



CELESTENA GLOVER  
Interim Executive Officer

JOE LOMBARDO  
Governor

STATE OF NEVADA  
**PUBLIC EMPLOYEES' BENEFITS PROGRAM**

3427 Goni Road, Suite 109, Carson City, NV 89706  
Telephone 775-684-7000 | 702-486-3100 | 1-800-326-5496  
www.pebp.state.nv.us

JACK ROBB  
Board Chair

**AGENDA ITEM**

Action Item

Information Only

**Date:** September 28, 2023  
**Item Number:** VII.II.I  
**Title:** Chief Financial Officer Budget Report

**Summary**

This report addresses the Operational Budget for the year ending June 30, 2023 to include:

- 1. Budget Status
- 2. Budget Totals
- 3. Claims Summary

Budget Account 1338 – Operational Budget – Shown below is a summary of the operational budget account status for the year ending June 30, 2023, with comparisons to Fiscal Year 2022. The budget status is reported on a cash basis and does not include incurred expenses and income owed to the fund.

The budget status report reflects actual income of \$387.9 million for the year ending June 30, 2023, compared to \$374.9 million Fiscal Year 2022, or an increase of 3.4%. Total expenses for the period have increased by \$33.7 million or 8% for the same period.

The budget status report shows Realized Funding Available (cash) at \$115.4 This compares to \$146.4 million for last year. The table below reflects the actual revenue and expenditures for the period.

**Operational Budget 1338**

	FISCAL YEAR 2023			FISCAL YEAR 2022		
	Actual as of 8/31/2023	Work Program	Percent	Actual as of 8/31/2022	Fiscal Year 2022 Close	Percent
Beginning Cash	148,854,786	148,854,786	100%	159,011,280	159,011,280	100%
Premium Income	357,314,410	390,499,657	92%	348,068,945	348,069,497	100%
All Other Income	30,538,969	16,362,322	187%	26,868,145	32,877,594	82%
Total Income	387,853,378	406,861,979	95%	374,937,089	380,947,090	98%
Personnel Services	2,320,130	2,801,673	83%	2,382,790	2,382,790	100%
Operating - Other than Personnel	3,400,154	3,465,689	98%	2,919,211	2,919,211	100%
Insurance Program Expenses	415,155,444	409,483,969	101%	381,974,652	385,500,378	99%
All Other Expenses	400,119	424,234	94%	301,205	301,205	100%
Total Expenses	421,275,847	416,175,565	101%	387,577,858	391,103,584	99%
Change in Cash	(33,422,468)	(9,313,586)		(12,640,769)	(10,156,494)	
REALIZED FUNDING AVAILABLE	115,432,318	139,541,200	83%	146,370,511	148,854,786	98%
Incurred But Not Reported Liability	(51,030,000)	(51,030,000)		(52,286,000)	(52,286,000)	
Catastrophic Reserve	(38,426,000)	(38,426,000)		(34,875,000)	(34,875,000)	
HRA Reserve	(22,800,889)	(22,800,889)		(25,056,050)	(25,056,050)	
NET REALIZED FUNDING AVAILABLE	3,175,429	27,284,311		34,153,461	36,637,736	

***Current Budget Projections***

The following table represents the budget total as of June 30, 2023. The total income was less than budgeted by 3.4% (\$542.7 million vs \$561.7 million), total expenditures were less than budgeted by 0.9% (\$422 million vs \$425.9 million); total reserves are less than budgeted by 11.1% (\$120.7 million vs \$135.8 million).

State Subsidies are less than the budgeted amount by \$22.8 million (7.7%), Non-State Subsidies are more than budgeted by \$1.0 million (5.0%), and Premium Income is less than budgeted by \$11.5 million (15.5%). This overall decrease in budgeted revenue is due in part to a planned 1-month employee premium holiday in October 2022 and a reduction in State Subsidies and participant premiums as a result of average enrollment as compared to budgeted enrollment and a change in the mix of plan tiers. The mix of participants is as follows:

- 1.60% fewer state actives,
- 2.54% fewer state non-Medicare retirees,
- Unchanged non-state actives,
- 1.04% fewer non-state, non-Medicare retirees
- 2.54% fewer state Medicare retirees, and
- 2.35% fewer non-state Medicare retirees

<b>Budgeted and Projected Income (Budget Account 1338)</b>					
<b>Description</b>	<b>Budget</b>	<b>Actual 8/31/23</b>	<b>Projected</b>	<b>Difference</b>	
Carryforward	148,854,786	148,854,786	148,854,786	0	0.0%
State Subsidies	295,515,312	272,748,396	272,748,396	(22,766,916)	-7.7%
Non-State Subsidies	20,784,265	21,830,987	21,830,987	1,046,722	5.0%
Premium	74,200,080	62,735,027	62,735,027	(11,465,053)	-15.5%
COVID Funds	32,525	29,387	29,387	(3,138)	86.8%
Appropriations	6,009,449	6,009,449	6,009,449	0	-3.4%
All Other	16,329,797	30,509,582	30,509,582	14,179,785	86.8%
<b>Total</b>	<b>561,726,214</b>	<b>542,717,613</b>	<b>542,717,613</b>	<b>(19,008,601)</b>	<b>-3.4%</b>
<b>Budgeted and Projected Expenses (Budget Account 1338)</b>					
<b>Description</b>	<b>Budget</b>	<b>Actual 8/31/23</b>	<b>Projected</b>	<b>Difference</b>	
Operating	7,418,926	6,847,733	6,847,733	571,193	7.7%
State Insurance Costs	367,006,132	366,101,012	366,101,012	905,120	0.2%
Non-State Insurance Costs	11,952,082	10,169,090	10,169,090	1,782,992	14.9%
Medicare Retiree Insurance Costs	39,523,233	38,885,343	38,885,343	637,890	1.6%
<b>Total Insurance Costs</b>	<b>418,481,447</b>	<b>415,155,444</b>	<b>415,155,444</b>	<b>3,326,003</b>	<b>0.8%</b>
<b>Total Expenses</b>	<b>425,900,373</b>	<b>422,003,177</b>	<b>422,003,177</b>	<b>3,897,196</b>	<b>0.9%</b>
Restricted Reserves	112,256,889	112,256,889	112,256,889	0	0.0%
Differential Cash Available	23,568,952	8,457,548	8,457,548	15,111,404	64.1%
<b>Total Reserves</b>	<b>135,825,841</b>	<b>120,714,437</b>	<b>120,714,437</b>	<b>15,111,404</b>	<b>11.1%</b>
<b>Total of Expenses and Reserves</b>	<b>561,726,214</b>	<b>542,717,613</b>	<b>542,717,613</b>	<b>19,008,600</b>	<b>3.4%</b>

Expenses for Fiscal Year 2023 are \$3.9 million less than budgeted when changes to reserves are excluded. Operating expenses are less than budgeted by \$0.6 million (7.7%). Employee and Retiree insurances costs are less than budgeted by \$3.3 million (0.8%) when taken in total (see table above for specific information).

PEBP ended FY 2023 with \$120.7 million of cash on hand to balance forward to FY 2024. The FY 2024 budget was built with a balance forward amount of \$144.8 million. PEBP has made the necessary adjustments to the reserve category authority for FY 2024. Once all the adjustments are approved through the state budget process, PEBP expects the final differential cash to be fully exhausted at the beginning of FY 2024.

### **Recommendations**

None.