

Board of Directors

Finance Subcommittee

Fiscal Year 2020 Year-End Actuals

&

Fiscal Year 2021 Q1 Budget

Operating & Capital Improvements Budget

November 12, 2020

Fiscal Year 2020 Year-End Actuals

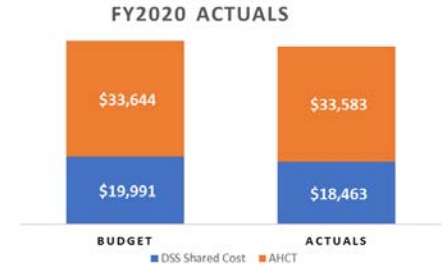
As of June 30, 2020

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- FY 2020 Year-End Budget vs Actuals Page 4
- FY 2020 FY2021 Carryforward Projects Update Page 5

FY 2020 Budget Summary

Year-End Budget Report (as of June 30, 2020)

| Operating Budget - FY2020 Actuals | | | | |
|-----------------------------------|----------------------|----------------------|---------------------|--|
| | Budget | Actuals | Variance | |
| AHCT | \$ 33,643,924 | \$ 33,583,260 | \$ 60,664 | |
| DSS Shared Cost | 19,990,688 | 18,463,287 | 1,527,401 | |
| Total | \$ 53,634,612 | \$ 52,046,546 | \$ 1,588,065 | |



FY 2020 Budget vs Actuals - Through June 30, 2020

(Year-End Budget Report)

| OPERATING BUDGET - July 1, 2019 to June 30, 2020 | | | | | | |
|--|----------------------|----------------------|---------------------|----------------------|---------------------|---|
| Budget | Actuals | Encumbered | Total Actuals | Variance | | |
| Revenues | | | | | | |
| Interest Income | \$ 369,538 | \$ 383,172 | \$ - | \$ 383,172 | \$ 13,634 | Higher interest rate earnings |
| Marketplace Assessments | 34,202,729 | 34,202,731 | - | 34,202,731 | 2 | |
| Total Revenue | \$ 34,572,267 | \$ 34,585,903 | \$ - | \$ 34,585,903 | \$ 13,636 | |
| Expenses | | | | | | |
| Salaries | \$ 7,431,135 | \$ 7,365,537 | \$ - | \$ 7,365,537 | \$ 65,598 | Variance due to timing of filling vacancies |
| Fringe Benefits | 2,867,840 | 2,844,257 | - | 2,844,257 | 23,583 | Variance due to timing of filling vacancies |
| Temporary Staffing | 629,356 | 638,543 | - | 638,543 | (9,187) | Temporary staff to augment vacant positions |
| Contractual | 14,088,102 | 12,609,035 | 614,935 | 13,223,970 | 864,132 | Contractual savings to fund system enhancements |
| Equipment and Maintenance | 2,582,716 | 2,381,574 | 36,900 | 2,418,474 | 164,242 | Maintenance savings to fund system enhancements |
| IT Enhancements | 4,920,763 | 3,457,788 | 2,543,731 | 6,001,519 | (1,080,756) | Timing of system enhancements |
| Supplies | 21,031 | 16,039 | - | 16,039 | 4,992 | |
| Travel | 62,966 | 35,007 | - | 35,007 | 27,959 | Reduction in travel due to COVID-19 |
| Other Administrative | 1,040,015 | 1,039,914 | - | 1,039,914 | 101 | |
| Total Operating Expenses | \$ 33,643,924 | \$ 30,387,694 | \$ 3,195,566 | \$ 33,583,260 | \$ 60,664 | |
| Costs Shared with DSS | 19,990,688 | 18,463,287 | 0 | 18,463,287 | 1,527,401 | |
| AHCT and DSS Total Expenses | \$ 53,634,612 | \$ 48,850,981 | \$ 3,195,566 | \$ 52,046,546 | \$ 1,588,065 | |

Projects Funded from Operating Budget

Carry-forward Projects from FY2020 to FY2021

Update

- Projects were initiated and funded in FY 2020 but not completed by the end of the fiscal year are still on going in fiscal year 2021.
- The \$3.196 million carry-forward to FY 2020 remains on budget and all of the projects are expected to be completed by end of FY2021.

| FY 2020 On-going Project Plan Update | | | | |
|--|-------------------------------|---------------------|-------------------|-------------|
| Project Name | FY 2020 Carry-forward FY 2021 | FY 2021 YTD Actuals | Remaining Balance | Status |
| System Enhancements & Infrastructure Upgrade | \$ 2,543,731 | \$ 2,035,934 | 507,797 | In Progress |
| Website Redesign | 119,970 | 103,878 | 16,092 | In Progress |
| EPMO System | 57,150 | 57,150 | - | Testing |
| Health Disparities | 474,715 | 324,980 | 149,735 | In Progress |
| | \$ 3,195,566 | \$ 2,521,942 | \$ 673,624 | |

Fiscal Year 2021 Q1 Budget

Focused on 3 Strategic Initiatives
IT Investment ◊ Cybersecurity ◊ Health Disparities

To Support Our Mission

To increase the number of insured residents, improve health care quality, lower costs and reduce health disparities through an innovative, competitive marketplace that empowers consumers to choose the health plan and provider that give them the best value.

Fiscal Year 2021 Q1 Budget

Operating & Capital Improvements Budget

| | |
|---|---------|
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FY 2021 Budget Summary

1st Quarter Budget Report (as of September 30, 2020)

Operating Budget - 1st Quarter Fiscal Year-to-Date

| | Budget | Actuals | Variance |
|-----------------|----------------------|----------------------|---------------------|
| AHCT | \$ 6,670,773 | \$ 5,838,119 | \$ 832,654 |
| DSS Shared Cost | 4,827,278 | 4,364,186 | 463,092 |
| Total | \$ 11,498,051 | \$ 10,202,305 | \$ 1,295,746 |

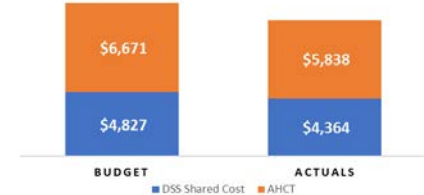
Operating Budget - FY 2021 Q1 Budget

| | FY 2021 Adopted Budget | FY 2021 Q1 Budget | Variance |
|-----------------|------------------------|----------------------|-------------|
| AHCT | \$ 35,141,988 | \$ 35,141,988 | \$ - |
| DSS Shared Cost | 19,990,688 | 19,990,688 | - |
| Total | \$ 55,132,676 | \$ 55,132,676 | \$ - |

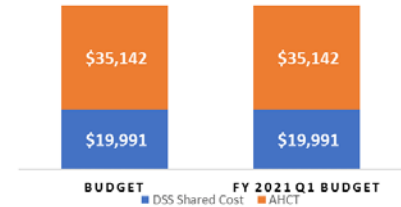
Capital Improvement Plan Update (Ongoing Reserves Funded)

| | FY 2021 Adopted Budget | FY2021 Q1 Budget | Variance |
|-----------------|------------------------|---------------------|-------------|
| AHCT | \$ 504,000 | \$ 504,000 | \$ - |
| DSS Shared Cost | 3,096,000 | 3,096,000 | - |
| Total | \$ 3,600,000 | \$ 3,600,000 | \$ - |

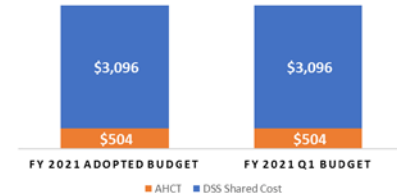
FY2020 1ST QUARTER YEAR-TO-DATE



OPERATING BUDGET - FY2020 Q1



CAPITAL IMPROVEMENT PLAN



FY 2021 Budget vs Actuals - Through September 30, 2020

(1st Quarter Budget Report)

| | OPERATING BUDGET - July 1, 2020 to Sept 30, 2020 | | |
|------------------------------------|--|----------------------|---------------------|
| | Budget | Actuals | Variance |
| Revenues | | | |
| Interest Income | \$ 15,032 | \$ 9,440 | \$ (5,592) |
| Marketplace Assessments | 8,769,826 | 8,769,827 | 1 |
| Total Revenue | \$ 8,784,858 | \$ 8,779,267 | \$ (5,591) |
| Expenses | | | |
| Salaries | \$ 1,874,118 | \$ 1,773,437 | \$ 100,681 |
| Fringe Benefits | 829,124 | 741,873 | 87,251 |
| Temporary Staffing | 143,295 | 66,547 | 76,748 |
| Contractual | 2,506,733 | 2,362,567 | 144,166 |
| Equipment and Maintenance | 887,020 | 572,396 | 314,624 |
| IT Enhancements | 210,356 | 155,962 | 54,394 |
| Supplies | 5,189 | 3,228 | 1,961 |
| Travel | 20,292 | 833 | 19,459 |
| Other Administrative | 194,646 | 161,276 | 33,370 |
| Total Operating Expenses | \$ 6,670,773 | \$ 5,838,119 | \$ 832,654 |
| Costs Shared with DSS | 4,827,278 | 4,364,186 | 463,092 |
| AHCT and DSS Total Expenses | \$ 11,498,051 | \$ 10,202,305 | \$ 1,295,746 |

Variances due to timing



FY 2021 Q1 Budget

| | FY 2021 Adopted Budget | FY 2021 Q1 Budget | Variance |
|------------------------------------|------------------------------|----------------------|-------------|
| Revenue | | | |
| Investment Income | \$ 62,685 | \$ 62,685 | \$ - |
| Marketplace Assessments | 35,079,303 | 35,079,303 | - |
| Total Revenue | \$ 35,141,988 | \$ 35,141,988 | \$ - |
| Budgeted Expenses | | | |
| Salaries | \$ 8,120,513 | \$ 8,120,513 | \$ - |
| Fringe Benefits | 3,416,751 | 3,416,751 | - |
| Temporary Staffing | 682,672 | 682,672 | - |
| Contractual | 14,429,493 | 14,429,493 | - |
| Equipment and Maintenance | 3,745,577 | 3,745,577 | - |
| IT Enhancements | 3,440,271 | 3,440,271 | - |
| Supplies | 22,720 | 22,720 | - |
| Travel | 125,216 | 125,216 | - |
| Other Administrative | 1,158,775 | 1,158,775 | - |
| Total Operating Expenses | \$ 35,141,988 | \$ 35,141,988 | \$ - |
| Costs Shared with DSS | \$ 19,990,688 | \$ 19,990,688 | \$ - |
| AHCT and DSS Total Expenses | \$ 55,132,676 | \$ 55,132,676 | \$ - |

Capital Improvement Projects (*CIP-R*) Funded by Reserve Update

- FY2019 Projects are currently pending with DSS.

| FY 2019 Capital Improvement Projects Update - Reserves | | | | | | |
|--|--|----------------|----------------|--------------------|---------------------|---------|
| Project Number | Project Name | Funding Source | DSS Allocation | Total Budget | YTD Estimated Spend | Status |
| 2019.001 | Technology refresh, move to open source from IBM products (WAS AND DB2) | Reserves | DDI (86%) | \$1,600,000 | \$ - | Pending |
| 2019.002 | Technology Refresh move to user friendly Notices Engine and convert existing Notices to new technology | Reserves | DDI (86%) | 2,000,000 | - | Pending |
| Total | | | | \$3,600,000 | \$ - | |

FY 2021 Q1 Shared Cost with Department of Social Services (DSS)

| Budget Category | DSS SHARED COST BUDGET | | |
|-----------------------------------|------------------------|---------------------|-------------|
| | FY2021 Adopted Budget | FY 2021 Q1 Budget | Variance |
| Temporary Staffing | \$775,247 | \$775,247 | \$0 |
| IT Maintenance & Development | 4,590,777 | 4,590,777 | - |
| Operations | 13,436,664 | 13,436,664 | - |
| Total - State General Fund | \$18,802,688 | \$18,802,688 | \$ 0 |
| Total - Federally Funded | \$1,188,000 | \$1,188,000 | \$ - |
| Total - DSS Shared Budget | \$19,990,688 | \$19,990,688 | \$ 0 |
| Capital Improvements (86%) | \$3,096,000 | \$3,096,000 | \$ - |

FY2021 Projected Reserve Fund Balance

AHCT projected fiscal 2021 year-end reserve is expected to be \$22.2 million.

| | <u>Amount</u> | Months of Operating Funding |
|---|-----------------------------|--|
| Fund Reserve As of June 30, 2019 | \$ 24,332,143 | |
| Subtract: FY2019 Carryover | (2,682,267) | |
| <u>Net Reserve As of June 30, 2019</u> | <u>21,649,877</u> | 7.4 |
| | | |
| | <u>Amount</u> | |
| Fund Reserve As of June 30, 2020 | \$ 25,942,635 | |
| Subtract: FY2020 Carryover | (3,195,566) | |
| <u>Net Reserve As of June 30, 2020</u> | <u>22,747,069</u> | 7.8 |
| Subtract: Reserve Funded Projects | (504,000) | |
| <u>Projection at June 30, 2021</u> | <u>\$ 22,243,069</u> | 7.6 |

Covid-19 Impact on FY2021 Budget

- AHCT is tracking Covid-19 related expenses
- Currently Covid-19 expenses are not having an impact on the budget

Adjournment