



FY 2019 PRELIMINARY BUDGET PLANNING

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Brian Braun

Key Budget Criteria

The fiscal year 2019 budget needs to address the following:

- Positive cash flows from operations
- Maintain a sufficient cash balance/reserve
- Provide/reserve for needed capital investments
- Flexibility to adjust to changes in enrollment and premium changes
- Continued support for outreach

Projection Scenarios

- **Baseline**

Revenue – Carrier fees stay flat through plan year 2019

Operating Costs – Stay flat between fiscal years

Capital Investments - \$15 million

Results in positive earnings in FY19 and FY20

- **Low**

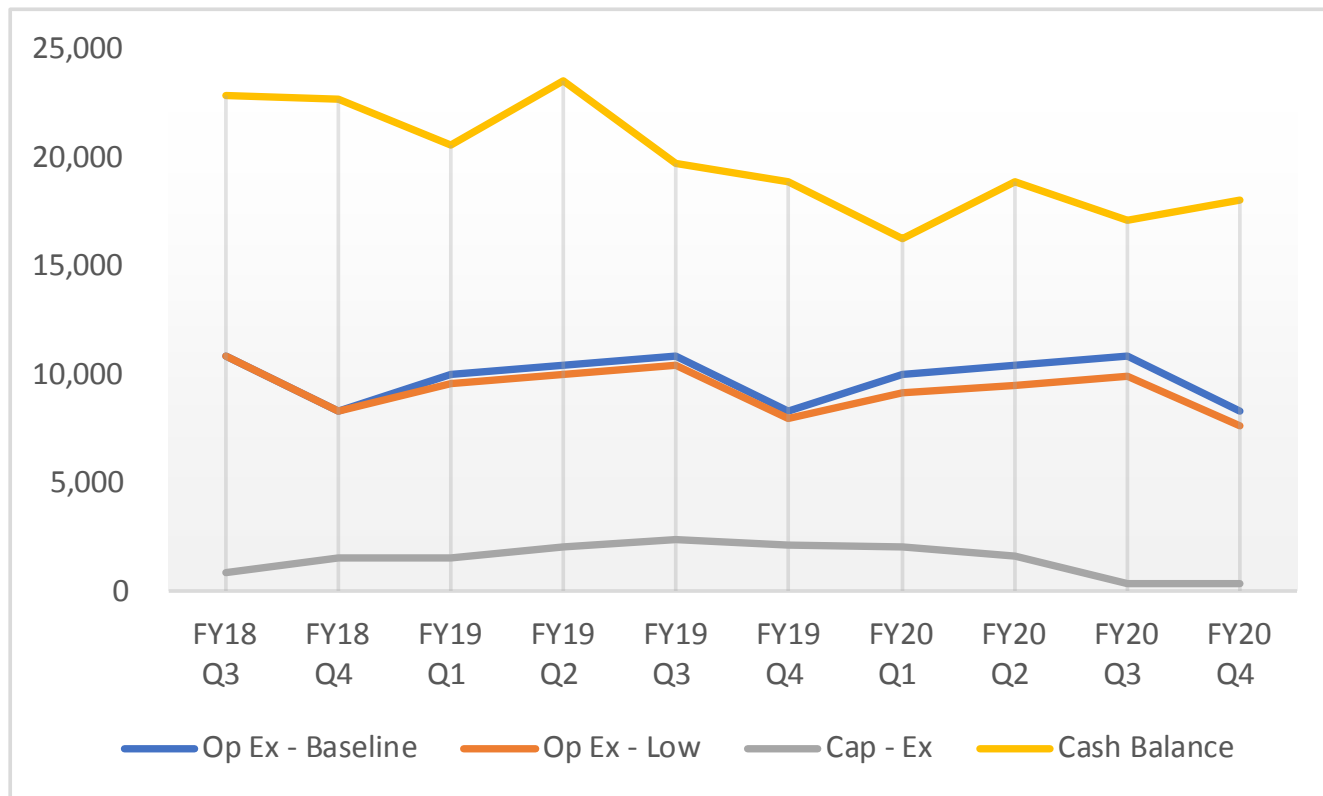
Revenue – Carrier fees go down by 10% in plan year 2019

Operating Costs – Reduced to match baseline budget income (4.5% reduction in FY 19 and 8.8% reduction in FY 20).

Capital Investments - \$15 million

Results in positive earnings in FY19 and FY20

Cash and Expenses - Projected



Revenue Projections

Revenue Projections - Baseline	FY 2018		FY 2019				FY 2020			
	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
Carrier Fees	8,735	8,954	8,688	8,430	8,735	8,954	8,688	8,430	8,735	8,954
Tax Credit Donations	0	0	0	5,000	0	0	0	5,000	0	0
Grants	0	0	0	1,300	0	0	0	500	0	0
Cost Reimbursements	750	750	750	750	750	750	750	750	750	750
Total Revenues	9,485	9,704	9,438	15,480	9,485	9,704	9,438	14,680	9,485	9,704
Total FY 2019 Budget						44,105	Total FY 2020 Projection			43,305

Revenue Projections - Low	FY 2018		FY 2019				FY 2020			
	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
Carrier Fees	8,735	8,954	8,688	8,430	7,861	8,058	7,819	7,587	7,861	8,058
Tax Credit Donations	0	0	0	5,000	0	0	0	5,000	0	0
Grants	0	0	0	1,300	0	0	0	500	0	0
Cost Reimbursements	750	750	750	750	750	750	750	750	750	750
Total Revenues	9,485	9,704	9,438	15,480	8,611	8,808	8,569	13,837	8,611	8,808
Total FY 2019 Budget						42,336	Total FY 2020 Projection			39,825

Income and Cash Projections

Income and Cash Projections Baseline (\$'s in 000's)	FY 2018		FY 2019				FY 2020			
	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
Revenues	9,485	9,704	9,438	15,480	9,485	9,704	9,438	14,680	9,485	9,704
Operating Expenses	10,878	8,337	10,044	10,441	10,878	8,337	10,044	10,441	10,878	8,337
Income From Operations	(1,393)	1,367	(607)	5,038	(1,393)	1,367	(607)	4,238	(1,393)	1,367
Cash Projection:										
Cash Balanc - Beg	25,083	22,840	22,676	20,540	23,548	19,725	18,912	16,245	18,854	17,080
Income From Operations	(1,393)	1,367	(607)	5,038	(1,393)	1,367	(607)	4,238	(1,393)	1,367
Capital Investments										
Eligibility Improvements	(300)	(1,250)	(1,250)	(1,250)	(400)	(150)	(150)	(150)	(150)	(150)
Marketplace Improvements	(250)	(250)	(250)	(750)	(750)	(750)	(630)	(200)	(200)	(200)
Service Center Improvements	-	-	-	-	(1,250)	(1,250)	(1,250)	(1,250)	-	-
Corporate Facility and Technology	(300)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)
Cash Balance - End	22,840	22,676	20,540	23,548	19,725	18,912	16,245	18,854	17,080	18,067
			Total FY 2019 Cap Inv			8,170	Total FY 2020 Cap Inv			4,450
			Total FY 2019 Op Ex			39,700	Total FY 2020 Op Ex			39,700

Income and Cash Projections Low (\$'s in 000's)	FY 2018		FY 2019				FY 2020			
	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
Revenues	9,485	9,704	9,438	15,480	8,611	8,808	8,569	13,837	8,611	8,808
Operating Expenses	10,878	8,337	9,597	9,976	10,393	7,966	9,163	9,526	9,924	7,606
Income From Operations	(1,393)	1,367	(159)	5,504	(1,782)	843	(595)	4,311	(1,313)	1,202
Cash Projection:										
Cash Balanc - Beg	25,083	22,840	22,676	20,987	24,461	20,249	18,912	16,257	18,938	17,245
Income From Operations	(1,393)	1,367	(159)	5,504	(1,782)	843	(595)	4,311	(1,313)	1,202
Capital Investments										
Eligibility Improvements	(300)	(1,250)	(1,250)	(1,250)	(400)	(150)	(150)	(150)	(150)	(150)
Marketplace Improvements	(250)	(250)	(250)	(750)	(750)	(750)	(630)	(200)	(200)	(200)
Service Center Improvements	-	-	-	-	(1,250)	(1,250)	(1,250)	(1,250)	-	-
Corporate Facility and Technology	(300)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)
Cash Balance - End	22,840	22,676	20,987	24,461	20,249	18,912	16,257	18,938	17,245	18,067
			Total FY 2019 Cap Inv			8,170	Total FY 2020 Cap Inv			4,450
			Total FY 2019 Op Ex			37,931	Total FY 2020 Op Ex			36,219
			Expense Reduction from Base			4.5%	Expense Reduction from Base			8.8%