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AGENDA ITEM

☒ Action Item

☐ Information Only

Date: July 25, 2024

Item Number: 4.2.1

Title: Chief Financial Officer Budget Report

Summary

This report addresses the Operational Budget as of March 31, 2024 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, 2024, with comparisons to the same period in Fiscal Year 2023. 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 \$323.4 million as of March 31, 2024, compared to 291.4 million as of March 31, 2023, or an increase of 11.0%. Total expenses for the period have increased by 22.2 million or 7.2% for the same period.

The budget status report shows Realized Funding Available (cash) at \$113.3 million. This compares to \$131.6 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 2024			FISCAL YEAR 2023		
	Actual as of 3/31/2024	Work Program	Percent	Actual as of 3/31/2023	Fiscal Year 2023 Close	Percent
Beginning Cash	120,714,437	120,714,437	100%	148,854,786	148,854,786	100%
Premium Income	286,894,528	419,156,515	68%	262,901,773	357,314,410	74%
All Other Income	36,532,369	38,079,991	96%	28,498,338	36,548,418	78%
Total Income	323,426,897	457,236,506	71%	291,400,111	393,862,827	74%
Personnel Services	1,881,318	2,938,164	64%	1,593,968	2,320,130	69%
Operating - Other than Personnel	1,993,266	3,084,368	65%	2,416,223	3,400,154	71%
Insurance Program Expenses	326,805,745	459,496,779	71%	304,299,377	415,155,444	73%
All Other Expenses	124,009	187,157	66%	297,896	1,127,449	26%
Total Expenses	330,804,338	465,706,468	71%	308,607,464	422,003,177	73%
Change in Cash	(7,377,441)	(8,469,962)		(17,207,353)	(28,140,349)	
REALIZED FUNDING AVAILABLE	113,336,996	112,244,475	101%	131,647,433	120,714,437	109%
Incurred But Not Reported Liability	(52,874,000)	(52,874,000)		(51,030,000)	(51,030,000)	
Catastrophic Reserve	(41,762,000)	(41,762,000)		(38,426,000)	(38,426,000)	
HRA Reserve	(20,600,889)	(20,600,889)		(22,800,889)	(22,800,889)	
NET REALIZED FUNDING AVAILABLE	(1,899,893)	(2,992,414)		19,390,544	8,457,548	

Current Budget Projections

The following table represents projections for FY 2024. The projection reflects total income to be more than budgeted by 1.9% (\$588.7 million vs \$578.0 million), total expenditures are projected to be less than budgeted by 3.9% (\$443.4 million vs \$461.6 million); total reserves are projected to be more than budgeted by 24.9% (\$145.3 million vs \$116.4 million).

State Subsidies are projected to be less than the budgeted amount by \$23.7 million (7.4%), Non-State Subsidies are projected to be more than budgeted by \$8.2 million (40.9%), and Premium Income is projected to be more than budgeted by \$23.1 million (29.3%). The overall increase in budgeted revenue is \$10.8 million due to an increase in participant premiums because of actual enrollment compared to budgeted enrollment and a change in the mix of plan and tiers. The mix of participants is as follows:

- 0.35% fewer state actives,
- 3.82% fewer state non-Medicare retirees,
- 12.96% more non-state actives,
- 5.48% fewer non-state, non-Medicare retirees
- 1.80% fewer state Medicare retirees, and
- 3.92% fewer non-state Medicare retirees

Budgeted and Projected Income (Budget Account 1338)					
Description	Budget	Actual 3/31/24	Projected	Difference	
Carryforward	120,714,437	120,714,437	120,714,437	0	0.0%
State Subsidies	319,982,387	221,131,381	296,306,883	(23,675,504)	-7.4%
Non-State Subsidies	20,164,091	14,978,108	28,401,994	8,237,903	40.9%
Premium	79,010,037	50,785,039	102,159,847	23,149,810	29.3%
Appropriations	11,816,381	11,816,381	11,816,381	0	1.9%
All Other	26,263,610	24,715,988	29,323,830	3,060,220	11.7%
Total	577,950,943	444,141,334	588,723,372	10,772,429	1.9%
Budgeted and Projected Expenses (Budget Account 1338)					
Description	Budget	Actual 3/31/24	Projected	Difference	
Operating	6,052,184	3,998,593	6,031,315	20,869	0.3%
State Insurance Costs	398,440,131	293,064,081	387,913,765	10,526,366	2.6%
Non-State Insurance Costs	7,657,002	4,907,466	7,824,432	(167,430)	-2.2%
Medicare Retiree Insurance Costs	49,429,501	28,834,198	41,645,227	7,784,274	15.7%
Total Insurance Costs	455,526,634	326,805,745	437,383,423	18,143,211	4.0%
Total Expenses	461,578,818	330,804,338	443,414,738	18,164,080	3.9%
Restricted Reserves	115,236,889	115,236,889	122,353,521	(7,116,632)	-6.2%
Differential Cash Available	1,135,236	(1,899,893)	22,955,113	(21,819,877)	-1922.1%
Total Reserves	116,372,125	113,336,996	145,308,634	(28,936,509)	-24.9%
Total of Expenses and Reserves	577,950,943	444,141,334	588,723,372	(10,772,429)	-1.9%

Expenses for Fiscal Year 2024 are projected to be \$18.2 million (3.9%) less than budgeted when changes to reserves are excluded. Operating expenses are projected to be less than budgeted by \$.02 million (0.3%). Employee and Retiree insurances costs are projected to be less than budgeted by \$18.1 million (4.0%) when taken in total (see table above for specific information).

Recommendations

None.