NSHE Business Services Overview

Board of Regents
Fiscal Sustainability Committee

March 18, 2021
NSHE Business Services

Centralized
- Administered by System Administration
- Funding: Combination of SA budget, campus assessments

Shared
- Administered by SCS, regional centers
- Funding: Combination of SCS, service center budgets, campus assessments

Collaborative
- Administered through MOUs
- Funding: Inter-campus recharge
NSHE System Level Centralized Services

Examples:
• Financial reporting and annual audit
• Internal Audit
• Cash and investment management
• Banking services
• Merchant gateway services
• Insurance (property/earthquake, med-malpractice, workers comp, unemployment)
NSHE Shared Services

Centrally Managed
• System Computing Services – addressed in separate presentation
• NSHE Payroll Services – administratively managed by UNR, with oversight by the business officers

Regional Shared Services
• Northern Command / Southern Command Police Services
• Business Center North / Business Center South
NSHE Payroll Services

• Collaborative model for operation and governance of systemwide service; payroll operations formerly operated under BCN and BCS were consolidated.
• Approved by Board of Regents, March 2019, and incorporated into Procedures and Guidelines Manual concerning NSHE payroll services (Chapter 5, Section 17).
• Funding model:
  o Business center funds allocated back to each respective institution based on state funded FTE.
  o Institutions are billed using a recharge model that distributes with costs of delivering services based on level of activity and scales with growth.
  o As future efficiencies are realized the savings will accrue proportionally to the institutional budgets funding NSHE Payroll Services.
NSHE Payroll Services

Services provided for all NSHE institutions:
• Maintaining payroll records and payment distribution
• Federal and state tax law compliance and reporting
• Deduction administration, including withholding, payments to third parties, reconciliation and reporting
• Employee help desk monitoring and customer service
• Integration handling and support
• System configuration and testing
NSHE Payroll Services: 2020 Activity

- Total payments processed: 497,680
- W2s processed: 28,935
- System-wide payroll expense: $998 million
- Total payroll budget: $1.4 million
- % of total payroll expenses: .14%
- Total cost per payment: $2.87
- Help desk tickets: 620
NSHE Payroll Services: 2020 Improvements

• Established system-wide help desk
• Brought W-2 processing in-house, resulting in $75k in savings
• Implemented furlough configuration in Workday to support mandated budget reductions
• Participated in various Workday configuration changes, including discussions, decision support and testing
NSHE Regional Business Centers
History of Business Centers

- The regional business centers were created in the 1977 legislative session in response to decreases in funding.
- Centers were tasked with providing purchasing, benefits and classified staff support.
- In 1996, CSN established its own purchasing function due to its rapidly growing size.

Funding:
- The business centers are funded through separate appropriations and budget accounts.
- UNR, UNLV and CSN subsidize the business centers from their operating budgets as the budgets have been insufficient for many years.
Business Center Services

Examples of services provided:

• Purchasing
  ○ Purchasing
  ○ Contracting
  ○ Asset Management

• HR Shared Services
  ○ Benefits, Retirement
  ○ Worker’s Compensation
  ○ Classified staff HR services (Under Delegation Agreement with State of Nevada of Human Resources management)
## Regional Business Centers - Overview

Fiscal Year FY20 compared to FY08

*Prior to the 4% reduction*

<table>
<thead>
<tr>
<th></th>
<th>FY20</th>
<th>FY08</th>
<th>Difference</th>
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<tbody>
<tr>
<td>SSOB supported</td>
<td>$1,056,211,207</td>
<td>$826,338,612</td>
<td>27.8%</td>
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<tr>
<td>Business Center Appropriation</td>
<td>$4,166,072</td>
<td>$4,640,760</td>
<td>(10.2%)</td>
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<tr>
<td>Budget / $1M SSOB</td>
<td>$ 3,944</td>
<td>$ 5,616</td>
<td>($1,672)</td>
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<tr>
<td>Budget as % of SSOB</td>
<td>.39%</td>
<td>.56%</td>
<td>(30.4%)</td>
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Regional Business Centers - HR Overview

Classified Human Resources

- Delegation Agreement with State of Nevada of Human Resources management
- Transaction volume for fiscal year July 1, 2019 - June 30, 2020

Headcount - 11/01/2019 2,846
Compensation Changes 4,782
Hires 339
Job Changes 691
Terminations 365
Regional Business Centers Purchasing

Purchase Orders 13,802
Charge Order 4,481
Total Spend $367,843,053

- Transaction volume for fiscal year FY20 (July 1, 2019 - June 30, 2020)
Purchasing: Current Collaborations

Systemwide Solicitations for:

• Contracts Management System
• On-Call Executive Search Firms
• PCard Provider
• Banking Services
• Credit / debit card processing services
• Student payment processing platform

Supply-chain diversity initiatives
Purchasing: Planned Activities

Systemwide Solicitations for:

- Temporary staffing services
- Search firms
- On-call professional services, such as architects, engineers
- Student athlete health insurance
- Pre-employment background checks
Observations

• NSHE is already leveraging the strength of the system through numerous centralized, shared and collaborative services
• These efforts have achieved increased standardization and consistency and have lowered costs
• The system office and institutions continually evaluate additional opportunities that can be effectively managed using centralized, shared service or collaborative models
Questions / Discussion