

EXECUTIVE SUMMARY

TO: Members of the Board of Regents

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

SUBJECT: Fiscal Year 2014-15 Accountability Report - Board of Regents' Approved Budget to Actual

This report is prepared to meet the reporting requirements outlined in a Legislative Letter of Intent on the issue of NSHE budgetary accountability.

The accountability reporting process is performed twice every fiscal year. At the beginning of a fiscal year a reconciliation of the Legislative Approved Budget to the Board of Regents' approved budget is submitted to the Legislative Counsel Bureau (LCB) and State Executive Budget Office for their review and comments, and at the end of the fiscal year a reconciliation of the Board of Regents' Approved Budget to Actual Revenues and Expenditures is submitted.

The State Accountability Report presented for your approval is the end of the year report for FY 2014-15.

This report compares the FY 2014-15 Board of Regents' approved Operating Budget revenues and expenditures, adjusted for Interim Finance Committee actions, to the fiscal year-end actual revenues collected and actual expenditures realized of the NSHE appropriation areas. Transfers of funds between functional areas, not previously outlined in the approved NSHE Operating Budget, are identified, including an explanation of the need for the transfer. Employee positions created or deleted are listed including a description of the position, salary level, functional area involved and funding source utilized to finance the position.

This report contains system-wide revenue and expenditure summary tables on pages 3 and 4 respectively comparing budgeted to actual revenues by source (page 3) and expenditures by budget function (page 4). Following the system-wide summary tables are the budget to actual revenue and expenditure comparisons for each NSHE appropriation area.

Funding of the NSHE Operating Budget is provided for by Legislative appropriation of state general funds and Legislative authorization to collect and expend with-in the budget non-appropriated revenues such as student fees, investment income and other NSHE revenue sources.

The system wide Revenues by Source table (page 3) shows NSHE appropriated and authorized revenues budgeted for FY 2014-2015 totaling \$763.7 million. The Legislature

appropriated General Funds of \$6.5 million of the total \$748.9 million to the State Board of Examiners for NSHE salary restoration. 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 \$31.7 million for a total adjusted budget of \$795.4 million. This compares to actual revenues received and expended of \$773.6 million for a difference between the adjusted revenue budget and actual revenues received and expended of -\$21.8 million.

As was reported in the FY 2014-15 State Budget to Actual Comparison, the difference between the adjusted revenue budget and actual revenues, of -\$21.8 million, consists mainly of; a -\$5.3 million savings in General Funds for a two month state employee group health insurance premium holiday; a -\$6.6 million reduction of General Funds budgeted for salary restoration that, due to the state's projected General Fund balance shortfall in FY 2014-15, were not available to draw from the State Board of Examiners; student fee revenue collections being short of authorized budget by approximately -\$8.0 million due in part to actual student enrollments being short of projected enrollments; carry forward of unexpended student fee revenues and EPSCoR grant matching funds of -\$2.7 million to FY 2015-16; and reversion to the State General Fund at year-end of unexpended General Fund revenues totaling approximately \$181.6K.

The System wide summary table (page 4) shows, by functional area, the budgeted and actual expenditures and full-time equivalent (FTE) employee positions for the year. Actual expenditures for FY 2014-15 were -\$21.6 million less than budget, adjusted by state and IFC actions.

Each of the campus reports, beginning on page 5, provide explanations of significant differences between budget and actual expenditures, explanations of transfers between function, and a listing of positions created or deleted from the Board approved budget.

The accountability reports and supporting documentation are complete and accurate and meet the reporting requirements of the Letter of Intent.