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JACK ROBB
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AGENDA ITEM

Action Item

Information Only

Date: May 25, 2023

Item Number: IV.II.I

Title: Chief Financial Officer Budget Report

Summary

This report addresses the Operational Budget as of December 31, 2022 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, 2022, with comparisons to the same period in Fiscal Year 2022. 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 \$167.6 million as of December 31, 2022, compared to \$184.2 million as of December 31, 2021, or a decrease of 9.0%. Total expenses for the period have decreased by \$4.5 million or 2.2% for the same period.

The budget status report shows Realized Funding Available (cash) at \$119.7 million. This compares to \$142.0 million for last year. The table below reflects the actual revenue and expenditures for the period.

Operational Budget 1338

	FISCAL YEAR 2023			FISCAL YEAR 2022		
	Actual as of 12/31/2022	Work Program	Percent	Actual as of 12/31/2021	Fiscal Year 2022 Close	Percent
Beginning Cash	148,854,786	148,854,786	100%	159,011,280	159,011,280	100%
Premium Income	152,267,289	390,499,657	39%	170,513,699	348,069,497	49%
All Other Income	15,344,269	22,371,771	69%	13,705,296	32,877,594	42%
Total Income	167,611,559	412,871,428	41%	184,218,995	380,947,090	48%
Personnel Services	1,005,160	2,935,386	34%	1,108,041	2,382,790	47%
Operating - Other than Personnel	1,554,378	3,084,395	50%	1,137,433	2,919,211	39%
Insurance Program Expenses	194,012,408	410,458,880	47%	198,839,647	385,500,378	52%
All Other Expenses	150,173	424,234	35%	153,356	301,205	51%
Total Expenses	196,722,119	416,902,895	47%	201,238,476	391,103,584	51%
Change in Cash	(29,110,561)	(4,031,467)		(17,019,481)	(10,156,494)	
REALIZED FUNDING AVAILABLE	119,744,225	144,823,319	83%	141,991,799	148,854,786	95%
Incurring But Not Reported Liability	(51,030,000)	(51,030,000)		(52,286,000)	(52,286,000)	
Catastrophic Reserve	(38,426,000)	(38,426,000)		(34,875,000)	(34,875,000)	
HRA Reserve	(22,800,889)	(22,800,889)		(25,056,050)	(25,056,050)	
NET REALIZED FUNDING AVAILABLE	7,487,336	32,566,430		29,774,749	36,637,736	

Current Budget Projections

The following table represents projections for FY 2023. The projection reflects total income to be less than budgeted by 2.8% (\$546.1 million vs \$561.7 million), total expenditures are projected to be less than budgeted by 1.3% (\$411.3 million vs \$416.9 million); total reserves are projected to be less than budgeted by 6.9% (\$135.0 million vs \$145.0 million).

State Subsidies are projected to be less than the budgeted amount by \$18.6 million (6.3%), Non-State Subsidies are projected to be more than budgeted by \$1.0 million (4.6%), and Premium Income is projected to be less than budgeted by \$11.3 million (15.2%). This overall decrease in budgeted revenue is due in part to a planned 1-month employee premium holiday in October 2022 and due in large part to a reduction in State Subsidies and participant premiums 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:

- 1.90% fewer state actives,
- 1.23% more state non-Medicare retirees,
- 14.3% fewer non-state actives,
- 23.08% fewer non-state, non-Medicare retirees
- 5.38% more state Medicare retirees, and
- 2.82% fewer non-state Medicare retirees

Budgeted and Projected Income (Budget Account 1338)					
Description	Budget	Actual 3/31/23	Projected	Difference	
Carryforward	148,854,786	148,854,786	148,854,786	0	0.0%
State Subsidies	295,515,312	201,909,200	276,938,659	(18,576,653)	-6.3%
Non-State Subsidies	20,784,265	16,339,844	21,739,777	955,512	4.6%
Premium	74,200,080	45,865,523	62,939,639	(11,260,441)	-15.2%
COVID Funds	32,525	29,378	29,378	(3,147)	81.4%
Appropriations	6,009,449	6,009,449	6,009,449	0	-2.8%
All Other	16,329,797	22,459,502	29,616,011	13,286,214	81.4%
Total	561,726,214	441,467,682	546,127,700	(15,598,514)	-2.8%
Budgeted and Projected Expenses (Budget Account 1338)					
Description	Budget	Actual 3/31/23	Projected	Difference	
Operating	7,418,926	4,391,553	6,604,049	814,877	11.0%
State Insurance Costs	358,008,654	266,930,372	355,723,255	2,285,399	0.6%
Non-State Insurance Costs	11,952,082	6,776,441	9,554,565	2,397,517	20.1%
Medicare Retiree Insurance Costs	39,523,233	28,718,112	39,416,561	106,672	0.3%
Total Insurance Costs	409,483,969	302,424,925	404,694,382	4,789,587	1.2%
Total Expenses	416,902,895	306,816,477	411,298,431	5,604,464	1.3%
Restricted Reserves	112,256,889	112,256,889	111,943,147	313,742	0.3%
Differential Cash Available	32,566,430	22,394,316	22,886,122	9,680,308	29.7%
Total Reserves	144,823,319	134,651,205	134,829,269	9,994,050	6.9%
Total of Expenses and Reserves	561,726,214	441,467,682	546,127,700	15,598,514	2.8%

Expenses for Fiscal Year 2023 are projected to be \$5.6 million (1.3%) less than budgeted when changes to reserves are excluded. Operating expenses are projected to be less than budgeted by \$0.8 million (11.0%). Employee and Retiree insurances costs are projected to be less than budgeted by \$4.8 million (1.3%) when taken in total (see table above for specific information).

Recommendations

None.