

# County of Santa Clara

Office of the County Executive

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June 16, 2009

**Supplemental Information No. 1  
Budget Hearing Agenda Item No. 30  
June 16, 2009**

TO: Board of Supervisors

FROM: Gary A. Graves, Acting County Executive

SUBJECT: Response to Request for Information during Budget Hearing – Departmental Reductions

### **Recommended Action**

Under advisement from June 15, 2009 (Agenda Item No. 3): At the request of Supervisor Cortese, provide information relating to the level of expenditure reductions included in the \$126.9 million in department reductions referenced on slide number 7 in the Acting County Executive's PowerPoint presentation at the opening of the FY 2010 Budget Hearing.

### **Fiscal Implications**

There are no fiscal implications associated with the acceptance of this information report.

### **Reasons for Recommendation**

The PowerPoint presentation provided by the Acting County Executive at the opening of the FY 2010 Budget Hearing (Agenda Item No. 3, June 15, 2009), referenced \$126.9 million in department reductions that contributed to solving the FY 2010 deficit. Supervisor Cortese requested additional information relating to the level of expenditure reductions included in the department solutions of \$126.9 million.

Departmental deficit solutions include \$65,976,567 of General Fund solutions and \$60,965,542 in SCVMC solutions, which result in a reduced General Fund subsidy, for a total of \$126,942,109.

Table 1 reflects the elements of the General Fund department solutions.

**Table 1: General Fund Department Deficit Solutions**

<b>Category</b>	<b>Amount</b>
Salaries and Benefits	(\$33,239,912)
Other Expenditures	(\$21,973,131)
Expenditure Reimbursements	\$509,291
<b>Total Expenditures</b>	<b>(\$54,703,752)</b>
Revenues	\$11,272,815
<b>Net Fiscal Impact</b>	<b>(\$65,976,567)</b>

Table 2 reflects the elements of the SCVMC deficit solutions.

**Table 2: SCVMC Deficit Solutions**

<b>Category</b>	<b>Amount</b>
Salaries and Benefits	\$4,227,019
Other Expenditures	11,975,463
Expenditure Reimbursements	\$62,280
<b>Total Expenditures</b>	<b>\$16,264,762</b>
Revenues	\$77,230,304
<b>Net Fiscal Impact</b>	<b>(\$60,965,542)</b>

It should be noted that some deficit solutions in the Health and Hospital System reduce General Fund costs, but increase both SCVMC costs and revenues in order to preserve services by maximizing revenue streams available to SCVMC. Approximately \$12 million of General Fund reduced cost in the Health and Hospital System is possible because that cost is transferred to SCVMC to be covered by revenue.