



# COUNTY OF VENTURA

## FISCAL YEAR 2023-24 2<sup>ND</sup> QUARTER BUDGET UPDATE

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County Executive Office – Budget & Finance

February 27, 2024

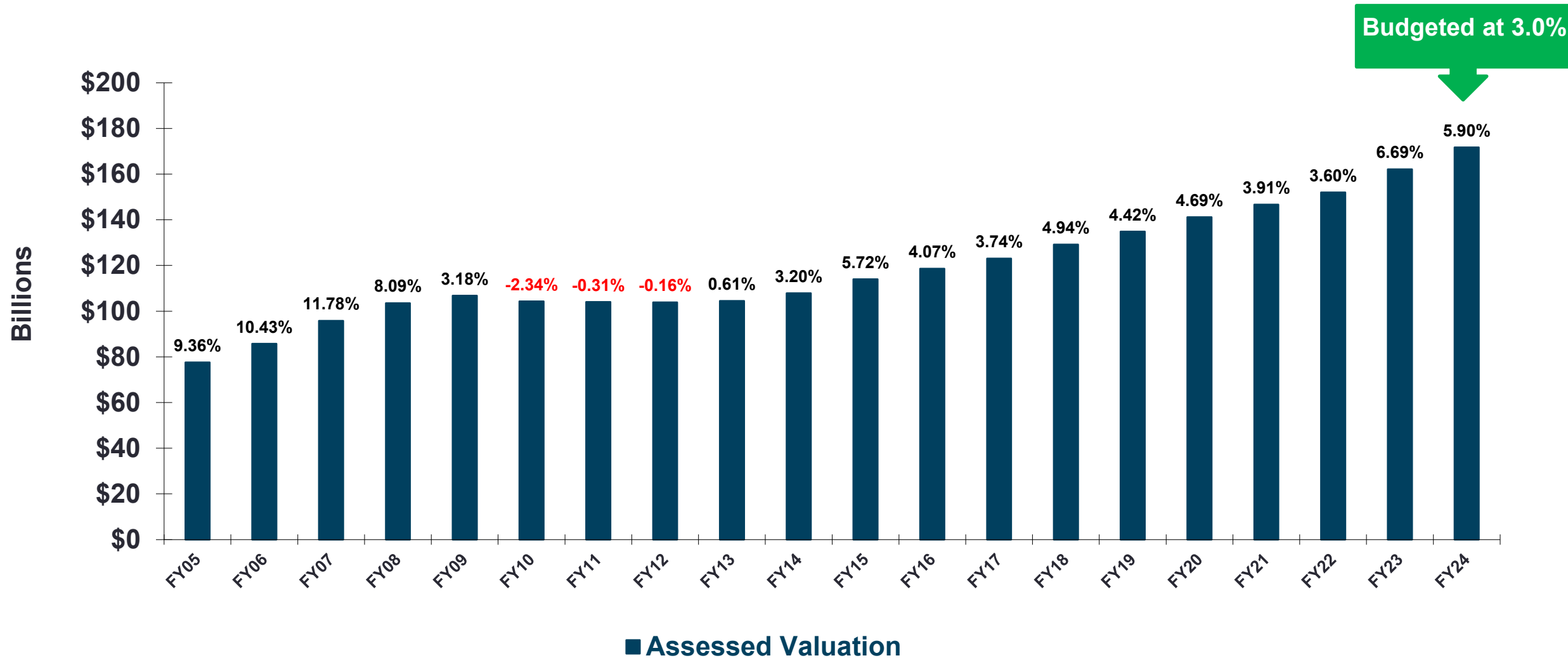
# BUDGET PRESENTATIONS

- ☐ 1<sup>st</sup> Qtr FY 2023-24 Budget Update – Dec 5, 2023
- ☐ 2<sup>nd</sup> Qtr FY 2023-24 Budget Update – Feb 27, 2024
- ☐ 3<sup>rd</sup> Qtr FY 2023-24 Budget Update – Jun 4, 2024

# FY 2023-24 ADOPTED BUDGET

- ❑ **Total County Appropriations:** **\$2.857B**
  
- ❑ **Total General Fund Appropriations:** **\$1.347B**
- ❑ **Total General Fund Revenue:** **\$1.344B**
  
- ❑ **Full-Time Equivalent Position Allocations:**
  - Total County: 10,276
  - Total General Fund: 5,491

# ASSESSED VALUATION TREND



## FY 2023-24 MID-YEAR BUDGET ADJUSTMENTS

	Appropriations	Revenue	Other Financing	Positions
General Fund	\$3,481,223	\$3,301,223	(\$180,000)	1
Non-General Fund	1,573,542	135,042	(1,438,500)	0
<b>Total</b>	<b>\$5,054,765</b>	<b>\$3,436,265</b>	<b>(\$1,618,500)</b>	<b>1</b>

# GENERAL FUND RESERVES

	Balance to Date	Mid-Year Adjustment Recommendations	Balance Post Mid-Year Adjustments
Non-Spendable	\$2,051,385		\$2,051,385
Restricted	11,108,918		11,108,918
Assigned	134,654,359	(\$180,000)	134,474,359
Unassigned	175,000,000		175,000,000
<b>Total</b>	<b>\$322,814,662</b>	<b>(\$180,000)</b>	<b>\$322,634,662</b>

# GENERAL FUND – ASSIGNED FUND BALANCE DETAIL

	Balance to Date	Mid-Year Adjustment Recommendations	Balance Post Mid-Year Adjustments
Attrition Mitigation	\$3,000,000		\$3,000,000
Audit Disallowance	10,000,000		10,000,000
Bike Lane Projects	4,500,000		4,500,000
Fiscal Recovery Projects	7,206,806		7,206,806
Fixed Assets	30,000,000		30,000,000
Litigation	1,000,000		1,000,000
Pension Mitigation	40,000,000		40,000,000
Program Mitigation	38,716,153	(\$180,000)	38,536,153
Public Protection Revolving Credit	231,400		231,400
<b>Total Assigned Fund Balance</b>	<b>\$134,654,359</b>	<b>(\$180,000)</b>	<b>\$134,474,359</b>

# YEAR TO DATE

- ❑ **Generally, On Track**
- ❑ **VCMS**
  - Presentation slides to follow





VENTURA COUNTY  
HEALTH CARE AGENCY

# VENTURA COUNTY MEDICAL SYSTEM FY 2023-24 MID-YEAR FINANCIAL REPORT

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Setting the standard in health care excellence

# FY 2022-23 Year-end & FY 2021-22 Year-end Audited Financials

	<b>Audited FY 2022-23</b>	<b>Audited FY 2021-22</b>
<b>Total Operating Revenue</b>	\$ 591,002,020	\$ 528,909,116
<b><u>Operating Expenses</u></b>		
Salaries & Benefits, Registry	\$ 325,902,986	\$ 267,956,331
Professional Services	\$ 75,167,882	\$ 66,390,260
Purchased Services & Other	\$ 135,952,691	\$ 134,365,409
Pharmaceutical Expenses	\$ 33,488,125	\$ 30,377,000
<b>Total Operating Expenses</b>	<b>\$ 570,511,684</b>	<b>\$ 499,089,000</b>
<b><u>Other Expenses</u></b>		
Interest Expense	\$ 7,780,540	\$ 8,290,782
Depreciation & Amortization	\$ 25,880,629	\$ 23,674,098
<b>Total Other Exp</b>	<b>\$ 33,661,169</b>	<b>\$ 31,964,880</b>
<b><u>Other Income/Revenue</u></b>		
IPU Contribution	\$ 13,690,000	\$ 13,690,000
County Contribution	\$ 15,611,150	\$ 15,197,900
State Retention Program Match (GF)	\$ 1,232,000	\$ -
<b>Total Other Revenue</b>	<b>\$ 30,533,150</b>	<b>\$ 28,887,900</b>
<b>Net Income (Loss)</b>	<b>\$ 17,362,317</b>	<b>\$ 26,743,136</b>
<b>% Net Income</b>	<b>2.9%</b>	<b>5.1%</b>

## **Notes:**

- Revenues grew 12% from prior year with strong growth in supplemental funding revenue.
- Labor is the highest driver of costs. Includes increases in union negotiated salaries, increase staffing and usage of registry for vacant and LOA positions.
- Pharmaceuticals continues to grow outpacing general cost of other supplies.
- Overall positive Net Income – favorable impact from pension adjustments, lowering overall labor costs.
- Year over year positive net positions.

# FY 2023-24 Budget & Year-end Financial Projections

	Amounts (in millions)	Notes
<b>Adopted Budget</b>	<b>\$ (8.3)</b>	Adopted Budget: \$ (8.3 million) or a negative 1.2% of total revenue.
Revenue	\$ 8.8	Favorable position from adopted budget. Supplemental funding increase 3.7% due to new QIPP program and other revenues
Costs	\$ 11.3	Salary & Benefits: Favorable due to unfilled positions
	\$ (7.6)	Registry Costs: Unfavorable due to unfilled position and increased LOAs
	\$ (2.2)	Services & Supplies: Unfavorable from adopted budget, general cost increases
	\$ (2.8)	Facilities Maintenance: Unfavorable due to weather related and other facilities repairs
	\$ (1.7)	Pharmaceutical: Unfavorable due to higher prices and usage for infusion treatment
	\$ (1.2)	Minor Equipment: Unfavorable from budget: purchase of neurosurgical equipment, offsetting revenue included in other revenue.
Favorable change in budget position	<b>\$ 4.6</b>	Favorable net change from adopted budget.
<b>Projected Year-end Net Income (loss)</b>	<b>\$ (3.7)</b>	<b>Total Net Change result in an overall position change from a \$ (8.3 million) Net Budgeted Net Loss to a projected Year-end \$ (3.7 million) Net Budget Net Loss position or (-0.6%), equating to a \$4.6 million favorable position from the adopted budget through mid-year.</b>

# VCMS Supplemental Funding Receivables 12/31/23

Program	Amount
QIP Program	\$ 171,422,485
EPP Program	\$ 40,635,820
Rate Range	\$ 53,316,368
Other	\$ 49,183,263
Total Outstanding	<u>\$ 314,557,936</u>
General Fund - Loan Balance	<u>\$ 287,000,000</u>

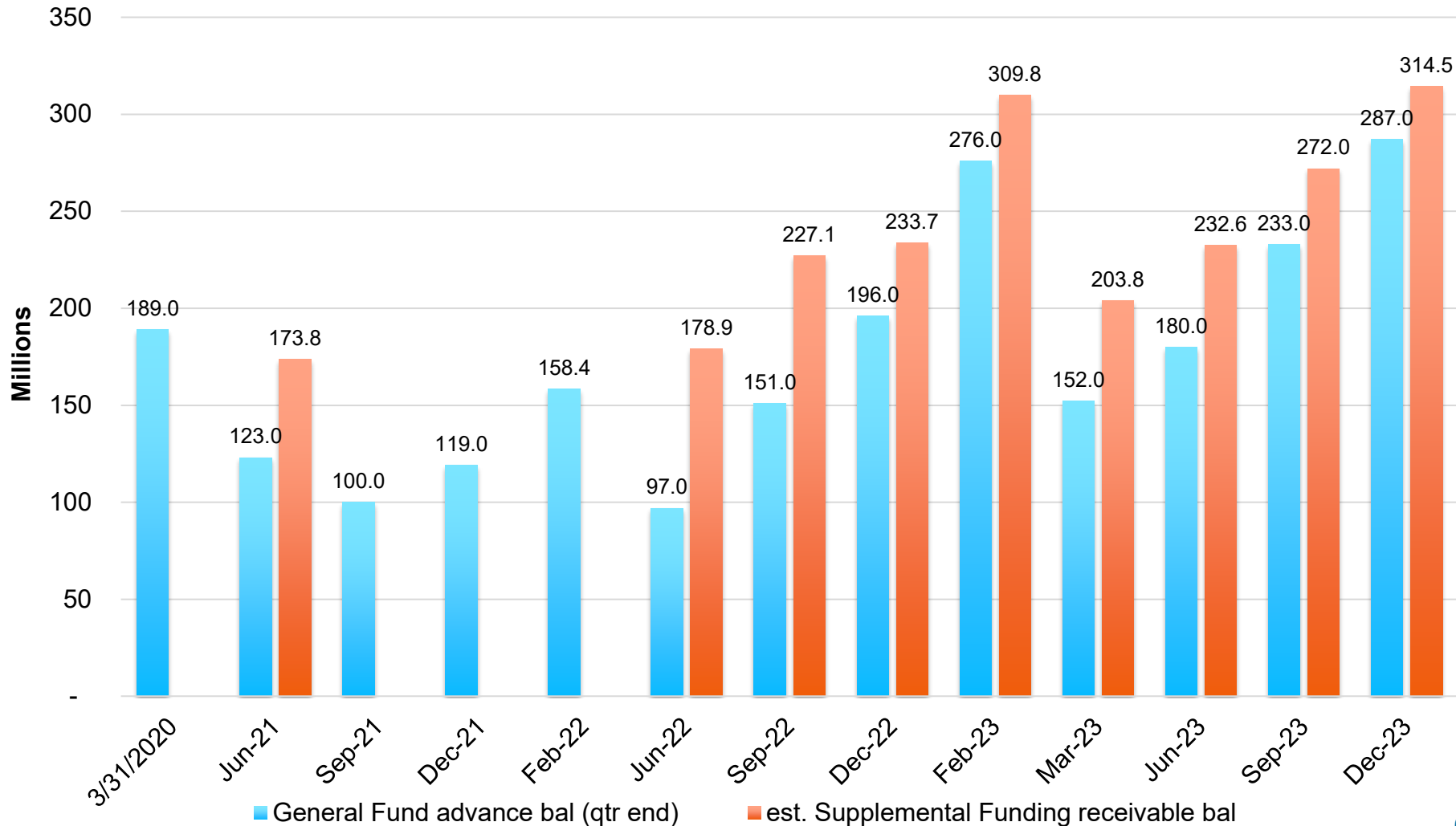
## Advocacy to Address Cashflow Concerns

Budget initiatives include additional state support through State General Fund for Public Safety Net systems. Part of MCO tax provisions

Change in the timing of IGTs to fall vs spring.

Partial advance payments for QIP to begin fall of 2025

# General Fund Advance Balance & Estimated Supplemental Funding Receivables



## Notes:

2-yr Trend: between 6/30/21 and 6/30/23, supplemental funding receivables have increased 71M (from 174M to 245M) and general fund advance has increased 57M (from 123M to 180M).

As of 9/30/23, entire OIG settlement from FY1415 (29.5M + interest) has been repaid.

When practical and if material, more recent, prior QE receivable estimates have been revised to reflect updated information received.

# **FY 2024-25 BUDGET PROCESS**

- 1. Calculation of General Fund Forecast**
- 2. Develop General Fund Department Net Cost Target Budgets**
- 3. Internal Service Funds Rate Presentations – Feb 6, 2024**
- 4. Budget Development Manual – Feb 6, 2024**
- 5. Budget Meetings with Agencies/Departments**
- 6. Agency/Department Budget Presentations – Apr-May 2024**
- 7. Countywide Rates & Fees – May 21, 2024**
- 8. Preliminary Budget Presentation – Jun 4, 2024**
- 9. Budget Hearings – Jun 17, 2024**

# RECOMMENDATIONS

- ☐ **Receive and File Mid-Year Budget Report**
- ☐ **Approve Budget Adjustments**
- ☐ **Adopt Resolution Establishing One Regular FTE Position**
- ☐ **Approve Acceptance of Donation from Canine Foundation**
- ☐ **Receive and File Summary of VCMC Charge Master Description Changes**
- ☐ **Receive and File Semi-Annual Grant Activity Report**