

Budget Discussion with Commission Presidents

January 26, 2010

FY2011 Shortfall

- Revenue Weakness
- Expenditure Increases
- Loss of One-Time Solutions to Balance 09-10 Budget

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FY2011 Shortfall

REVENUE

(97.1)	Property Tax
(14.7)	Payroll Tax
30.3	Other General Revenues
(81.4)	Total

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FY2011 Shortfall

REVENUE

(81.4)	General Tax, State, Federal, and other revenue weakness
(49.2)	Loss of Rainy Day Reserve Revenues
(62.2)	Loss of FMAP federal stimulus funding (includes FY 08-09)
(35.4)	Loss of Other Starting Fund Balance
(40.0)	Estimated State Budget Impact
(22.5)	Other
(290.7)	Revenue Total

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FY2011 Shortfall

EXPENDITURES

(41.3)	Expiration of Labor Give-Backs and existing MOU Wage Increases
(63.3)	Health, Retirement, and Other Benefit Increases
(57.5)	Loss of one-time expenditure savings (e.g., Capital, Equipment) FY 09-10
(69.4)	Other Expenditure Increases
(231.5)	Expenditure Total

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FY2011 Shortfall

SUMMARY

(290.7)	Revenues
(231.5)	Expenditures
(522.2)	Projected General Fund Deficit for FY 10-11

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FY 2011 Budget

POTENTIAL IMPROVEMENTS

- 25.0 All Mid-Year Cuts are Ongoing
- 12.0 Use of Rainy Day Reserve
- 22.0 FMAP Extension - ?
- 34.0 AB 188 Health Revenues - ?
- 26.7 Federal funding continued for Healthy SI

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FY 2011 Budget

POTENTIAL UNCERTAINTIES

- Additional revenue weakness
- State cuts beyond \$40 million assumed
- Current year overspending or supplemental appropriations

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FY2011 Budget Instructions

- Propose reductions and revenues equal to 20% of adjusted GF support (at least 15% ongoing)
- Provide additional 10% Contingency
- We encourage departments to take current-year actions to meet targets
- Mid-year savings beyond the targets issued Tuesday can apply toward the budget year target.

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FY2011 Budget Instructions

- Prioritize core functions
- Seek and prioritize solutions such as:
 - Administrative efficiencies
 - Consolidation of programs and functions
 - Restructuring service delivery
 - Revenue options

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FY2011 Budget Instructions

(622.2)	Projected General Fund Deficit for FY 10-11
56.25	All Mid-Year Cuts are Ongoing
230.9	Department 20% Reduction Targets
(235.1)	Remaining Deficit
115.5	Department 10% Contingency
(119.6)	Remaining Deficit

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Calendar: Key Dates and Next Steps

Early Dec	Technical Instructions Issued
Dec 4	Mid-Year Cut Ideas Due
Jan 9	Governor's Budget Released
February	Controller's 6-Month Report
Feb 20	Budget Submissions Due
March	Joint Report Issued
May 1	Enterprise Department Budgets
June 1	Mayor Proposes Balanced Budget

Calendar: Key Dates and Next Steps
(ctd)

May 1	Proposed Budget for Enterprise Depts. introduced at BOS
May	Governor's May Revise released
May	Controller's 9-month Report
June 1	Budget Submitted to BOS
June	Budget Committee Hearings
July	Budget considered at BOS