



Mayor's Budget Instructions

December 1, 2010



Overview

- FY 2011-12 General Fund Deficit Projection
- Budget Instructions
- Timeline

FY2011-12 Shortfall

- Revenue
 - Modest local tax revenue improvement
 - Offset by loss of state and federal funding

- Expenditure Increases
 - Personnel-related expenditure increases
 - Loss of one-time savings from FY 2010-11 budget

FY2011-12 Shortfall

(86.4) Sources

(293.4) Uses

(379.8) Projected General Fund Deficit

FY2011-12 Shortfall

Key Assumptions:

- Joint Report assumptions for health, pension benefits
- Rainy Day withdrawal is allowable (\$16.7M)
- 3-Month Report projected savings assumed (\$21.4M)
- \$30M State budget reserve

FY2011-12 Shortfall

Revenue

- (78.9) Loss of Prior Year Starting Balance
- 55.4 Starting Balance - Current Year Savings and Revenues

Major FY 11-12 General Tax Revenue Changes

- 19.2 Property Tax
- 25.2 Business Tax
- 35.1 Property Transfer Tax

FY2011-12 Shortfall

Revenue

Major Revenue Losses Projected

- (47.1) FMAP Increase
- (88.0) Hospital Fee
- (32.7) Other One-Time Sources (Health Revenues, State Reimbursements, ESER Bond Repayments)

FY2011-12 Shortfall

Revenue

Other Revenue Changes

4.4	Net Rainy Day Withdrawal
20.6	Base HHS State and Federal Revenue
0.5	Other
(86.4)	Revenue Total

FY2011-12 Shortfall

Expenditures

- (34.8) Salaries
- (15.3) Health and Dental - Retirees
 - (9.2) Health and Dental - Active Employees
- (37.1) Retirement - Employer Contributions
- (4.7) Other Salary and Benefit Cost Increases

FY2011-12 Shortfall

Expenditures

- (32.1) Baseline Funding Increases
- (44.6) Capital Budget
- (19.2) COLA on Contracts, Materials and Supplies
- (10.5) Equipment and Information Technology
- (12.5) Debt Service

FY2011-12 Shortfall

Expenditures

(19.5)	Convention Facilities - Debt Service and Expiration of one-time savings
(12.5)	Increased Number of Elections (Nov, Feb, June)
(5.0)	Public Financing of Elections
(36.4)	Other
(293.4)	Uses Total

FY 2011 Budget

POTENTIAL UNCERTAINTIES

- Continued economic uncertainty
- Benefit cost growth (updated estimates in early 2011)
- State Budget
- Current year overspending or supplemental appropriations

FY2011 Budget Instructions

- Propose reductions and revenues equal to 10% of adjusted GF support (at least 7% ongoing)
- Of the 10%, at least 2.5% should be current year savings
 - Due to Mayor's Office December 21
- Remainder of 10% submitted with budget
- Provide additional 10% contingency

FY2011 Budget Instructions

Prioritize core functions

Seek and prioritize solutions such as:

- Administrative efficiencies
- Consolidation of programs and functions
- Restructuring service delivery
- Revenue options



Calendar: Key Dates and Next Steps

Dec 1	Budget Instructions
Dec 17	Submit Capital Project Requests
Dec 21	Current-Year Savings Ideas Due to MO
January	Governor's Budget Released
Jan 21	Deadline for Capital Budget Requests
February	Controller's 6-Month Report
Feb 21	Budget Submissions Due
March	Joint Report Issued
May 2	Enterprise Department Budgets
June 1	Mayor Proposes Balanced Budget

Calendar: Key Dates and Next Steps (ctd)

May 2	Proposed Budget for Enterprise Depts introduced at BOS
May	Governor's May Revise released
May	Controller's 9-month Report
June 1	Budget Submitted to BOS
June	Budget Committee Hearings
July	Budget considered at BOS



Questions?

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