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AGENDA ITEM

Action Item

Information Only

Date: March 24, 2022
Item Number: IV.II.I
Title: Chief Financial Officer Budget Report

Summary

This report addresses the Operational Budget as of December 31, 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 December 31, 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 \$184.2 million as of December 31, 2021, compared to \$202.1 million as of December 31, 2020, or a decrease of 8.9%. Total expenses for the period have increased by \$6.2 million or 3.3% for the same period.

The budget status report shows Realized Funding Available (cash) at \$148.0 million. This compares to \$168.0 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 12/31/2021	Work Program	Percent	Actual as of 12/31/2020	Fiscal Year 2021 Close	Percent
Beginning Cash	159,011,280	159,011,280	100%	154,541,329	154,541,329	100%
Premium Income	170,513,699	355,412,324	48%	194,503,274	368,807,766	53%
All Other Income	13,705,296	24,887,105	55%	7,632,569	24,098,398	32%
Total Income	184,218,995	380,299,429	48%	202,135,843	392,906,164	51%
Personnel Services	1,108,041	2,822,786	39%	1,089,420	2,413,496	45%
Operating - Other than Personnel	1,137,433	2,635,822	43%	1,158,070	2,340,118	49%
Insurance Program Expenses	192,830,198	383,260,298	50%	186,569,016	383,166,380	49%
All Other Expenses	153,356	331,125	46%	262,068	516,219	51%
Total Expenses	195,229,027	389,050,031	50%	189,078,574	388,436,213	49%
Change in Cash	(11,010,032)	(8,750,602)		13,057,269	4,469,951	
REALIZED FUNDING AVAILABLE	148,001,248	150,260,678	98%	167,598,598	159,011,280	105%
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	35,784,198	38,043,628		50,698,947	42,111,629	

Current Budget Projections

The following table represents projections for FY 2022. The projection reflects total income to be less than budgeted by 4.5% (\$520.7 million vs \$545.3 million), total expenditures are projected to be less than budgeted by 1.1% (\$392.8 million vs \$397.1 million); total reserves are projected to be less than budgeted by 13.6% (\$128.0 million vs \$150.8 million).

State Subsidies are projected to be less than the budgeted amount by \$16.1 million (6.0%), Non-State Subsidies are projected to be more than budgeted by \$2.7 million (13.8%), and Premium Income is projected to be less than budgeted by \$9.0 million (13.1%). This overall decrease in budgeted revenue is due in part to a planned 1-month employee 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:

- 4.19% fewer state actives,
- 1.45% more state non-Medicare retirees,
- 0% no change in non-state actives,
- 18.02% fewer non-state, non-Medicare retirees
- 3.96% more state Medicare retirees, and
- 1.97% fewer non-state Medicare retirees

Budgeted and Projected Income (Budget Account 1338)					
Description	Budget	Actual 12/31/21	Projected	Difference	
Carryforward	159,011,280	159,011,280	159,011,280	0	0.0%
State Subsidies	266,543,926	130,742,532	250,458,412	(16,085,514)	-6.0%
Non-State Subsidies	20,042,853	11,613,446	22,813,696	2,770,843	13.8%
Premium	68,825,545	28,157,721	59,792,255	(9,033,290)	-13.1%
COVID Funds	8,557,308	5,069,501	8,557,308	0	-8.5%
Appropriations	6,009,449	0	5,141,274	(868,175)	-4.5%
All Other	16,329,797	8,635,795	14,938,953	(1,390,844)	-8.5%
Total	545,320,158	343,230,275	520,713,177	(24,606,981)	-4.5%
Budgeted and Projected Expenses (Budget Account 1338)					
Description	Budget	Actual 12/31/21	Projected	Difference	
Operating	6,289,602	2,398,830	5,479,464	810,138	12.9%
State Insurance Costs	340,421,064	169,958,542	339,836,859	584,205	0.2%
Non-State Insurance Costs	11,507,187	3,929,238	7,970,426	3,536,761	30.7%
Medicare Retiree Insurance Costs	38,883,471	18,942,418	39,559,309	(675,838)	-1.7%
Total Insurance Costs	390,811,722	192,830,198	387,366,594	3,445,128	0.9%
Total Expenses	397,101,324	195,229,028	392,846,058	4,255,266	1.1%
Restricted Reserves	112,217,050	112,217,050	111,805,571	411,479	0.4%
Differential Cash Available	36,001,784	35,784,197	16,194,527	19,807,257	55.0%
Total Reserves	148,218,834	148,001,247	128,000,098	20,218,736	13.6%
Total of Expenses and Reserves	545,320,158	343,230,275	520,713,177	24,606,982	4.5%

Expenses for Fiscal Year 2022 are projected to be \$4.3 million (1.1%) less than budgeted when changes to reserves are excluded. Operating expenses are projected to be less than budgeted by \$0.8 million (12.9%). Employee and Retiree insurances costs are projected to be less than budgeted by \$3.4 million (0.9%) when taken in total (see table above for specific information).

Recommendations

None.