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AGENDA ITEM

Action Item

Information Only

Date: January 27, 2022

Item Number: IV.II.I

Title: Chief Financial Officer Budget Report

Summary

This report addresses the Operational Budget as of September 30, 2021 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, 2021, with comparisons to the same period in Fiscal Year 2021. 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 \$88.2 million as of September 30, 2021, compared to \$77.6 million as of September 30, 2020, or an increase of 13.7%. Total expenses for the period have increased by \$3.2 million or 3.2% for the same period.

The budget status report shows Realized Funding Available (cash) at \$145.2 million. This compares to \$133.3 million for last year. The table below reflects the actual revenue and expenditures for the period.

Operational Budget 1338

	FISCAL YEAR 2022			FISCAL YEAR 2021		
	Actual as of 9/30/2021	Work Program	Percent	Actual as of 9/30/2020	Fiscal Year 2021 Close	Percent
Beginning Cash	159,011,280	159,011,280	100%	154,541,329	154,541,329	100%
Premium Income	84,457,476	355,412,324	24%	74,097,153	368,687,811	20%
All Other Income	3,744,797	16,329,797	23%	3,466,083	19,835,354	17%
Total Income	88,202,273	371,742,121	24%	77,563,235	388,523,164	20%
Personnel Services	446,825	2,822,786	16%	456,897	2,413,496	19%
Operating - Other than Personnel	465,100	2,635,822	18%	437,631	2,285,529	19%
Insurance Program Expenses	100,977,790	374,702,990	27%	97,772,799	383,169,084	26%
All Other Expenses	85,350	331,125	26%	115,304	513,099	22%
Total Expenses	101,975,064	380,492,723	27%	98,782,631	388,381,209	25%
Change in Cash	(13,772,791)	(8,750,602)		(21,219,396)	141,955	
REALIZED FUNDING AVAILABLE	145,238,489	150,260,678	97%	133,321,933	154,683,284	86%
Incurred But Not Reported Liability	(52,286,000)	(52,286,000)		(51,514,000)	(51,514,000)	
Catastrophic Reserve	(34,875,000)	(34,875,000)		(34,835,000)	(34,835,000)	
HRA Reserve	(25,056,050)	(25,056,050)		(30,550,651)	(30,550,651)	
NET REALIZED FUNDING AVAILABLE	33,021,439	38,043,628		16,422,282	37,783,633	

Current Budget Projections

The following table represents projections for FY 2022. The projection reflects total income to be less than budgeted by 1.0% (\$539.7 million vs \$545.3 million), total expenditures are projected to be less than budgeted by 1.4% (\$388.9 million vs \$394.5 million); total reserves are projected to be more than budgeted by 0.0% (\$150.8 million vs \$150.8 million).

State Subsidies are projected to be more than the budgeted amount by \$0.03 million (0.1%), Non-State Subsidies are projected to be more than budgeted by \$2.7 million (13.6%), and Premium Income is projected to be less than budgeted by \$7.5 million (10.9%). This overall decrease in budgeted revenue is due in part to a planned 1-month employer premium holiday in October 2021 and due in part to a reduction in State Subsidies 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:

- 2.29% fewer state actives,
- 1.08% more state non-Medicare retirees,
- 0% no change in non-state actives,
- 7.29% fewer non-state, non-Medicare retirees
- 0.03% fewer state Medicare retirees, and
- 1.97% fewer non-state Medicare retirees

Budgeted and Projected Income (Budget Account 1338)					
Description	Budget	Actual 9/30/21	Projected	Difference	
Carryforward	159,011,280	159,011,280	159,011,280	0	0.0%
State Subsidies	266,543,926	62,157,887	266,794,976	251,050	0.1%
Non-State Subsidies	20,042,853	5,689,257	22,762,816	2,719,963	13.6%
Premium	68,825,545	16,610,331	61,341,730	(7,483,815)	-10.9%
COVID Funds	8,557,308	0	8,557,308	0	-7.0%
Appropriations	6,009,449	0	6,009,449	0	-1.0%
All Other	16,329,797	3,744,797	15,191,052	(1,138,745)	-7.0%
Total	545,320,158	247,213,553	539,668,612	(5,651,546)	-1.0%
Budgeted and Projected Expenses (Budget Account 1338)					
Description	Budget	Actual 9/30/21	Projected	Difference	
Operating	5,789,733	997,274	5,848,386	(58,653)	-1.0%
State Insurance Costs	340,421,064	90,168,888	335,406,164	5,014,900	1.5%
Non-State Insurance Costs	11,507,187	1,618,208	8,267,963	3,239,224	28.1%
Medicare Retiree Insurance Costs	36,829,785	9,190,693	39,377,491	(2,547,706)	-6.9%
Total Insurance Costs	388,758,036	100,977,790	383,051,619	5,706,417	1.5%
Total Expenses	394,547,769	101,975,064	388,900,005	5,647,764	1.4%
Restricted Reserves	112,217,050	112,217,050	112,636,055	(419,005)	-0.4%
Differential Cash Available	38,555,339	33,021,439	38,132,552	422,787	1.1%
Total Reserves	150,772,389	145,238,489	150,768,607	3,782	0.0%
Total of Expenses and Reserves	545,320,158	247,213,553	539,668,612	5,651,547	1.0%

Expenses for Fiscal Year 2022 are projected to be \$5.6 million (1.4%) less than budgeted when changes to reserves are excluded. Operating expenses are projected to be less than budgeted by \$0.01 million (1.0%). Employee and Retiree insurances costs are projected to be less than budgeted by \$5.7 million (1.5%) when taken in total (see table above for specific information).

Recommendations

None.