

**OKLAHOMA STATE DEPARTMENT OF HEALTH
BOARD OF HEALTH FINANCE COMMITTEE BRIEF
OCTOBER 2015**

SFY 2016 BUDGET AND EXPENDITURE FORECAST: AS OF 9/22/2015

<u>Division</u>	<u>Current Budget</u>	<u>Expenditures</u>	<u>Obligations</u>	<u>Forecasted Expenditures</u>	<u>Not Obligated or Forecasted</u>	<u>Performance Rate</u>
Public Health Infrastructure	\$ 16,733,160	\$ 202,189	\$ 5,052,479	\$ 10,923,037	\$ 555,454	96.68%
Protective Health Services	\$ 61,098,300	\$ 6,709,066	\$ 10,077,475	\$ 41,632,388	\$ 2,679,372	95.61%
Prevention & Preparedness Services	\$ 59,100,035	\$ 1,853,652	\$ 30,988,752	\$ 21,768,665	\$ 4,488,966	92.40%
Health Improvement Services	\$ 22,645,340	\$ 109,162	\$ 4,330,607	\$ 15,973,712	\$ 2,231,859	90.14%
Community & Family Health Services	\$ 233,214,025	\$ 12,295,222	\$ 35,923,219	\$ 178,991,276	\$ 6,004,308	97.43%
Totals:	\$ 392,790,860	\$ 21,169,290	\$ 86,372,532	\$ 269,289,078	\$ 15,959,959	95.94%
< 90%	90% - 95%		95% - 102.5%		102.5% - 105%	>105%

Expenditure Forecast Assumptions

- Payroll forecasted through June 30, 2016
- Budgeted vacant positions are forecasted at 50% of budgeted cost
- Forecasted expenditures includes the unencumbered amounts budgeted for:
 - Travel reimbursements
 - WIC food instrument payments
 - Trauma fund distributions
 - FQHC reimbursements
 - Amounts budgeted for county millage
 - Budget amounts for fiscal periods other than state fiscal year not yet active

Explanation of Change

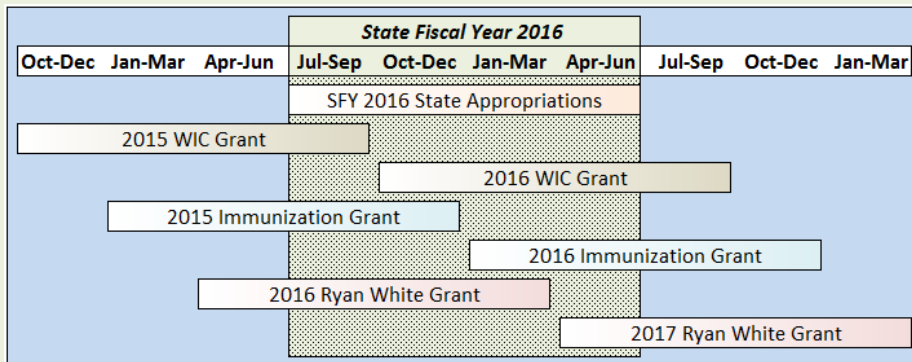
- The amounts reported as 'Not Obligated or Forecasted' are not an estimate of lapsing funds
- Two divisions, Prevention & Preparedness Services and Health Improvement Services, have a "yellow light" status as of September 22, 2015
- The amounts not obligated and not forecasted for these two divisions are due to supplies and equipment purchases budgeted but not yet acquired, contracts that are budgeted and in the process of being encumbered, and budgeted vacant positions that are in the process of being filled

**OKLAHOMA STATE DEPARTMENT OF HEALTH
BOARD OF HEALTH FINANCE COMMITTEE BRIEF
OCTOBER 2015**

UNDERSTANDING THE BOARD OF HEALTH FINANCE REPORT

Variations in Budget Amounts Reported

- The Oklahoma State Department of Health (OSDH) operates programs that follow various fiscal years
- Finance reports for the Board of Health span the state fiscal year (July – June)
- Most grant funded programs operate on non-state fiscal years
- Reporting on multiple overlapped fiscal years causes small fluctuations in budget amounts reported each month



- A program's fiscal period is determined by its primary funding source
- The non-state fiscal year is partitioned by state fiscal year
- While the a grant's budget typically stays static, the amount apportioned to each state fiscal year may be revised

What is a Forecasted Expenditure?

- Payroll costs for filled positions
- Estimates for vacant positions that are actively being filled
- Unobligated, but reasonably estimatable future costs
 - Travel reimbursements
 - WIC food instrument payments
 - Trauma fund distributions
 - FQHC reimbursements
 - Budgeted amounts for non-state fiscal periods not yet active, example:
 - The 2017 Ryan White grant period begins 4/1/2016
 - Purchase Orders (obligations) for this time period (4/1/2016 – 6/30/2016) have not been processed and there is no method to reasonably estimate these future costs
 - To report this portion of the grant fiscal year budget (4/1/2016 – 6/30/2016) as available would inflate the available resources reported

What is an Obligation?

- An obligation is a cost for which there is a reserve on the budget
- This includes:
 - Encumbrances (the balance of a purchase order)
 - Credit card purchase requests
 - Other expenditure transactions in process

Change in Reported Budget Amount for SFY 2016

- Before state fiscal year 2016, the reported budget amounts included:
 - Budgeted internal transfers between funds
 - Budgeted program reimbursements for internal service funds
- These transactions are internal and do not represent actual costs
- These transactions represented a duplication of real costs incurred
- For the October 2016 Board Finance Report, the effect of this change is approximately \$23 million