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JOY GRIMMER  
*Board Chair*

## AGENDA ITEM

Action Item

Information Only

**Date:** November 21, 2024

**Item Number:** 4.2.2

**Title:** Chief Financial Officer Budget Report

### Summary

This report addresses the Operational Budget as of September 30, 2024, fiscal year end, 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 as of September 30, 2024, with comparisons to the same period in Fiscal Year 2024. 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 \$128 million as of September 30, 2024, compared to \$84.3 million as of September 30, 2023, or an increase of 51.8%. Total expenses for the period have increased by \$3.4 million or 3.2% for the same period.

The budget status report shows Realized Funding Available (cash) at \$112.7 million. This compares to \$98.8 million for the same period of last year. The table below reflects the actual revenues and expenditures for the period.

**Operational Budget 1338**

	FISCAL YEAR 2025			FISCAL YEAR 2024		
	Actual as of 9/30/2024	Work Program	Percent	Actual as of 9/30/2023	Fiscal Year 2024 Close	Percent
Beginning Cash	94,373,969	94,373,969	100%	120,714,437	120,714,437	100%
Premium Income	107,099,019	433,139,318	25%	68,969,560	400,716,314	17%
All Other Income	20,873,108	24,983,809	84%	15,321,623	34,220,617	45%
Total Income	127,972,127	458,123,127	28%	84,291,183	434,936,931	19%
Personnel Services	714,211	3,020,415	24%	466,237	2,722,805	17%
Operating - Other than Personnel	430,300	3,095,546	14%	535,391	2,825,959	19%
Insurance Program Expenses	108,417,702	481,360,913	23%	105,168,351	455,467,372	23%
All Other Expenses	66,818	214,039	31%	39,316	172,381	23%
Total Expenses	109,629,031	487,690,913	22%	106,209,295	461,188,517	23%
Change in Cash	18,343,095	(29,567,786)		(21,918,112)	(26,251,586)	
REALIZED FUNDING AVAILABLE	112,717,064	64,806,183	174%	98,796,325	94,373,969	105%
Incurred But Not Reported Liability	(39,999,273)	(39,999,273)		(52,874,000)	(52,874,000)	
Catastrophic Reserve	(33,892,991)	(33,892,991)		(38,212,000)	(38,212,000)	
HRA Reserve	(14,864,089)	(14,864,089)		(20,600,889)	(20,600,889)	
NET REALIZED FUNDING AVAILABLE	23,960,711	(23,950,170)		(12,890,564)	(17,312,920)	

***Current Budget Projections***

The following table represents projections for FY 2025. The projection reflects total income to be more than budgeted by 3.0% (\$581.1 million vs \$564.3 million), total expenditures are projected to be less than budgeted by 8.1% (\$ 437.1 million vs \$ 475.7 million); and total reserves are projected to be more than budgeted by 62.3% (\$ 144.0 million vs \$88.8 million).

State Subsidies are projected to be more than the budgeted amount by \$13.7 million (4.1%), Non-State Subsidies are projected to be less than budgeted by \$2.2 million (10.6%), and Premium Income is projected to be less than budgeted by \$11.4 million (13.8%). The overall increase in budgeted revenue is due in part to an increase in state subsidies because of actual state active enrollment compared to budgeted enrollment and a change in the mix of plan and tiers. The mix of participants is as follows:

- 2.35% more state actives,
- 6.50% less state non-Medicare retirees,
- 22.22% more non-state actives,
- 12.92% less non-state, non-Medicare retirees
- 4.59% less state Medicare retirees, and
- 6.77% less non-state Medicare retirees

<b>Budgeted and Projected Income (Budget Account 1338)</b>					
<b>Description</b>	<b>Budget</b>	<b>Actual 9/30/24</b>	<b>Projected</b>	<b>Difference</b>	
Carryforward	94,373,969	94,373,969	94,373,969	0	0.0%
State Subsidies	330,044,762	82,968,505	343,695,171	13,650,409	4.1%
Non-State Subsidies	20,452,623	4,721,144	18,292,001	(2,160,622)	-10.6%
Premium	82,641,933	19,409,369	71,234,940	(11,406,993)	-13.8%
COVID Funds	0	0	0	0	66.7%
Appropriations	11,816,381	11,816,381	11,816,381	0	3.0%
All Other	24,983,809	10,863,458	41,650,062	16,666,253	66.7%
<b>Total</b>	<b>564,313,477</b>	<b>224,152,827</b>	<b>581,062,524</b>	<b>16,749,047</b>	<b>3.0%</b>
<b>Budgeted and Projected Expenses (Budget Account 1338)</b>					
<b>Description</b>	<b>Budget</b>	<b>Actual 9/30/24</b>	<b>Projected</b>	<b>Difference</b>	
Operating	6,330,000	1,211,330	6,440,476	(110,476)	-1.7%
State Insurance Costs	408,589,808	109,227,092	384,099,747	24,490,061	6.0%
Non-State Insurance Costs	10,009,650	652,205	3,474,015	6,535,635	65.3%
Medicare Retiree Insurance Costs	50,809,373	8,548,054	43,036,866	7,772,507	15.3%
Total Insurance Costs	469,408,831	118,427,352	430,610,628	38,798,203	8.3%
Total Expenses	475,738,831	119,638,681	437,051,104	38,687,727	8.1%
Restricted Reserves	88,756,353	88,756,353	103,091,071	(14,334,718)	-16.2%
Differential Cash Available	0	15,757,792	40,920,349	(40,920,349)	
Total Reserves	88,756,353	104,514,145	144,011,420	(55,255,067)	-62.3%
<b>Total of Expenses and Reserves</b>	<b>564,495,184</b>	<b>224,152,827</b>	<b>581,062,524</b>	<b>(16,567,340)</b>	<b>-2.9%</b>

Expenses for Fiscal Year 2025 are projected to be \$38.7 million (8.1%) less than budgeted when changes to reserves are excluded. Operating expenses are projected to be more than budgeted by \$0.1 million (1.7%). Employee and Retiree insurances costs are projected to be less than budgeted by \$38.8 million (8.3%) when taken in total (see table above for specific information).

### **Recommendations**

None.