POLICY BRIEF

ECONOMIC & FISCAL POLICY

Guinn CENTER

THE LEGISLATIVELY APPROVED BUDGET FOR THE STATE OF NEVADA:

2025-2027 BIENNIUM

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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.[1] The current 2025-2027 biennium covers two fiscal years: Fiscal Year (FY) 2026, which began on July 1, 2025, and goes through June 30, 2026, and FY 2027, which begins on July 1, 2026, and ends on June 30, 2027.

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 2025. The Executive Budget contains the Governor Recommends Budget ("Governor's Recommended Budget," which is often 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 provides unrestricted revenue forecasts for the State General Fund, Nevada's major operating fund.[2] The Economic Forum consists of five members appointed by the Governor who serve a term of two years. Three members are of the Governor's own selection; one member each is nominated by the Majority Leader of the Senate and the Speaker of the Assembly. The 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 in finalizing the Legislatively Approved Budget. Following the approval of the Legislatively Approved Budget, two additional meetings—one in December (odd-numbered years, e.g., 2025) and one in June (even-numbered years, e.g., 2026)—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.[3]

This data snapshot provides a broad perspective on the Legislatively Approved Budget for the 2025-2027 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 unrestricted revenue. Strengths and weaknesses in these revenues mean that the State General Fund can act as a barometer of the state's economic health. State General Fund operating revenue, unrestricted in use, afford the Governor and the Nevada Legislature the widest latitude to fund state needs and priorities.

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1 The 83rd (2025) Session of the Nevada Legislature convened on February 3, 2025, for its biennial 120-day regular session.
2 See *Nevada Revised Statutes* (NRS) 353.226 through NRS 353.229.
3 Under the Nevada Constitution, the K-12 Education Funding Act must pass first.

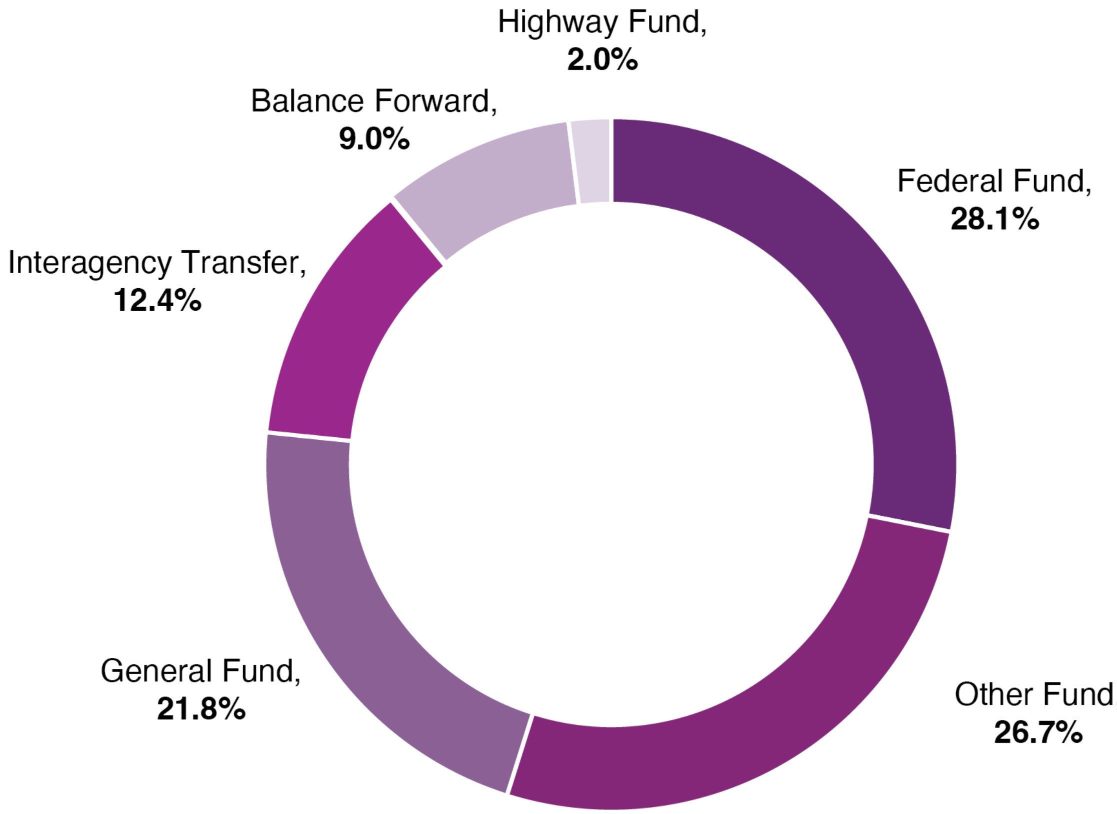
The Legislatively Approved Budget for the 2025-2027 biennium amounts to $56.7 billion, an increase of 6.1 percent over the Legislatively Approved Budget of $53.4 billion for the 2023-2025 biennium.

LEGISLATIVELY APPROVED BUDGET: HIGHLIGHTS (2025-2027 BIENNIUM)

- Federal dollars constitute the highest share of total 2025-2027 biennial statewide budgeted revenues ($15.9 billion; 28.1 percent).
- State General Fund operating revenues account for 21.8 percent ($12.3 billion) of statewide budgeted revenues in the 2025-2027 Legislatively Approved Budget.
- Sales and Use Taxes ($3.8 billion) make up the largest share (30.6 percent) of the State General Fund revenue forecast for the 2025-2027 biennium.
- The Nevada Health Authority, which is a new agency created by the 2025 Legislature, encompasses the State Medicaid program (formerly Division of Health Care Financing and Policy within the Department of Health and Human Services), Public Employees Benefits Program, and Silver State Health Insurance Exchange. With expenditures of approximately $21.0 billion, the Nevada Health Authority is Nevada's largest department. Its share of total statewide expenditures for the 2025-2027 biennium is 37.1 percent.
- Education accounts for 31.1 percent of statewide expenditures for the 2025-2027 biennium, including 26.1 percent for the Department of Education (K-12), 4.9 percent for the Nevada System of Higher Education, and 0.2 percent for the State Public Charter School Authority.

Approximately two-thirds of the State General Fund (67.7 percent) finances three departments: the Department of Education (including K-12) (31.4 percent), Nevada Health Authority (21.1 percent), and the Nevada System of Higher Education (15.2 percent). However, the Nevada Health Authority's primary funding source is the Federal Fund (51.1 percent).

Figure 1. Statewide Revenue Summary, by Funding Source: 2025-2027 Biennium

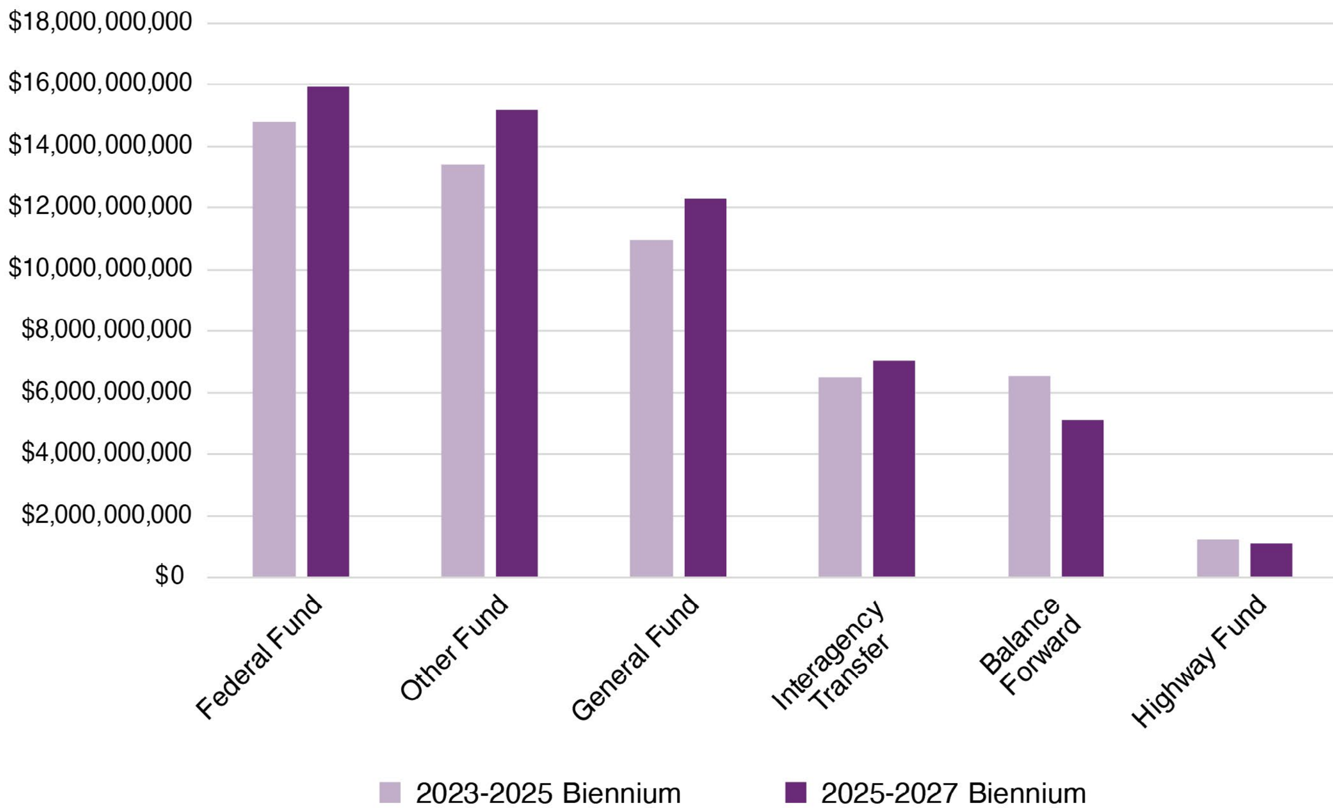


Source: State of Nevada, Nevada's Transparent Government Website

The funds displayed in Figure 1 are the six funding sources in the budget. **Statewide revenues in the Legislatively Approved Budget for the 2025-2027 biennium amount to $56.7 billion.** The Federal Fund is "funding provided by the federal government to support programs and special uses that may have restrictions on the use of funds." The Federal Fund accounts for the highest share of budgeted statewide revenues at $15.9 billion, or 28.1 percent. The Federal Fund is followed by the Other Fund, which is defined as "money coming into the state in the form of fees, licenses, private grants, interest income, gifts and other sources." Total Other Fund money for the current biennium amounts to $15.2 billion, or 26.7 percent of statewide budgeted revenues. The State General Fund "derives its income from taxes, fees and other non-tax sources, limited to Economic Forum projections." State General Fund revenues represent $12.3 billion, or 21.8 percent of total 2025-2027 biennial budgeted revenues. The remaining three funds make up comparatively smaller shares of budgeted statewide revenues for the current biennium (Interagency Transfer, 12.4 percent; Balance Forward, 9.0 percent; and Highway Fund, 2.0 percent).[4]

4 Interagency Transfers (page 23), 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

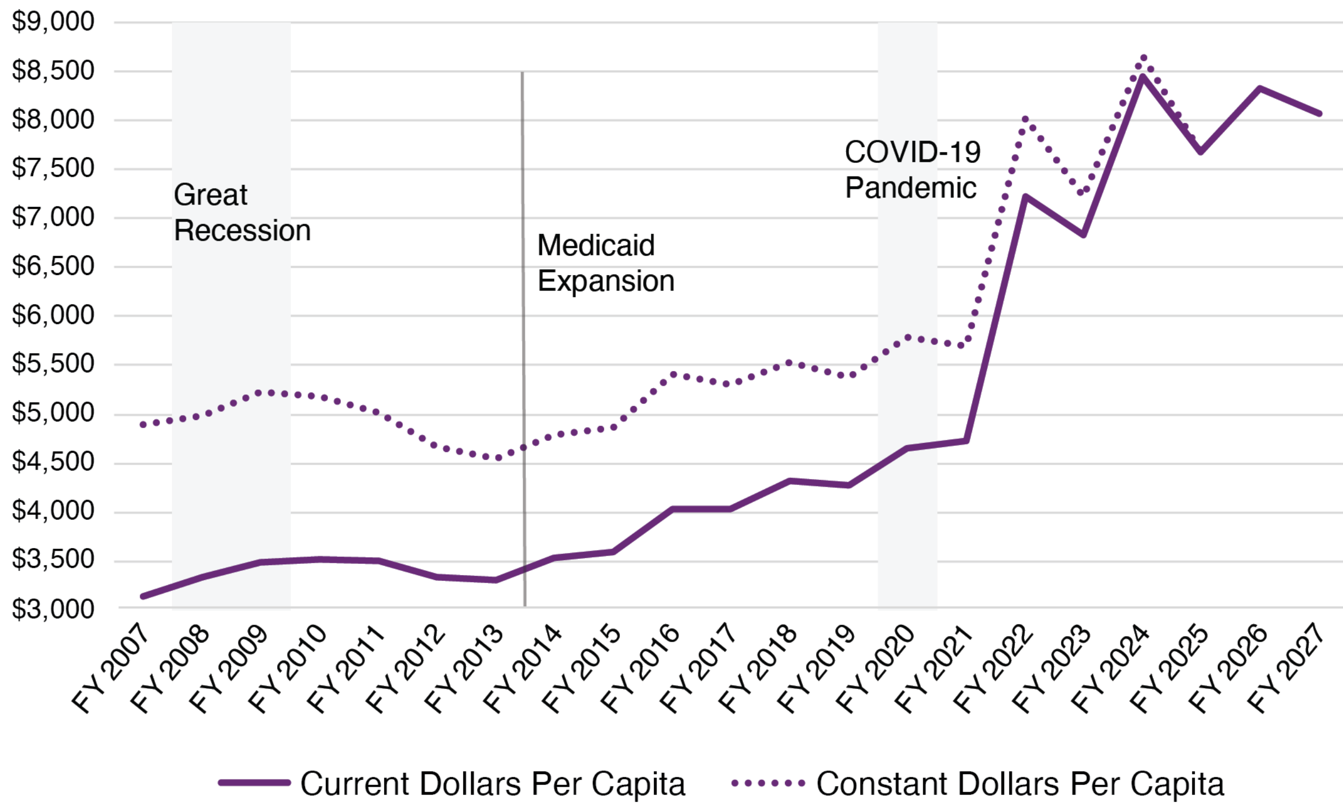


Source: State of Nevada, Nevada's Transparent Government Website

Statewide revenues in the Legislatively Approved Budget for the 2025-2027 biennium increased by approximately $3.3 billion, 6.1 percent higher than the Legislatively Approved Budget of $53.4 billion for the 2023-2025 biennium. The Federal Fund increased by 7.9 percent between the previous biennium and the current biennium, for a total dollar difference of about $1.2 billion. The primary driver of this increase is the Medicaid program, with federal funds increasing by $1.1 billion. The Other Fund increased most substantially—about $1.8 billion (13.1 percent)—between the previous biennium and the current biennium. Increases in other funds in the Health and Human Services function ($735 million) and the Education function ($603 million) account for much of the statewide growth. Increases in the Health and Human Services function include provider taxes and drug rebates in the Nevada Health Authority, while increases in Education include property taxes, mining taxes, the Gold and Silver tax, and Education Stabilization Funds in the Pupil-Centered Funding Plan, as well as student fees and non-resident tuition in the Nevada System of Higher Education.[5] General Fund operating revenues increased from about $11.0 billion in the previous biennium to $12.3 billion in the current biennium (12.4 percent). Balance Forward decreased by $1.4 billion (-22.0 percent), and Interagency Transfers increased by $543 million (8.4 percent). The decrease in Balance Forward reflects the expenditure of American Rescue Plan, Coronavirus State Fiscal Recovery Funds balanced forward from the 2023-2025 biennium.

5 Property taxes refer here to the support of public schools (see NRS 387.195).

Figure 3. Nevada's Budget, All Funding Sources, FY 2007-FY 2027



Source: Nevada Legislative Counsel Bureau, Fiscal Analysis Division, Appropriations Reports; State of Nevada's Transparent Government Website; Nevada Population 1900-2024 | MacroTrends (Data Source U.S. Census Bureau – Population Estimates); State of Nevada Department of Taxation, Nevada-County-Population-Projections-2024-to-2043.pdf; 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.[6] 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. **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 years, and increased incrementally during the COVID-19 pandemic (FY 2020 and FY 2021).** Inflation-adjusted annual statewide revenues per capita increased to a peak in FY 2024 ($8,659.58); however, it is expected to decrease as temporary COVID-19 federal relief dollars that flowed through the budget continue to be spent down. 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 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.[7]

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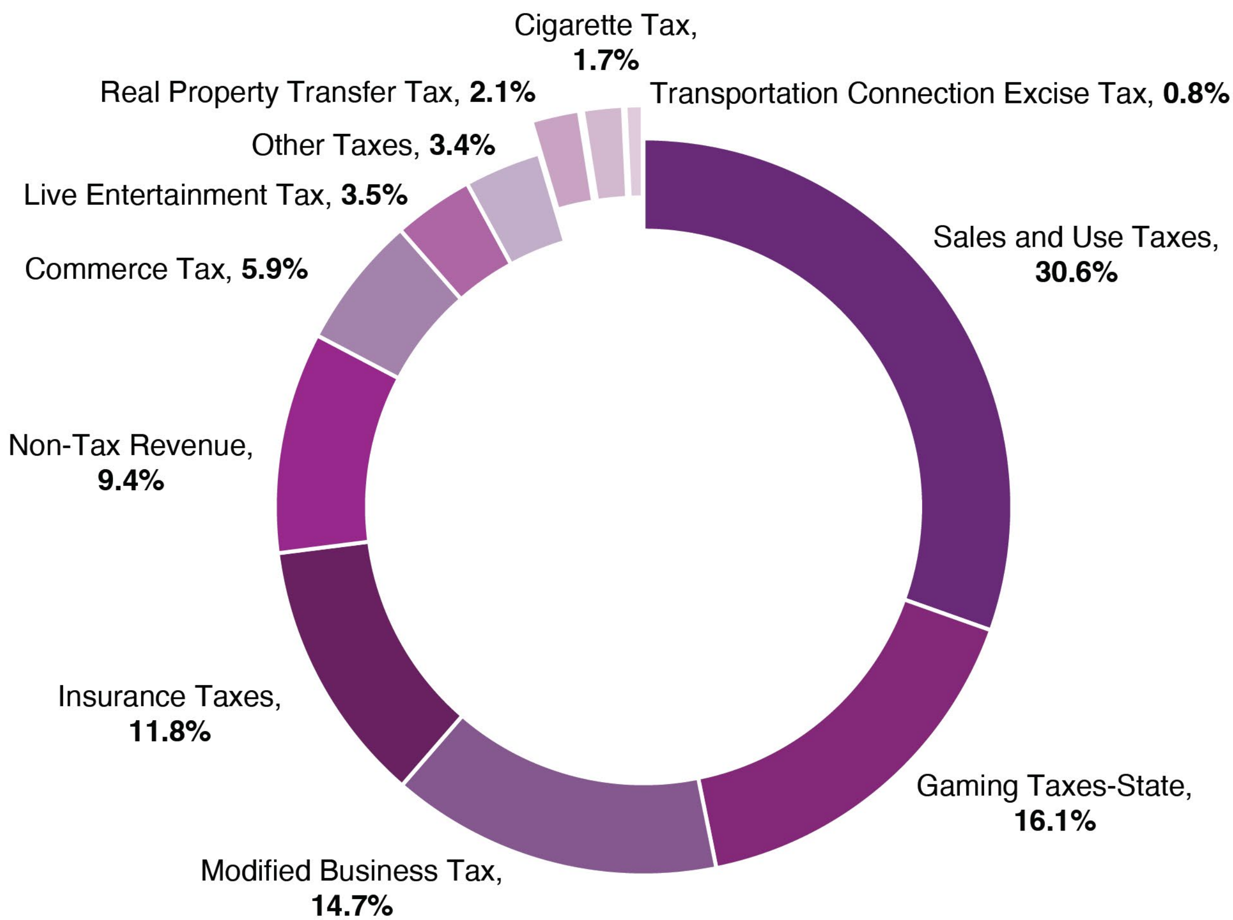
6 Adjustments by inflation and population standardize the data, thus permitting comparisons across time. Current dollars do not take inflation into account, while constant dollars are inflation-adjusted.

7 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.

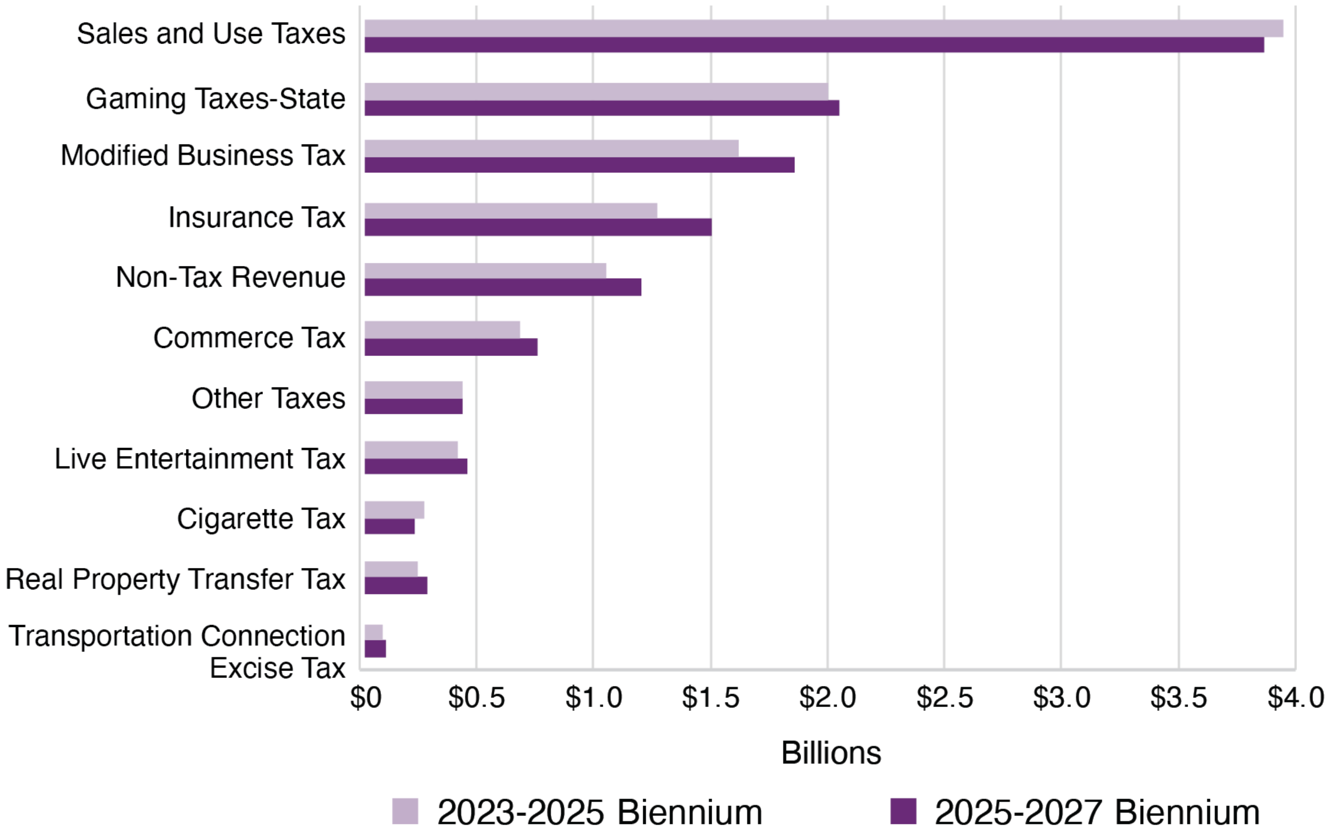
Figure 4. Nevada General Fund Revenues, by Source: 2025-2027 Biennium



Source: State of Nevada, Economic Forum: May 2025. 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 various revenue sources to the State General Fund for the current biennium. **Sales and Use Taxes ($3.8 billion) make up the largest share (30.6 percent) of the State General Fund revenue forecast for the current biennium**. They are followed by State Gaming Taxes at 16.1 percent, then Modified Business Tax at 14.7 percent. Insurance Taxes are the fourth highest contributor, which are forecast to account for 11.8 percent of the State General Fund. The remaining taxes and non-tax revenues provide smaller shares. Collectively, Sales and Use Taxes and Gaming Taxes make up (46.7 percent) of unrestricted State General Fund revenues.

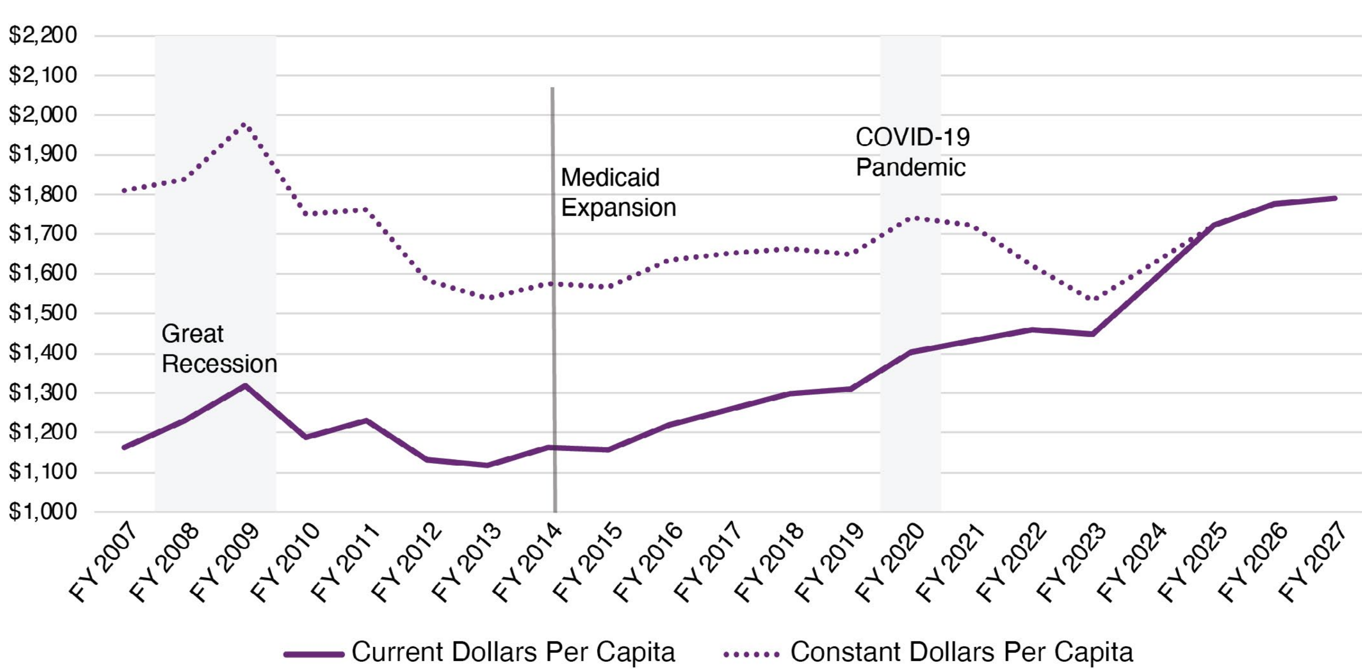
Figure 5. Nevada General Fund Revenues: Biennial Comparison



Source: State of Nevada, Economic Forum: May 2023 and May 2025

Total unrestricted State General Fund revenues are forecasted to increase over the projections for the previous biennium. After tax credits, the 2025-2027 biennium total is about $12.2 billion, which is an increase of $634.4 million over the previous biennium, or about 5.5 percent. (See Appendix A for a detailed table of unrestricted State General Fund revenues forecast for the previous biennium and the current biennium.) **Forecast growth in General Fund revenues for the 2025-2027 biennium slowed compared to the level forecasted for the 2023-2025 biennium when revenues were forecasted to increase by 26.9 percent over the 2021-2023 biennium**. A major factor contributing to the overall slowdown is Sales and Use Tax, which is forecasted to decrease by 2.1 percent (-$83.4 million) compared to the level forecasted in the 2023-2025 biennium. The decrease reflects the realignment of consumer spending behavior and an uncertain economic outlook. Gaming taxes, the second largest General Fund revenue source, is forecasted to increase by 2.3 percent ($45 million) compared to the combined amount forecasted for the 2023-2025 biennium due to lower expectations following the Super Bowl and the inaugural Formula 1 race in Las Vegas in FY 2024. Stronger growth is anticipated for Modified Business tax (15.0 percent) and Insurance taxes (18.9 percent) over the current biennium. Additionally, non-tax revenue is forecasted to increase by 14.7 percent driven by Interest Income which is forecasted to increase by approximately $102 million (31.5 percent) over the 2023-2025 biennium.

Figure 6. Nevada General Fund Operating Appropriations per Capita, FY 2007-FY 2027

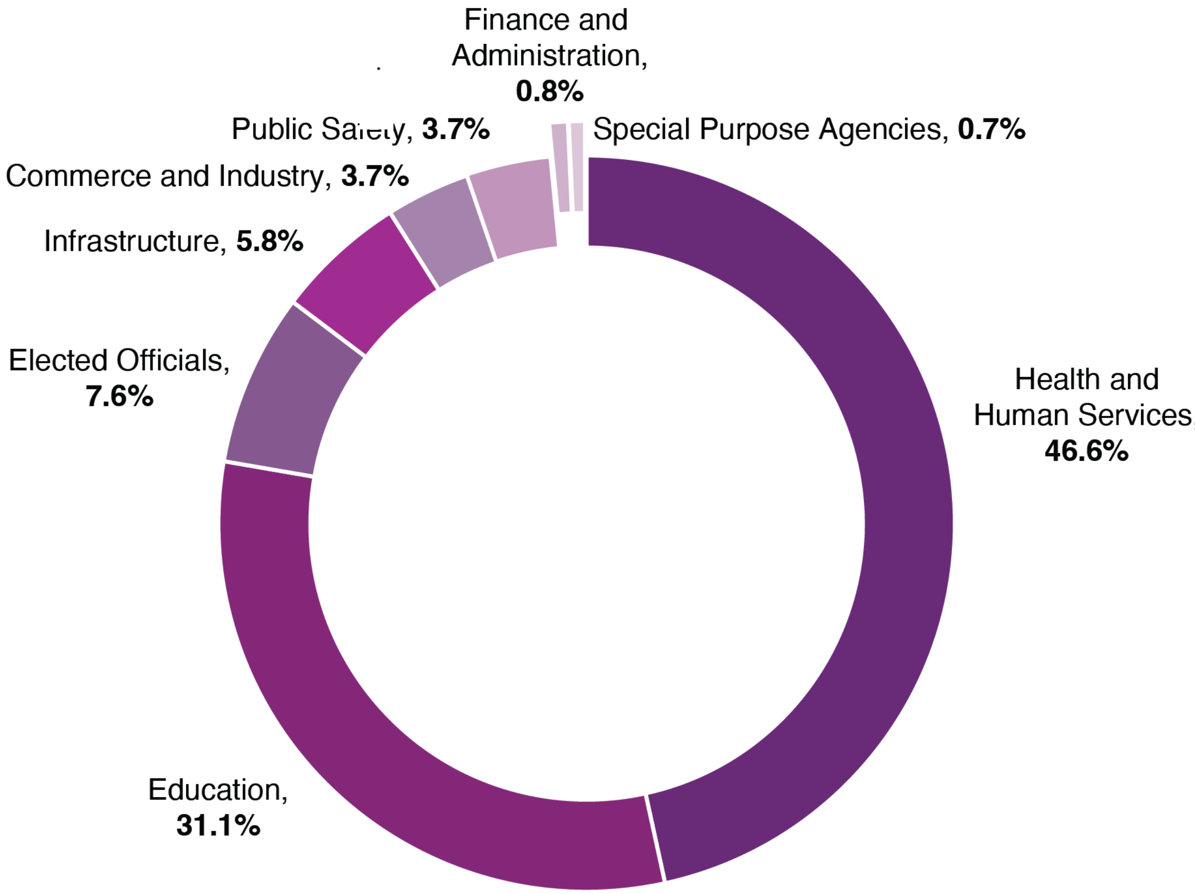


Source: Nevada Legislative Counsel Bureau, Fiscal Analysis Division, Appropriations Reports; State of Nevada's Transparent Government Website; Nevada Population 1900-2024 | MacroTrends (Data Source U.S. Census Bureau – Population Estimates); State of Nevada Department of Taxation, Nevada-County-Population-Projections-2024-to-2043.pdf; 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 2027, State General Fund operating appropriations have fluctuated somewhat, exceeding $1,800 per capita three times and have remained generally in the $1,500 to $1,700 per capita range.[8] The decline was the most acute during the Great Recession between FY 2009 and FY 2010. However, after a flat FY 2011, the inflation-adjusted per capita amount declined sharply in FY 2012. There was a slight increase in FY 2014, but 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 4.9 percent between FY 2007 ($1,810.06) and FY 2025 ($1,721.44). **State General Fund appropriations have not kept pace with inflation and/or population, unlike the total budget (annual statewide revenues), as highlighted in Figure 3.**

8 See Footnote 6 on the basis for adjustments for inflation and population.

Figure 7. Statewide Expenditure Summary, by Function: 2025-2027 Biennium

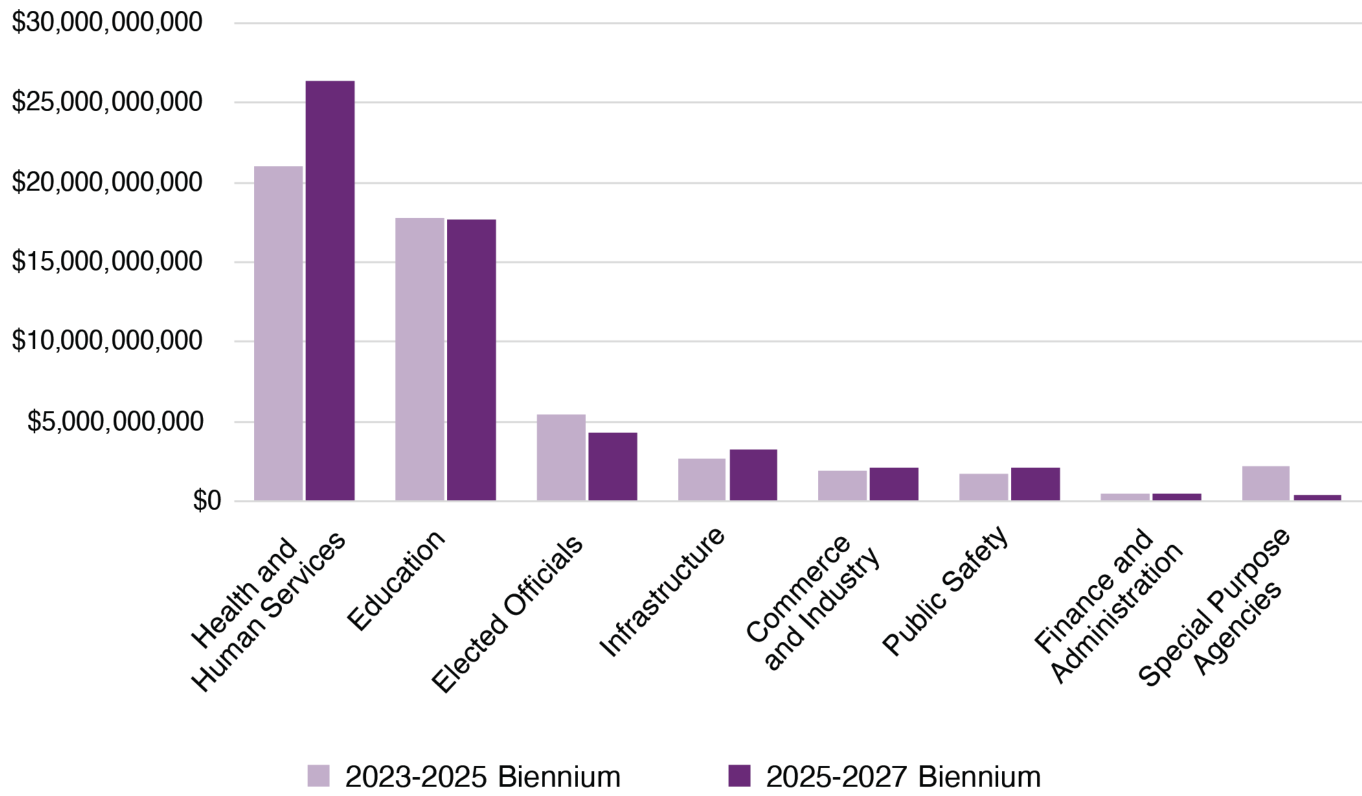


Source: State of Nevada, [Nevada's Transparent Government Website]

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 purpose/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 newly created Nevada Health Authority, Department of Human Services, and the Department of Employment, Training and Rehabilitation.[9] (Appendix B contains a crosswalk between functions and departments for the current biennium.) Figure 7 also shows the distribution of funding, by function, for the 2025-2027 biennium. The Health and Human Services function accounts for 46.6 percent of statewide expenditures, followed by Education (31.1 percent). The remaining functions constitute far smaller shares of expendituresin the Legislatively Approved Budget. For example, the funding level for Education is 4.1 times that of Elected Officials (7.6 percent of statewide expenditures). **Collectively, Health and Human Services and Education make up over three-quarters (77.7 percent) of statewide expenditures for the current biennium**.

9 In the current biennium, the summary total for the Health and Human Services function ($26.4 billion) is equal to the sum of the Nevada Health Authority budget ($21.0 billion), Department of Human Services' budget ($4.7 billion), and the Department of Employment Training and Rehabilitation ($705 million).

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

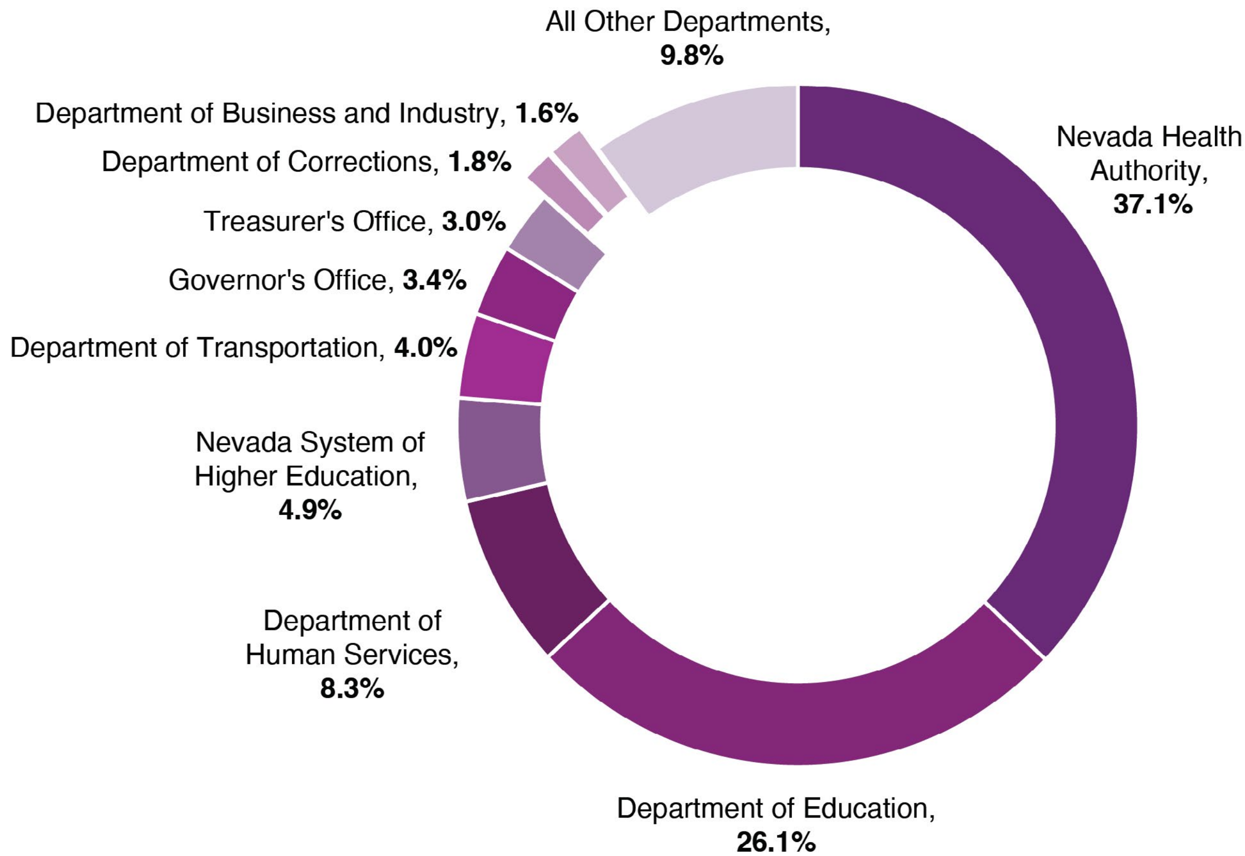


Source: State of Nevada, Nevada's Transparent Government Website

As shown in Figure 8, statewide expenditures increase by $3.3 billion or 6.1 percent from the 2023-2025 biennium to the 2025-2027 biennium. By far the largest increase is represented by the Health and Human Services Function ($5.4 billion; 25.9 percent). However, significant decreases occurring in the Elected Officials function (-$1.2 billion; -22.0 percent) and the Special Purpose Agencies function (-$1.8 billion; -81.9 percent) offset the increase in the Health and Human Services function. The transfer of the Public Employees' Benefits Program ($2.4 billion) and the Silver State Health Insurance Exchange ($62.6 million) from the Special Purpose Agencies function to the Health and Human Services function (Nevada Health Authority), help to explain the change in funding for those two functions. The Health and Human Services function also saw an increase in federal expenditures in the Medicaid program of $1.1 billion over the amount approved in the 2023-2025 biennium, also contributing to the overall increase. As previously mentioned, the decrease in the Elected Officials function is based on the expenditure of American Rescue Plan, Coronavirus State Fiscal Recovery Funds over the 2025-2027 biennium of $1.5 billion.[10]

10 These funds are administered through the Governor's Office (Elected Officials function) and must be obligated by December 31, 2024.

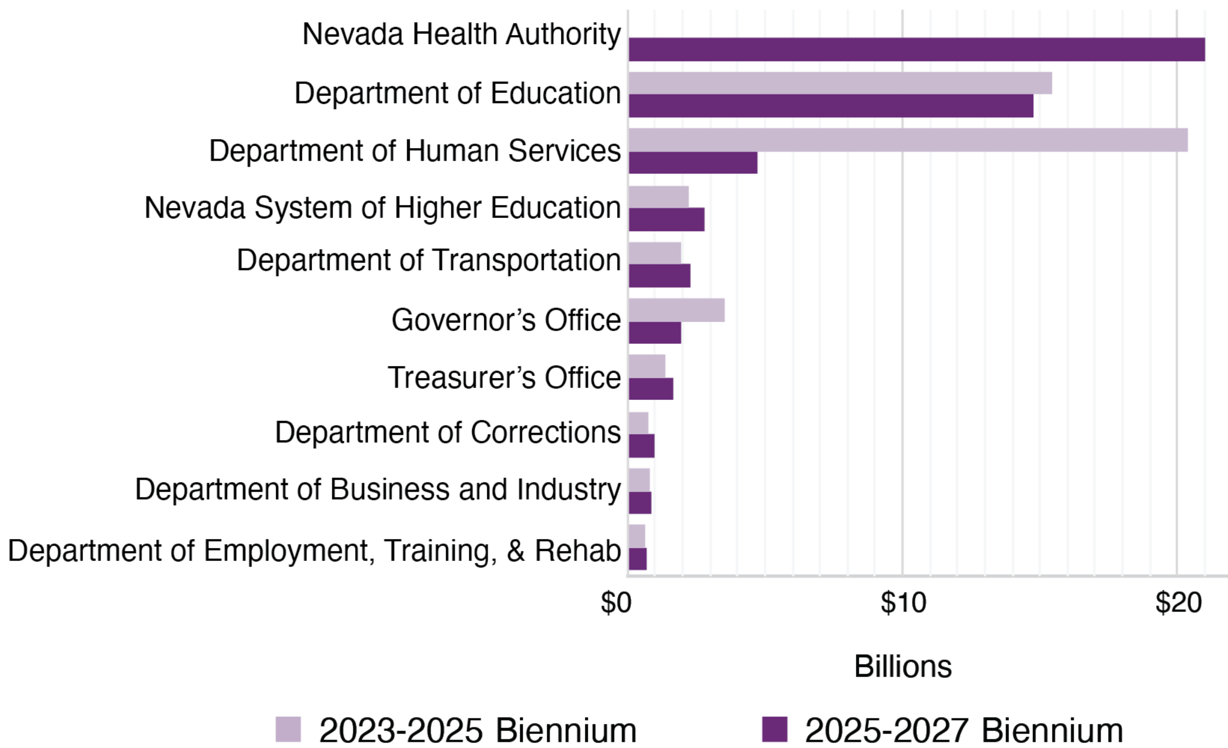
Figure 9. Statewide Expenditure Summary, by Department: 2025-2027 Biennium



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 state's five departments that correspond to the two largest core functions – the Nevada Health Authority, Department of Education, and Department of Human Services – account for 71.5 percent of statewide expenditures. The Nevada Health Authority (Medicaid, Public Employee's Benefits Program, and the Silver State Health Insurance Exchange) makes up the largest share of funding in the current biennium, or 37.1 percent of statewide expenditures. This comparatively high share of funding is attributable to Medicaid, which makes up 71.9 percent of the Nevada Health Authority biennial budget and 26.6 percent of Nevada's total state 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 (26.1 percent). Inclusive of the Nevada System of Higher Education's share (4.9 percent) and the State Charter School Authority (0.2 percent), the Education core function thus constitutes nearly one-third (31.1 percent) of expenditures in the current biennium. Other large departments include the Department of Human Services (8.3 percent), Department of Transportation (4.0 percent), the Governor's Office (3.4 percent), and the Treasurer's Office (3.0 percent).

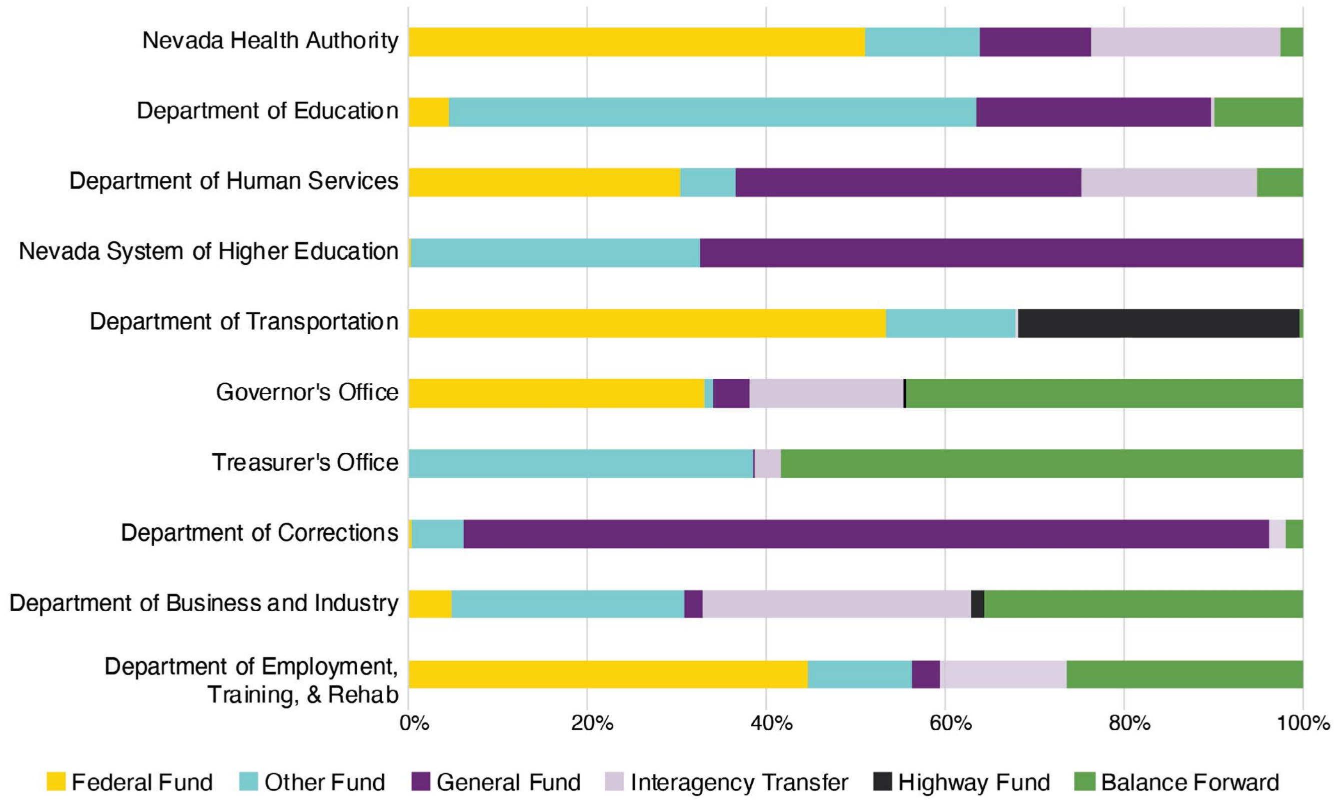
Figure 10. Statewide Expenditure Summary by Department: Biennial Comparison (Nevada’s 10 Largest Departments in the 2025-2027 Biennium)



*Source: S*tate of Nevada, [Nevada’s Transparent Government Website] Note: Sorted from largest to smallest, by department size. Size is the department’s total budgeted expenditures in the 2025-2027 biennium.

Expenditures in the Legislatively Approved Budget must balance to revenues. Thus, as with revenues (see discussion of Figure 2), statewide expenditures for the 2025-2027 biennium amount to $56.7 billion. This is an increase of 6.1 percent over the Legislatively Approved Budget of $53.4 billion for the 2023-2025 biennium. Figure 10 displays the biennial comparison of expenditures for Nevada’s 10 largest departments. The Nevada Health Authority, which was established by the Legislature beginning in the 2025-2027 biennium, stands out as the largest department, with total expenditures of $21 billion. This is due to the consolidation of the former Division of Health Care Financing and Policy ($18.3 billion), Public Employees’ Benefits Program ($2.4 billion), and the Silver State Health Insurance Exchange ($62.6 million) under the Nevada Health Authority. In the previous biennium, the Division of Health Care Financing and Policy was part of the Department of Human Services. The Public Employees’ Benefits Program and Silver State Health Insurance Exchange were standalone agencies in the previous biennium. The Department of Education, representing the second largest department, saw decreased funding by 4.4 percent compared to the 2023-2025 biennium due to the decrease in COVID federal funds directed to the department. **Overall, funding levels increased for 28 agencies and decreased for 11 agencies, excluding the newly created Nevada Health Authority and Department of Native American Affairs**.

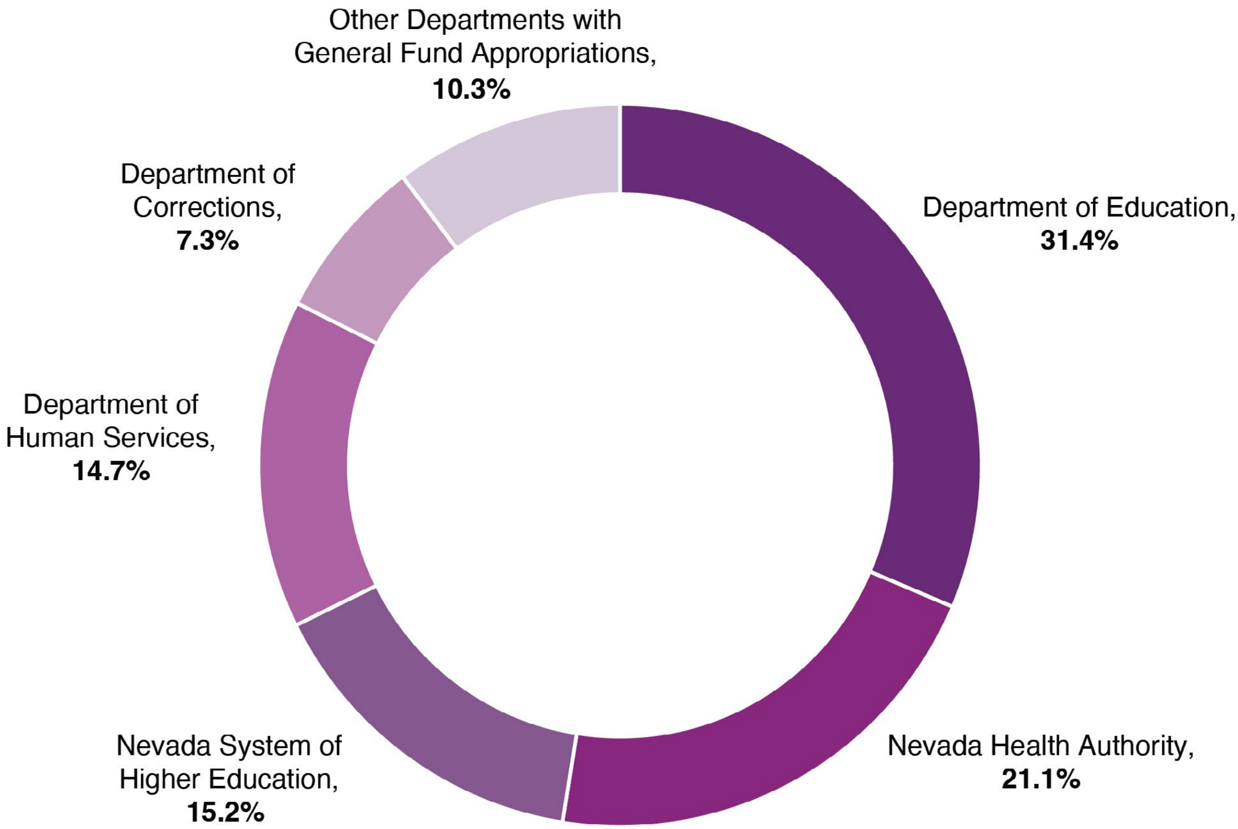
Figure 11. Nevada's 10 Largest Departments, by Funding Source: 2025-2027 Biennium



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 2025-2027 biennium.

It can be instructive to consider the distribution of agencies' funding sources (Figure 11). **In fact, only three agencies are funded by all six funding sources in the current biennium**. 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. A comparison of the Nevada Health Authority and the Department of Education also reveals 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 Nevada Health Authority in the current biennium are about 1.4 times higher than that of the Department of Education. However, the Federal Fund accounts for 51.1 percent of the Nevada Health Authority total budget, while the General Fund is its fourth-highest funding source, at 12.4 percent. For the Department of Education, those percentages are 4.6 percent and 26.2 percent respectively.

Figure 12. General Fund Appropriations, by Department: 2025-2027 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 General Fund appropriations 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**. With the establishment of the Nevada Health Authority and corresponding transfer of the Medicaid program to that agency, the Department of Education (31.4 percent) now has the largest General Fund contribution, exceeding the Nevada Health Authority (21.1 percent); however, the Nevada Health Authority 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 (15.2 percent), followed by the Department of Human Services (14.7 percent) and the Department of Corrections (7.3 percent). The State General Fund contributes 10.3 percent to the remaining state-level departments that receive contributions from this fund. Therefore, approximately 67.7 percent of the State General Fund finances just three departments—the Department of Education, the Nevada Health Authority, and the Nevada System of Higher Education.

IMPACT OF H.R. 1 – "ONE BIG BEAUTIFUL ACT"

House Resolution 1 (H.R. 1) was approved by Congress and signed by the President on July 4, 2025. Portions of the bill will have a future impact on Nevada's administration of the Supplemental Nutrition Assistance Program (SNAP) and Medicaid programs and the budgets to support each. Below is a further discussion of those impacts.

Supplemental Nutrition Assistance Program

- Beginning October 1, 2026 (Federal Fiscal Year 2027), the federal matching percentage for state expenses supporting the administration of the SNAP is reduced from the current 50 percent (50/50 percent match) to 25 percent (25/75 percent match). Based on the level of federal funding support for SNAP administration in the FY 2025 State Legislatively Approved budget, an additional annual commitment of approximately $20 million in State General Funds may be necessary to maintain the administrative effort relating to SNAP. Since the state fiscal year begins July 1 and ends June 30 of each year, the higher matching percentage would impact three-quarters of the second year of the 2025-2027 biennium (FY 2027). **Legislative action would be required to appropriate State General Funds to address this funding requirement.**

- Beginning in federal fiscal year 2028 (October 1, 2027), H.R. 1 establishes a state matching percentage for the cost of SNAP program allotments that flow directly to recipients in Nevada. The matching percentage ranges between 0 percent to 15 percent depending on a state's SNAP payment error rate. The SNAP payment error rate measures the accuracy of each state's eligibility and benefits determinations. Higher payment error rates may result in the over/under distribution of SNAP benefits. Currently, states are not subject to matching requirements for SNAP program allotments. States with less than a 6 percent payment error rate would not be subject to the state match. However, states with a payment error rate of at least 6 percent would be subject to matching requirements as follows based on total SNAP dollars allotted in Nevada in fiscal year 2024:
  - 6 percent but under 8 percent error rate, 5 percent match ($50 million per year);
  - 8 percent but under 10 percent error rate, 10 percent match ($100 million per year); or
  - Over 10 percent error rate, 15 percent match ($150 million per year).

- In FY 2024, Nevada's payment error rate was 5.94 percent.[11] However, for the first year of implementation, federal fiscal year 2028, states elect either FY 2025 or FY 2026 to calculate their matching requirement.

- Other SNAP requirements imposed by H.R. 1 may place a greater administrative burden (and fiscal impact) on the Division of Social Services, which determines SNAP eligibility and administers the program. These include:
  - The expansion of work requirements for able-bodied adults without dependents (ABAWDs) by applying the work requirements (80 hours per month) to adults who are not over 65 years old (currently the age requirement is 55);
  - Revising the ABAWD exemption for a parent with responsibility for a dependent child from age 18 to age 14; and
  - Eliminating the current exemptions from the ABAWD work requirements for homeless individuals, veterans, and certain foster care individuals.

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11 SNAP Payment Error Rates, the match requirement increases to 10 percent if the payment error rate is 8 percent but less that 10 percent and 15 percent if the payment error rate is 10 percent or greater.

Medicaid

New requirements placed on the Medicaid program may result in the need for additional resources for program administration, currently funded with 50 percent federal funds and 50 percent State General Funds.

- Beginning no later than federal fiscal year 2030, states must report at least monthly Social Security numbers of enrollees to the United States Centers for Medicare and Medicaid Services (CMS).
- Beginning not later than calendar year 2028, state Medicaid programs are required to check the Social Security Administration's Death Master File at least quarterly to determine whether Medicaid enrollees are deceased.
- Beginning with the first quarter after December 31, 2026, states are required to redetermine, every six months, the eligibility of individuals who are enrolled in Medicaid as part of the Medicaid expansion population. Redeterminations of eligibility are currently performed annually in Nevada.[12]
- Beginning with the first quarter after December 31, 2026, Medicaid coverage may begin retroactively for individuals in the Medicaid expansion population, one month prior to the application filing date, and two months prior to the application filing date for all other individuals. Currently, coverage may begin three months prior to the application filing date.
- Beginning not later than the first quarter after December 31, 2026, individuals who are eligible for Medicaid as part of the Medicaid expansion population are required work at least 80 hours per month or perform a combination of community service work or an educational program. States are required to verify compliance by the individual with this requirement upon redetermination.
- Beginning in federal fiscal year 2029, states are required to institute cost-sharing requirements for individuals who are eligible for Medicaid as part of the expansion population and whose family income exceeds the federal poverty line.
- Beginning in federal fiscal year 2028, a provider tax must be decreased by 0.5 percent per year with a maximum rate beginning in federal fiscal year 2032. Nevada implemented a provider assessment on private hospitals beginning January 1, 2024. The provider assessment is 7.139 percent on inpatient services and 6.809 percent on outpatient services. The funding generated by the assessment ($398.6 million budgeted per year), is matched with federal funds to make supplemental payments to hospitals and to improve access to behavioral health care for Medicaid-eligible children with serious behavioral health conditions.

12 Medicaid eligibility redeterminations

BUDGETARY CONSIDERATIONS FOR POLICYMAKERS IN ADDRESSING H.R. 1

House Resolution 1 poses budgetary considerations for policymakers in meeting the new federal matching percentage for SNAP administrative expenses (and potentially for SNAP benefits), as well as greater responsibilities in the Medicaid program. Policymakers may wish to seek answers to the questions below when further evaluating the fiscal impact of H.R. 1.

Questions for Policymakers

- What are the minimum requirements, including fiscal impact, necessary to implement the provisions of H.R. 1 at the state level, including any supplemental rules issued by the United States Department of Agriculture, Food and Nutrition Service and CMS? **Performing this analysis early will better inform policymakers ahead of a potential special session and the next regular session of the Legislature.**

- **What are the long-term positive and negative fiscal impacts on Nevada in future biennia?** Would the new federal requirements generate offsetting reductions in Medicaid program expenses?

- What are the short-term (current biennium) fiscal impact and implementation timelines on the Division of Social Services of the Department of Human Services and the Nevada Health Authority, to prepare for the new requirements of the bill prior to implementation? **This may include Information Technology system programming and revisions to regulations, including those relating to the Medicaid State Plan**.

- **What is the State's ability to absorb additional program expenses given the current financial position of the state, including State General Fund revenue trends and projected shortfalls in major program expenses?**

APPENDIX A:
ECONOMIC FORUM GENERAL FUND REVENUES BY SOURCE

Description	Previous Biennium (FY 2024 and FY 2025)			Current Biennium (FY 2026 and FY 2027)			Biennium-to-Biennium Change	
	FY 2024 (Forecast)	FY 2025 (Forecast)	Biennium Total	FY 2026 (Forecast)	FY 2027 (Forecast)	Biennium Total	Dollar Difference	Percent Change
Taxes								
Sales and Use Tax	$1,919,868,000	$2,005,330,000	$3,925,198,000	$1,889,351,000	$1,952,436,000	$3,841,787,000	$(83,411,000)	-2.1%
Gaming Taxes - State	$991,304,800	$990,210,700	$1,981,515,500	$1,007,194,000	$1,019,290,600	$2,026,484,600	$44,969,100	2.3%
Live Entertainment Tax (LET)	$200,603,000	$195,158,000	$395,761,000	$219,313,000	$221,975,000	$441,288,000	$45,527,000	11.5%
Commerce Tax	$321,318,000	$339,294,000	$660,612,000	$356,501,000	$383,250,000	$739,751,000	$79,139,000	12.0%
Transportation Connection Excise Tax	$36,052,000	$41,617,000	$77,669,000	$43,482,000	$50,128,000	$93,610,000	$15,941,000	20.5%
Cigarette Tax	$129,524,000	$128,190,000	$257,714,000	$108,251,000	$103,070,000	$211,321,000	$(46,393,000)	-18.0%
Modified Business Tax (MBT)	$784,905,000	$815,286,000	$1,600,191,000	$904,604,000	$935,972,000	$1,840,576,000	$240,385,000	15.0%
Insurance Taxes	$608,131,600	$640,625,900	$1,248,757,500	$724,752,600	$760,106,100	$1,484,858,700	$236,101,200	18.9%
Real Property Transfer Tax (RPTT)	$110,489,000	$114,361,000	$224,850,000	$130,157,000	$134,885,000	$265,042,000	$40,192,000	17.9%
Other Taxes	$209,836,000	$210,509,000	$420,345,000	$208,746,000	$212,317,000	$421,063,000	$718,000	0.2%
Total Taxes-Before Tax Credits	**$5,312,031,400**	**$5,480,581,600**	**$10,792,613,000**	**$5,592,351,600**	**$5,773,429,700**	**$11,365,781,300**	**$573,168,300**	**5.3%**
(Tax Credits)								
Commerce Tax Credits	$(59,037,000)	$(62,949,000)	$(121,986,000)	$(69,741,000)	$(73,227,000)	$(142,968,000)	$(20,982,000)	17.2%
Tax Credit Programs	$(52,360,550)	$(47,130,605)	$(99,491,155)	$(82,198,797)	$(86,430,700)	$(168,629,497)	$(69,138,342)	69.5%
Total Taxes-After Tax Credits	**$5,200,633,850**	**$5,370,501,995**	**$10,571,135,845**	**$5,440,411,803**	**$5,613,772,000**	**$11,054,183,803**	**$483,047,958**	**4.6%**
Non-Tax Revenue								
Licenses	$166,103,150	$167,568,600	$333,671,750	$174,198,000	$176,598,700	$350,796,700	$17,124,950	5.1%
Fees and Fines	$95,605,700	$96,925,200	$192,530,900	$88,621,500	$89,551,300	$178,172,800	$(14,358,100)	-7.5%
Use of Money and Property	$175,961,385	$158,409,591	$334,370,976	$218,604,384	$216,722,584	$435,326,968	$100,955,992	30.2%
Other Revenue	$86,248,992	$85,571,787	$171,820,779	$109,777,777	$109,699,630	$219,477,407	$47,656,628	27.7%
Total Non-Tax Revenue	$523,919,227	$508,475,178	$1,032,394,405	$591,201,661	$592,572,214	$1,183,773,875	$151,379,470	**14.7%**
Total General Fund Revenues (Economic Forum)	**$5,724,553,077**	**$5,878,977,173**	**$11,603,530,250**	**$6,031,613,464**	**$6,206,344,214**	**$12,237,957,678**	**$634,427,428**	**5.5%**

APPENDIX B. CROSSWALK BETWEEN FUNCTIONS AND STATE DEPARTMENTS - 2025-2027 BIENNIUM

Function	Department
Health and Human Services	Nevada Health Authority
	Department of 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
	Treasurer's Office
	Attorney General's Office
	Legislative Branch
	Judicial 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
Commerce and Industry	Department of Business and Industry
	Department of Agriculture
	Department of Tourism and Cultural Affairs
	Governor's Office of Economic Development
	Gaming Control Board
	Cannabis Compliance Board
	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
	Department of Taxation
Special Purpose Agencies	Department of Veterans Services
	Adjutant General
	Public Employees' Retirement System
	Department of Indigent Defense Services
	Department of Native American Affairs
	Commission on Ethics
	Department of Sentencing Policy

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 (2025-2027 biennium).

APPENDIX C. STATEWIDE EXPENDITURE SUMMARY BY DEPARTMENT: COMPARISON BETWEEN PREVIOUS BIENNIUM AND CURRENT BIENNIUM

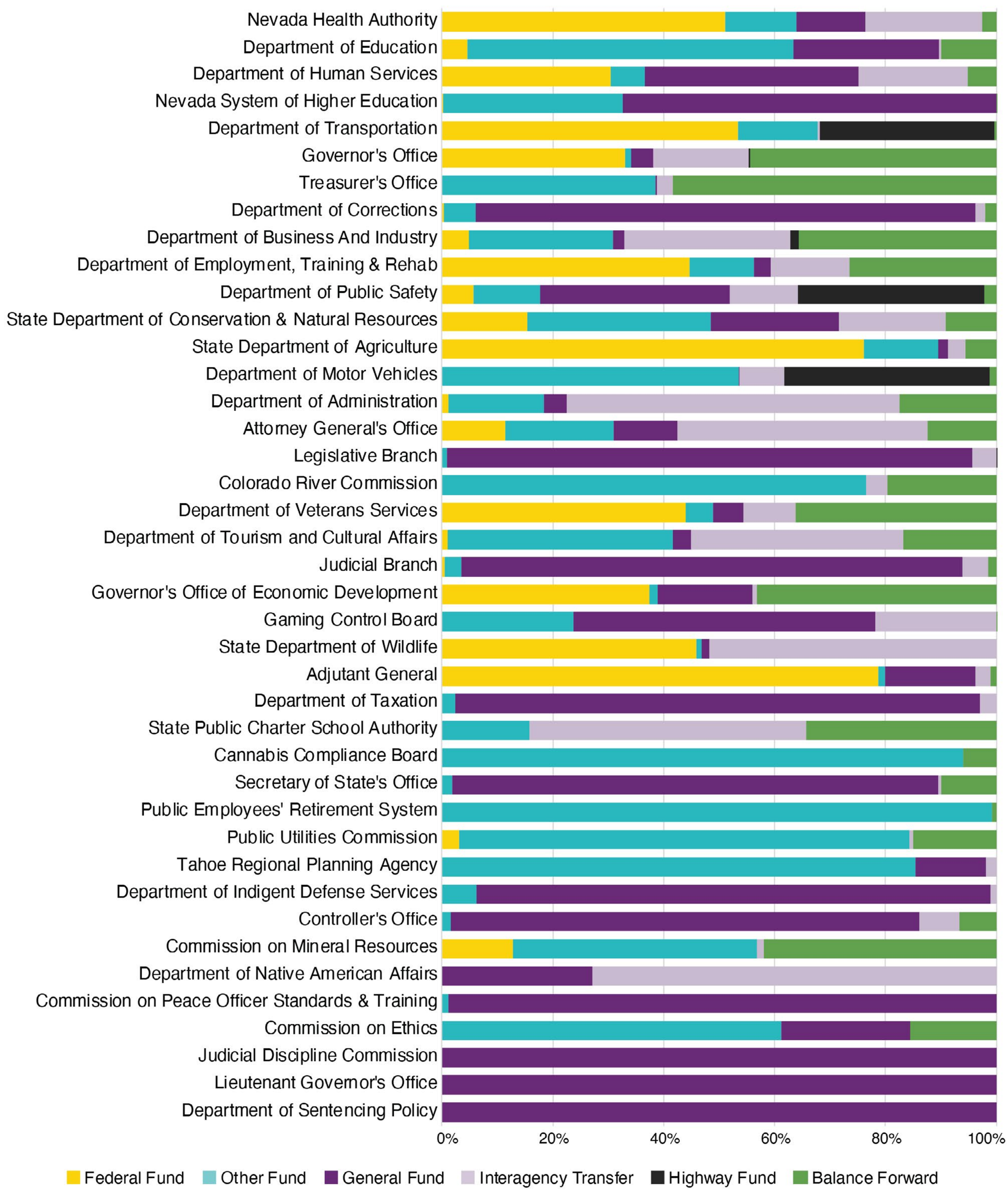
	Legislatively Approved Budget 2023-2025 Biennium		Legislatively Approved Budget 2025-2027 Biennium		
Department	2023-2025 Biennium Total	Percent of Biennium Total	2025-2027 Biennium Total	Percent of Biennium Total	Percent Change (Biennium-to-Biennium)
Nevada Health Authority	-	0.0%	$21,006,290,469	37.1%	-
Department of Education	$15,460,924,105	28.9%	$14,773,451,770	26.1%	-4.4%
Department of Human Services	$20,359,450,709	38.1%	$4,696,855,577	8.3%	-76.9%
Nevada System of Higher Education	$2,231,449,216	4.2%	$2,773,871,933	4.9%	24.3%
Department of Transportation	$1,939,910,417	3.6%	$2,279,329,328	4.0%	17.5%
Governor's Office	$3,557,479,204	6.7%	$1,915,445,870	3.4%	-46.2%
Public Employees' Benefits Program	$1,853,711,736	3.5%	-	0.0%	-100.0%
Treasurer's Office	$1,356,178,018	2.5%	$1,683,389,293	3.0%	24.1%
Department of Corrections	$777,743,756	1.5%	$1,000,620,449	1.8%	28.7%
Department of Business and Industry	$851,907,309	1.6%	$887,136,374	1.6%	4.1%
Department of Employment, Training and Rehabilitation	$620,480,596	1.2%	$705,054,772	1.2%	13.6%
Department of Public Safety	$510,856,917	1.0%	$656,643,165	1.2%	28.5%
Department of Conservation and Natural Resources	$435,348,692	0.8%	$561,642,694	1.0%	29.0%
Department of Agriculture	$658,690,724	1.2%	$554,311,181	1.0%	-15.8%
Department of Motor Vehicles	$417,982,523	0.8%	$445,682,763	0.8%	6.6%
Department of Administration	$294,944,782	0.6%	$355,104,567	0.6%	20.4%
Attorney General's Office	$164,418,376	0.3%	$220,773,102	0.4%	34.3%
Legislative Branch	$158,030,004	0.3%	$216,017,737	0.4%	36.7%
Colorado River Commission	$157,942,438	0.3%	$212,594,227	0.4%	34.6%
Department of Veterans Services	$133,910,978	0.3%	$191,797,077	0.3%	43.2%
Department of Tourism and Cultural Affairs	$166,976,002	0.3%	$190,383,186	0.3%	14.0%
Judicial Branch	$176,365,355	0.3%	$174,336,759	0.3%	-1.2%
Governor's Office of Economic Development	$99,078,803	0.2%	$172,745,928	0.3%	74.4%
Gaming Control Board	$123,773,740	0.2%	$164,715,967	0.3%	33.1%
Department of Wildlife	$132,726,110	0.2%	$158,554,906	0.3%	19.5%
Adjutant General	$119,189,254	0.2%	$109,356,240	0.2%	-8.2%
Department of Taxation	$123,640,108	0.2%	$106,410,510	0.2%	-13.9%

APPENDIX C. CONTINUED

	Legislatively Approved Budget 2023-2025 Biennium		Legislatively Approved Budget 2025-2027 Biennium		
Department	**2023-2025 Biennium Total**	**Percent of Biennium Total**	**2025-2027 Biennium Total**	**Percent of Biennium Total**	**Percent Change (Biennium-to-Biennium)**
State Public Charter School Authority	$118,701,637	0.2%	$102,544,945	0.2%	-13.6%
Cannabis Compliance Board	$121,665,199	0.2%	$79,290,949	0.1%	-34.8%
Secretary of State's Office	$70,375,900	0.1%	$62,040,043	0.1%	-11.8%
Public Employee's Retirement System	$50,175,078	0.1%	$53,544,143	0.1%	6.7%
Silver State Health Insurance Exchange	$47,121,398	0.1%	-	0.0%	-100.0%
Public Utilities Commission	$35,525,563	0.1%	$47,150,491	0.1%	32.7%
Tahoe Regional Planning Agency	$41,655,350	0.1%	$43,798,774	0.1%	5.1%
Department of Indigent Defense Services	$17,045,347	0.0%	$33,195,342	0.1%	94.7%
Controller's Office	$15,989,535	0.0%	$18,953,291	0.0%	18.5%
Commission on Mineral Resources	$10,670,752	0.0%	$13,679,999	0.0%	28.2%
Department of Native American Affairs	-	0.0%	$9,035,770	0.0%	-
Commission on Peace Officer Standards and Training	$4,686,467	0.0%	$6,018,693	0.0%	28.4%
Commission on Ethics	$2,344,670	0.0%	$3,597,482	0.0%	53.4%
Judicial Discipline Commission	$2,433,368	0.0%	$3,023,661	0.0%	24.3%
Lieutenant Governor's Office	$2,284,523	0.0%	$2,282,460	0.0%	-0.1%
Department of Sentencing Policy	$1,471,377	0.0%	$2,005,384	0.0%	36.3%
TOTAL	**$53,425,256,036**	**100.0%**	**$56,692,677,271**	**100.0%**	**6.1%**

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: 2025-2027 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 2025-2027 biennium.

ABOUT THE GUINN CENTER

The Kenny Guinn Center for Policy Priorities is a nonprofit, nonpartisan policy research center addressing key challenges faced by policymakers and all Nevadans.

Our staff researchers, together with academic partners and independent experts across the state, tackle policy issues that range from taxation to water use, healthcare to education, and everything in between. We identify and analyze the complex problems we face as a state and inform decision-makers about actionable, data-driven, and effective policy solutions.

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Identify and advance sound policies and actionable solutions that support a thriving and prosperous Nevada.

OUR MISSION

Advancing evidence-based policy solutions for Nevada through research, public engagement, and partnerships.