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JOY GRIMMER
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AGENDA ITEM

☒ Action Item

☐ Information Only

Date: May 22, 2025

Item Number: 4.2.1

Title: Chief Financial Officer Budget Report

Summary

This report addresses the Operational Budget as of March 31, 2025, 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 March 31, 2025, 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 \$367.6 million as of March 31, 2025, compared to \$323.4 million as of March 31, 2024, or an increase of 13.6%. Total expenses for the period have increased by \$42.0 million or 12.7% for the same period.

The budget status report shows Realized Funding Available (cash) at \$101.1 million. This compares to \$120.7 million for the same period 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 3/31/2025	Work Program	Percent	Actual as of 3/31/2024	Fiscal Year 2024 Close	Percent
Beginning Cash	106,429,030	106,429,030	100%	128,062,282	128,062,282	100%
Premium Income	321,677,343	433,139,318	74%	286,894,528	400,716,314	72%
All Other Income	45,878,784	39,183,809	117%	36,532,369	34,220,617	107%
Total Income	367,556,127	472,323,127	78%	323,426,897	434,936,931	74%
Personnel Services	2,359,106	3,020,415	78%	1,881,318	2,722,805	69%
Operating - Other than Personnel	1,942,915	3,095,546	63%	1,993,266	2,825,959	71%
Insurance Program Expenses	368,377,696	498,972,422	74%	326,805,745	455,467,372	72%
All Other Expenses	163,417	214,039	76%	124,009	172,381	72%
Total Expenses	372,843,134	505,302,422	74%	330,804,338	461,188,517	72%
Change in Cash	(5,287,007)	(32,979,295)		(7,377,441)	(26,251,586)	
REALIZED FUNDING AVAILABLE	101,142,023	73,449,735	138%	120,684,840	101,721,813	119%
Incurred But Not Reported Liability	(33,509,499)	(33,509,499)		(52,874,000)	(52,874,000)	
Catastrophic Reserve	(30,845,956)	(30,845,956)		(38,212,000)	(38,212,000)	
HRA Reserve	(9,094,280)	(9,094,280)		(20,600,889)	(20,600,889)	
NET REALIZED FUNDING AVAILABLE	27,692,288	-		8,997,951	(9,965,076)	

Current Budget Projections

The following table represents projections for FY 2025. The projection reflects total income to be more than budgeted by 2.6% (\$594.0 million vs \$578.8 million), total expenditures are projected to be less than budgeted by 1.1% (\$500.0 million vs \$505.3 million); and total reserves are projected to be more than budgeted by 28.3% (\$94.3 million vs \$73.4 million).

State Subsidies are projected to be more than the budgeted amount by \$15.0 million (4.6%), Non-State Subsidies are projected to be less than budgeted by \$0.8 million (3.9%), and Premium Income is projected to be less than budgeted by \$6.2 million (7.5%). 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:

- 4.51% more state actives,
- 7.99% less state non-Medicare retirees,
- 38.89% more non-state actives,
- 15.44% less non-state, non-Medicare retirees
- 4.37% less state Medicare retirees, and
- 7.62% less non-state Medicare retirees

Budgeted and Projected Income (Budget Account 1338)					
Description	Budget	Actual 3/31/25	Projected	Difference	
Carryforward	94,373,969	94,373,969	94,373,969	0	0.0%
State Subsidies	330,044,762	249,707,452	345,062,503	15,017,741	4.6%
Non-State Subsidies	20,452,623	14,933,304	19,654,448	(798,175)	-3.9%
Premium	82,641,933	57,036,587	76,445,956	(6,195,977)	-7.5%
COVID Funds	0	0	0	0	18.2%
Appropriations	12,055,061	12,055,061	12,055,061	0	2.6%
All Other	39,183,809	33,823,723	46,333,162	7,149,353	18.2%
Total	578,752,157	461,930,096	593,925,099	15,172,942	2.6%
Budgeted and Projected Expenses (Budget Account 1338)					
Description	Budget	Actual 3/31/25	Projected	Difference	
Operating	6,330,000	4,465,438	6,523,058	(193,058)	-3.0%
State Insurance Costs	444,141,837	333,784,030	445,655,766	(1,513,929)	-0.3%
Non-State Insurance Costs	8,021,212	4,411,425	6,557,980	1,463,232	18.2%
Medicare Retiree Insurance Costs	46,809,373	30,182,240	40,927,241	5,882,132	12.6%
Total Insurance Costs	498,972,422	368,377,696	493,140,986	5,831,436	1.2%
Total Expenses	505,302,422	372,843,134	499,664,044	5,638,378	1.1%
Restricted Reserves	73,449,735	73,449,735	90,270,839	(16,821,104)	-22.9%
Differential Cash Available	0	15,637,227	3,990,216	(3,990,216)	
Total Reserves	73,449,735	89,086,962	94,261,055	(20,811,320)	-28.3%
Total of Expenses and Reserves	578,752,157	461,930,096	593,925,099	(15,172,942)	-2.6%

Expenses for Fiscal Year 2025 are projected to be \$5.6 million (1.1%) less than budgeted when changes to reserves are excluded. Operating expenses are projected to be more than budgeted by \$0.2 million (3.0%). Employee and Retiree insurances costs are projected to be less than budgeted by \$5.8 million (1.2%) when taken in total (see table above for specific information).

Recommendations

None.