

# BOARD OF REGENTS BRIEFING PAPER

1. AGENDA ITEM TITLE: Handbook Revision – Budget Revisions

MEETING DATE: September 9-10, 2021

**2. BACKGROUND & POLICY CONTEXT OF ISSUE:**

Recommendation to update the language pertaining to the review and approval structure for budget revisions. Budget revisions can be found in the BOR Handbook, Title 4, Chapter 9, Section C, Subsection 2 (4.b) and (4.b.2).

**3. SPECIFIC ACTIONS BEING RECOMMENDED OR REQUESTED:**

Recommend the following revision to Sections 2 4.b & 2:

4. Budget Revisions

...

b. Revisions of self-supporting budgets, excluding revisions between object codes, exceeding twenty-five percent of expenditures for budgets up to \$400,000; or revisions of \$100,000 or greater for budgets exceeding \$400,000 must be approved by the *institution President or designee*. [~~the System administration.~~] Institutions must provide plans regarding:

...

2. What the fiscal and program implications are for subsequent years. The Chancellor will submit to the Board of Regents an annual report detailing the number and type of revisions by institution that were approved by the *President or designee*. [~~System.~~]

**4. IMPETUS (WHY NOW?):**

The Finance Department within System Administration is not staffed at a level to perform timely reviews of these transactions. The needs and complexities of the institutions have grown to the point that they need the flexibility to respond to quickly changing environments and circumstances.

**5. CHECK THE NSHE STRATEGIC PLAN GOAL THAT IS SUPPORTED BY THIS REQUEST:**

- Access (Increase participation in post-secondary education)
- Success (Increase student success)
- Close the Achievement Gap (Close the achievement gap among underserved student populations)
- Workforce (Collaboratively address the challenges of the workforce and industry education needs of Nevada)
- Research (Co-develop solutions to the critical issues facing 21<sup>st</sup> century Nevada and raise the overall research profile)
- Not Applicable to NSHE Strategic Plan Goals

**INDICATE HOW THE PROPOSAL SUPPORTS THE SPECIFIC STRATEGIC PLAN GOAL**

While this proposed change does not directly support an NSHE strategic goal, the proposed change supports the ability of the institutions to meet NSHE strategic goals through allowing greater responsiveness to changing needs and conditions.

**6. BULLET POINTS TO SUPPORT REQUEST/RECOMMENDATION:**

This update will allow the Presidents to review and approve budget revisions between object codes exceeding twenty-five percent of expenditures for budgets up to \$400,000; or revisions of \$100,000 or greater for budgets exceeding \$400,000 of self-supporting budget funds before reporting to System Administration.

**7. POTENTIAL ARGUMENTS AGAINST THE REQUEST/RECOMMENDATION:**

N/A

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

No Alternatives.

**9. RECOMMENDATION FROM THE CHANCELLOR'S OFFICE:**

**10. COMPLIANCE WITH BOARD POLICY:**

- Consistent With Current Board Policy: Title # \_\_\_\_ Chapter # \_\_\_\_ Section # \_\_\_\_
- Amends Current Board Policy: Title # IV Chapter # 9 Section # C
- Amends Current Procedures & Guidelines Manual: Chapter # \_\_\_\_ Section # \_\_\_\_
- Other: \_\_\_\_\_
- Fiscal Impact: Yes \_\_\_\_ No X  
Explain: \_\_\_\_\_

# POLICY PROPOSAL

## Title 4, Chapter 9, Section C

### Financial Policies: Operating Budgets

Additions appear in *boldface italics*; deletions are [~~stricken~~ and bracketed]

...

#### Section 2. Financial Policies

...

#### 4. Budget Revisions

- a. The principle governing the review and approval structure for budget revision shall be that the Chancellor and President of each System institution have authority and responsibility for proper and effective management, thereby enabling and enhancing efficient utilization of institutional resources.
- b. Revisions of self-supporting budgets, excluding revisions between object codes, exceeding twenty-five percent of expenditures for budgets up to \$400,000; or revisions of \$100,000 or greater for budgets exceeding \$400,000 must be approved by the *institution President or designee* [~~System administration~~]. Institutions must provide plans regarding:
  1. The impacts of the revisions on the affected programs, particularly noting how reductions in personnel and operating expenses will be accommodated for the remainder of the fiscal year; and
  2. What the fiscal and program implications are for subsequent years. The Chancellor will submit to the Board of Regents an annual report detailing the number and type of revisions by institutions that were approved by the *President or designee* [~~System~~].