Valley Community Services Board (VCSB)

Adopted FY 2027 Operating Budget ($) (June 24, 2026)

	2027 Adopted Budget	2026 Adopted Budget	Difference ($)	Variance (%)	2025 Actual Projected	2026 Adopted Budget	Difference ($)	Variance (%)	2025 Actual	2024 Actual	2023 Actual	2022 Actual	2021 Actual
REVENUE													
Gross Charges[1]	17,287,798	19,956,041	(2,668,243)	-15%	16,703,663	19,956,041	(3,252,378)	-19%	16,493,445	14,367,096	15,188,950	14,691,943	14,680,573
less: Contractual Adjustments[2]	(1,210,146)	(1,452,245)	242,099	-20%	(809,014)	(1,452,245)	643,231	-80%	806,096	714,781	1,245,495	1,533,756	1,743,839
Net Collectible Charges	16,077,652	18,503,796	(2,426,144)	-15%	15,894,649	18,503,796	(2,609,147)	-16%	15,687,349	13,652,315	13,943,456	13,158,188	12,936,733
Other Fees[3,4]	16,805,128	14,893,851	1,911,277	11%	14,902,486	14,893,851	8,635	0.1%	15,438,190	13,206,012	11,340,987	11,097,024	8,923,447
Interest Income	163,000	110,000	53,000	33%	155,896	110,000	45,896	29%	126,257	58,201	26,736	4,183	2,728
Miscellaneous Revenue	1,651,648	1,363,443	288,205	17%	1,579,712	1,363,443	216,269	14%	1,096,398	1,188,168	1,217,024	1,352,194	1,434,734
Other Revenue	18,619,776	16,367,294	2,252,482	12%	16,638,093	16,367,294	270,799	2%	16,660,845	14,452,381	12,584,748	12,453,400	10,360,909
Net Revenue	34,697,428	34,871,090	(173,662)	-1%	32,532,742	34,871,090	(2,338,348)	-7%	32,348,194	28,104,696	26,528,204	25,611,588	23,297,642
OPERATING EXPENSES[2]													
Wages and Benefits	24,337,902	23,895,646	442,256	2%	20,969,888	23,895,646	(2,925,758)	-14%	20,710,582	17,241,489	13,612,926	12,820,237	13,060,338
Occupancy	588,464	662,744	(74,280)	-13%	598,653	662,744	(64,091)	-11%	602,080	548,222	534,996	511,282	440,866
Staff Training/Conferences	200,954	215,749	(14,795)	-7%	109,027	215,749	(106,722)	-98%	349,516	215,257	115,922	128,863	43,037
Vehicle Expense	367,300	309,440	57,860	16%	335,581	309,440	26,141	8%	328,049	266,413	145,942	208,742	211,373
Supplies	1,284,000	1,289,514	(5,514)	0%	1,201,291	1,289,514	(88,223)	-7%	1,330,204	834,971	419,811	401,268	482,074
Equipment	38,364	67,750	(29,386)	-77%	23,194	67,750	(44,556)	-192%	(144,432)	(98,904)	57,542	(13,672)	39,277
Professional Services	2,225,909	1,776,656	449,253	20%	1,776,711	1,776,656	55	0%	2,093,922	2,247,046	2,388,742	2,363,046	1,946,608
Miscellaneous	373,176	544,773	(171,597)	-46%	332,052	544,773	(212,721)	-64%	384,443	379,583	348,830	582,202	607,742
Client Related	3,603,902	3,654,576	(50,674)	-1%	3,425,382	3,654,576	(229,194)	-7%	3,363,704	2,750,681	3,328,675	4,083,610	3,790,611
Depreciation	423,283	321,776	101,507	24%	337,397	321,776	15,621	5%	472,989	431,633	301,478	331,454	315,336
Total Operating Expenses	33,443,254	32,738,624	704,630	2%	29,109,175	32,738,624	(3,629,449)	-12%	29,491,057	24,816,391	21,254,863	21,417,032	20,937,263
Surplus/(Deficit)	1,254,174	2,132,466	(878,292)	-70%	3,423,567	2,132,466	1,291,101	38%	2,857,136	3,288,305	5,273,341	4,194,556	2,360,379
Admin Allocation	-	-	-		-	-	-		-	-	(1,644)	-	-
Total Direct & Alloc Expense	33,443,254	32,738,624	704,630	2%	24,651,273	32,738,624	(8,087,351)	-33%	29,491,058	24,816,391	21,253,219	21,417,032	20,937,263
Baseline Surplus/(Deficit) After Alloc	1,254,174	2,132,466	(878,292)	-70%	3,451,588	2,132,466	1,319,122	38%	2,857,136	3,288,305	5,274,985	4,194,556	2,360,379

Key Assumptions/Notes

1. There is no reduction to Medicaid or Medicare reimbursement revenue reflected in the FY 2027 Adopted Budget. If changes to Medicaid and/or Medicare revenue occur and alter FY 2027 reimbursement forecasts due to impacts of HR 1 ("Big Beautiful Bill"), staff will bring make any necessary amendments to the FY 2027 Adopted Budget including a recommended reconsideration of the bonus for qualified FTEs, which would become effective later in the fiscal year (i.e., December 2026).

2. Contractual adjustments within the FY 2027 Adopted Budget are approximately 7% of gross charges Some expenditures within the FY 2026 Baseline budget were adjusted to inflation depending upon expenditure type.

3. Other Fees (grants) includes known award amounts for FY 2027 from DBHDS and other grantors. Any other future amounts unbudgeted will be considered for future budget amendments (supplemental appropriations) to the FY 2027 Adopted Budget. No reductions were made to fee projections for the FY 2027 carryforward process by DBHDS.

4. Includes projected revenue for state supported wages and salaries and revenue projected using 3.5% escalation for COLA. Please note that the costs for this compensation package are **not** fully offset by State supported revenue. Therefore, the FY 2027 Adopted Budget includes a disproportionate matching share of VCSB unrestricted funds to execute a 3.5% COLA for qualified employees.

5. The FY 2027 Adopted Budget includes a 3.5% COLA for qualified VCSB FTES and eight (8) new positions (8.20 FTEs) with the same compensation package. Four (4) of the eight (8) positions are expected to produce approximately $111,000 in revenue, while six (6) are 100% offset by revenue (i.e., Marcus Alert & MCR grants/reimbursements). The amount shown also includes a market salary adjustment for nursing positions (est. $108,000), a 15% increase in health insurance based on current (and improving) utilization trends with employee/employer cost sharing for all qualified employees and enhancement positions, if qualifiable. This is more than offset by the 18% overage budgeted in the FY 2026 Adopted budget for Health Insurance in June 2025 in addition to some Virginia Retirement System and life insurance savings predicted for FY 2027. The quantifiable benefit expenditures savings achieved is estimated at approximately $486K for FY 2027.

6. The FY 2027 Adopted Budget enhancement package includes several small capital related projects for Sangers Lane, Grandview Intermediate Care Facility and IT improvements etc. Only Depreciation costs for their useful lives are also included in these costs. The remainder of the costs are illustrated in the FY 2027 Capital Budget presentation.

7. The FY 2027 Adopted Budget enacts the elimination of six (6) vacant positions (6.00 FTEs) for $503,875 in expenditure savings with minor impacts to VCSB revenue.