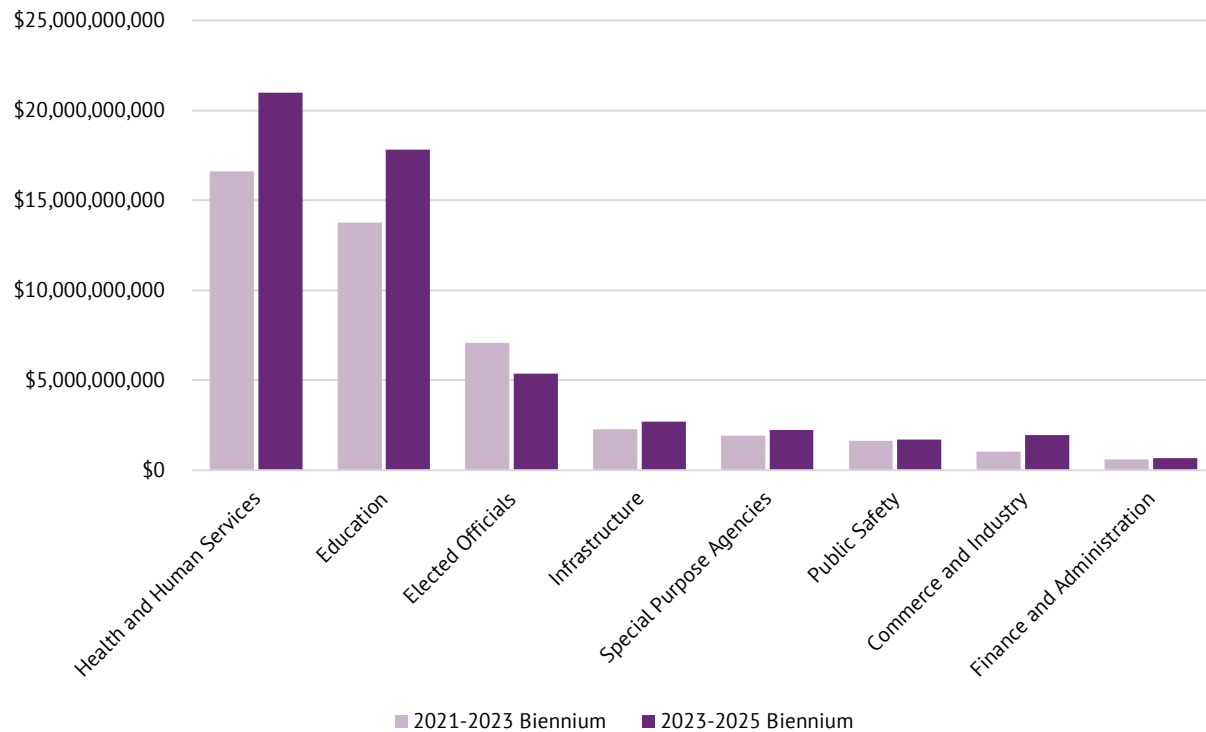


Source: State of Nevada, [Nevada's Transparent Government Website](#)

Core functions in the Nevada budget are defined as “[a] collection of related, structured activities or tasks that produce a specific service or product...[t]his function ties the state’s strategic goals and priorities to its activities by defining state government’s primary purposes/functions.” The State of Nevada has identified eight core functions of government, as displayed in Figure 7. Each corresponds to a subset of the state’s departments. For example, the Health and Human Services function is composed of the Department of Health and Human Services and the Department of Employment, Training and Rehabilitation.<sup>12</sup> (Appendix B contains a crosswalk between functions and departments for the current biennium.) Figure 7 shows the distribution of funding, by function, for the 2023-2025 biennium. The Health and Human Services function accounts for 39.3 percent of statewide expenditures, followed by Education (33.3 percent). The remaining functions constitute far smaller shares of expenditures in the Legislatively Approved Budget. For example, the funding level for Education is 3.3 times that of Elected Officials (10.0 percent of statewide expenditures). Collectively, Health and Human Services and Education make up nearly three-quarters (72.6 percent) of statewide expenditures for the current biennium. States’ priorities tend to center on health care and education, and the core function summary is consistent with Legislatively Approved Budgets in both the 2021-2023 biennium (67.7 percent) and the 2019-2021 biennium (68.7 percent).

<sup>12</sup> In the current biennium, the summary total for the Health and Human Services function (\$21.0 billion) is equal to the sum of the Department of Health and Human Services’ budget (\$20.4 billion) and the Department of Employment, Training and Rehabilitation’s budget (\$620 million).

**Figure 8. Statewide Expenditure Summary, by Function: Biennial Comparison**

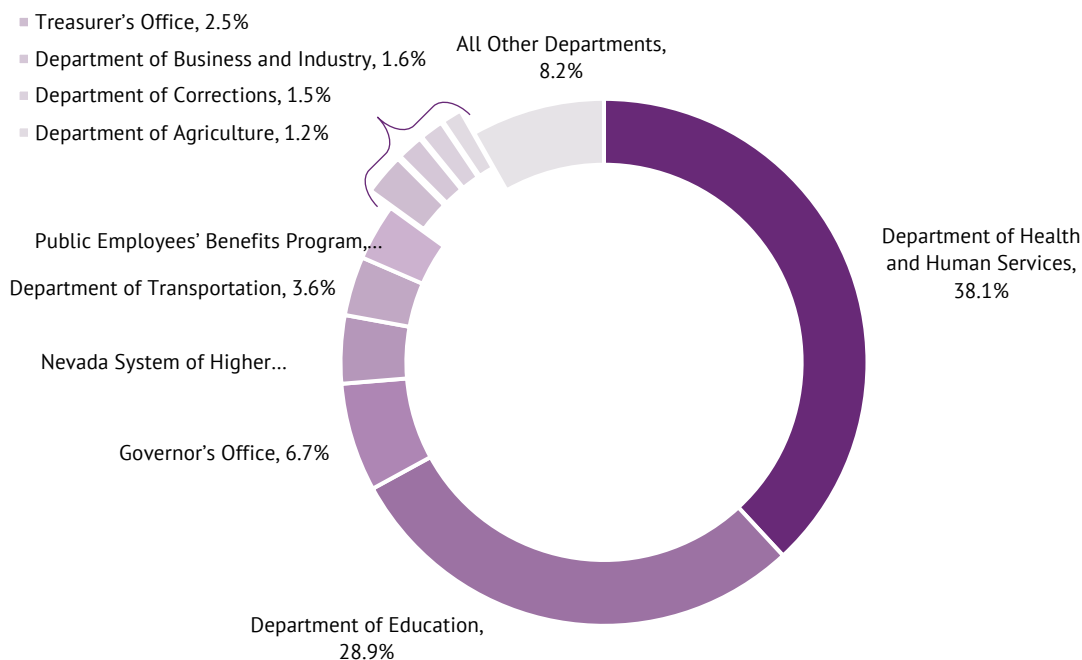


Source: State of Nevada, [Nevada's Transparent Government Website](#)

With the exception of the Elected Officials function, statewide expenditures for all core functions of state government increased over the previous biennium. The decrease in the Elected Officials function (24.0 percent) likely can be attributed, at least in part, to a \$3.3 billion reduction in COVID-19 Relief Programs over the previous biennium.<sup>13</sup> The Health and Human Services function enjoyed the largest biennium-to-biennium increase (\$4.4 billion; 26.4 percent), followed by Education (\$4.0 billion; 29.4 percent). Commerce and Industry experienced the highest funding growth rate, at 86.7 percent. It is important to note that core function summaries, while useful in outlining the broad strokes of approved spending, can be insufficiently granular. Many issue areas can “crosscut” departmental responsibilities. Workforce development is one example. Among others, it forms part of the Education function, as increasing the number of the Nevadans with a postsecondary credential or college degree has been identified as a state goal, as is ensuring a highly skilled and diverse workforce (Health and Human Services function; Department of Employment, Training and Rehabilitation).

<sup>13</sup> These funds are administered through the Governor’s Office (Elected Officials function) and must be obligated by December 31, 2024. The reduction is offset by increased spending elsewhere for Elected Officials, as the biennium-to-biennium decrease for the function amounts to roughly \$1.7 billion. Note that the Division of Enterprise Information Technology Services has been transferred from the Department of Administration to the Office of the Chief Information Officer within the Governor’s Office (beginning in FY 2024), though its budgets continue to be reported under the Finance and Administration function.

**Figure 9. Statewide Expenditure Summary, by Department: 2023-2025 Biennium**



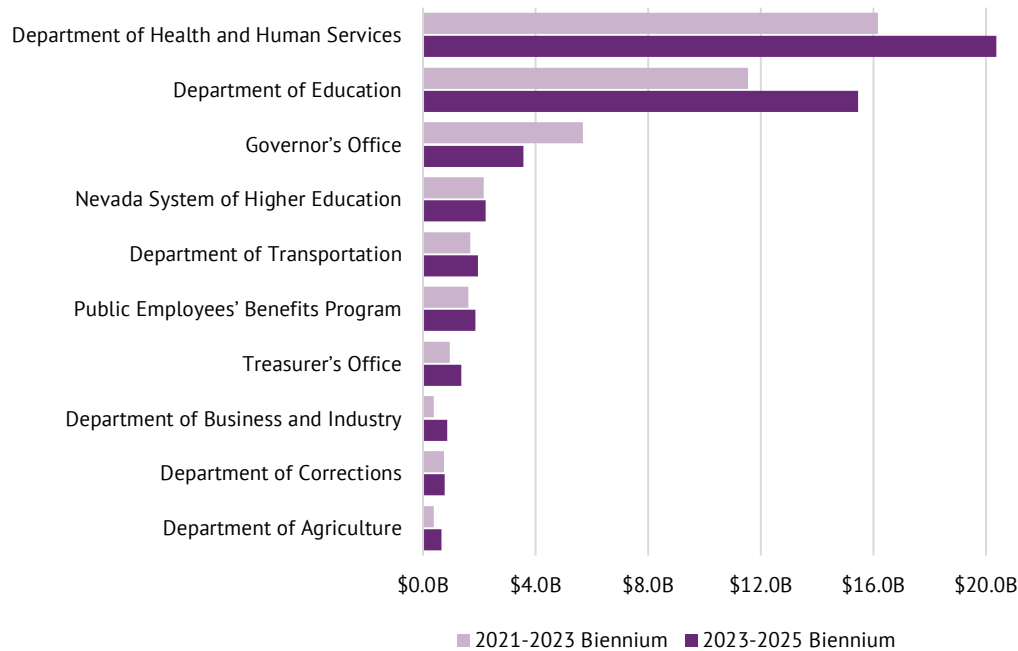
Source: State of Nevada, [Nevada's Transparent Government Website](#)

As noted in the discussion of Figure 7, funding patterns for *core functions* often resemble that for *departmental funding*, such that each core function in the Nevada budget encompasses a subset of the state's departments. This also holds true in the current biennium, as Figure 9 shows. Three of the five departments that correspond to the two largest core functions – the Department of Health and Human Services, the Department of Education, and the Nevada System of Higher Education – account for 71.2 percent of statewide expenditures.<sup>14</sup> The Department of Health and Human Services makes up the largest share of funding in the current biennium, or 38.1 percent of statewide expenditures. This comparatively high share of funding is attributable primarily to Medicaid, which represents 65.3 percent of the Department of Health and Human Services' biennial budget and nearly one-quarter (24.9 percent) of Nevada's total biennial budget. The Department of Education, which provides pre-K-12 programs and supports, accounts for the second-largest share of statewide expenditures in the current biennium (28.9 percent). Inclusive of the Nevada System of Higher Education's share (4.2 percent) and the State Public Charter School Authority's share (0.2 percent), the Education core function thus constitutes one-third (33.3 percent) of expenditures in the current biennium. Other large departments include the Governor's Office (6.7 percent), the Department of Transportation (3.6 percent), and the Public Employees' Benefits Program (3.5 percent).<sup>15</sup>

<sup>14</sup> That core function summaries can be insufficiently granular holds true for the department-level analysis, as well. See Figure 7 for the distribution of statewide expenditures, by function, for the 2023-2025 biennium. The two largest core functions in the current biennium are Health and Human Services and Education.

<sup>15</sup> For more information on funding for the Governor's Office in the current biennium, see the discussion for Figure 8.

**Figure 10. Statewide Expenditure Summary, by Department: Biennial Comparison (Nevada's 10 Largest Departments in the 2023-2025 Biennium)**



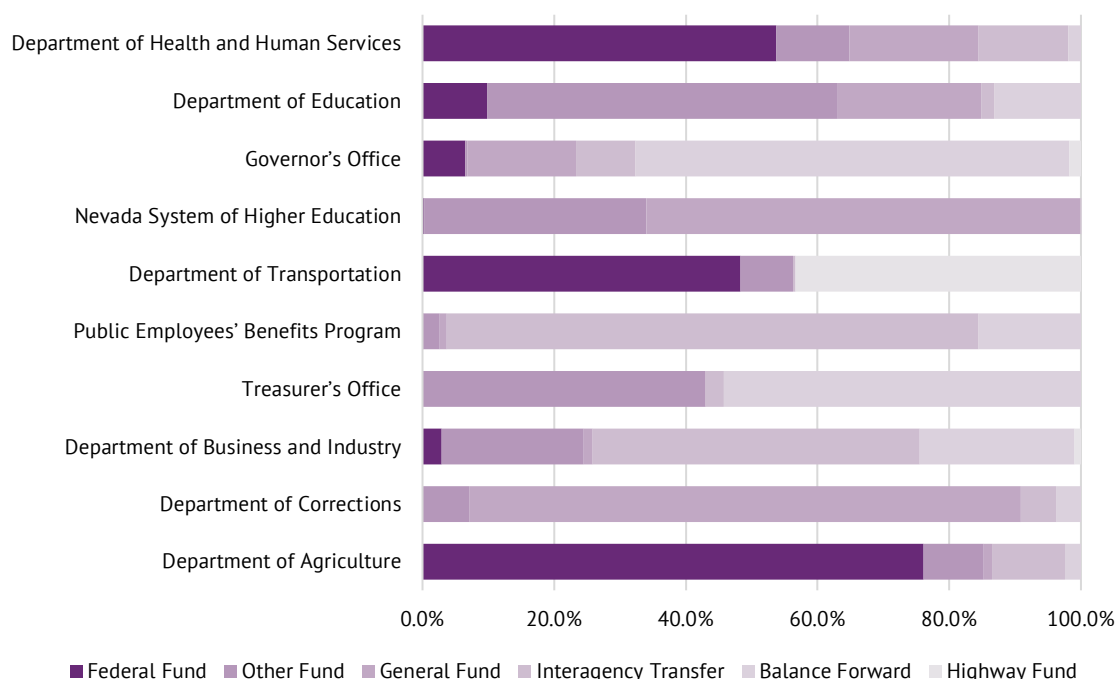
*Source:* State of Nevada, [Nevada's Transparent Government Website](#). *Note:* Sorted from largest to smallest, by department size. Size is the department's total budgeted revenues in the 2023-2025 biennium.

Expenditures in the Legislatively Approved Budget must balance to revenues. Thus, as with revenues (see discussion of Figure 2), statewide expenditures for the 2023-2025 biennium amount to approximately \$53.4 billion. This is an increase of 19.0 percent over the Legislatively Approved Budget of \$44.9 billion for the 2021-2023 biennium. Figure 10 displays the biennial comparison of expenditures for Nevada's 10 largest departments.<sup>16</sup> Compared to the previous biennium, funding levels increased for 36 agencies and decreased for five agencies. Among the departments included in Figure 10, only the budget for the Governor's Office was reduced.<sup>17</sup> With expenditures of approximately \$20.4 billion, the Department of Health and Human Services is Nevada's largest department. Its budget increased by 26.0 percent between the previous biennium and the current biennium, for a total dollar difference of about \$4.2 billion. The Department of Education enjoyed the second-largest increase for the current biennium, with an additional \$3.9 billion over previous biennial funding levels. The Governor's Recommended Budget proposed a biennial increase in total public support per pupil from an estimated average of \$10,290 to \$12,881. In the current biennium, as legislatively approved, total public support is an estimated average of \$12,863 per pupil for FY 2024 and an estimated average of \$13,368 per pupil for FY 2025.

<sup>16</sup> Space constraints preclude the inclusion of all 41 state-level departments. See Appendix C for a detailed table of agency funding in the previous biennium and the current biennium.

<sup>17</sup> For more information on funding for the Governor's Office in the current biennium, see the discussion for Figure 8.

**Figure 11. Nevada's 10 Largest Departments, by Funding Source: 2023-2025 Biennium**



Source: State of Nevada, [Nevada's Transparent Government Website](#) Note: Sorted from largest to smallest, by department size. Size is the department's total budgeted revenues in the 2023-2025 biennium.

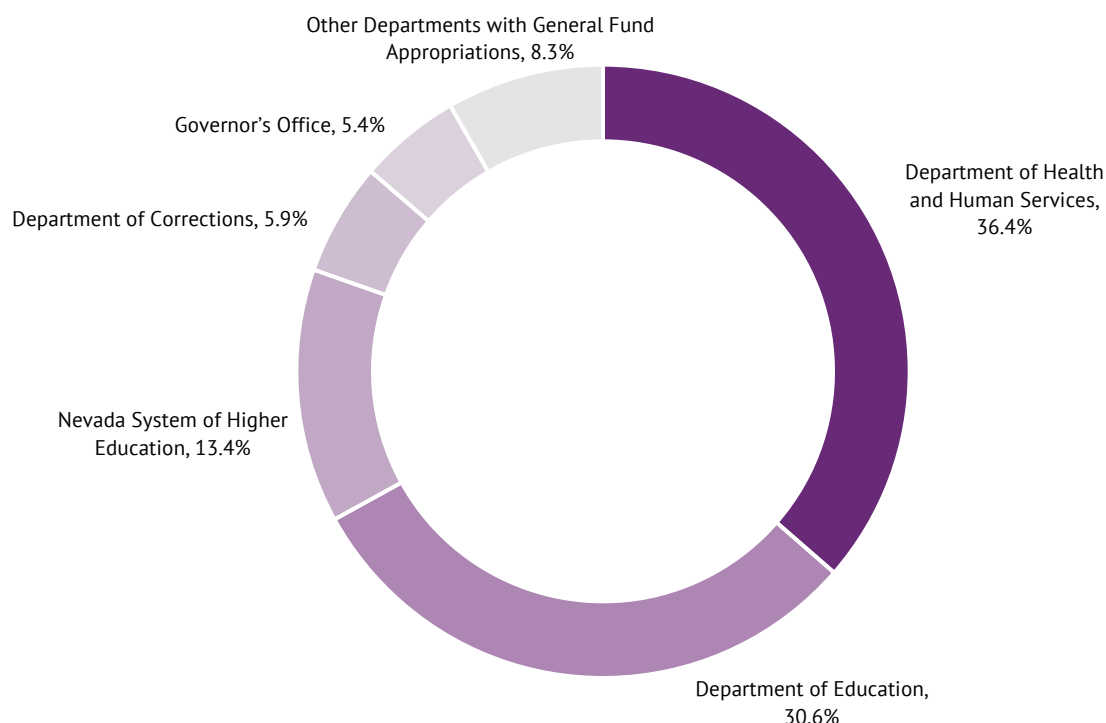
It can be instructive to consider the distribution of agencies' funding sources (Figure 11).<sup>18</sup> In fact, only three agencies are funded by all six funding sources in the current biennium.<sup>19</sup> Some agencies do not receive money from certain funding sources, such as the Department of Transportation, which has no General Fund contribution. Moreover, some funding sources only support specific agencies.<sup>20</sup> A comparison of the Department of Health and Human Services and the Department of Education reveals, too, that proportions of funding from restricted revenue sources (e.g., the Federal Fund) and unrestricted revenue sources (e.g., the State General Fund) can differ substantially. Expenditures for the Department of Health and Human Services in the current biennium are about 1.3 times higher than that of the next largest department, the Department of Education. However, the revenue sources that fund these departments differ. The Federal Fund accounts for 53.7 percent of the Department of Health and Human Services' total budget, while the General Fund is its second-highest funding source, at 19.6 percent. For the Department of Education, those percentages are 9.8 percent and 21.7 percent, respectively.

<sup>18</sup> This figure is truncated to the 10 largest agencies in the 2023-2025 biennium to optimize image quality. See Appendix D for a graph of all agencies.

<sup>19</sup> The Governor's Office, the Department of Business and Industry, and the Department of Public Safety (though note that the share of federal funding to the Governor's Office is 6.5 percent in the current biennium).

<sup>20</sup> An example is the Highway Fund, which funds six agencies in the current biennium: the Governor's Office, the Department of Transportation, the Department of Business and Industry, the Department of Public Safety, the Department of Motor Vehicles, and the Legislative Branch.

**Figure 12. General Fund Appropriations, by Department: 2023-2025 Biennium**



Source: State of Nevada, [Nevada's Transparent Government Website](#)

The data in the previous figure (Figure 11) demonstrates that funding sources can vary as shares of agencies' budgets. Figure 12 inverts this analysis to examine the proportions of own-source unrestricted State General Fund revenues available for appropriation that are funding Nevada's agencies in the current biennium. This can illustrate the state's spending priorities that otherwise can be masked by an agency's budget size alone. State General Fund contributions to the Department of Health and Human Services (36.4 percent) and the Department of Education (30.6 percent) are somewhat comparable, though the former has a significantly higher overall budget that is driven by federal funding. The State General Fund contributes far smaller shares to other state-level departments. The Nevada System of Higher Education accounts for the third-largest share (13.4 percent), followed by the Department of Corrections (5.9 percent) and the Governor's Office (5.4 percent). The State General Fund contributes 8.3 percent to the remaining state-level departments that receive contributions from this fund.<sup>21</sup> Therefore, approximately two-thirds of the State General Fund (67.0 percent) finances just two departments, the Department of Health and Human Services and the Department of Education.<sup>22</sup>

<sup>21</sup> Eight departments do not receive State General Fund money in the current biennium: the Department of Transportation, the Colorado River Commission, the Cannabis Compliance Board, the State Public Charter School Authority, the Public Employees' Retirement System, the Silver State Health Insurance Exchange, the Public Utilities Commission, and the Commission on Mineral Resources.

<sup>22</sup> Note that two agencies are funded solely by State General Fund dollars: the Judicial Discipline Commission and the Department of Sentencing Policy.

## Appendix A. Economic Forum: General Fund Revenues, by Source – Comparison Between 2021-2023 Biennium and 2023-2025 Biennium

Economic Forum: General Fund Revenues, by Source – Comparison Between 2021-2023 Biennium and 2023-2025 Biennium								
	Previous Biennium (FY 2022 and FY 2023)			Current Biennium (FY 2024 and FY 2025)			Biennium-to-Biennium Change	
Description	FY 2022 (Forecast)	FY 2023 (Forecast)	Biennium Total	FY 2024 (Forecast)	FY 2025 (Forecast)	Biennium Total	Dollar Difference	Percent Change
<i>Taxes</i>								
Mining Taxes and Fees	\$ 159,828,000	\$ 152,063,000	\$ 311,891,000	\$ -	\$ -	\$ -	\$ -	-
Sales and Use Taxes	\$ 1,355,285,000	\$ 1,441,740,000	\$ 2,797,025,000	\$ 1,919,868,000	\$ 2,005,330,000	\$ 3,925,198,000	\$ 1,128,173,000	40.3%
Gaming Taxes–State	\$ 739,219,700	\$ 793,434,700	\$ 1,532,654,400	\$ 991,304,800	\$ 990,210,700	\$ 1,981,515,500	\$ 448,861,100	29.3%
Live Entertainment Tax (LET)	\$ 61,450,000	\$ 118,497,000	\$ 179,947,000	\$ 200,603,000	\$ 195,158,000	\$ 395,761,000	\$ 215,814,000	119.9%
Commerce Tax	\$ 228,516,000	\$ 242,314,000	\$ 470,830,000	\$ 321,318,000	\$ 339,294,000	\$ 660,612,000	\$ 189,782,000	40.3%
Transportation Connection Excise Tax	\$ 17,594,000	\$ 29,266,000	\$ 46,860,000	\$ 36,052,000	\$ 41,617,000	\$ 77,669,000	\$ 30,809,000	65.7%
Cigarette Tax	\$ 145,743,000	\$ 141,549,000	\$ 287,292,000	\$ 129,524,000	\$ 128,190,000	\$ 257,714,000	\$ (29,578,000)	-10.3%
Modified Business Tax (MBT)	\$ 705,519,000	\$ 753,606,000	\$ 1,459,125,000	\$ 784,905,000	\$ 815,286,000	\$ 1,600,191,000	\$ 141,066,000	9.7%
Insurance Taxes	\$ 500,117,900	\$ 526,951,900	\$ 1,027,069,800	\$ 608,131,600	\$ 640,625,900	\$ 1,248,757,500	\$ 221,687,700	21.6%
Real Property Transfer Tax (RPTT)	\$ 125,739,000	\$ 122,521,000	\$ 248,260,000	\$ 110,489,000	\$ 114,361,000	\$ 224,850,000	\$ (23,410,000)	-9.4%
Governmental Services Tax (GST)	\$ 25,556,000	\$ 26,174,000	\$ 51,730,000	\$ -	\$ -	\$ -	\$ -	-
Other Taxes	\$ 192,119,000	\$ 197,052,000	\$ 389,171,000	\$ 209,836,000	\$ 210,509,000	\$ 420,345,000	\$ 31,174,000	8.0%
<b>TOTAL TAXES – BEFORE TAX CREDITS</b>	<b>\$ 4,256,686,600</b>	<b>\$ 4,545,168,600</b>	<b>\$ 8,801,855,200</b>	<b>\$ 5,312,031,400</b>	<b>\$ 5,480,581,600</b>	<b>\$ 10,792,613,000</b>	<b>\$ 1,990,757,800</b>	<b>22.6%</b>
<i>(Tax Credits)</i>								
Commerce Tax Credits	\$ (44,611,000)	\$ (47,632,000)	\$ (92,243,000)	\$ (59,037,000)	\$ (62,949,000)	\$ (121,986,000)	\$ -	-
Tax Credit Programs	\$ (43,402,500)	\$ (51,402,500)	\$ (94,805,000)	\$ (52,360,550)	\$ (47,130,605)	\$ (99,491,155)	\$ -	-
<b>TOTAL TAXES – AFTER TAX CREDITS</b>	<b>\$ 4,168,673,100</b>	<b>\$ 4,446,134,100</b>	<b>\$ 8,614,807,200</b>	<b>\$ 5,200,633,850</b>	<b>\$ 5,370,501,995</b>	<b>\$ 10,571,135,845</b>	<b>\$ 1,956,328,645</b>	<b>22.7%</b>
<i>Non-Tax Revenue</i>								
Licenses	\$ 143,225,900	\$ 147,568,100	\$ 290,794,000	\$ 166,103,150	\$ 167,568,600	\$ 333,671,750	\$ 42,877,750	14.7%
Fees and Fines	\$ 55,891,300	\$ 61,377,300	\$ 117,268,600	\$ 95,605,700	\$ 96,925,200	\$ 192,530,900	\$ 75,262,300	64.2%
Use of Money and Property	\$ 9,726,976	\$ 15,109,762	\$ 24,836,738	\$ 86,248,992	\$ 158,409,591	\$ 244,658,583	\$ 219,821,845	885.1%
Other Revenue	\$ 48,407,539	\$ 48,983,262	\$ 97,390,801	\$ 175,961,385	\$ 85,571,787	\$ 261,533,172	\$ 164,142,371	168.5%
<b>TOTAL NON-TAX REVENUE</b>	<b>\$ 257,251,715</b>	<b>\$ 273,038,424</b>	<b>\$ 530,290,139</b>	<b>\$ 523,919,227</b>	<b>\$ 508,475,178</b>	<b>\$ 1,032,394,405</b>	<b>\$ 502,104,266</b>	<b>94.7%</b>
<b>TOTAL GENERAL FUND REVENUES (ECONOMIC FORUM)</b>	<b>\$ 4,425,924,815</b>	<b>\$ 4,719,172,524</b>	<b>\$ 9,145,097,339</b>	<b>\$ 5,724,553,077</b>	<b>\$ 5,878,977,173</b>	<b>\$ 11,603,530,250</b>	<b>\$ 2,458,432,911</b>	<b>26.9%</b>

Source: State of Nevada, Economic Forum: [May 2021](#) and [May 2023](#). Note: Taxes, tax credits, and non-tax revenue are displayed as category totals. For example, the Live Entertainment Tax (LET) is equal to total LET, which comprises LET–Gaming and LET–Nongaming.



## Appendix B. Crosswalk Between Functions and Departments – 2023-2025 Biennium

Crosswalk Between Functions and Departments – 2023-2025 Biennium	
Function	Department
Health and Human Services	Department of Health and Human Services
	Department of Employment, Training and Rehabilitation
Education	Department of Education
	Nevada System of Higher Education
	State Public Charter School Authority
Elected Officials	Governor's Office (except Enterprise Information Technology Services)
	Treasurer's Office
	Judicial Branch
	Attorney General's Office
	Legislative Branch
	Secretary of State's Office
	Controller's Office
	Judicial Discipline Commission
	Lieutenant Governor's Office
Infrastructure	Department of Transportation
	Department of Conservation and Natural Resources
	Colorado River Commission
	Department of Wildlife
	Tahoe Regional Planning Agency
Special Purpose Agencies	Public Employees' Benefits Program
	Department of Veterans Services
	Adjutant General
	Public Employees' Retirement System
	Silver State Health Insurance Exchange
	Department of Indigent Defense Services
	Commission on Ethics
	Department of Sentencing Policy
Commerce and Industry	Department of Business and Industry
	Department of Agriculture
	Department of Tourism and Cultural Affairs
	Gaming Control Board
	Governor's Office of Economic Development
	Public Utilities Commission
	Commission on Mineral Resources
Public Safety	Department of Corrections
	Department of Public Safety
	Department of Motor Vehicles
	Commission on Peace Officer Standards and Training
Finance and Administration	Department of Administration
	Governor's Office, Enterprise Information Technology Services
	Department of Taxation
	Cannabis Compliance Board

*Source:* State of Nevada, Nevada's Transparent Government Website. *Note:* Sorted from largest to smallest, by function size, and by department size within function. Size is total budgeted revenues (2023-2025 biennium).

## Appendix C. Statewide Expenditure Summary, by Department: Biennial Comparison

Statewide Expenditure Summary, by Department: Comparison Between Previous Biennium and Current Biennium					
	<i>Legislatively Approved Budget 2021-2023 Biennium</i>		<i>Legislatively Approved Budget 2023-2025 Biennium</i>		
Department	2021-2023 Biennium Total	Percent of Biennium Total	2023-2025 Biennium Total	Percent of Biennium Total	Percent Change (Biennium to Biennium)
Department of Health and Human Services	\$ 16,160,831,625	36.0%	\$ 20,359,450,709	38.1%	26.0%
Department of Education	\$ 11,544,487,080	25.7%	\$ 15,460,924,105	28.9%	33.9%
Governor's Office	\$ 5,670,409,969	12.6%	\$ 3,557,479,204	6.7%	-37.3%
Nevada System of Higher Education	\$ 2,148,191,354	4.8%	\$ 2,231,449,216	4.2%	3.9%
Department of Transportation	\$ 1,669,490,087	3.7%	\$ 1,939,910,417	3.6%	16.2%
Public Employees' Benefits Program	\$ 1,618,938,070	3.6%	\$ 1,853,711,736	3.5%	14.5%
Treasurer's Office	\$ 941,839,586	2.1%	\$ 1,356,178,018	2.5%	44.0%
Department of Business and Industry	\$ 374,649,789	0.8%	\$ 851,907,309	1.6%	127.4%
Department of Corrections	\$ 742,736,405	1.7%	\$ 777,743,756	1.5%	4.7%
Department of Agriculture	\$ 377,763,380	0.8%	\$ 658,690,724	1.2%	74.4%
Department of Employment, Training and Rehabilitation	\$ 439,421,822	1.0%	\$ 620,480,596	1.2%	41.2%
Department of Public Safety	\$ 464,757,856	1.0%	\$ 510,856,917	1.0%	9.9%
Department of Conservation and Natural Resources	\$ 293,668,175	0.7%	\$ 435,348,692	0.8%	48.2%
Department of Motor Vehicles	\$ 412,352,494	0.9%	\$ 417,982,523	0.8%	1.4%
Department of Administration	\$ 368,319,551	0.8%	\$ 294,944,782	0.6%	-19.9%
Judicial Branch	\$ 140,358,296	0.3%	\$ 176,365,355	0.3%	25.7%
Department of Tourism and Cultural Affairs	\$ 85,480,593	0.2%	\$ 166,976,002	0.3%	95.3%
Attorney General's Office	\$ 141,720,616	0.3%	\$ 164,418,376	0.3%	16.0%
Legislative Branch	\$ 84,587,126	0.2%	\$ 158,030,004	0.3%	86.8%
Colorado River Commission	\$ 161,162,281	0.4%	\$ 157,942,438	0.3%	-2.0%
Department of Veterans Services	\$ 92,406,525	0.2%	\$ 133,910,978	0.3%	44.9%
Department of Wildlife	\$ 106,420,011	0.2%	\$ 132,726,110	0.2%	24.7%
Gaming Control Board	\$ 120,395,456	0.3%	\$ 123,773,740	0.2%	2.8%
Department of Taxation	\$ 81,307,859	0.2%	\$ 123,640,108	0.2%	52.1%
Cannabis Compliance Board	\$ 154,141,011	0.3%	\$ 121,665,199	0.2%	-21.1%
Adjutant General	\$ 115,056,633	0.3%	\$ 119,189,254	0.2%	3.6%
State Public Charter School Authority	\$ 77,684,092	0.2%	\$ 118,701,637	0.2%	52.8%
Governor's Office of Economic Development	\$ 41,698,124	0.1%	\$ 99,078,803	0.2%	137.6%

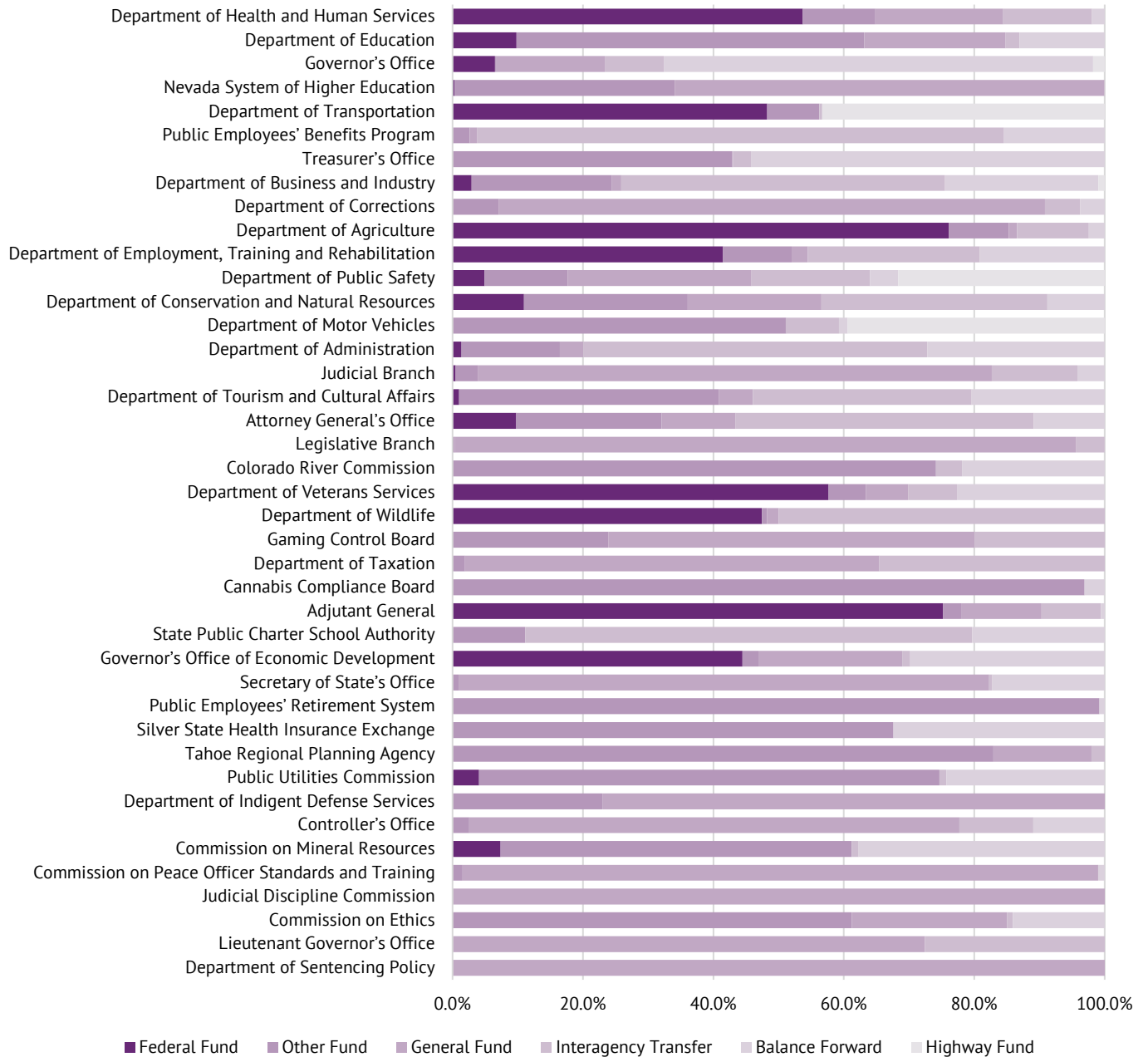
(cont'd)

## Appendix C. Statewide Expenditure Summary, by Department: Biennial Comparison (cont'd)

Statewide Expenditure Summary, by Department: Biennial Comparison					
	<i>Legislatively Approved Budget 2021-2023 Biennium</i>		<i>Legislatively Approved Budget 2023-2025 Biennium</i>		
Department	2021-2023 Biennium Total	Percent of Biennium Total	2023-2025 Biennium Total	Percent of Biennium Total	Percent Change (Biennium to Biennium)
Secretary of State's Office	\$ 62,246,541	0.1%	\$ 70,375,900	0.1%	13.1%
Public Employees' Retirement System	\$ 45,171,300	0.1%	\$ 50,175,078	0.1%	11.1%
Silver State Health Insurance Exchange	\$ 36,281,414	0.1%	\$ 47,121,398	0.1%	29.9%
Tahoe Regional Planning Agency	\$ 28,132,664	0.1%	\$ 41,655,350	0.1%	48.1%
Public Utilities Commission	\$ 34,665,995	0.1%	\$ 35,525,563	0.1%	2.5%
Department of Indigent Defense Services	\$ 7,885,328	0.0%	\$ 17,045,347	0.0%	116.2%
Controller's Office	\$ 13,078,523	0.0%	\$ 15,989,535	0.0%	22.3%
Commission on Mineral Resources	\$ 7,974,939	0.0%	\$ 10,670,752	0.0%	33.8%
Commission on Peace Officer Standards and Training	\$ 5,523,769	0.0%	\$ 4,686,467	0.0%	-15.2%
Judicial Discipline Commission	\$ 2,402,984	0.0%	\$ 2,433,368	0.0%	1.3%
Commission on Ethics	\$ 1,868,106	0.0%	\$ 2,344,670	0.0%	25.5%
Lieutenant Governor's Office	\$ 1,272,441	0.0%	\$ 2,284,523	0.0%	79.5%
Department of Sentencing Policy	\$ 1,184,767	0.0%	\$ 1,471,377	0.0%	24.2%
<b>TOTAL</b>	<b>\$ 44,877,964,637</b>	<b>100.0%</b>	<b>\$ 53,425,256,036</b>	<b>100.0%</b>	<b>19.0%</b>

Source: State of Nevada, [Nevada's Transparent Government Website](#). Note: Percentages may not sum to 100 due to rounding.

## Appendix D. Nevada's Departments, by Funding Source: 2023-2025 Biennium



Source: State of Nevada, [Nevada's Transparent Government Website](#) Note: Sorted from largest to smallest, by department size. Size is the department's total budgeted revenues in the 2023-2025 biennium.

# ABOUT THE GUINN CENTER

The Kenny Guinn Center for Policy Priorities is a nonprofit, nonpartisan policy center addressing key challenges faced by policymakers in Nevada. We are affiliated with the University of Nevada, Reno, with researchers and collaborative partnerships at NSHE institutions across the state.

Founded in 2014 by a group of Nevadans who sought to advance new policy choices based on sound research, sensible and pragmatic thinking, and bold ideas, the Center is named for the late-Governor Kenny Guinn.

**Our mission is to advance evidence-based policy solutions for Nevada through research, public engagement, and partnerships.**

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