

Agenda Item 13

DISCUSSION AND POSSIBLE ACTION:

UPDATED BUDGET PLAN - FISCAL YEAR 2026

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Background: During the Annual Board Retreat, the Board of Trustees, the Chief Financial officer, Chief Health Programs Officer, Chief Administrative Officer, Chief Human Resources Officer, and chief Executive Officer provided the Board of Trustees an overview of the Fiscal Year (FY) 2026 preliminary budget plan. The plan identified opportunities and challenges for the new year related to needs in our communities; salaries and benefits for staff; program and operational changes and additions; anticipated rate changes; and changes in regulations and contractual mandates. In building the budget for the new year, assumptions and changes in our working environment are identified that will affect our anticipated revenues and expenses.

The updated budget plan for FY 2026 has been developed without some detailed information related to specific funding and grant applications anticipated in the coming year. The budget plan for FY 2026 was approved by the Board of Trustees at the August 27, 2025 Board meeting, and had a projected positive margin of \$521,631.

The Board of Trustees is presented here with the most current update to that budget plan, to ensure an accurate picture of the financial position of the Center is communicated. This revised budget plan presented now has a projected negative margin of \$374,227.

The key issues include: reduction in the public health provider-charity care pool (PHP-CCP) projected revenue, reduction in Substance Abuse Disorder program projected revenues, and reduction in expenses in the primary care program. Management is actively working on strategies to bring the budget back into balance.

For Board Consideration: It is recommended that the Board of Trustees approve the updated FY 2026 budget plan, as presented.

<i>Monthly</i>		<i>Mental Health</i>					
		Mental Health	Crisis Residential	YES Waiver	TCOOMMI	ETBHN	Subtotal
<i>Revenue:</i>	Admin						
Local	1,093,666	340,466	2,323,824	-	25,000	235,800	2,925,090
State & Federal Contracts & Grants		25,731,460	16,802,800	-	840,389	-	43,374,649
Earned Revenue		3,796,325	69,238	1,353,104	59,479	-	5,278,146
DPP Component 1		1,894,599	206,195	291,019	-	-	2,391,813
PHP CCP		7,201,455	1,190,366	119,477	401,532	-	8,912,831
Total Revenue	1,093,666	38,964,306	20,592,423	1,763,600	1,326,400	235,800	62,882,528
<i>Expenses:</i>							
Salaries & Benefits	6,202,806	25,072,441	7,421,467	1,049,322	860,104	200,400	34,603,734
Operating Expenses	2,179,629	3,186,329	1,722,091	114,951	32,373	1,687	5,057,431
Contract Expense	809,182	4,267,279	11,391,821	428,106	269	-	16,087,475
Capital Use Fee	210,891	415,535	232,313	37,803	27,240	-	712,891
Total Expenses	9,402,508	32,941,584	20,767,693	1,630,182	919,986	202,087	56,461,532
Revenue Less Expenses	(8,308,842)	6,022,721	(175,270)	133,417	406,414	33,713	6,420,996
Administration Allocation	8,308,842	(4,459,630)	(1,435,472)	(184,041)	(140,811)	(30,940)	(6,250,894)
Adjusted Rev Less Exp	-	1,563,092	(1,610,742)	(50,624)	265,603	2,773	170,102

Monthly	Developmental Disabilities	Integrated Health	ECI	SUD			Autism	
	Developmental Disabilities	Primary Care	ECI	OSAR	SUD	Subtotal	Autism	Total
Revenue:								
Local	-	8,145	552,172			-		4,579,073
State & Federal Contracts & Grants	3,375,672	282	3,134,520	901,447	2,730,943	3,632,390	455,536	53,973,049
Earned Revenue	2,307,603	288,483	1,218,459	-	107,872	107,872	10,123	9,210,686
DPP Component 1		-	370,568	-	36,300	36,300	-	2,798,680
PHP CCP		178,716		22,315	1,086,138	1,108,453	-	10,200,000
Total Revenue	5,683,275	475,626	5,275,719	923,762	3,961,253	4,885,015	465,659	80,761,487
Expenses:								
Salaries & Benefits	4,176,256	487,312	3,800,414	690,056	2,813,014	3,503,070	388,127	53,161,720
Operating Expenses	388,604	191,251	424,632	59,442	199,768	259,210	17,997	8,518,752
Contract Expense	785,408	10,447	98,170	89,025	384,697	473,721	8,284	18,272,687
Capital Use Fee	76,700	33,712	62,662	34,692	51,007	85,699		1,182,556
Total Expenses	5,426,968	722,722	4,385,878	873,215	3,448,485	4,321,699	414,408	81,135,714
Revenue Less Expenses	256,308	(247,096)	889,841	50,547	512,768	563,315	51,251	(374,227)
Administration Allocation	(710,636)	(109,051)	(656,460)	(50,548)	(469,074)	(519,622)	(62,179)	-
Adjusted Rev Less Exp	(454,328)	(356,147)	233,381	(0)	43,694	43,693	(10,928)	(374,227)