

Topic Notes: Advisory Committee Budget Letter –Fall, 2011

Anticipate that this year's letter will follow the format of past Advisory Committee letters. Members should expect a draft for comment around 9-30-2011. Feel free to provide feedback on these notes at any time. At this point we expect to include:

1. Our statement as to what the guidelines are and our assessment of reasonableness of the guidelines –pending BOS action
2. Our brief assessment of the current economic climate –still fragile and uncertain
3. Our assessment of reasonableness of revenue projections and projected allocations to the items deemed priority items, as presented to us by the Executive Director, in light of the current economic climate (probably affirm a conservative approach for now)
 - Affirm commitment to our long-term obligations (OPEB, Pension, facilities and infrastructure maintenance)
 - Acknowledge fixed expenses such as health insurance and STTI -while we need to continue to assess potential savings our short term obligations are relatively fixed
 - Affirm commitment to maintaining a healthy level of reserves (acknowledging obligation to help define, as the budget process unfolds, what a healthy level of reserves (free cash plus stabilization fund) is in light of our overall fiscal health)
4. Operating budgets –expectations
 - Budgets that adhere to the announced guidelines. Express caution about funding new initiatives in this economic climate and request that the rationale for any be clearly and distinctly described in budget presentations. If there are priority items not funded in a guideline budget, Advisory would like to be aware of them and their estimated cost. Conversely ask departments to be ready to identify items within their budgets, based on priority, that may need to be reduced as revenue and other fixed cost projections firm up.
 - Transparency and clarity of presentation of budgets is of paramount importance in every year, but particularly in a potential override year. TM must have a clear understanding of the key drivers and assumptions of every budget, complete sources and uses, comparative information based on past budgets and actual, and detailed information about personnel costs, itemized by program.

We need to compare notes with what BOS is requesting and not duplicate.

- Details concerning potential revenue opportunities, efficiencies and cost saving initiatives, including consolidation of functions with other departments, outsourcing or regionalization.
- Deadlines –School -----(consult with AC Schools subcommittee on date for General and STTI budgets)
- Deadlines –Non-School (begin with some in early December and others end of December/early January)
- Provide nuts and bolts—how many copies, to whom, by when....

5. Capital Budgets –Expectations

- 5 yr—FY 13-17
- Deadline—Oct 21 (Friday)
- Presentations – Nov 2 ,9, 30 and Dec 7-(enclose schedule/consult liaisons)
- At Capital Budget presentations—we would like to also have an overview—at a high level—of departmental goals and priorities and a discussion of some particular issues that may be a part of the operating budget discussion later. (Utilize the discussion items produced by Jack Haley Spring 2011).
- Ask for an overview of any potential ATM articles at Capital Presentation
- Request that each Board help to identify ways in which AC may be more helpful in the budget process or generally—give them an opportunity to let us know how we might make the process work better for them.
- Express our appreciation to the Boards and Departments