

June 15, 2009

Five Year Projection

Five Year History

Shortfall	FY 2008-2009	FY 2009-2010	FY 2010-2011	FY 2011-2012	FY 2012-2013
As of 6/17/08	0	(15,148,004)	(11,837,317)	(10,456,187)	(9,317,105)
First round of cuts in August 2008					
As of 8/25/08	0	(6,283,834)	(5,385,937)	(4,195,908)	(2,908,447)
Final Budget Hearings in September – Some add backs					
As of 9/15/08	0	(8,515,207)	(5,521,986)	(4,405,086)	(1,944,867)
1 st quarter evaluation shows revenues dropping dramatically					
As of 10/31/08	0	(19,833,584)	(16,144,904)	(18,265,681)	(19,258,311)

Effects of November Reductions

- Revenues and appropriations decreased \$5,975,056 in FY 2008-09
- Annualized savings helped to reduce the \$19M shortfall predicted in FY 2009-10 to zero
- Majority of the savings achieved in November were on-going

Change on 6/02/09

	FY 2009-2010	FY 2010-2011	FY 2011-2012	FY 2012-2013	FY 2013-2014
Revenues	\$200,244,465	\$198,141,492	\$198,141,869	\$200,104,950	\$201,972,356
Appropriations	200,244,465	201,929,130	206,956,074	212,233,352	217,616,828
Total	0	(3,787,638)	(8,814,205)	(12,128,402)	(15,644,472)
On 6/2/09 BOS approved a budget transfer moving \$3M in contingency to Mental Health					
Revenues	\$197,183,822	\$196,307,335	\$198,141,869	\$200,104,950	\$201,972,356
Appropriations	200,244,465	201,927,184	206,949,247	212,221,496	217,599,793
Total	(3,060,643)	(5,619,849)	(8,807,378)	(12,116,546)	(15,627,437)

Reduced Revenue

- Fund Balance reduced from \$9,760,277 to \$6,699,634
 - FY 2008-09 Contingency carry-forward of \$2.5M (reduced \$3M due to transfer to Mental Health in FY 2008-09)
 - ACO/Parks carryforwards \$1.7M (Onetime savings)
 - ACO Savings \$1.6M (Onetime savings)
 - Fleet savings \$500K (Onetime savings)
 - Department Net Savings \$400K

Bottom Line

- The Proposed FY 2009-10 budget was balanced
- Reduced Fund Balance due to reduced carry-forward contingency results in an out of balance budget
- The Board has the following options to re-balance

Option 1 – CAO recommendation

- Reduce Appropriations
 - Reduce FY 2009-10 Contingency to 3% of adjusted General Fund appropriations vs. 4.05% in Proposed Budget
 - Decrease of \$1.8M
- Increase Revenue
 - Reduce Designations for capital projects/economic uncertainty by \$1.2M and utilize these funds as a revenue source for FY 2009-10
- Reserve is increased \$152 (formula driven)

Option 1 – CAO recommendation

	FY 2009-2010	FY 2010-2011	FY 2011-2012	FY 2012-2013	FY 2013-2014
Revenues	\$200,244,465	\$198,141,492	\$198,141,869	\$200,104,950	\$201,972,356
Appropriations	200,244,465	201,929,130	206,956,074	212,233,352	217,616,828
Total	0	(3,787,638)	(8,814,205)	(12,128,402)	(15,644,472)
On 6/2/09 BOS approved a budget transfer moving \$3M in contingency to Mental Health					
Revenues	\$198,413,332	\$196,307,335	\$198,141,869	\$200,104,950	\$201,972,356
Appropriations	198,413,332	201,927,184	206,949,247	212,221,496	217,599,793
Total	0	(5,619,849)	(8,807,378)	(12,116,546)	(15,627,437)

Option 2

- Immediate Program cuts of up to \$3M to fill reduction in FY 2009-10 Fund Balance
- No changes in revenue
- Designation for capital projects/economic uncertainties remains at \$3.4M

Option 2 – Reduce appropriations

	FY 2009-2010	FY 2010-2011	FY 2011-2012	FY 2012-2013	FY 2013-2014
Revenues	\$200,244,465	\$198,141,492	\$198,141,869	\$200,104,950	\$201,972,356
Appropriations	200,244,465	201,929,130	206,956,074	212,233,352	217,616,828
Total	0	(3,787,638)	(8,814,205)	(12,128,402)	(15,644,472)
On 6/2/09 BOS approved a budget transfer moving \$3M in contingency to Mental Health					
Revenues	\$197,183,822	\$196,307,335	\$198,141,869	\$200,104,950	\$201,972,356
Appropriations	197,183,822	198,927,184	203,949,247	209,221,496	214,599,793
Total	0	(2,619,849)	(5,807,378)	(9,116,546)	(12,627,437)

- Assumes \$3M in ongoing appropriation reductions

Factors to consider when evaluating the FY 2010-11 shortfall

- High degree of uncertainty due to State actions
- Importance of the final fund balance figure which will not be available until the books are closed
- Keep in mind the fact that in FY 2008-09, reductions initiated in November closed a \$20M shortfall projected for FY 2009-10
- Projected shortfall for FY 2010-11 is \$5.6M

CAO commitment

- As State actions become known, Chief Administrative Office will work closely with the affected departments to ensure that appropriate actions are taken to mitigate the impact of revenue losses
- If these mitigation measures involve layoffs or major program restructuring, the CAO will return to the BOS at the first available board meeting to seek direction and begin implementation

CAO commitment

- Continue the hiring freeze
- Encourage “out of the box” thinking;
 - How can departments share resources to maximize efficiencies?
 - How can we change procedures to achieve greater efficiencies?
 - DO MORE, WITH LESS!

CAO commitment

- Provide the Board with a list of General Fund Programs that have a Net County Cost (NCC) or receive a General Fund contribution (Department 15)
 - List includes:
 - Department
 - Program name
 - Number of FTE's associated with that program
 - Amount of Net County Cost or General Fund Contribution
 - The NCC as a % of total program appropriations
 - The amount of other funding in the program
 - If the other funding is discretionary or tied to the program (in other words if the program goes away, does that other funding go away as well)

CAO commitment

- This program list could be utilized by the Board to direct the Chief Administrative Office to explore the reduction or elimination of targeted programs
- The effects of these reductions or eliminations could be presented to the Board in a workshop format in August after the close of the books
- This will set the stage for Final Budget Hearings in September

Thank you!

Board Comments