



COUNTY OF VENTURA

FISCAL YEAR 2022-23 1ST QUARTER BUDGET UPDATE

County Executive Office – Budget & Finance Division

December 13, 2022

FY 2021-22 FISCAL YEAR-END

❑ **Actual Fund Balance at 6/30/22 = \$48M**

- Allocated to Reserves:
 - \$40M - Program Mitigation; \$5M - Unassigned Fund Balance; \$2.5M - Pension Mitigation

❑ **Resulting from:**

- Expenditure Savings
 - Salaries and Benefits; Services and Supplies
- Higher Revenue Collections
 - Mainly tax revenue: property taxes, recording fees, sales tax

FY 2022-23 ADOPTED BUDGET

- ❑ **Total County Appropriations:** **\$2.695B**

- ❑ **Total General Fund Appropriations:** **\$1.290B**
- ❑ **Total General Fund Revenue:** **\$1.290B**

- ❑ **Full-Time Equivalent Position Allocations:**
 - Total County: 10,179
 - Total General Fund: 5,436

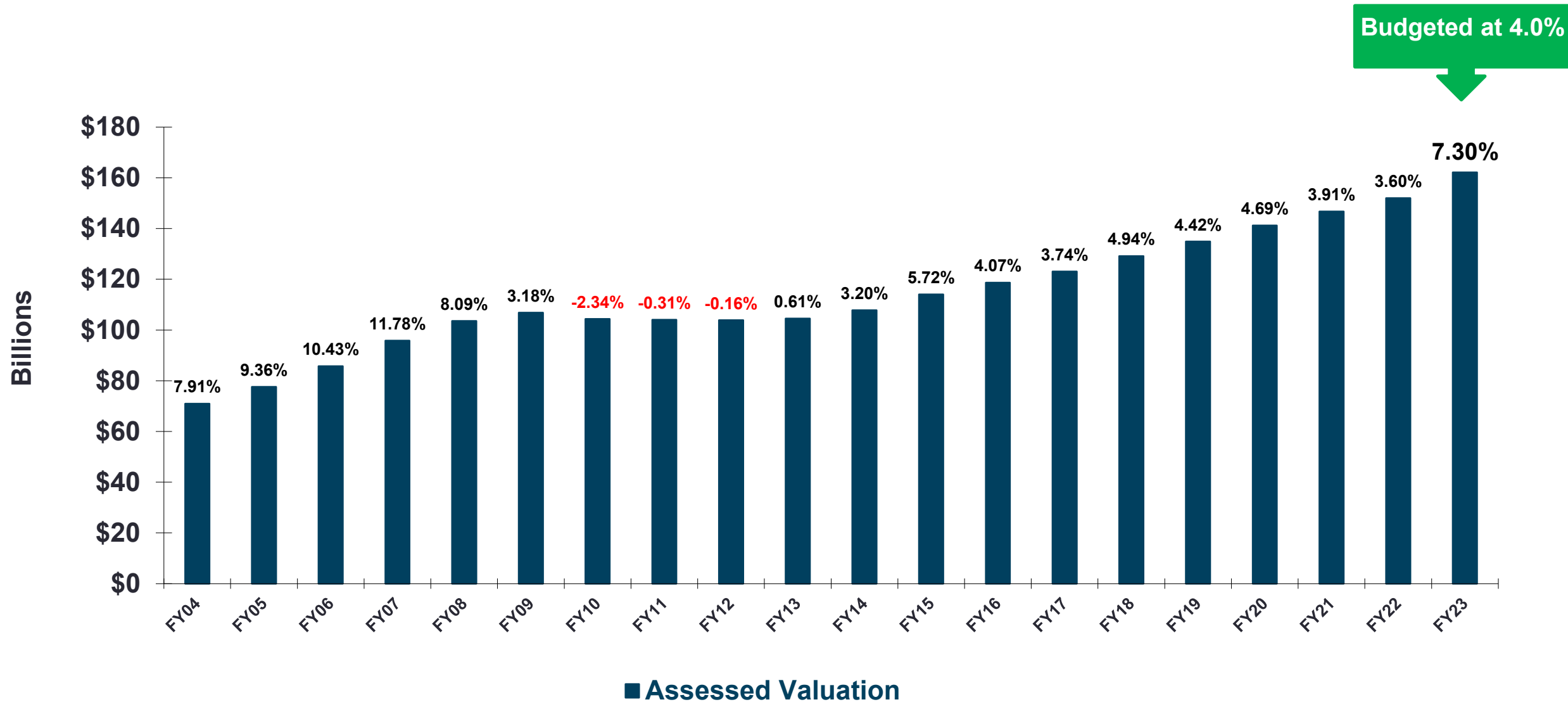
GENERAL FUND RESERVES

	Adopted 2022-23	FY 2022-23 Adjustments thru 12/12/22	Adjustment Recommendation (#3)	Balance To Date
Non-Spendable	\$2,051,385			\$2,051,385
Restricted	10,092,112			10,092,112
Assigned	94,073,092	(\$2,403,420)	(\$463,272)	91, 206,400
Unassigned	160,000,000			160,000,000
Total	\$266,216,588	(\$2,403,420)	(\$463,272)	\$263,349,896

GENERAL FUND – ASSIGNED FUND BALANCE DETAIL

	Adopted 2022-23	FY 2022-23 Adjustments thru 12/12/22	Adjustment Recommendation (#3)	Balance To Date
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
Fixed Asset Acquisitions	3,738,810			3,738,810
Fixed Asset Acquisitions-TRJ HPU	1,100,000			1,100,000
Litigation	849,746	(\$50,000)		799,746
Pension Mitigation	15,000,000			15,000,000
Program Mitigation	55,430,691	(2,353,420)	(\$463,272)	52,613,999
Other	453,844			453,844
Total Assigned Fund Balance	\$94,073,092	(\$2,403,420)	(\$463,272)	\$91,206,400
Total Unassigned Fund Balance	\$160,000,000	\$0	\$0	\$160,000,000

ASSESSED VALUATION TREND



FY 2023-24 CALIFORNIA STATE BUDGET OUTLOOK

LEGISLATIVE ANALYST'S OFFICE

Reflecting Threat of Recession, Revenue Estimates Represent Weakest Performance Since the Great Recession

- ❑ **State faces \$25B deficit in FY 2023-24;** deficits over multi-year period
 - Lower revenue estimates due to heightened risk of an economic downturn
 - Under a recession scenario, revenues would be reduced another \$30B - \$50B
 - Persistently high inflation = programmatic impacts
- ❑ **Legislature needs both reserves and other budget solutions to address deficit**
 - Plan budget without use of reserves
 - Identify recent augmentations to pause/delay; reevaluate if not yet distributed

ANTICIPATED COST IMPACTS

- ❑ **Economic Climate** - reduced revenues
- ❑ **Inflationary Pressures** - fuel, vehicle acquisition, supplies, equipment)
- ❑ **Labor Costs**
- ❑ **Cost of Debt**
- ❑ **Retirement Contributions**
- ❑ **Cost of Elections**
- ❑ **Capital Requirements**
- ❑ **Health & Human Services**
 - CalAIM, Senior Nutrition, Mental Health Services, Homelessness
- ❑ **Public Safety**
 - Elimination of Criminal Fees/Fines, Dept of Juvenile Justice realignment, Incompetent to Stand Trial, Health & Programming Unit Staffing, Unfunded realignment costs, Care Court

GENERAL FUND FORECAST

Version A: Assessed Value Growth

	FY 2023 Adopted Budget	FY 2024 Forecast	FY 2025 Forecast	FY 2026 Forecast
Total Expenditures	1,290,178,792	1,331,751,809	1,372,367,460	1,411,367,929
Total Revenues	1,290,178,792	1,329,982,885	1,367,802,531	1,408,269,902
Surplus (Deficit)	0	(1,768,923)	(4,564,929)	(3,098,026)

Version B: Assessed Value Flat

	FY 2023 Adopted Budget	FY 2024 Forecast	FY 2025 Forecast	FY 2026 Forecast
Total Expenditures	1,290,178,792	1,331,751,809	1,372,367,460	1,411,367,929
Total Revenues	1,290,178,792	1,319,816,950	1,342,622,263	1,367,549,800
Surplus (Deficit)	0	(11,934,858)	(29,745,197)	(43,818,128)

YEAR TO DATE

- ❑ **Generally, On Track**

- ❑ **VCMS**
 - Presentation slides to follow

YTD Sept 2022 Income Statement /Revenue & Expenses

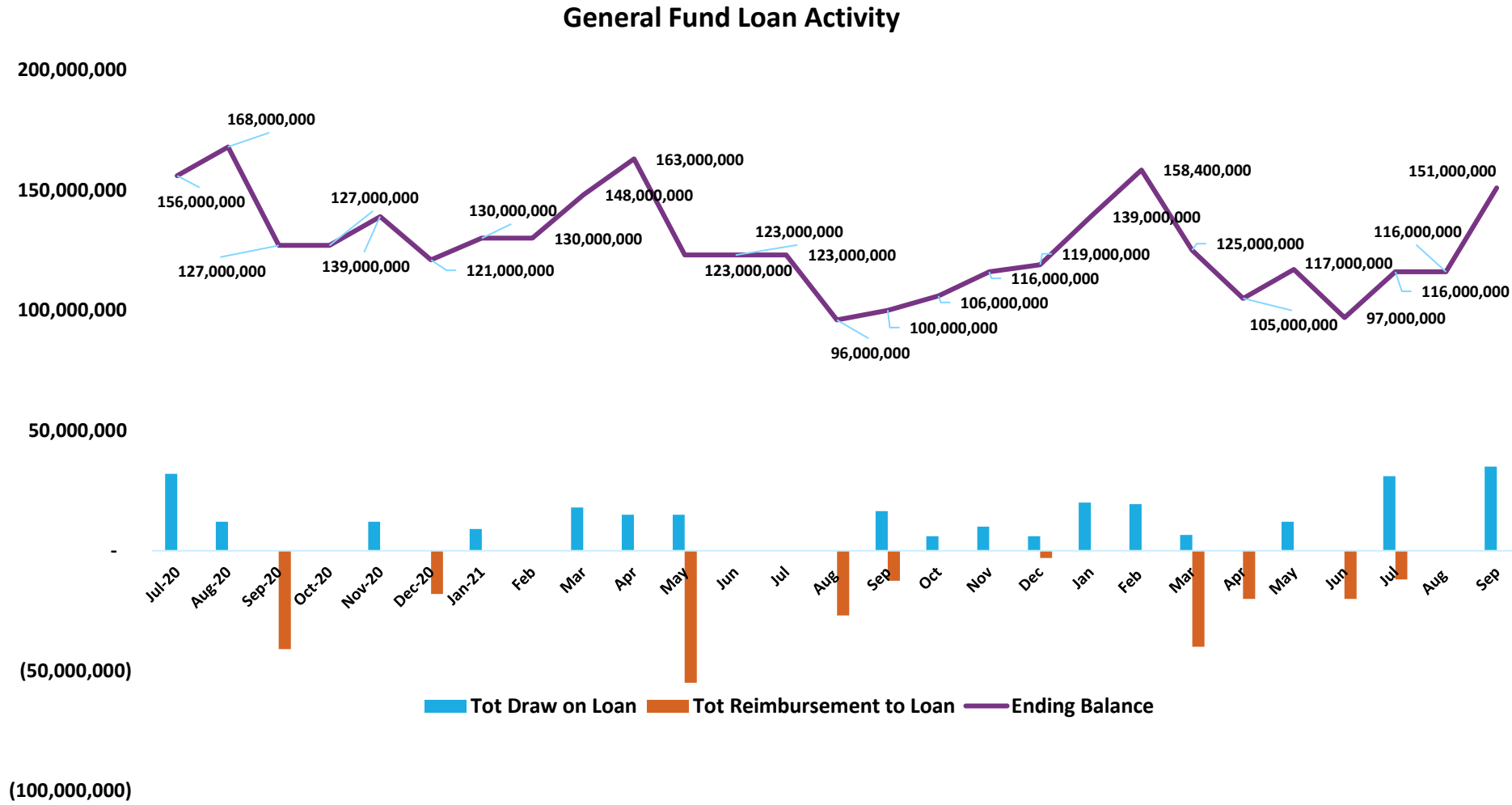
Ventura County Medical System							
	FY 22-23 compared to budget				comparison to prior year		
	YTD Sept 2022	budget	variance	%	YTD Sept 2021	variance	%
Net Patient Serv Rev & Supplemental Funding	132,248,650	139,925,578	(7,676,928)	-6%	127,496,373	4,752,277	4%
IPU CONTRIBUTION	3,422,250	3,422,250	-		3,422,250	-	
COUNTY CONTRIBUTION	3,799,475	3,799,475	-		3,799,475	-	
TOTAL OPERATING REVENUE	139,470,375	147,147,303	(7,676,928)	-6%	134,718,098	4,752,277	4%
SALARIES, BENEFITS & REGISTRY	77,831,129	81,307,791	(3,476,662)	-4%	69,184,872	8,646,257	
PROF FEES - MEDICAL & CLINIC EXP	18,555,488	18,211,278	344,210	2%	17,833,938	721,550	
SAL, BEN, PRO FEES, CLINIC EXP COMBINED	96,386,617	99,519,069	(3,132,452)	-3%	87,018,810	9,367,807	11%
SUPPLIES, PURCH SERV & OTHER OP EXP	45,623,335	41,748,123	3,875,212	8%	40,035,992	5,587,343	14%
INTEREST EXPENSE	1,916,617	1,917,156	(539)	0%	2,044,443	(127,825)	-6%
DEPRECIATION & AMORTIZATION	6,049,337	6,135,081	(85,744)	-1%	4,765,421	1,283,916	27%
TOTAL OPERATING EXPENSES	149,975,906	149,319,429	656,477	0%	133,864,665	16,111,241	12%
NET INCOME	(10,505,531)	(2,172,126)	(8,333,405)		853,433	(11,358,964)	
EBIDA (Earnings Before Depr & Interest)	(2,539,576)	5,880,111	(8,419,687)		7,663,297	(10,202,873)	
note: more than \$40M of annual supplemental funding & other oper rev not yet recognized as income during the first quarter (QE Sept 2022)							

VCMS Statement of Revenue and Expenses

		YE June 2022 (unaudited) compared to budget				comparison to prior year		
		YE June 2022	budget	variance	%	YE June 2021	variance	%
1	NET PATIENT SERVICE REVENUE	324,772,890	303,841,575	20,931,315	6%	307,861,570	16,911,320	5%
2	SUPPLEMENTAL FUND & OTHER OP REV	223,199,541	212,946,468	10,253,073	5%	225,452,760	(2,253,218)	-1%
3	IPU CONTRIBUTION	13,689,000	13,689,000	-	0%	11,500,000	2,189,000	19%
4	COUNTY CONTRIBUTION	15,197,900	15,197,900	-	0%	15,197,900	-	0%
5	TOTAL OPERATING REVENUE	576,859,331	545,674,943	31,184,388	5%	560,012,230	16,847,102	3%
6	SALARIES, BENEFITS & REGISTRY	293,575,663	293,391,771	183,892	0%	211,768,873	81,806,790	
7	PROF FEES - MEDICAL & CLINIC EXP	69,284,798	70,772,390	(1,487,592)	-2%	140,100,546	(70,815,748)	
8	SAL, BEN, PRO FEES, CLINIC EXP COMBINED	362,860,461	364,164,161	(1,303,700)	0%	351,869,419	10,991,042	3%
9	SUPPLIES, PURCH SERV & OTHER OP EXP	160,156,710	149,010,042	11,146,668	7%	157,587,485	2,569,224	2%
10	INTEREST EXPENSE	8,290,522	7,901,676	388,846	5%	8,485,117	(194,595)	-2%
11	DEPRECIATION & AMORTIZATION	24,131,200	24,349,179	(217,979)	-1%	18,983,536	5,147,664	27%
12	TOTAL OPERATING EXPENSES	555,438,893	545,425,058	10,013,835	2%	536,925,557	18,513,336	3%
13	NET INCOME	21,420,439	249,885	21,170,554		23,086,673	(1,666,234)	
14	EBIDA (Earnings Before Dnepr & Interest)	53,842,160	32,500,740	21,341,420		50,555,326	3,286,835	
footnotes: 1. FY22 year end pension adj not yet included, estimated \$25.6M expense decrease								
2. Change in Net Assets per YE June 2021 ACFR = 23.09M 3. potential 4.2M reduction in GCHP capitation payments not yet recorded								

VCMS

General Fund Loan activity attributed largely to Supplemental Funding activity



RECOMMENDATIONS

- ☐ **Receive and File 1st Quarter Budget Update**
- ☐ **Approve FY 2022-23 Budget Adjustment Recommendations**
- ☐ **Adopt Resolution Establishing One Fixed-Term Position**