

BOARD OF DIRECTORS

- Finance Subcommittee -

Fiscal Year 2019 as of December 31, 2018 Operating Budget & Capital Improvements

January 10, 2019

Budget Summaries

	FY 2019 through December 31, 2018			
	Budget	Actuals	Variance	%
AHCT	\$ 16,067,958	\$ 14,132,829	\$ (1,935,129)	-12.0%
DSS Shared Cost	10,077,407	8,684,343	(1,393,063)	-13.8%
Gross Expenses	\$ 26,145,364	\$ 22,817,172	\$ (3,328,192)	-12.7%

	FY 2019 Operating Budget			
	Original Budget	Adjusted Budget	Variance	%
AHCT	\$ 32,102,189	\$ 31,814,771	\$ (287,417)	-0.9%
DSS Shared Cost	22,089,203	21,556,743	(532,460)	-2.4%
Gross Expenses	\$ 54,191,392	\$ 53,371,515	\$ (819,877)	-1.5%

	FY 2019 Proposed Capital Improvement Plan			
	Original Budget	Adjusted Budget	Variance	%
AHCT	\$ 2,342,503	\$ 2,124,002	\$ (218,501)	-9.3%
DSS Shared Cost	4,370,012	4,588,513	218,501	5.0%
Gross Expenses	\$ 6,712,515	\$ 6,712,515	\$ -	0%

- Variance primarily due to timing of projects & invoicing
- Adjusted Budget variance primarily due to vacancy saving and Call Center true-up
- Revised DSS CIP allocation from 80% to 84% per MOA

FY 2019 Budget vs Actuals through Dec. 31, 2018

	Through December 31, 2018		
	BUDGET	ACTUALS	VARIANCE
Revenue			
Marketplace Assessments	\$ 15,462,541	\$15,621,853	\$ 159,312
Interest Income	183,537	195,496	11,959
Total Revenue	\$ 15,646,078	\$15,817,348	\$ 171,270
Budgeted Expenses			
Salaries	\$ 3,503,580	\$ 3,405,971	\$ (97,609)
Fringe Benefits	1,229,150	1,145,032	(84,118)
Temporary Staffing	361,428	329,614	(31,814)
Contractual	8,427,227	6,974,504	(1,452,723)
Equipment and Maintenance	1,522,162	1,293,046	(229,116)
IT Development	460,880	424,403	(36,477)
Supplies	8,271	12,437	4,166
Travel	44,162	37,455	(6,706)
Other Administrative	511,097	510,366	(731)
Total Operating Expenses	\$ 16,067,958	\$14,132,829	\$ (1,935,129)
Costs Shared with DSS	\$ 10,077,407	\$ 8,684,343	\$ (1,393,063)
AHCT and DSS Total Expenses	\$ 26,145,364	\$22,817,172	\$ (3,328,192)

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

FY 2019 Adjusted Budget

	PRIOR YEAR (FY 2018) ACTUALS	FY2019 ORIGINAL BUDGET	FY 2019 Q2 CHANGES	CUMMULATIVE CHANGES	FY 2019 ADJUSTED BUDGET
Revenue					
Marketplace Assessments	\$ 31,229,615	\$ 31,933,214	\$ 55,639	\$ 214,966	\$ 31,988,853
Interest Income	29,200	168,975	169,497	327,035	338,472
Total Revenue	\$ 31,258,815	\$ 32,102,189	\$ 225,135	\$ 542,000	\$ 32,327,324
Budgeted Expenses					
Salaries	\$ 6,909,678	\$ 7,509,312	\$(193,698)	\$ (193,698)	\$ 7,315,614
Fringe Benefits	2,343,400	2,647,414	(93,719)	(93,719)	2,553,694
Temporary Staffing	554,048	629,610	23,128	23,128	652,738
Contractual	15,675,119	15,953,791	378,729	378,729	16,332,521
Equipment and Maintenance	3,387,679	3,234,885	(12,415)	(12,415)	3,222,469
IT Development	363,820	847,370	(438,362)	(438,362)	409,008
Supplies	14,179	17,918	493	493	18,411
Travel	100,773	100,740	12,353	12,353	113,093
Other Administrative	1,099,960	1,161,150	36,072	36,072	1,197,222
Total Operating Expenses	\$ 30,448,656	\$ 32,102,189	\$(287,417)	\$ (287,417)	\$ 31,814,771
Costs Shared with DSS	\$ 18,228,584	\$ 22,089,203	\$(532,460)	\$ (532,460)	\$ 21,556,743
AHCT and DSS Total Expenses	\$ 48,677,240	\$ 54,191,392	\$(819,877)	\$ (819,877)	\$ 53,371,515

- **Salaries and Fringe:** positive variance due to timing of filling vacancies
- **Contractual:** reclassification of IT development project to contractual & Call Center true-up

FY 2019 Analysis of Shared Costs with DSS

	Gross Expense	DSS Allocable FY 2019 Budget		
	Adjusted Budget	Original Budget	Changes	Adjusted Budget
BEST Staffing (86%)	\$ 874,056	\$ 1,001,074	\$ (249,386)	\$ 751,688
Temporary Staffing	\$ 874,056	\$ 1,001,074	\$ (249,386)	\$ 751,688
IT Development (84%)	\$ 726,850	\$ 610,554	\$ -	\$ 610,554
Security (86%)	1,127,939	931,233	38,795	970,028
Testing (86%)	900,846	843,598	(68,870)	774,728
DSS Only Projects (100%)	505,257	800,000	(294,743)	505,257
IT Maintenance (86%)	4,104,735	3,551,816	(21,744)	3,530,072
Development	\$ 7,365,628	\$ 6,737,201	\$ (346,562)	\$ 6,390,639
Call Center (70%)	\$ 16,485,906	\$ 11,540,134	\$ -	\$ 11,540,134
Call Center (80%)	448,775	359,020	-	359,020
Operations (86%)	2,924,723	2,451,774	63,488	2,515,262
Operations	\$ 19,859,404	\$ 14,350,928	\$ 63,488	\$ 14,414,416
Total	\$ 28,099,088	\$ 22,089,203	\$ (532,460)	\$ 21,556,743
Capital Improvements (84%)	\$ 6,712,515	\$ 4,370,012	\$ 218,501	\$ 4,588,513

FY 2019 Capital Improvement Plan Update

FY 2019 Capital Improvement Plan Update									
Project Number	Project Name	Funding Source	DSS Allocation	Original Budget	FY19 Q2 Changes	Cummulative Changes	Adjusted Budget	YTD Estimated Spend	Status
2019.001	Technology refresh, move to open source from IBM products (WAS AND DB2)	Reserves	DDI (84%)	\$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	DDI (84%)	2,000,000	-	-	2,000,000	-	Not Started
2019.003	Verify Lawful Presence (VLP) Steps 2 and 3	Reserves	DDI (84%)	1,862,515	-	-	1,862,515	135,288	In Progress
2019.004	Deliver new Policy Based Payment (PBP) and reconciliation solution	Reserves	None	750,000	-	(250,000)	500,000	196,570	Completed
2019.005	Implement general improvements to existing EDI process	Reserves	None	500,000	-	250,000	750,000	651,215	In Progress
Total				\$6,712,515	\$ -	\$ -	\$ 6,712,515	\$ 983,073	

Adjournment