AGENDA ITEM

Date: March 28, 2024
Item Number: 4.2.1
Title: Chief Financial Officer Budget Report

Summary

This report addresses the Operational Budget as of December 31, 2023 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, 2023, 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 $198.2 million as of December 31, 2023, compared to $167.6 million as of December 31, 2022, or an increase of 18.2%. Total expenses for the period have increased by $10.7 million or 5.5% for the same period.

The budget status report shows Realized Funding Available (cash) at $7.4 million. This compares to $13.5 million for last year. The table below reflects the actual revenue and expenditure for the period.
Current Budget Projections

The following table represents projections for FY 2024. The projection reflects total income to be less than budgeted by 7.9% ($538.5 million vs $573.5 million), total expenditures are projected to be less than budgeted by 4.2% ($442.4 million vs $461.7 million); total reserves are projected to be less than budgeted by 19.4% ($91.8 million vs $113.9 million).

State Subsidies are projected to be less than the budgeted amount by $24.6 million (7.7%), Non-State Subsidies are projected to be more than budgeted by $.6 million (2.9%), and Premium Income is projected to be less than budgeted by $14.0 million (17.7%). This overall decrease in budgeted revenue is 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:

- .9% fewer state actives,
- 3.5% fewer state non-Medicare retirees,
- 11.1% more non-state actives,
- 3.66% fewer non-state, non-Medicare retirees
- 1.9% fewer state Medicare retirees,
- 3.5% fewer non-state Medicare retirees

### Current Budget Projections

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Expenses for Fiscal Year 2024 are projected to be $19.4 million (4.2%) less than budgeted when changes to reserves are excluded. Operating expenses are projected to be more than budgeted by $0.2 million (8.0%). Employee and Retiree insurances costs are projected to be less than budgeted by $19.3 million (4.2%) when taken in total (see table above for specific information).

### Recommendations

None.