

FY 2010 Projected General Fund Deficit

Introduction

The Office of Budget and Analysis has completed an initial review of the current level budget for 2010 and is projecting a deficit of \$220 million. *This is \$100.2 million lower than the \$320.2 million deficit projected in June as part of the FY 2009 Final Budget reconciliation document.* The primary reasons for this improvement are:

1. A reduction in the projected general fund grant for Santa Clara Valley Medical Center (SCVMC) of \$74.9 million when compared to last year's projection. This dramatic decrease in the grant is due to the incorporation of a number of revenue initiatives employed by SCVMC during FY 2008, and anticipated in FY 2009.
2. Given the gravity of the economic situation, we revised the projection for a general wage increase for the bargaining units to equal 0% for agreements ending in FY 2009 and beyond. Our expectation is that we will be able to reach agreement with collective bargaining units to roll the contracts forward with no change in salaries or benefits. If that is not the case, we would need to move into a process that would consider reducing our costs by other means, including benefit changes. The impact of this assumption reduced projected costs by more than \$20 million. This assumption also applies to community-based organizations (CBOs) where we have assumed a 0% increase in FY 2010.
3. \$15 million in other post employment benefits (OPEB) California Employer's Retiree Benefit Trust (CERBT) funds are used to cover a portion of the cost of retiree health in FY 2010. While this concept was approved by the Board in FY 2008, and is also being used in FY 2009, the FY 2010 projection had not been adjusted back in June to account for this approach.
4. The FY 2010 base budget is lower overall due to active measures taken by the Administration beginning in FY 2009 to reduce base budget expenditures and increase base budget revenues where ever possible.

Although this improvement is unanticipated, especially in light of the recent economic downturn, a deficit of \$220 million will require very severe actions that will result in service impacts and the layoff of county employees. This is due in large part to the significant use of one-time funds over the past three years that has reduced available reserves for use in FY 2010. The Administration strongly

recommends the Board seriously consider addressing the current deficit with at least the level of ongoing reductions recommended at this time.

Although this strategy will be painful, utilizing additional one-time solutions to solve ongoing deficits will assure significant deficits into the future. As we have reviewed where reductions can be made to address the FY 2010 deficit, it is difficult to imagine where additional cuts can be made in the future. It is for this reason that we believe the reduction strategy outlined below is appropriate at this time.

Deficit Solutions for FY 2010

The Administration proposes the following solution package to address the FY 2010 deficit. This solution package consists of solving the deficit for FY 2010, using a combination of one-time funds and ongoing reductions or savings. Table 3 outlines components to reduce the deficit, with the use of \$65 million in one-time funds, \$155 million in ongoing savings, which includes \$5 million in net savings as a result of prepaying retirement contributions.

Table 1: Components of Deficit Solution Package (\$ millions)

Deficit Solution Component	Solution Value
Use of One-time Funds for Ongoing General Fund Costs	\$33.5
Use of SCVMC reserves to enable an ongoing reduction in the General Fund Grant	\$31.5
<i>Subtotal Ongoing One-time Solutions</i>	<i>\$65.0</i>
Ongoing General Fund Solutions	\$80.0
Ongoing Solutions - SCVMC, Including T2010 Study	\$60.0
Ongoing Countywide Solutions	\$10.0
Prepayment of Employer Share of Retirement Contributions	\$5.0
<i>Subtotal Ongoing Solutions</i>	<i>\$155.0</i>
<i>Use of One-time Funds for Ongoing Solutions in FY 2010</i>	<i>\$65.0</i>
Total Solution Package Value	\$220.0

- As in prior years, \$31.5 million of reserves from SCVMC are proposed to cover the cost of ongoing operations at SCVMC, allowing for a reduction in the General Fund Grant, thus reducing the use of General Funds to support SCVMC.
- \$33.5 in one-time funds would be used in lieu of ongoing reductions.
- \$5 million is the estimated savings if the County were to pre-pay PERS in FY 2010. As in FY 2008 and FY 2009, a financial analysis of the specific benefit to the County will be done as the final numbers for the FY 2010 Recommended Budget are compiled. The savings is the difference

between the amount PERS will charge the County for FY 2010, and the amount which is budgeted based on the PERS rate, less revenue reductions related to a lower PERS rate. This solution is considered "ongoing," as we plan to examine it each year.

- Of the \$60 million in solutions required from SCVMC, a portion of these savings will be attributable to the Deloitte T2010 study, as recommendations are made operational over time, and additional savings become achievable year-by-year.
- Ongoing Countywide solutions of \$10 million have yet to be determined. These solutions may come from an across-the-board amount of service and supply reductions, or a new revenue solution, for instance. As the budget process progresses, the Administration will provide additional information related to this proposed solution.

Departmental reductions are shown on Attachment A

Future Initiatives for Development During FY 2010

Santa Clara County has closed gaps totaling \$1.2 billion through FY 2010. Of that amount over \$500 million has come from expenditure reductions or revenue improvements. We are well aware of the difficulty departments will face in generating \$150 million in ongoing gap-closing solutions. Even more difficult is the possibility that we could face additional \$100+ million deficits over the next three years. For these reasons, we need to begin working with our labor organizations and community partners on initiatives that will reduce the overall future cost of providing service, *one step at a time*.

As stated previously, our intention is to roll the current contracts over, with no increase in salaries or commensurate benefits. Once we have successfully negotiated the rollover of the contracts, we believe it is important to begin work on a number initiatives right away, so that expenditure savings could be achieved beginning with FY 2011. These initiatives need to focus on structural changes related to the salary and benefit base, including:

- The restructuring of health care benefits. This could include other funding strategies that maintain acceptable benefit levels at a reduced cost.
- Looking at ways to reduce retirement costs. This could include considering a second tier of benefits for new employees or other ideas that would slow the growth of these costs.
- Considering whether or not the use of alternative work schedules would be beneficial to the County.

The Administration is committed to working together with our partners in exploring a wide variety of solutions which could aid in retaining employees and services over the near term, as we work through this protracted economic downturn. As baby boomers retire, the County will be competing with other employers for younger workers, who studies show put a high value on flexibility in the workplace. If we can both achieve cost savings and create options for employees, we will be better positioned for the future.

In addition, we will be exploring other ongoing revenue solutions which are not based on salaries and benefits, such as asset development possibilities which include a long term revenue stream.

DISCUSSION OF SOLUTION COMPONENTS

Ongoing Departmental Solutions

Since FY 2003 the County has made budget reductions of \$1.2 billion. Reductions to departmental operating budgets represent approximately \$529 million (44%) of the total.

Attachment A reflects the proposed FY 2010 reduction amounts for each agency/department, organized by policy area. The total amount of departmental reductions is \$140 million. Unlike prior years, every department has a target, due to the significant nature of the deficit, and the need for each department its part in helping to solve our FY 2010 deficit. As in FY 2009, a portion of the SCVMC reduction is related to anticipated savings planned as part of the T2010 engagement.

While it will not be easy for departments to reduce their budgets, we must continue to make ongoing reductions if there is any chance of achieving sustainability over time. It is not possible to balance the FY 2010 budget in its entirety with one-time funds without adding to future year deficit levels. Table 2 shows the level of departmental reductions made since FY 2003, net of revenue and fee solutions.

Table 2: Direct Program Reductions Over Time

(In Millions)

Fiscal year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Departmental Reductions	\$28.2	\$119.3	\$88.7	\$36.9	\$38.7	\$117.1	\$38.6	\$140.0
Total								\$607.6

There are a number of extremely difficult decisions that will have to be made in order to achieve a balanced FY 2010 budget. Among the policy issues and topics that will be before the Board are:

1. Use of One-time Funds for Ongoing Services

In FY 2008, the budget was balanced with \$120.8 million in one-time funds and reserves. These funds have to be replaced with ongoing reductions in FY 2010. Without the one-time fund use, the deficit for FY 2010 would be \$99.2 million. Whatever one-time funds we use in FY 2010, they will add to our FY 2011 deficit. A table of one-time sources and uses is included as Attachment B, and is discussed in detail below.

2. Mandated vs. Non-Mandated

The most recent Mandate Study based on the FY 2009 Approved Budget can be used to assist departments in triaging non-mandated services in such a way that the County is able to meet its mandates even as service levels are reduced. While this is contrary to our desired approach, the County is unable to sustain the current level of service. By analyzing the Mandate Study information, combined with continued research into the extent to which the County is the sole provider of a service, we aim to modify the overall service mix to best match our financial constraints with the needs of our community.

Projected One-time Funding Sources and Uses

In making the determination to utilize \$65.0 million in ongoing one-time funds, we are reducing our reliance on one-time funds from three-quarters (3/4) to one-third (1/3) of our deficit solutions. Among the reasons for this approach are:

1. Sources of one-time revenue are more limited in FY 2010, after having utilized a number of one-time creative solutions to incorporate one-time funds into the FY 2009 budget. Examples of these include the liquidation of the compensated absence reserve at SCVMC.
2. When one-time funds are utilized in lieu of ongoing funds, the deficit increases in the subsequent year. Under the current economic conditions, we believe it is prudent to limit the use of one-time funds to the greatest extent possible, in order to minimize the increase in future year deficits.
3. We are recommending a 5% contingency reserve in FY 2010. If the fund balances we require to fund services in FY 2010 do not materialize, there will be an adequate Contingency Reserve available if necessary.

Attachment B shows the sources and uses of one-time funds anticipated in the FY 2010 budget which have not yet been approved by the Board.

One-time funds potentially available in the General Fund for use in FY 2010 equal \$202.3 million. These funds are derived from unspent Contingency Reserves in FY 2009, estimated at \$90 million, or 93% of the approved amount of \$96.7 million; \$25 million from the State Reserve, \$10 million in estimated FY 2009 year-end fund balance, and \$668,000 in unspent vehicle purchase reserves.

In addition, SCVMC estimates that approximately \$50 million in budget reserves will be available for ongoing programs in both SCVMC or in the General Fund. An estimated \$8 million could become available through the sale of County property, the specifics which will be determined during FY 2009. Lastly, funds will be available from San Jose Redevelopment: (1) delegated funds to be used for qualified capital projects, and (2) the third of three payments related to the Fairgrounds lawsuit.

The list of one-time needs is an initial look at what might be included in the Acting County Executive's FY 2010 Recommended Budget. Included on the list of needs are:

1. 5% Contingency Reserve of \$95.8 million. This amount is lower than what is budgeted in FY 2009 due to declining revenues.
2. Funding for capital projects and technology projects at \$18.6 million and \$6 million, respectively.
3. Automobile purchases, operational equipment, the Community Services 211 line, and the school crossing guard program are also recommended to be funded with one-time funds in FY 2010.

Summary

The FY 2010 solution package is a challenging combination of departmental reductions, combined with a reduced amount of one-time solutions. The County is facing an economic situation unparalleled since the early 1990's, if not worse. Because the local and national economies appear to be getting worse before they get better, it is likely to be several years before the County sees any real improvement in our situation. For this reason, we have emphasized a strong move in the direction of ongoing reductions, and we have attempted to foreshadow some of the changes the future may hold.

During FY 2009, the organization will need to take measures to prepare for the FY 2010 budget reductions by tightening spending and providing for vacancies with future layoffs in mind. We are planning to release direction to departments January 1, and will update the Board as we move forward with countywide processes or directives which will affect departments.

A chart with the key milestones of the FY 2010 budget process is at the end of this report.

Background on the FY 2010 Current Level Budget

This section of the report describes the FY 2010 projected deficit. Every year between the initial projected deficit and the budget hearings in June, the Office of Budget and Analysis refines the detail of the current level, or base budget, based on the latest information about both expenditures and revenues. As information changes, we will incorporate it into our budget projections, and in subsequent reports to the Board, such as the updated projection provided to the Board at the MidYear Budget Review, anticipated in early February 2010.

Expenditure Projections for FY 2010

Major elements of the FY 2010 projection include:

1. SCVMC Subsidy: For FY 2010, this amount is projected to increase from \$94.7 million to \$296.1 million, for an increase of \$203.4 million. This figure incorporates the anticipated net reduction in the General Fund grant of \$2.1 million as the result of actions which are included in the December 9 transmittal related to the State Reductions. If those actions were not approved by the Board, the figures for FY 2010 would change.

Also included in the FY 2010 projection are anticipated debt service expenses related to operation of the new Milpitas Health Clinic, anticipated to open in the fall of 2009.

The subsidy incorporates the General Fund grant, pass-through funds from vehicle license fees, and tobacco settlement funds. \$181.0 million of the increase in the grant is attributable to the use of SCVMC budget and compensated absence reserves in FY 2009, which must be replaced in FY 2010. \$31.5 million is the amount of reserves which are anticipated to be regenerated each year by SCVMC. The remaining \$50.1 million in additional cost related to personnel, service and supply, and overhead of the current operation is offset by an additional \$30.4 million in new revenues. New revenues are being generated as a result of the following:

- improved performance of the Medi-Cal Waiver, which now includes anticipated State Plan Amendments. The revenue estimate is based on a combination of experience and projections calculated through work with the California Association of Public Hospitals (CAPH).
 - improved revenue as a result of the Coverage Initiative (Valley Care), based on a 50% Federal match
2. Permanent Salaries are projected to increase by 0.07%, or approximately \$500,000. When last projected, the increase was \$27.4 million, or 3.9%. These amounts are related to the assumption about 0% wage increases.

As mentioned above, the use of \$15 million in the CERBT trust funds to offset a portion on retiree health costs also reduces the overall expense projected in salaries and benefits.

3. Services and Supplies are expected to decrease by \$20.9 million, or 2% less than in FY 2009. Savings relative to previous projections have occurred in the areas of leases, fleet and fuel, and utilities. Conversely, adjustments upward have been made in safety net programs such as In Home Supportive Services and General Assistance, as well as for food price increases in the institutions such as the Department of Correction.

In the area of funding for Facilities and Fleet (FAF) Building Operations and Maintenance, additional funds have been added to the base to maintain the current level budget amount of 1.14% of current replacement value (CRV). While this level is 0.86% lower than the 2% of CRV contained in Board policy 4.11, we recommend that same level be maintained into FY2010. While the courts' replacement value has been removed from our calculations, the replacement value of our remaining facilities has increased by an estimated 8.1 percent according to industry cost indices, due to the expected completion and activation of the Crime Lab, Gilroy Health Center, Fair Oaks Health Center, the Morgan Hill courthouse, and the Morgan Hill Justice Agency Building in FY 2010.

The net effect of this growth in replacement value is an increase of \$2,021,341 in the current level budget. In addition, the budget also reflects the County Facilities Payment to the State in the amount of \$2,254,979 related to the transfer of court facilities that is now part of the FY 2010 base budget and must be paid in perpetuity.

On a positive note, the following energy savings projects have begun that should start to pay off in the next couple of fiscal years and into the future:

Table 3: Energy Savings Projects:

Energy Savings Project	Status
Stanford/County Joint Energy Project at Mail Jail	Complete by June 2010
PGE Auto Demand Response System	Will be ready for 2009 Critical Peak Pricing season. 19 buildings signed up.
Utilities Data Management	Creates efficiencies in reporting, flags billing discrepancies, smoothes bill payment processing

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December 9, 2009

Fuel Cell Power Generation	Installed at the 911 Center on Communications Hill on October 18, 2008.
Waste Management Evaluation	Consultant to assist in developing the County's carbon footprint inventory as it relates to waste generation and waste diversion.
Exploring Solar Power Purchase Agreements	Possible future alternative to the current ABAG and DGS's gas purchasing programs.

4. Debt Service. For FY 2010, general fund debt service and interest are projected to increase by \$2.7 million over FY 2009, due the opening of the Crime Lab.
5. Reimbursements. Reimbursements are projected to decrease by 1.6% for FY 2010. This reduction is due to the reduced expenditures in both salaries and benefits and services and supplies, which results in a lower reimbursement rate. This number may change as the FY 2010 budget continues in development.

Revenue Projections Overview

As in prior years, revenues projected for FY 2010 are heavily dependent on property tax, State revenue, and Federal revenue at a rate exceeding 80%. Despite changes to specific accounts, the overall projection is stable in terms of the sources which provide the majority of our funding. We continue to rely on local discretionary revenues such as current property tax for 31.9% of our funding, a 1.8% increase over FY 2009.

Table 2: Comparison of Revenues from FY 2009 to FY 2010.

	FY 2009 Approved	Percent	FY 2010 Projected	Percent
Taxes - Current Property	\$645,279,423	30.1%	\$660,984,350	31.9%
Taxes - Other Than Current Property	\$51,824,000	2.4%	\$41,836,175	2.0%
Licenses, Permits, Franchises	\$10,098,737	0.5%	\$9,665,509	0.5%
Fines, Forfeitures, Penalties	\$17,604,712	0.8%	\$17,625,897	0.9%
Revenue From Use Of Money/Property	\$13,469,422	0.6%	\$10,613,897	0.5%
Aid From Govt Agencies-State	\$693,742,107	32.3%	\$661,523,763	32.0%
Aid From Govt Agencies-Federal	\$414,186,868	19.3%	\$415,267,397	20.1%
Revenue From Other Government Agencies	\$39,608,935	1.8%	\$12,257,237	0.6%
Charges For Services	\$148,922,387	6.9%	\$149,959,391	7.2%
Other Financing Sources	\$112,236,041	5.2%	\$89,562,290	4.3%
Total Revenues	\$2,146,972,632	100.0%	\$2,069,295,906	100.0%
Change Between the Two Years			(\$77,676,726)	

Our current revenue picture includes the following estimated changes:

- Property and other taxes are projected to increase by only \$5.7 million, or 0.8% over the approved budget. These figures include an estimated 4.25% increase in the secured property tax area, as opposed to the 7% estimate used for FY 2009. While Santa Clara County is in better shape than other counties around the State, it is still experiencing the effects of the troubled housing and credit markets: foreclosures and declining values. This pattern is also showing up in the commercial/industrial sector, which represents a disproportionate share of the overall assessed value in the County. We are projecting only small increases or reductions in all of the property-related revenue accounts.
- Interest on deposits in the County Treasury are down significantly since the budget was approved in June, based on declining interest rates and an anemic average daily cash balance due to delayed payments and revenues for the year coming in lower than expected.

State Revenue

State revenue represents 32% of the County's general fund revenue. For FY 2010, this category of revenue is actually decreasing by 4.5%, or \$31.2 million. Below are some of the significant areas in which we anticipate decreased revenues.

Public Safety Sales Tax

Public Safety Sales Tax (PSST), the single largest source of state revenue, is projected to remain flat in FY 2009, at \$151.5 million. The primary reason for this flat performance is the state of the economy. Since the budgeted amount is \$165 million, we anticipate a shortfall in this revenue of \$13.5 million in FY 2009. However, relative to other counties in California, Santa Clara County is beginning to perform better than others, and so is likely to benefit from a larger share of the overall sale tax base in the future. Collections have been flat for the last three years, but we anticipate a 3.7% increase, from \$151.5 million to \$157.1 million for FY 2010.

Realignment Sales Tax and Vehicle License Sales Tax

As with other economically-driven accounts, these accounts continue to show negative performance, as they did in FY 2008. The Office of Budget and Analysis, the Controller's Office, and the Management Audit Division have analyzed these accounts carefully, based on the annual payment schedules provided by the State, and project that collections are so low that we will not achieve the base amount from the prior year.

Realignment Sales Tax: When overall sales tax receipts are in decline, the State is unable to pass through either social services caseload growth funds or general growth funds, which go to health and mental health. The caseload growth funds

are considered a receivable, and will be received by counties in future years, when sales tax receipts have increased enough to pay out the amounts due.

Santa Clara County typically collects approximately 4% of the overall total of the statewide amount. Given the performance in FY 2008, during which we did not collect the base amount, we anticipate a revenue shortfall in FY 2009 of at least \$10 million, or 8.3% less than what is budgeted currently. For FY 2010, we project another 3.5% drop in revenues, as we project that we will not make the base in FY 2010, dropping another 3.5%.

Vehicle License Fees: The vehicle license fee sales tax is dedicated by Board policy to Valley Medical Center. Last year at this time, this account was projected to increase. Since that time, the combination of increased gasoline prices and the credit crunch has created a crisis in the auto industry, as reflected in the latest news reports:

“Silicon Valley car sales are down significantly so far in 2008, and sales are expected to drop even more in 2009. Numbers released Wednesday by the Silicon Valley Auto Dealers Association show that sales of new cars and trucks are down 19.3 percent in the first nine months of 2008 compared to the same period in 2007. The report, prepared by economist Jeff Foltz of Auto Outlook of Malvern, Pa., predicts that sales for 2009 will fall to 58,665 vehicles, a drop of more than 18 percent from the 71,616 cars and trucks sold in 2007. Foltz predicts that local sales will bottom out at 56,000 vehicles in 2009, and then rise slightly in both 2010 (58,500) and 2011 (63,500). Foltz said every auto brand has seen its sales decline in Silicon Valley so far this year except Mini, Subaru and Jaguar. Even the most popular brands, such as Toyota and Honda, are down significantly.”¹

Consequently, this account is projected to show a shortfall of \$8.3 million in FY 2009, and increase slightly in FY 2010 by \$2.6 million, to \$55.2 million. Given the uncertainty of every factor surrounding the auto market, this account could change between now and June, and will be monitored accordingly.

Federal Revenues

At this time, Federal revenues are projected as virtually flat, increasing by 0.27%, or \$1.1 million. As we build the FY 2010 current level budget, we will have a better idea of what revenues will be available to the County by analyzing those which are dependent on departmental information. The majority of these funds are reimbursements to social services and health programs, such as CalWORKs and MediCal.

¹ San Jose Mercury News October 22, 2009

Other Revenues of Significance

In the category of Other Financing Sources, the contribution to the County from the Redevelopment Agency related to property tax is expected to grow by \$3.5 million. This is the major account which results in an 8.4% increase in this source of funds. The major accounts in Charges for Services are related to charges for law enforcement services. These accounts have been adjusted commensurate with our projected increases in salaries and benefits.

Dates and Milestones for the FY 2010 Budget Process

<u>Date</u>	<u>Item</u>
December 9, 2008	FY 2010 Solution Package and Reduction Targets Announced
January 2009	FY 2009 - 2013 Multi-year Forecast to Board
February 10, 2009	MidYear Budget for FY 2009 and Updated FY 2010 Projection goes to Board
February 20, 2009	Departmental Reduction Plans due to Acting County Executive
Tentative: March, 2009	Meetings with Acting County Executive on FY 2010 Budget
May 4, 2009	FY 2009 County Executive's Recommended Budget to Board of Supervisors
May 12 - 14	Board Budget Workshops
June 15-17, 19	Board Budget Hearings

FY 2010 General Fund Reduction Targets

Attachment A

Department	General Fund Mandate Study Discretionary Funding Amount	FY 2010 Reduction Target	% Discretionary Amount (Mandate Study)
BU 106 Clerk of the Board	6,581,360	150,000	2.28%
BU 107 County Executive	14,518,098	2,100,000	14.46%
BU 168 Office of Affordable Housing	2,505,294	0	0.00%
BU 110 Controller-Treasurer	9,932,766	1,100,000	11.07%
BU 112 Tax Collector	5,406,666	0	0.00%
BU 114 County Clerk-Recorder	-20,217,795	0	0.00%
BU 148 Department of Revenue	-842,513	0	0.00%
BU 115 Assessor	9,166,017	1,300,000	14.18%
BU 116 IHSS	9,257,566	0	0.00%
BU 118 Procurement	3,430,282	250,000	7.29%
BU 119 Special Programs	141,857,370	0	0.00%
BU 120 County Counsel	16,553,565	350,000	2.11%
BU 130 Employee Services Agency	14,830,422	350,000	2.36%
BU 132 Risk Management	11,111,144	0	0.00%
BU 135 Fleet Management	10,585,886	0	0.00%
BU 263 Facilities Department	79,961,876	2,000,000	2.50%
BU 140 Registrar of Voters	10,832,771	500,000	4.62%
BU 145 Information Services Department	14,133,521	1,250,000	8.84%
BU 190 Communications	15,340,587	250,000	1.63%
BU 202 District Attorney	46,137,731	2,500,000	5.42%
BU 204 Public Defender	30,794,151	350,000	1.14%
BU 210 Office of Pretrial Services	5,517,656	100,000	1.81%
BU 217 Criminal Justice System-wide Costs	670,081	370,000	55.22%
BU 230 Sheriff	27,691,109	1,000,000	3.61%
BU 240 Department of Correction	106,991,317	1,250,000	1.17%
BU 246 Probation Department	48,711,657	2,250,000	4.62%
BU 260 Planning and Development	5,953,608	140,000	2.35%
BU 262 Dept of Agriculture and Environ Mgt	3,144,946	140,000	4.45%
BU 293 Medical Examiner/Coroner	3,158,172	50,000	1.58%
BU 410 Public Health	27,457,570	11,000,000	40.06%
BU 412 Mental Health	58,141,034	22,500,000	38.70%
BU 414 Children's Shelter & Custody Health Svcs	44,911,608	500,000	1.11%
BU 417 Alcohol and Drug Services	24,123,124	9,000,000	37.31%
BU 418 Community Outreach Services	6,600,646	1,250,000	18.94%
BU 502 Social Services - Admin and Support Svcs	2,548,360	18,000,000	96.55%
BU 503 Social Services - Family and Children's Svcs	5,721,659	0	0.00%
BU 504 Social Services - Employ and Benefit Svcs	3,509,149	0	0.00%
BU 505 Social Services - Aging and Adult Services	6,864,876	0	0.00%
BU 810 Debt Service	20,921,646	0	0.00%
BU 921 Valley Medical Center	91,390,886	60,000,000	65.65%
Total All Departments	925,905,868	140,000,000	

**One-time Funds: Sources and Uses Projected for FY 2010
December 9, 2008**

Attachment B

ONE-TIME	
One-time Needs	
\$33,500,000	GF One-time Funds to Cover Ongoing Costs (Reduce Grant)
\$31,500,000	Use of SCVMC Reserves to Cover Ongoing Operations
\$65,000,000	Total One-time Needs for Ongoing Costs
\$95,764,728	Contingency Reserve @ 5%
\$18,600,000	FY 10 Capital Projects
\$6,000,000	FY 10 Technology Projects
\$2,301,000	FY 10 GF Vehicle Purchase
\$700,000	Asset and Economic Development
\$234,000	DOC Kitchen Equipment
\$133,815	DNA Livescan Automation Equipment (DOC)
\$150,000	2-1-1 Program
\$60,000	School Crossing Guard Program
\$123,943,543	Total One-time Needs for One-time Costs
\$188,943,543	TOTAL ONE-TIME NEEDS
One-time Resources	
\$90,000,000	Unspent GF Contingency Reserve
\$25,000,000	Unspent State Budget Reserve
\$10,000,000	Fund Balance Estimate for FY 2009
\$668,000	Unspent FY 2009 Auto Purchase Reserve
\$125,668,000	Sub-Total, One-time Fund Balance
\$31,500,000	SCVMC One-time Funds Available for GF Ongoing Needs
\$18,500,000	SCVMC One-time Funds Available for GF One-time Needs
\$8,000,000	Miscellaneous Property Savings
\$18,600,000	Use of RDA Funds for Qualified Capital Projects.
\$76,600,000	Sub-Total, Other One-time Resources
\$202,268,000	TOTAL ONE-TIME RESOURCES
-\$13,324,457	Additional One-time Resources Required (negative means resources are available)