

Nevada System of Higher Education

FY 2022

**System Administration
Budget Overview**

Board of Regents

April 22, 2022



Today's Presentation

- **System Administration Organization & Budget**
- **How is System Administration funded?**
- **How are SA resources spent?**
- **Cash balances and reserves**
- **How did we get here?**
- **Moving forward**



System Administration Organization

- Provide support to the Board of Regents in their charge of providing direction and coordination for the various activities of the campuses and other units of NSHE
- Organized by Functional Unit
 - Chancellor
 - Academic and Student Affairs
 - Government and Community Affairs
 - Workforce Development
 - Legal
 - Human Resources
 - Retirement Plan Alternative Administration
 - NSHE Risk Management/ Insurance
 - Finance
 - Board of Regents Administration
 - Chief of Staff and Special Counsel
 - Internal Audit



System Administration Budgets

- Non-formula state budget
 - Separate budget account
 - Funded on a line-item basis
 - No automatic provision for 'caseload growth'
- Non-state budget sources
 - Campus Assessment
 - Investment Income / Investment Management Fee
 - Reimbursements for shared services
 - Enterprise Funds (Insurance and Retirement Plan)



How is System Administration Funded?

Source	FY 21 Actual	FY 22 Budget	% Change over FY 21	FY 22 Q3	% Used
State Appropriation	\$5,168,550	\$5,546,236	7.3%	\$4,065,884	73.3%
Campus Assessment	\$2,447,252	\$2,447,252	0.0%	\$1,835,439	75.0%
Investment Income	\$758,143	\$650,000	-14.3%	\$202,470	31.1%
Special Distribution	\$967,442	\$0	-100.0%	\$0	N/A
Risk Management	\$164,027	\$225,000	37.2%	\$225,000	100.0%
NV Energy	\$0	\$445,850	N/A	\$445,850	100.0%
Other	\$532,247	\$95,370	-82.1%	\$93,148	97.7%
Total	\$10,037,661	\$9,409,708	-6.3%	\$6,867,791	73.0%



How Are System Admin Resources Spent?

Use	FY 21 Actual	FY 22 Budget	% Change over FY 21	FY 22 Q3	% Used
Salaries & Benefits	\$6,818,545	\$6,912,368	1.4%	\$5,673,357	82.1%
General Operations	\$2,636,914	\$3,437,339	30.4%	\$2,229,922	64.9%
Hosting	\$12,094	\$144,416	1094.1%	\$59,759	41.4%
Travel	\$37,332	\$314,475	742.4%	\$156,196	49.7%
Total	\$9,504,884	\$10,808,598	13.7%	\$8,119,234	75.1%



Net Increase or Decrease in Funds

	FY 21 Actual	FY 22 Budget	% Change over FY 21	FY 22 Q3	% Used
Total Sources	\$10,037,661	\$9,409,708	-6.3%	\$6,867,791	73.0%
Total Uses	(\$9,504,884)	(\$10,808,598)	13.7%	(\$8,119,234)	75.1%
Net Increase/Decrease	\$532,777	(\$1,398,890)	-362.6%	(\$1,251,443)	89.5%



Cash Balance and Reserves

	FY 21 Actual	FY 22 Budget	FY 22 Q3
Self-Supporting Accounts			
Beginning Balance	\$2,981,177	\$3,513,954	\$3,513,954
Net Increase/Decrease in Funds	\$532,777	(\$1,398,890)	(\$1,251,443)
Ending Balance	\$3,513,954	\$2,115,064	\$2,262,511
Contingency Reserve			
	\$1,116,298	\$1,116,298	\$1,116,298
Total Reserves			
	\$4,630,252	\$3,231,362	\$3,378,809



Changes in Net Funding by Quarter

	FY 22 Budget Q1	FY 22 Budget Q2	FY 22 Budget Q3
Total Sources	\$8,958,831	\$9,127,356	\$9,409,708
Total Uses	(\$10,562,351)	(\$11,093,376)	(\$10,808,598)
Net Increase/Decrease	(\$1,603,520)	(\$1,966,020)	(\$1,398,890)



How Did We Get Here?

Increased Expenditures

Legal Fees	\$318,118
Audit Fee	\$284,679
Property Insurance	\$46,285
Consultant Contracts	\$202,498

Total \$851,580

Revenue Loss

State Budget Cuts	\$611,162
Investment Income	\$108,143
Special Distribution	\$967,442

Total \$1,686,747

Total Impact of Increased Spending and Revenue Loss - \$2.5M



What's Next?

- Slow down the burn rate
- Implemented a hiring freeze
- Reviewing all contractual obligations
- Make reductions necessary to balance FY 23



Questions

Andrew Clinger
Chief Financial Officer
Nevada System of Higher Education
aclinger@nshe.nevada.edu

