

# AHCT Finance Committee Meeting

November 8, 2018

# 2019 Proposed Q1 Fiscal Year Operating Budget & Capital Improvements

November 2018

# Budget Summaries

FY18 Results				
	FY18 Budget	Actuals	Variance	%
AHCT	\$ 32,281,868	\$ 30,448,656	\$ 1,833,212	5.7%
DSS Shared Cost	\$ 21,449,548	\$ 18,228,584	\$ 3,220,964	15.0%
<b>Gross Expenses</b>	<b>\$ 53,731,416</b>	<b>\$ 48,677,240</b>	<b>\$ 5,054,176</b>	<b>9.4%</b>

First Quarter Ending September 30, 2018				
	FY19 Budget	Actuals	Variance	%
AHCT	\$ 6,942,054	\$ 4,927,899	\$ 2,014,154	29.0%
DSS Shared Cost	\$ 4,725,814	\$ 4,380,332	\$ 345,482	7.3%
<b>Gross Expenses</b>	<b>\$ 11,667,868</b>	<b>\$ 9,308,231</b>	<b>\$ 2,359,636</b>	<b>20.2%</b>

FY19 Operating Budget				
	FY19 Original Budget	FY19 Adjusted Budget	Variance	%
AHCT	\$ 32,102,189	\$ 32,102,189	\$ (0)	0.0%
DSS Shared Cost	\$ 22,089,203	\$ 22,089,203	\$ (0)	0.0%
<b>Gross Expenses</b>	<b>\$ 54,191,392</b>	<b>\$ 54,191,392</b>	<b>\$ (0)</b>	<b>0.0%</b>

FY19 Proposed Capital Improvement Plan				
	FY19 Original Budget	FY19 Adjusted Budget	Variance	%
AHCT	\$ 2,342,503	\$ 2,342,503	\$ -	100.0%
DSS Shared Cost	\$ 4,370,012	\$ 4,370,012	\$ -	100.0%
<b>Gross Expenses</b>	<b>\$ 6,712,515</b>	<b>\$ 6,712,515</b>	<b>\$ -</b>	<b>100.0%</b>

- RFP process for a new audit firm has been completed and selected firm is currently performing financial and programmatic audits
- FY18 Actuals variance due to adjustment in allocation & attrition of resources
- FY19 First quarter variance due to timing of invoices & projects

# 2018 Fiscal Year Results

## FY18 Budget vs. Actuals

	FY18 FINAL BUDGET	ACTUALS	VARIANCE
<b>Revenue</b>			
Marketplace Assessments	\$ 30,598,366	\$ 31,229,615	\$ 631,249
Miscellaneous Revenue	\$ 12,296	\$ 29,200	\$ 16,904
Interest Income	\$ 140,495	\$ 201,480	\$ 60,986
<b>Total Revenue</b>	<b>\$ 30,751,157</b>	<b>\$ 31,460,296</b>	<b>\$ 709,139</b>
<b>Budgeted Expenses</b>			
Salaries	\$ 6,947,086	\$ 6,909,678	\$ (37,408)
Fringe Benefits	\$ 2,407,192	\$ 2,343,400	\$ (63,792)
Temporary Staffing	\$ 838,260	\$ 554,048	\$ (284,212)
Contractual	\$ 16,555,241	\$ 15,675,119	\$ (880,122)
Equipment and Maintenance	\$ 3,360,900	\$ 3,387,679	\$ 26,779
IT Development	\$ 831,620	\$ 363,820	\$ (467,800)
Supplies	\$ 17,868	\$ 14,179	\$ (3,689)
Travel	\$ 116,829	\$ 100,773	\$ (16,056)
Other Administrative	\$ 1,206,871	\$ 1,099,960	\$ (106,911)
<b>Total Budgeted Expenses</b>	<b>\$ 32,281,868</b>	<b>\$ 30,448,656</b>	<b>\$ (1,833,212)</b>
Costs Shared with DSS	\$ 21,449,548	\$ 18,228,584	\$ (3,220,964)
<b>AHCT and DSS Total Expenses</b>	<b>\$ 53,731,416</b>	<b>\$ 48,677,240</b>	<b>\$ (5,054,176)</b>

- **Salaries and Fringe Benefits:** timing of new hires
- **Temporary Staffing:** Savings due to attrition of resources
- **Contractual:** adjustment of DSS allocation for M&O and savings from Eligibility support
- **IT Development:** timing of IT projects
- **Other Admin:** Office Rent adjustment & offsite rent savings for board meetings

# 2019 Fiscal Year Budget vs Actuals through Sept 2018

	FY19 SEPT YTD	ACTUALS	VARIANCE
<b>Revenue</b>			
Marketplace Assessments	\$ 7,651,607	\$ 7,810,934	\$ 159,327
Interest Income	\$ 48,165	\$ 97,345	\$ 49,180
<b>Total Revenue</b>	<b>\$ 7,699,772</b>	<b>\$ 7,908,279</b>	<b>\$ 208,507</b>
<b>Budgeted Expenses</b>			
Salaries	\$ 1,750,466	\$ 1,612,728	\$ (137,738)
Fringe Benefits	\$ 648,459	\$ 578,423	\$ (70,036)
Temporary Staffing	\$ 135,247	\$ 172,356	\$ 37,110
Contractual	\$ 3,251,291	\$ 1,482,533	\$ (1,768,758)
Equipment and Maintenance	\$ 758,046	\$ 547,745	\$ (210,301)
IT Development	\$ 182,768	\$ 344,424	\$ 161,656
Supplies	\$ 5,025	\$ 3,428	\$ (1,597)
Travel	\$ 25,435	\$ 13,331	\$ (12,104)
Other Administrative	\$ 185,317	\$ 172,931	\$ (12,386)
<b>Total Operating Expenses</b>	<b>\$ 6,942,054</b>	<b>\$ 4,927,899</b>	<b>\$ (2,014,154)</b>
Costs Shared with DSS	\$ 4,725,814	\$ 4,380,332	\$ (345,482)
<b>AHCT and DSS Total Expenses</b>	<b>\$ 11,667,868</b>	<b>\$ 9,308,231</b>	<b>\$ (2,359,636)</b>

- **Assessments:** increase due to timing of payments
- Interest rate increase provides for additional income
- **Expenses:** variance due to timing of projects and invoicing

# 2019 Adjusted Fiscal Year Budget

## FY19 Original Budget vs. FY19 Adjusted Budget

	PRIOR YEAR ACTUALS	FY19 ORIGINAL BUDGET	FY 19 Q1 CHANGES	FY19 FINAL ADJUSTED
<b>Revenue</b>				
Marketplace Assessments	\$ 31,229,615	\$ 31,933,214	\$ 159,327	\$ 32,092,541
Interest Income	\$ 29,200	\$ 168,975	\$ 157,538	\$ 326,513
<b>Total Revenue</b>	<b>\$ 31,258,815</b>	<b>\$ 32,102,189</b>	<b>\$ 316,865</b>	<b>\$ 32,419,054</b>
<b>Budgeted Expenses</b>				
Salaries	\$ 6,909,678	\$ 7,509,312	\$ 0	\$ 7,509,312
Fringe Benefits	\$ 2,343,400	\$ 2,647,414	\$ 0	\$ 2,647,414
Temporary Staffing	\$ 554,048	\$ 629,610	\$ (0)	\$ 629,610
Contractual	\$ 15,675,119	\$ 15,953,791	\$ (0)	\$ 15,953,791
Equipment and Maintenance	\$ 3,387,679	\$ 3,234,885	\$ 0	\$ 3,234,885
IT Development	\$ 363,820	\$ 847,370	\$ (0)	\$ 847,370
Supplies	\$ 14,179	\$ 17,918	\$ (0)	\$ 17,918
Travel	\$ 100,773	\$ 100,740	\$ (0)	\$ 100,740
Other Administrative	\$ 1,099,960	\$ 1,161,150	\$ 0	\$ 1,161,150
<b>Total Operating Expenses</b>	<b>\$ 30,448,656</b>	<b>\$ 32,102,189</b>	<b>\$ (0)</b>	<b>\$ 32,102,189</b>
Costs Shared with DSS	\$ 18,228,584	\$ 22,089,203	\$ (0)	\$ 22,089,203
<b>AHCT and DSS Total Expenses</b>	<b>\$ 48,677,240</b>	<b>\$ 54,191,392</b>	<b>\$ (0)</b>	<b>\$ 54,191,392</b>

- During Q1 there are no new expenditures
- In Q2 adjustments might be necessary

# 2019 Adjusted Fiscal Year Budget Analysis of Shared Costs with DSS

	Gross Expense	DSS ALLOCABLE FY19 Budget		
	FY19 Adjusted Budget	FY19 Original Budget	Changes	FY19 Adjusted Budget
BEST Staffing (86%)	\$ 1,160,556	\$ 1,001,074	\$ (2,787)	\$ 998,287
<b>Temporary Staffing</b>	<b>\$ 1,160,556</b>	<b>\$ 1,001,074</b>	<b>\$ (2,787)</b>	<b>\$ 998,287</b>
IT Development (84%)	\$ 726,850	\$ 610,554	\$ -	\$ 610,554
Security (86%)	\$ 1,092,578	\$ 931,233	\$ 8,385	\$ 939,617
Testing (86%)	\$ 975,578	\$ 843,598	\$ (5,307)	\$ 838,291
DSS Only Projects (100%)	\$ 800,000	\$ 800,000	\$ 316	\$ 800,316
IT Maintenance (86%)	\$ 4,129,103	\$ 3,551,816	\$ (606)	\$ 3,551,210
<b>Development</b>	<b>\$ 7,724,109</b>	<b>\$ 6,737,201</b>	<b>\$ 2,787</b>	<b>\$ 6,739,988</b>
Call Center (70%)	\$ 16,485,906	\$ 11,540,134	\$ -	\$ 11,540,134
Call Center (80%)	\$ 448,775	\$ 359,020	\$ -	\$ 359,020
Operations (86%)	\$ 2,850,900	\$ 2,451,774	\$ -	\$ 2,451,774
<b>Operations</b>	<b>\$ 19,785,581</b>	<b>\$ 14,350,928</b>	<b>\$ -</b>	<b>\$ 14,350,928</b>
<b>Total</b>	<b>\$ 28,670,246</b>	<b>\$ 22,089,203</b>	<b>\$ 0</b>	<b>\$ 22,089,203</b>
<b>Capital Improvements (80%)</b>	<b>\$ 6,712,515</b>	<b>\$ 4,370,012</b>	<b>\$ -</b>	<b>\$ 4,370,012</b>

# 2019 Capital Improvement Plan Update

Capital Improvement Plan Update								
Project Number	Project Name	Funding Source	DSS Allocation	Original Budget	Changes	Adjusted Budget	YTD Estimated Spend	Status
2019.001	Technology refresh, move to open source from IBM products (WAS AND DB2)	Reserves	M&O New (80%)	\$ 1,600,000	\$ -	\$ 1,600,000	\$ -	Not Started
2019.002	Technology Refresh move to user friendly Notices Engine and convert existing Notices to new technology	Reserves	M&O New (80%)	\$ 2,000,000	\$ -	\$ 2,000,000	\$ -	Not Started
2019.003	Verify Lawful Presence (VLP) Steps 2 and 3	Reserves	M&O New (80%)	\$ 1,862,515	\$ -	\$ 1,862,515	\$ -	Not Started
2019.004	Deliver new Policy Based Payment (PBP) and reconciliation solution	Reserves	None	\$ 750,000	\$ (250,000)	\$ 500,000	\$ 156,190	Substantially Completed
2019.005	Implement general improvements to existing EDI process	Reserves	None	\$ 500,000	\$ 250,000	\$ 750,000	\$ 577,739	In Progress
<b>Totals</b>				<b>\$ 6,712,515</b>	<b>\$ -</b>	<b>\$ 6,712,515</b>	<b>\$ 733,929</b>	

- Project 2019.005 will be funded with savings from Project 2019.004



# Adjournment