



Board of Directors
- Finance Committee -

Fiscal Year 2020 – 2nd Quarter (Q2) Budget Report

(as of December 31, 2019)

January 10, 2020

Fiscal Year 2020

(as of December 31, 2019)

2nd QUARTER (Q2) BUDGET REPORT

Operating & Capital Improvements

FY 2019 On-going (Carry-forward) Projects

(2nd Quarter Budget Report)

- Projects were initiated and funded in FY 2019 and are on-going.
- Carry-forward amounts represent purchase orders encumbered during FY 2019 but not liquidated at June 30, 2019.
- FY 2019 carry-forward to FY 2020 will not exceed aggregate remaining purchase order value of \$2.719 million.

FY 2019 On-going Project Plan Update							
Project Name	Total Project Budget	FY 2019 Actuals	FY 2019 Carry-forward FY 2020	FY 2020 YTD Actuals	Total Project spend through Dec 31, 2019	Remaining Balance	Status
Sytem Enhancements	\$2,784,601	\$ 676,741	\$ 2,107,860	\$ 919,688	\$ 1,596,429	\$1,188,172	In Progress
Redesign and Improvements (EDI, Portal, CDS)	606,335	76,431	529,904	259,053	335,484	270,851	In Progress
SHOP and Subsidiary Research	185,000	103,666	81,334	67,334	171,000	14,000	In Progress
	\$3,575,936	\$ 856,838	\$ 2,719,098	\$ 1,246,075	\$ 2,102,913	\$1,473,023	

FY 2020 Budget vs Actuals - Through Dec. 31, 2019

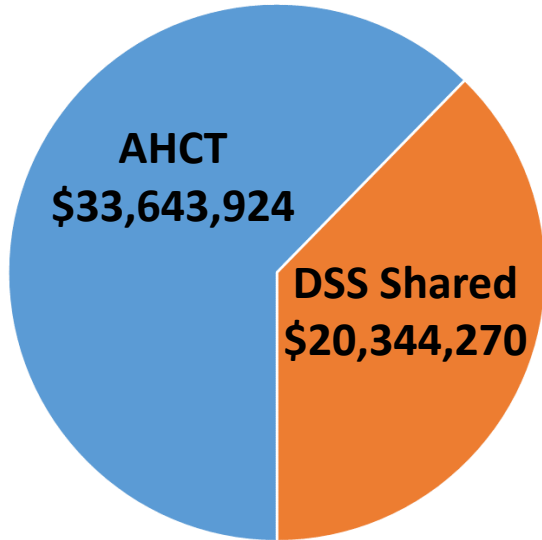
(2nd Quarter Budget Report)

OPERATING BUDGET - 2nd Quarter			
July 1, 2019 through December 31, 2019			
	Budget	Actuals	Variance
Revenues			
Marketplace Assessments	\$ 16,632,854	\$ 16,663,078	\$ 30,224
Interest Income	195,361	253,110	57,749
Total Revenue	\$ 16,828,215	\$ 16,916,188	\$ 87,973
Expenses			
Salaries	\$ 3,795,884	\$ 3,666,946	\$ (128,938)
Fringe Benefits	1,406,069	1,402,737	(3,332)
Temporary Staffing	260,026	305,292	45,266
Contractual	8,134,036	6,929,860	(1,204,176)
Equipment and Maintenance	1,455,804	1,208,288	(247,516)
IT Enhancements	611,204	1,169,103	557,899
Supplies	10,714	14,217	3,503
Travel	62,572	18,624	(43,948)
Other Administrative	376,045	365,420	(10,625)
Total Operating Expenses	\$ 16,112,354	\$ 15,080,487	\$ (1,031,867)
Costs Shared with DSS	10,067,703	8,531,957	(1,535,746)
AHCT and DSS Total Expenses	\$ 26,180,057	\$ 23,612,444	\$ (2,567,613)

- **Revenues:** carrier amendments to marketplace assessments and favorable interest rate environment.
- **Expenses:** variance due to timing of invoices, and improved budget management.

FY 2020 2nd Quarter (Q2) Budget Overview

FY 2020 Operating Budget



FY 2020 Operating Budget				
	FY 2019 Actuals	FY 2020 Adopted Budget	FY2020 Q2 Changes	FY 2020 Adjusted Budget
AHCT	\$ 30,508,994	\$ 33,643,924	\$ 0	\$ 33,643,924
DSS Shared Cost	18,409,011	20,344,270	-	20,344,270
Gross Expenses	\$ 48,918,005	\$ 53,988,194	\$ 0	\$ 53,988,194

FY 2020 Operating Budget

(2nd Quarter Budget Report)

	FY 2019 Actuals	FY 2020 Adopted Budget	FY2020 Q2 Changes	Cummulative Changes	FY 2020 (Q2) Budget
Revenue					
Investment Income	\$ 407,614	\$ 359,924	\$ 98,386	\$ 98,386	\$ 458,310
Other Income	32,300	-	-	-	-
Marketplace Assessments	32,287,139	33,284,000	704,078	704,078	33,988,078
Total Revenue	\$ 32,727,053	\$ 33,643,924		\$ 802,464	\$ 34,446,388
Budgeted Expenses					
Salaries	\$ 6,935,673	\$7,829,218	\$ (228,481)	\$ (228,481)	\$ 7,600,737
Fringe Benefits	2,440,310	2,866,843	66,624	66,624	2,933,467
Temporary Staffing	658,269	540,211	214,080	214,080	754,291
Contractual	11,615,187	13,163,128	565,273	565,273	13,728,401
Equipment and Maintenance	3,108,581	2,934,268	(40,302)	(40,302)	2,893,966
IT Enhancements	1,827,409	5,133,941	(584,125)	(584,125)	4,549,816
Supplies	24,064	21,482	1,173	1,173	22,655
Travel	62,750	124,383	0	0	124,383
Other Administrative	1,117,653	1,030,450	5,758	5,758	1,036,208
Total Operating Expenses	\$ 27,789,896	\$ 33,643,924	\$ 0	\$ 0	\$ 33,643,924
Net position designated for FY2019 ongoing projects	\$ 2,719,098	\$ -	\$ -	\$ -	\$ -
Total Expenses	\$ 30,508,994	\$ 33,643,924	\$ 0	\$ 0	\$ 33,643,924
Costs Shared with DSS	\$ 18,409,011	\$ 20,344,270	-	-	\$ 20,344,270
AHCT and DSS Total Expenses	\$ 48,918,005	\$ 53,988,194	\$ 0	\$ 0	\$ 53,988,194

- **Investment Income:** favorable interest rate environment
- **Salaries:** negative variance due to timing of filling vacancies.
- **Fringe Benefits:** positive variance due to higher medical insurance increase than anticipated
- **Temp Staffing:** covering gaps between vacancies
- **IT Enhancements:** reclassification of IT development project to contractual

FY 2020 Adjusted Budget

Analysis of Shared Costs with DSS (2nd Quarter Budget Report)

	TOTAL EXPENSE			DSS ALLOCATION		
	FY2020 Adopted	Changes	FY 2020 (Q2) Budget	FY2020 Adopted	Changes	FY 2020 (Q2) Budget
BEST Staffing (86%)	\$974,380	(\$117,930)	\$856,450	\$837,967	(\$101,420)	\$736,547
Temporary Staffing	\$974,380	(\$117,930)	\$856,450	\$837,967	(\$101,420)	\$736,547
IT Maintenance (86%)	\$4,344,930	\$3,644	\$4,348,574	\$3,736,640	\$3,134	\$3,739,774
Security (86%)	884,964	41,842	926,806	761,069	35,984	797,053
Testing (86%)	555,000	(162,556)	392,444	477,300	(139,798)	337,502
Development	\$5,784,894	(\$117,070)	\$5,667,824	\$4,975,009	(\$100,680)	\$4,874,328
Call Center (70%)	\$16,490,000	\$0	\$16,490,000	\$11,543,000	\$0	\$11,543,000
Call Center (80%)	112,194	0	112,194	89,755	0	89,755
Operations (86%)	1,989,000	235,000	2,224,000	1,710,540	202,100	1,912,640
Operations	\$18,591,194	\$235,000	\$18,826,194	\$13,343,295	\$202,100	\$13,545,395
Total - State General Fund	\$25,350,468	\$0	\$25,350,468	\$19,156,271	\$0	\$19,156,271
DSS Only Projects (100%)	\$500,000	(\$0)	\$500,000	\$500,000	(\$0)	\$500,000
IT Development (86%)	800,000	0	800,000	688,000	0	688,000
Total - Federally Funded	\$1,300,000	(\$0)	\$1,300,000	\$1,188,000	(\$0)	\$1,188,000
Capital Improvements (86%)	\$3,600,000	\$0	\$3,600,000	\$3,024,000	\$72,000	\$3,096,000

FY 2019 Capital Improvement Projects Summary: *CIP-R*

(2nd Quarter Budget Report)

- CIP-R projects are financed from accumulated equity (Reserves) authorized by project name and amount for expenditure by the Board of Directors (FY 2019 Adopted Budget).

FY 2019 Capital Improvement Projects Update - Reserves								
Project Number	Project Name	Funding Source	DSS Allocation	DSS Amount	AHCT Amount	Total Budget	Status	Comments
2019.001	Technology refresh, move to open source from IBM products (WAS AND DB2)	Reserves	DDI (86%)	\$ 1,376,000	\$ 224,000	\$1,600,000	On-Hold	Pending Assessment
2019.002	Technology Refresh move to user friendly Notices Engine and convert existing Notices to new technology	Reserves	DDI (86%)	1,720,000	280,000	2,000,000	On-Hold	Pending Assessment
Total				\$ 3,096,000	\$ 504,000	\$3,600,000		

FY 2020 Capital Improvement Project Summary: *CIP-R*

(2nd Quarter Budget Report)

- Engage contractor to perform actuarial and economic report to support State of Connecticut Section 1332 Waiver Application to U.S. Department of Health & Human Services for a State Reinsurance Program.
- Estimated completion February 2020

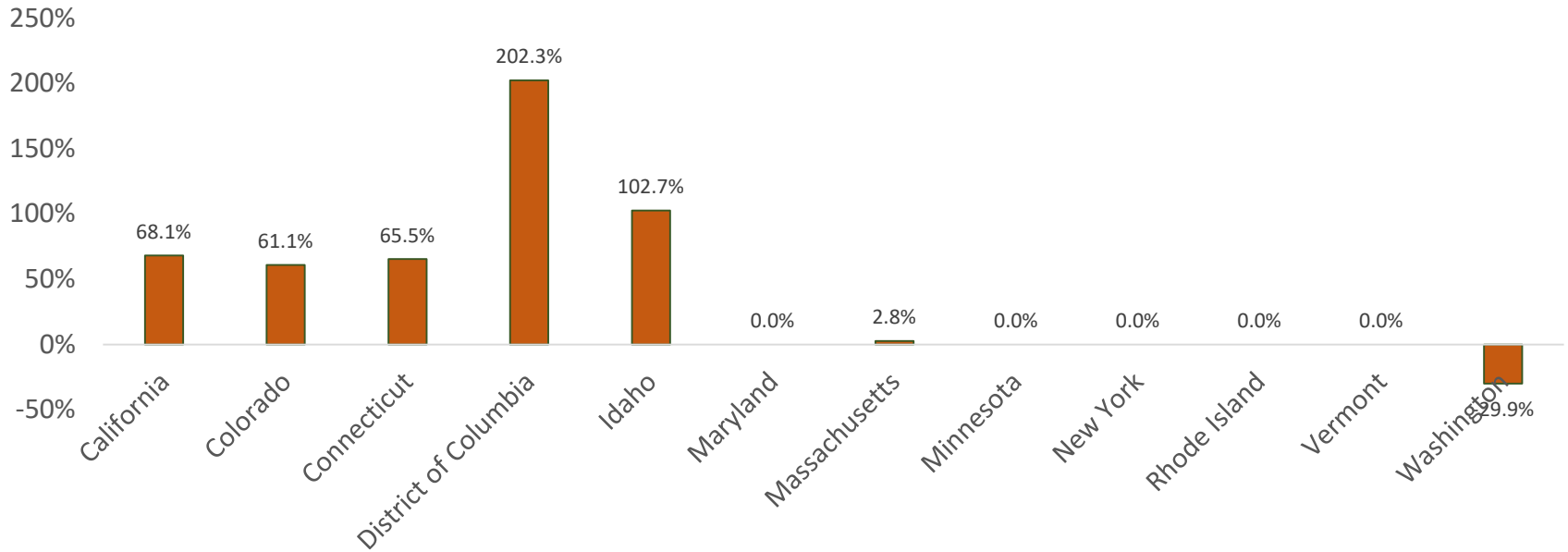
FY 2020 Capital Improvement Project - Reserves						
Project Number	Project Name	Funding Source	DSS Allocation	Budget	Status	Comments
2020.001	Economic Waiver Report for State Reinsurance Program	Reserves	None	\$ 100,000	Initiated	Developing Scope of Work
Total				\$ 100,000		

Projected Unrestricted Net Position – Fiscal Year 2020

<u>Projected at June 30, 2020</u>	<u>Amount</u>
Unrestricted:	21,613,046
Subtract: CIP-R:	(604,000)
Add: Projected FY2020 increase in Revenue:	802,464
Updated Projection at June 30, 2020	<u><u>\$ 21,811,510</u></u>

State-Based Exchanges – Reserves Analysis

Unrestricted Reserves as a % of Revenue



Adjournment