

## EXECUTIVE SUMMARY

TO: Members of the Board of Regents

FROM: Larry Eardley, VC for Budget and Finance, NSHE

SUBJECT: State Operating Budget – Actual to Budget Comparison FY 2012-2013

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The State Operating Budget, Actual to Budget Comparison for FY 2012-2013 is an annual report prepared at the end of the year to inform the Board of Regents of variances between budgeted and actual revenue sources, expenditure objects, and full time equivalent (FTE) positions.

The report compares the FY 2012-2013 Board of Regents' Approved NSHE Operating Budget revenues and expenditures, adjusted for actions of the Legislative Interim Finance Committee, to the fiscal year-end actual revenues and expenditures of the NSHE appropriation areas.

This report contains system wide revenue and expenditure summary tables on pages 5 through 8 comparing budget to actual revenues by source (page 5), revenues by appropriation area (page 6), expenditures by budget function (page 7), and expenditures by expenditure object (page 8). The individual NSHE budget to actual comparisons begins on page 11 with System Administration.

Prior to the 2011 Legislative Session the NSHE Operating Budget consisted of twenty seven (27) Legislative approved appropriation area budgets. The 2011 Legislature authorized consolidation of several NSHE appropriation area budgets resulting in fifteen (15) appropriation area budgets that support the educational, research and public service missions of the NSHE. The appropriation area budgets consolidated within the UNR main budget includes the Agricultural Experiment Station, the Cooperative Extension Service Intercollegiate Athletics, Statewide Programs and Business Center North. The appropriation area budgets consolidated within the UNLV main budget includes Intercollegiate Athletics, Statewide Programs, and Business Center South. The University Press budget was combined with the System Administration budget and the State Health Lab budget was combined with the School of Medicine budget.

The 2013 Legislature adopted a new NSHE funding formula for the universities, colleges and Desert Research Institute which necessitated legislative actions to unconsolidate the budget accounts consolidated by actions of the 2011 Legislature from their respective institution's accounts recreating the 27 separate appropriation area budgets that existed prior to the 2011 Legislative Session.

Funding of the NSHE Operating Budget is provided for by Legislative appropriation of state general funds and Legislative authorization to collect and expend within the state

operating budget non-appropriated revenues such as student fees, investment income and other NSHE revenue sources.

The system wide Revenues by Source table (page 5) shows NSHE appropriated and authorized revenues budgeted for FY 2012-2013 totaling \$735.4 million. The Board of Regents and Interim Finance Committee also authorized the NSHE institutions to collect and expend within their budgets additional student fee revenue projections totaling approximately \$12.1 million for a total adjusted budget of \$747.56 million. This compares to actual revenues received and expended of \$732.57 million for a difference between the adjusted revenue budget and actual revenues received and expended of approximately <\$15> million.

The differences between the adjusted revenue budget and actual revenues, of <\$15> million, consists mostly of student fee revenue collections being short of authorized budget by approximately <\$14> million due to a decline in student enrollments over projected enrollments, actual investment income collections being short of projection by <\$482K>, and for a reversion to the State General Fund at year-end of unexpended General Fund revenues totaling approximately \$40K.

The Allocation of Resources by Appropriation Area is displayed on page 6 of the report and compares each area's budget, adjusted for IFC actions, to actual expenditures and the resulting differences. The total difference of <\$14.99> million between budget and actual expenditures, of each appropriation area, ties back to the Revenues by Source table for the System on page 5.

The Allocation of Resources by Budget Function table on page 7 of the report compares system-wide budgeted and actual expenditures by function. The Instruction function had the highest percentage of both budgeted and actual expenditures of approximately 48% and 47% of total expenditures respectively followed by Institutional Support, Operations and Maintenance of Plant, and Academic Support as the next highest expenditure functions. Actual expenditures were less than the adjusted budget expenditures by <2.01%> or <\$14.99> million for the year.

The Allocation of Resources by Expenditure Object table on page 8 of the report compares system-wide budgeted and actual expenditures by object, such as, professional and classified employee salaries, wages and operating. Actual personnel costs including fringe benefits are approximately 76.5% of the total costs.