

### **Background**

We have some good news on the “freeze front.”

*Hiring Freeze* - Section 3.91 of the fiscal year 2011-12 state budget act directed reduction of overall budget appropriations by \$1.6 billion, combined from general and other funds, in order to achieve various employee compensation reductions including the hiring freeze (issued as Executive Order B-03-11 on 2/14/2011). Governor Brown has now given state departments some operational flexibility by assessing these savings as unallocated reductions, and assigning an amount reflecting the department’s relative size. For SNC that amount is \$27,000. SNC’s plan to make those budget reductions in the areas of contracts, travel and training has been approved, lifting the hiring freeze as of October 10, 2011.

*Travel Freeze* - The travel freeze initiated by Executive Order B-06-11 has also been lifted by the Governor’s Office, removing the requirement to obtain travel freeze exemptions in advance from Resources Agency. This means that, as related to travel, SNC may independently continue its critical operations in conducting Board meetings, completing grant site visits and carrying out other necessary program support activities. Although this freeze has been lifted, in light of the on-going budget constraints, the SNC will continue to be prudent in addressing travel issues.

### **Current Status – Grants Admin**

In addition to supporting the Healthy Forests grant solicitation, which is in full motion, grants administrative staff has been busy providing support to project staff in new agreement execution, old agreement close-outs and grant program policy and procedure assessment. SNC has also received two draft grantee audits from the Department of Finance, and assessment of all preliminary findings is underway. Once completed, grants admin will develop strategies to implement any procedural changes and instigate appropriate grantee actions that may be called for in the final audit reports.

### **Current Status – Budget**

In addition to the unallocated reduction of \$27,000 noted above, \$87,000 and .8 personnel year authorization has been permanently reduced from the SNC’s temporary help budget (used for retired annuitants and part-time employees), beginning with the 2011-12 fiscal year. Combined with the hiring freeze reduction, SNC’s initial baseline budget has been reduced by \$114,000, or about 2 percent.

### **Current Status – Staffing**

Unfortunately, Janet Cohen, grant writer, funding expert, strategic thinker, strategic plan staffer and all around “utility player” on our Regional Policy and Program team has announced her plans to leave the SNC. Janet will move on to greener pastures in mid-to late-November. Janet has made significant contributions to the SNC, and we wish her the best in her future efforts. The staff and management will miss her great humor and her “brilliant” accent. We thank Janet for all of her hard work and dedication to the programs of the SNC and the interests of the Sierra Nevada Region.

**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.**

<b>2011-12 SNC EXPENDITURES AND ENCUMBRANCES</b>					
<b>As of October 31, 2011</b>					
<b>State Operations</b>					
<i>Personal Services</i>	<i>Budgeted</i>	<i>Expended</i>	<i>Balance</i>	<i>% Spent</i>	
SALARIES AND WAGES	1,804,955	524,576	1,280,379	29%	
STAFF BENEFITS	528,005	187,764	340,241	36%	
<b>Personal Services, Totals</b>	<b>\$2,332,960</b>	<b>\$712,340</b>	<b>\$1,620,620</b>	<b>31%</b>	
<b>Operating Expenses &amp; Equipment</b>		<i>Budgeted</i>	<i>Expended</i>	<i>Balance</i>	<i>% Spent</i>
GENERAL EXPENSE	222,513	62,135	160,378	28%	
TRAVEL - IS	62,000	5,955	56,045	10%	
TRAVEL - OS	-	-	0	0%	
TRAINING	47,500	2,808	44,692	6%	
FACILITIES	259,723	79,494	180,229	31%	
UTILITIES	10,222	3,599	6,623	35%	
CONTRACTS- INTERAGENCY AGREEMENT	1,297,003	288,536	1,008,467	22%	
CONTRACTS- EXTERNAL	59,060	49,060	10,000	83%	
INFORMATION TECHNOLOGY	104,620	3,827	100,794	4%	
CONSOLIDATED DATA CENTER	-	-	-	0%	
EQUIPMENT	-	-	-	0%	
OTHER ITEMS OF EXPENSE	81,741	6,074	75,667	7%	
PRO RATA (control agency costs)	159,658	0	159,658	0%	
<b>Operating Expenses &amp; Equipment, Totals</b>	<b>\$2,304,039</b>	<b>\$501,487</b>	<b>\$1,802,552</b>	<b>22%</b>	
<b>Local Assistance</b>					
<i>Appropriation</i>	<i>Budgeted</i>	<i>Expended</i>	<i>Balance</i>	<i>% Spent</i>	
2007 Original Appropriation (reapprop 2011-12)	17,000,000	15,273,226	1,726,774	90%	
2008 Original Appropriation (reapprop 2011-12)	17,000,000	12,647,408	4,352,592	74%	
2009 Original Appropriation * (3rd yr/3 yr enc)	15,448,000	8,149,410	7,298,590	53%	
	<i>Budgeted</i>	<i>Expended</i>	<i>Balance</i>	<i>% Spent</i>	
<b>State Operations</b>	<b>4,636,999</b>	<b>1,213,827</b>	<b>3,423,172</b>	<b>26%</b>	
<b>Local Assistance</b>	<b>49,448,000</b>	<b>36,070,045</b>	<b>13,377,955</b>	<b>73%</b>	
<b>SNC EXPENDITURES, TOTALS</b>	<b>\$54,084,999</b>	<b>\$37,283,872</b>	<b>\$16,801,128</b>	<b>69%</b>	

\* Of the \$10 million awarded during the 2010-11 fiscal year, \$1.85 million remains to be encumbered.