

Background

Things are unfolding slowly related to the potential impacts of the State budget crisis on the Sierra Nevada Conservancy's (SNC's) budget and staffing levels. The Governor's proposed 2011-12 budget was released on January 10, 2011, and in its current form did not bring any significant surprises regarding the SNC's budget. However, we continue to watch for additional actions and reactions as the Governor and the Legislature grapple with the difficulties of closing a \$28 billion general fund deficit. We are also watching the bond discussions closely, since the negative impact of future planned bond sales on debt service obligations is impacting the State's plans for the next bond sale, and has already delayed the Spring sale to Fall.

Current Status – Budget

The SNC fiscal year 2010-11 budget was affected beginning in November due to the SEIU labor contract negotiations completed last Fall. The combined effect of the end of the 3-day-per-month furloughs and implementation of the personal leave program adjusted the categories of salaries and wages and staff benefits up by 7 percent, resulting in a budget cut of nearly \$200,000. These changes were absorbed by making adjustments in the operating and expenses area of the budget.

Governor Brown recently released [Executive Order B-1-11](#) requiring departments to "...document and review all authorized cell phone and smart phone procurement and related phone, data, internet and other usage plans for and by their employees and identify and implement...cuts sufficient to meet or exceed a 50 percent reduction in the number of cell phones and smart phones..." More recently Governor Brown issued [Executive Order B-2-11](#), which sets similar goals for assessing vehicle use and reducing unnecessary state-owned vehicles. The SNC will comply fully with these orders. SNC closely monitors its assignment and management of equipment, including all wireless devices and vehicles. The SNC reduced its vehicle fleet during the 2009-10 fiscal year and it is unclear at this time how additional reductions might affect SNC operations and activities.

Current Status – Staffing

As previously reported to the Board, effective February 1, 2011, Kim Carr assumed new duties as our Sustainable Initiatives Coordinator, focusing initially on the Sierra Nevada Forest and Community Initiative (SNFCI) and the Mokelumne Watershed Environmental Benefits Project. This new emphasis will allow us to make even more progress on these important initiatives. At the same time, Julie Bear, Mt. Whitney Area Senior Representative, stepped up to serve as Acting Mt. Whitney Area Manager, until we are able to complete the process to fill the position permanently. We appreciate Julie's willingness to accept this role and know that she will do her usual outstanding job during these very busy and challenging times.

Recommendation

This is an informational item only; no formal action is needed by the Board at this time, although Boardmembers are encouraged to share their thoughts and comments.

**2010-11 SNC EXPENDITURES AND ENCUMBRANCES
 As of December 31, 2010**

State Operations				
<i>Personal Services</i>	<i>Budgeted</i>	<i>Expended</i>	<i>Balance</i>	<i>% Spent</i>
SALARIES AND WAGES	1,729,462	794,967	934,495	46%
STAFF BENEFITS	577,253	277,686	299,568	48%
<i>Personal Services, Totals</i>	\$2,306,716	\$1,072,653	\$1,234,063	47%

<i>Operating Expenses & Equipment</i>	<i>Budgeted</i>	<i>Expended</i>	<i>Balance</i>	<i>% Spent</i>
GENERAL EXPENSE	194,503	76,288	118,215	39%
TRAVEL - IS	155,173	16,067	139,106	10%
TRAVEL - OS	2,612	-	2,612	0%
TRAINING	20,000	3,974	16,026	20%
FACILITIES	261,380	115,727	145,653	44%
UTILITIES	9,733	5,937	3,796	61%
CONTRACTS- INTERAGENCY AGREEMENT	1,153,071	101,856	1,051,215	9%
CONTRACTS- EXTERNAL	199,870	27,470	172,400	14%
INFORMATION TECHNOLOGY	60,000	32,841	27,159	55%
CONSOLIDATED DATA CENTER	-	-	-	0%
EQUIPMENT	-	-	-	0%
OTHER ITEMS OF EXPENSE	16,116	6,159	9,957	38%
PRO RATA (control agency costs)	201,844	100,922	100,922	50%
<i>Operating Expenses & Equipment, Totals</i>	\$2,274,302	\$487,242	\$1,787,060	21%

Local Assistance				
<i>Appropriation</i>	<i>Budgeted</i>	<i>Expended</i>	<i>Balance</i>	<i>% Spent</i>
NO APPROPRIATION FOR FY 2010/11	-	-	-	0%

	<i>Budgeted</i>	<i>Expended</i>	<i>Balance</i>	<i>% Spent</i>
<i>State Operations</i>	4,581,018	1,559,895	3,021,123	34%
<i>Local Assistance</i>	-	-	-	0%
SNC EXPENDITURES, TOTALS	\$4,581,018	\$1,559,895	\$3,021,123	34%