

## **Budget**

California's significant fiscal crisis has had an impact on the Conservancy's budget, as it has most state departments. SNC management is working to ensure that budget reductions, staff furloughs and other fiscal challenges are met with a plan to minimize the affect on the SNC's mission; however there will undoubtedly be an impact.

### **Current Year (2008-09)**

The SNC is funded in the current year to implement our programs across the Region (see Table I). It is anticipated that we will expend a significant portion of our 2008-09 base operating budget (\$4.0 million from the Environmental License Plate Fund (ELPF), and \$500,000 from Proposition 84 for grant administration). The effects of the Governor's Executive Order and Furlough Order will result in some funds being reverted to the ELPF.

Due to the shortfall in funds contained in the Pooled Money Investment Account, the Conservancy was ordered to freeze all grant funding to recipients as of December 17, 2008. This includes invoices from grantees for work already performed on projects from prior funding years as well as, any additional work on existing grants. This matter is discussed further in Agenda item IX.

Currently, of the planned \$14 million in grant funding for this fiscal year, only \$49,000 had been "encumbered" prior to Dec. 17. None of the grants approved at the December Board meeting have been awarded at this time. If any of these funds are not awarded in the current year, the funds remain available to the Conservancy for an additional two fiscal years.

### **FY 2009-10**

In addition to the serious problems facing the State's General Fund and bond funds, the ELPF also faces serious fiscal constraints. The Governor's FY 2009-10 proposed budget reduces the SNC's ELPF appropriation by \$500,000, approximately 12%. Combined with the furloughs discussed below, the SNC may be facing a reduction of greater than 15% of total available resources in the coming fiscal year. The Conservancy is currently planning how to best implement this cut.

## **Staffing**

As a result of the current fiscal crisis, the Governor has ordered state workers to take two days each month off, without pay. The Conservancy will follow the plan that calls for closing down our offices on the first and third Friday on the month. The result of this action for all full-time employees is a pay reduction of 9.2 percent, with an approximate savings of \$65,000 for the current fiscal year and \$140,000 for 2009-10.

Obviously, there will be a reduction of available staff resources during this period. SNC management is working to identify priorities so that the most critical functions continue to be performed during this period.

**Table 1**  
**2008-09 SNC EXPENDITURES AND ENCUMBRANCES**  
 As of January 31, 2009

| <b>State Operations</b>                 |                  |                  |                  |                |
|-----------------------------------------|------------------|------------------|------------------|----------------|
| <i>Personal Services</i>                | <i>Budgeted</i>  | <i>Expended</i>  | <i>Balance</i>   | <i>% Spent</i> |
| SALARIES AND WAGES                      | 1,739,022        | 835,090          | 903,933          | 48%            |
| SALARY SAVINGS (3%)                     | (45,385)         |                  |                  |                |
| STAFF BENEFITS                          | 498,927          | 264,609          | 234,318          | 53%            |
| <b><i>Personal Services, Totals</i></b> | <b>2,192,565</b> | <b>1,099,698</b> | <b>1,092,866</b> | <b>50%</b>     |

| <i>Operating Expenses &amp; Equipment</i>                | <i>Budgeted</i>   | <i>Expended</i>  | <i>Balance</i>    | <i>% Spent</i> |
|----------------------------------------------------------|-------------------|------------------|-------------------|----------------|
| GENERAL EXPENSE                                          | 660,737           | 85,213           | 575,524           | 13%            |
| TRAVEL - IS                                              | 148,833           | 43,516           | 105,317           | 29%            |
| TRAVEL - OS                                              | 15,000            | 0                | 15,000            | 0%             |
| TRAINING                                                 | 57,580            | 10,526           | 47,054            | 18%            |
| FACILITIES                                               | 279,744           | 236,167          | 43,577            | 84%            |
| UTILITIES                                                | 10,411            | 5,530            | 4,881             | 53%            |
| INFORMATION TECHNOLOGY                                   | 57,646            | 1,724            | 55,922            | 3%             |
| CONTRACTS- EXTERNAL                                      | 105,145           | 91,853           | 13,292            | 87%            |
| CONTRACTS- INTERAGENCY AGREEMENT                         | 926,652           | 710,278          | 216,374           | 77%            |
| CONSOLIDATED DATA CENTER                                 | 0                 | 0                | 0                 | 0%             |
| EQUIPMENT                                                | 0                 | 0                | 0                 | 0%             |
| OTHER ITEMS OF EXPENSE                                   | 25,920            | 7,781            | 18,139            | 30%            |
| PRO RATA (control agency costs)                          | 55,767            | 27,884           | 27,884            | 50%            |
| <b><i>Operating Expenses &amp; Equipment, Totals</i></b> | <b>2,343,435</b>  | <b>1,220,472</b> | <b>1,122,963</b>  | <b>52%</b>     |
| <b>State Operations, Totals</b>                          | <b>4,536,000</b>  | <b>2,320,170</b> | <b>2,215,829</b>  | <b>51%</b>     |
| <b>Local Assistance, Totals</b>                          | <b>17,000,000</b> | <b>49,900</b>    | <b>16,950,100</b> | <b>0%</b>      |
| <b>SNC EXPENDITURES, TOTALS</b>                          | <b>21,536,000</b> | <b>2,370,070</b> | <b>19,165,929</b> | <b>11%</b>     |

**Local Assistance Grants**

PROPOSITION 84    \$17,000,000    \$ 49,900    \$16,950,100    0%