

First 5 Commission of San Diego
 June 7, 2010
Savings from Budget for Fiscal Year 2009-10

The matter before the Commission is a request to allocate the total savings (unspent and unallocated funds) from the budget for fiscal year 2009-10 to the budget for FY 2010 – 11.

Background:

Through administrative efficiencies, the Commission has reduced costs. As a result of the transition to the new Strategic Plan, the FY 2009 – 10 budget has savings resulting in available funds to allocate for critical needs emerging from state and local economic conditions. These funds can be used for projects that address the most critical gaps in the safety net for young children and their families in the coming fiscal year.

Projected Savings From Fiscal Year 2009 – 10:

The projected savings for fiscal year 2009-10 is \$2,002,727 as estimated by the Commission fiscal staff. The projected savings are itemized below:

<i>LINE ITEMS</i>	<i>PROJECTED SAVINGS</i>
Labor and Services / Supplies	\$ 242,473
Contributions to Community Projects (mostly Emerging Critical Needs)	\$ 3,705,035
Total Expenditure Savings	\$ 3,947,508
Revenue (under budget)	\$ (1,944,781)
Total Projected Savings	\$ 2,002,727

Shortfalls in projected revenue off-set nearly half of the savings projected above. Revenues have been less than budgeted for a number of reasons:

- A new Federal tax on tobacco took effect this year.
- Anti-smoking programs have decreased the total revenue collected.
- The Board of Equalization has increased their costs of collecting and distributing the tobacco tax by 2,056 % over the last 10 years. This significant increase is being looked into by the First 5 Southern Region Executive Directors.

Actual savings will be determined by the County's Oracle financial system in August 2010 after the close of the 2009 – 10 fiscal year.

Link to the Strategic Plan:

Addressing the critical needs of San Diego County's young children and their families is addressed in the Strategic Plan as a strategy: "Targeted response to critical needs emerging from state and local economic conditions".

Recommendations:

- 1) Allocate actual savings from fiscal year 2009 – 10 as an increase to the Emerging Critical Needs line in the FY 2010 – 11 Budget to increase funding for critical needs emerging from state and local economic conditions to address the gaps in the safety net for young children and their families in San Diego County. Actual savings will be determined by reports generated by the County Oracle Financial System after the close of the fiscal year.

Fiscal Impact:

The FY 2010 – 11 Budget will increase by the amount of funds that are unspent and unallocated at the end of FY 2009 – 10.