

Background

California continues to struggle with a significant budget deficit, without a clear path in addressing this issue. The Governor's proposed budget contains significant budget reductions for a variety of state programs, with substantial impacts likely for local governments as well. It is unclear how future actions related to the budget may affect the SNC.

However, according to the Department of Finance (DOF) there are some positive signs. "More signs of an improving economy arrived in February 2011. Job gains continued for the fifth consecutive month and, further, the gains were spread widely across the private sector. The unemployment rate dropped for the second month in a row." Through March 2011 actual personal income tax revenues were \$1.3 billion higher than anticipated – another good sign of a strengthening economy.

Current Status – Budget

In addition to Governor Brown's [Executive Order B-1-11](#) (cell phone reductions), [Executive Order B-2-11](#) (vehicle reductions), [Executive Order B-3-11](#) (hiring freeze) and prohibition on the purchase of promotional materials reported at the March 2011 Board meeting, the Governor has issued two additional executive orders that affect the SNC. The first, [Executive Order B-5-11](#), requires state departments to collect any outstanding staff salary and travel advance balances within 30 days of the issuance of the order. The second, [Executive Order B-6-11](#), restricts expenditures on both in-state and out-of-state travel to only non-discretionary purposes, and requires approval of non-discretionary travel at the Agency (in-state) and Governor's (out-of-state) levels. Our status in compliance with each Executive Order is noted below:

- EO B-1-11:** Reduction plan submitted; waiting for response from DOF. Expect to reduce 18 active cell phones, smart phones and computer air cards by 6/30/11.
- EO B-2-11:** All requested reports have been submitted; awaiting next steps from the Department of General Services. SNC could lose up to 4 vehicles which would significantly impact staff's ability to travel to the areas they serve.
- EO B-3-11:** The hiring freeze impacts our ability to fill the Bishop position that Julie Bear vacated when she promoted to become the Mt. Whitney Area Manager.
- EO B-5-11:** SNC is in compliance with this requirement, no outstanding advances exist.
- EO B-6-11:** SNC immediately implemented the restrictions identified in this EO, and is identifying all non-discretionary travel to submit to Agency for approval. This restriction may significantly affect staff's ability to travel to the remote areas we serve.

Current Status – Staffing

We are pleased to report that Autumn Hutchings has returned to support the Mt. Whitney team in Mariposa. We also wish the best to departing students Terri Ruggiero and Johnson Lee, who have both moved on to the next phases of their career development.

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 May 5, 2011					
State Operations					
<i>Personal Services</i>	<i>Budgeted</i>	<i>Expended</i>	<i>Balance</i>	<i>% Spent</i>	
SALARIES AND WAGES	1,725,542	1,349,838	375,705	78%	
STAFF BENEFITS	571,379	453,131	118,248	79%	
Personal Services, Totals	\$2,296,921	\$1,802,968	\$493,953	78%	
Operating Expenses & Equipment					
	<i>Budgeted</i>	<i>Expended</i>	<i>Balance</i>	<i>% Spent</i>	
GENERAL EXPENSE	205,638	120,940	84,698	59%	
TRAVEL - IS	108,026	31,654	76,372	29%	
TRAVEL - OS	2,612	-	2,612	0%	
TRAINING	12,500	7,487	5,013	60%	
FACILITIES	261,380	192,084	69,296	73%	
UTILITIES	9,733	8,428	1,305	87%	
CONTRACTS- INTERAGENCY AGREEMENT	1,139,129	577,841	561,288	51%	
CONTRACTS- EXTERNAL	247,950	242,950	5,000	98%	
INFORMATION TECHNOLOGY	106,523	62,876	43,647	59%	
CONSOLIDATED DATA CENTER	-	-	-	0%	
EQUIPMENT	-	-	-	0%	
OTHER ITEMS OF EXPENSE	16,116	11,721	4,395	73%	
PRO RATA (control agency costs)	201,844	201,844	0	100%	
Operating Expenses & Equipment, Totals	\$2,311,451	\$1,457,825	\$853,626	63%	
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>	
State Operations	4,608,372	3,260,793	1,347,579	71%	
Local Assistance	-	-	-	0%	
SNC EXPENDITURES, TOTALS	\$4,608,372	\$3,260,793	\$1,347,579	71%	