

BOARD OF REGENTS
BRIEFING PAPER

1. **AGENDA ITEM TITLE:** On-time Distribution from Operating Fund Reserve Account

MEETING DATE: November 30 – December 1, 2017

2. BACKGROUND & POLICY CONTEXT OF ISSUE:

Periodically, as investment market conditions permit and system or individual campus needs are identified, the Board of Regents approve one-time distributions from the Operating Pool reserve. Distributions in the past include funding for the iNtegrate project, funding for the implementation of the new formula and various institutional initiatives.

2017 has been a very successful year in terms of investment returns on the NSHE operating pool and a recent analysis of the operating pool reserve account indicates funding levels exist which could support a one-time special distribution. In addition, academic and student needs have been identified which would benefit from additional financial support.

At the October 2017 Board of Regent’s special meeting, the Board identified 5 strategic system-wide goals as well as a mandate to identify additional sources of support to support these goals.

3. SPECIFIC ACTIONS BEING RECOMMENDED OR REQUESTED:

The Chancellor requests approval to move forward with a plan to distribute up to \$25 Million from the operating pool reserve account in early 2018 to support academic support services, student services and strategic support for critical campus initiatives. If approved, the Chancellor will work with NSHE institutions as well as System Administration staff to compile a prioritized list of initiatives for consideration and approval by the main Board at a future meeting.

4. IMPETUS (WHY NOW?):

The current operating pool reserve has a balance of over \$70 million, net of the annual 2% distribution to all institutions. It is felt that distributing a portion of these funds to support campus and system-wide initiatives would be beneficial to Nevada Students and further the strategic goals of the Nevada Board of Regents. If a one-time distribution for 2018 is approved, funds are anticipated to still be available for other identified needs such as an extension to the Workday software license.

5. BULLET POINTS TO SUPPORT REQUEST/RECOMMENDATION:

Market conditions currently exist to support a distribution. A one-time distribution now would support the System's efforts to move forward with the Board's strategic goals identified at the October special Board meeting as well as various campus initiatives to be identified which are in need of additional financial support.

6. POTENTIAL ARGUMENTS AGAINST THE REQUEST/RECOMMENDATION:

The Board may wish to continue to hold these funds in reserve for future initiatives or approve different uses/allocations.

7. ALTERNATIVE(S) TO WHAT IS BEING REQUESTED/RECOMMENDED:

- Do not approve this distribution
- Approve a distribution, but at a different level

8. COMPLIANCE WITH BOARD POLICY:

- Consistent With Current Board Policy: Title # 4 Chapter # 10 Section #7
- Amends Current Board Policy: Title # _____ Chapter # _____ Section # _____
- Amends Current Procedures & Guidelines Manual: Chapter # _____ Section # _____
- Other: _____

Fiscal Impact: Yes X No _____

Explain: Distribution of one-time funds from the operating reserve account in an amount of \$25 million.