

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS  
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Administrative Office	(2) MEETING DATE 2/18/2014	(3) CONTACT/PHONE Guy Savage, Assistant CAO, 805-781-5011	
(4) SUBJECT Fiscal Year 2014-15 County and State Budget update. All Districts.			
(5) RECOMMENDED ACTION It is recommended that the Board receive and file a presentation regarding the Fiscal Year 2014-15 County and State budgets.			
(6) FUNDING SOURCE(S) N/A	(7) CURRENT YEAR FINANCIAL IMPACT \$0.00	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? N/A
(10) AGENDA PLACEMENT { } Consent   { } Presentation   { } Hearing (Time Est. ___) <b>{X}</b> Board Business (Time Est. <u>45</u> )			
(11) EXECUTED DOCUMENTS { } Resolutions   { } Contracts   { } Ordinances <b>{ x }</b> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A { } 4/5 Vote Required <b>{ x }</b> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <b>{ x }</b> N/A   Date: _____	
(17) ADMINISTRATIVE OFFICE REVIEW This item was prepared by the Administrative Office			
(18) SUPERVISOR DISTRICT(S) All Districts -			

# County of San Luis Obispo



TO: Board of Supervisors  
FROM: Administrative Office/Guy Savage, Assistant CAO, 805-781-5011  
DATE: 2/18/2014  
SUBJECT: Fiscal Year 2014-15 County and State Budget update. All Districts.

## **RECOMMENDATION**

It is recommended that the Board receive and file a presentation regarding the Fiscal Year 2014-15 County and State budgets.

## **DISCUSSION**

As of the writing of this report, departmental budgets are being submitted to the Administrative Office and reviewed. As a result, the updated forecast for the General Fund budget for FY 2014-15 has not been fully determined. However, the updated forecast is expected to be at the higher end of the \$0-\$6M originally anticipated and reported to the Board in October 2013. The actual amount of funds available for use will be calculated in time for the Board of Supervisors strategic planning meeting on 2/18/14 and will be presented at that time.

FY 2014-15 marks the seventh and final year of the oft-described "seven year pain plan." FY 2013-14 looks to have been the last year where a structural budget gap had to be closed. As such, FY 2014-15 will be the first in many years where productive discussion can be held about how best to use available funds as opposed to determining how to close a structural budget gap.

As the County approaches its "new normal" era of smaller annual increases of revenues when compared to those experienced in the 1990s and early 2000s, it will need to continue to balance its desires for increases in three areas:

- Financial Security
- Salaries and Benefits
- Services

As part of the seven year pain plan, a strategic approach to cutting all three was deployed. As revenues allow, a similar strategic approach should be used and each area examined for potential increases.

During the presentation, the County's budget balancing strategies and approaches will be reviewed as well as the next steps in the budgeting process. Finally, an overview of the Governor's proposed FY 2014-15 State budget will be presented.

In addition, attached to this staff report are the Board adopted Budget Goals and Policies as well as the Budget Balancing Strategies and Approaches. These items were unanimously adopted by the Board of Supervisors on November 6, 2012. The Budget Instructions distributed in December 2013 were prepared consistent with the Board adopted budget goals, policies, and balancing strategies.

## **OTHER AGENCY INVOLVEMENT/IMPACT**

All County departments participate in the creation and administration of the County budget.

## **FINANCIAL CONSIDERATIONS**

N/A

**RESULTS**

Provide the Board of Supervisors and public with an update regarding the County and State budgets.

**ATTACHMENTS**

1. FY 2014-15 Budget Goals and Policies
2. FY 2014-15 Budget Balancing Strategies and Approaches