

2024 NCSL Spring Budget Working Group Meeting

Triumphs and Plunders: Managing Revenues and Expenditures
Senator Marilyn Dondero Loop – District 8, Nevada Legislature

Nevada's Budget Structure

General Overview

Nevada's Budget Structure

- Legislature enacts two annual budgets each biennium
 - State fiscal year runs from July 1 – June 30
- Constitutional balanced budget requirement
- Base, maintenance, and enhancement budget structure
 - One-time funding and expenditures removed from base budget
 - One-time General Fund appropriations approved in separate bills
- While the Legislature is in session, Leadership and Fiscal Committee Chairs compare projected general fund revenues with ongoing expenditures
 - Process ensures operational costs are sustainable in future bienniums
- Between legislative sessions, Nevada's Interim Finance Committee allocates funds and modifies legislatively-approved budgets

COVID-19 Relief Funding

CARES, CRRSA and ARPA

COVID-19 Relief Funding in Nevada

- Early recognition from Legislature that federal COVID funding was one-time in nature
 - Frequent reviews of proposed uses of relief funding to evaluate one-time vs. ongoing expenditures to safeguard against future fiscal challenges
- Legislature and Interim Finance Committee prioritized one-time funding requests to avoid fiscal cliff following expiration of COVID aid
 - Continually re-emphasized one-time nature of COVID aid to state agencies and other eligible recipients
- One-time Expenditure Examples
 - Home Means Nevada Affordable Housing Initiative - \$500m
 - Public Health System Capital Improvement Projects - \$151m
 - Nevada Water Conservation & Infrastructure Initiative - \$100m
- Certain ongoing operational expenses funded with COVID aid
 - \$116m approved in 2021 Legislative Session to fund positions that would otherwise have been eliminated due to General Fund revenue losses

Lessons Learned

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- Clear communication with stakeholders regarding legislative priorities and limitations of one-time funding
- Critical to develop a framework outlining spending priorities to quickly and efficiently allocate funding
- Impact of programs ending after funding expiration should be evaluated if funding is approved for ongoing costs
- Evaluate projects for feasibility and prioritize shovel-ready projects
 - Several projects proposed to be funded with COVID aid were cancelled following the identification of challenges
 - Ex. \$53m project to support operational costs and provide for renovations at the Las Vegas Detention Center for additional forensic bed capacity was subsequently deobligated after issues raised with project completion timeline

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Questions?

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Thank You!