

Budget

California's current fiscal crisis has had an impact on all state agencies, their stakeholders, grantees, vendors, and service levels. The SNC, while receiving no direct General Fund dollars, has also felt the fiscal crunch. The SNC's base operations are supported by the Environmental License Plate Fund (ELPF) and Proposition 84 funds. Our current grant program is supported entirely by the sale of bonds from Proposition 84 of 2006.

FY 2008-09

As shown in Attachment A this agenda item, the SNC spent \$3.9 million of the \$4.5 million appropriated for State operations in 2008-09. Five primary factors contributed to reduced expenditures from this part of its budget:

- Furloughs—the Governor required that state civil service employees be furloughed two days each month for the final five months of the fiscal year. The result was an unanticipated savings in salary and wages. (A third furlough day was added by the Governor for FY 09-10.)
- Freeze on Procurement Activity—in June of 2009, the Governor issued an Executive Order freezing state procurement activities and disencumbering all contracts entered into after March 1st.
- Overtime—SNC reduced its overtime expenditure by 92 percent.
- Temp Help—SNC reduced its temporary help expenditures by 22 percent.
- Proposition 84 Support—due to an unfilled Proposition 84 position and the freeze on bond-funded projects, the SNC realized savings in the Proposition 84 support budget.

Grant Program Expenditures

In December of 2008, the state's Pooled Money Investment Board determined that all bond monies to be dispersed from its fund should be frozen in order to preserve necessary cash resources to pay the day-do-day operational needs of the state for the balance of the year. This meant that effective December 17th, the SNC was prevented from paying invoices for work being done by our Proposition 84 grantees and freeze all work on authorized grants until further notice (grants have been recently restarted).

FY 2009-10

During final budget negotiations between the Legislature and the Governor, an anticipated \$500,000 cut in the SNC ELPF appropriation was restored as a result of an

\$8 fee increase for environmental license plates. The SNC has been informed by the Natural Resources Agency that a future reduction is possible if actual revenue does not meet projections.

Staffing

All SNC staff are currently on three unpaid furlough days each month. SNC offices are closed the first three Fridays of each month. SNC staff continues to prioritize workload given the 15% reduction in available staff time.

Table 1
2008-09 SNC EXPENDITURES AND ENCUMBRANCES
As of June 30, 2009

State Operations				
<i>Personal Services</i>	<i>Budgeted</i>	<i>Expended</i>	<i>Balance</i>	<i>% Spent</i>
SALARIES AND WAGES	1,736,700	1,524,840	211,861	88%
SALARY SAVINGS (3%)	(45,385)			
STAFF BENEFITS	498,927	450,067	48,860	90%
<i>Personal Services, Totals</i>	2,190,242	1,974,907	215,336	90%
<i>Operating Expenses & Equipment</i>	<i>Budgeted</i>	<i>Expended</i>	<i>Balance</i>	<i>% Spent</i>
GENERAL EXPENSE	380,090	158,002	222,087	42%
TRAVEL - IS	138,833	57,602	81,231	41%
TRAVEL - OS	0	0	0	0%
TRAINING	52,580	16,989	35,591	32%
FACILITIES	316,635	316,635	0	100%
UTILITIES	10,411	9,546	865	92%
INFORMATION TECHNOLOGY	57,646	39,202	18,444	68%
CONTRACTS- EXTERNAL	91,633	91,445	188	100%
CONTRACTS- INTERAGENCY AGREEMENT	1,179,799	1,156,109	23,690	98%
CONSOLIDATED DATA CENTER	0	0	0	0%
EQUIPMENT	0	0	0	0%
OTHER ITEMS OF EXPENSE	25,920	12,763	13,157	49%
PRO RATA (control agency costs)	55,767	55,767	0	100%
<i>Operating Expenses & Equipment, Totals</i>	2,309,314	1,914,060	395,254	83%
State Operations, Totals	4,499,557	3,888,967	610,590	86%
Local Assistance (Proposition 84 Grants), Totals	17,000,000	49,900	16,950,100	0%
SNC EXPENDITURES, TOTALS	21,499,557	3,938,867	17,560,690	18%

Local Assistance Grants

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