

FY 2011-12 Operating Budget

Projected Results for FY 2010/11

- Total Approved FY 2010/11 - \$48.3 million
 - Projected actual expenditures - \$44.5 million
 - Includes \$2.6 million for estimate of future pension costs
 - Net - \$41.9 million in actual costs; \$6.4 million under budget
- Lower expenditures explained by:
 - \$3.3 million reduction in Strategic Projects
 - \$1.7 million in lower outside contracts (e.g., legal costs)
 - \$1.4 million in lower personnel costs (use of temp help)
 - \$.4 million in other operating costs
 - \$.4 million less in KYHC reimbursement

Proposed FY 2011/12 Budget

- Total Budget -- \$50.1 million
 - Personnel (including benefits) - \$34.0 million
 - General Operating Expenses -- \$12.1 million
 - Reimbursement from KYHC -- (\$.8 million)
 - Strategic Projects -- \$4.7 million
- \$5.6million increase over FY 2010/11 actual expend.
 - \$2.0 million in personnel costs (filling vacancies)
 - \$1.4 million in outside contracts (legal costs)
 - \$.9 million in facilities costs (end of free lease period)
 - \$.6 million in strategic projects
 - \$.4 million in IT costs
 - \$.3 million in other operating expenses

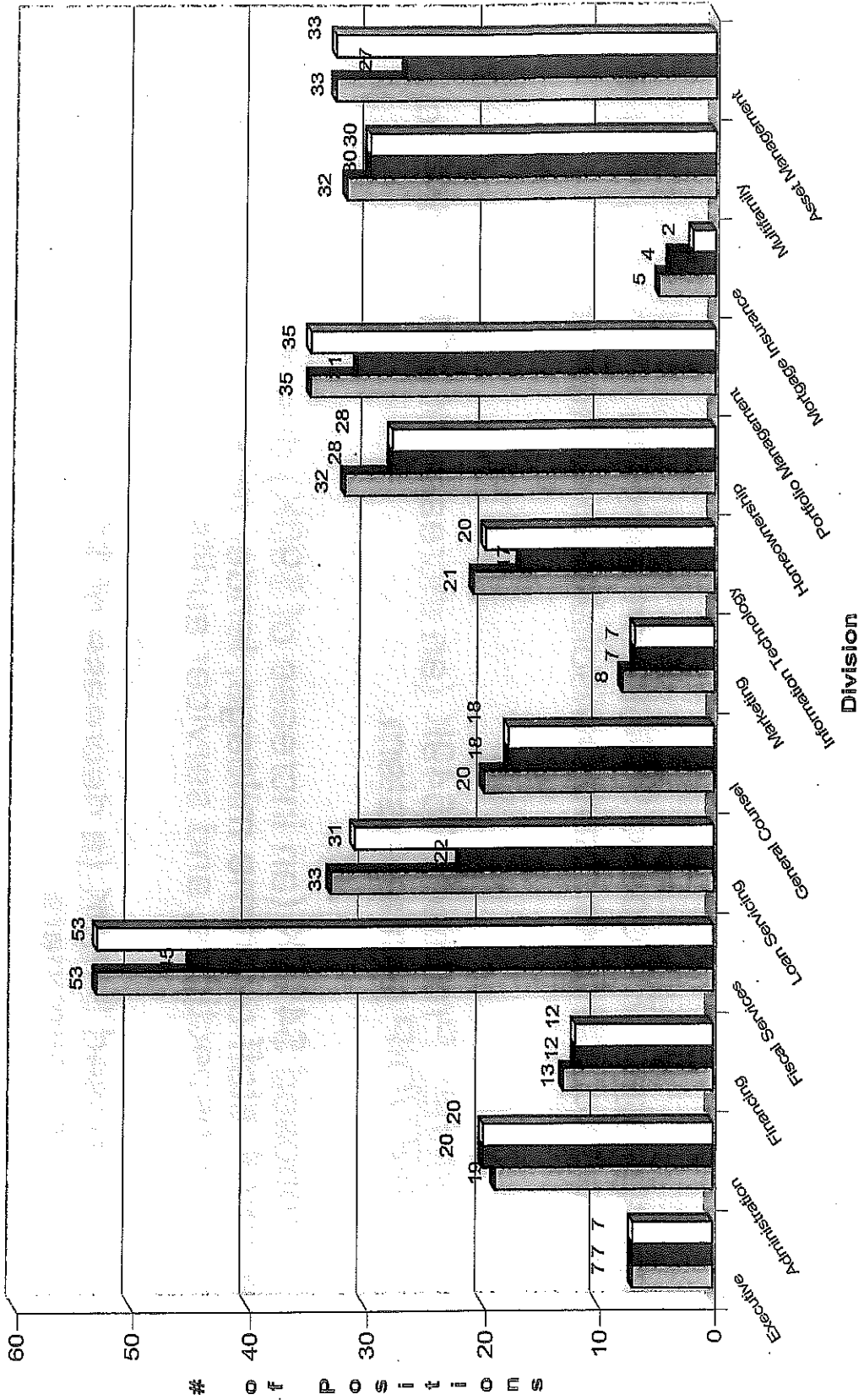
Personal Services

- Salary & Wages (net of Estimated Savings): Increase of \$2 million based on filling 27 vacancies, backfilling retirements, staff promotions and reclassification of positions.
- Temp Help: Proposed \$1.3 million is based on turning some of the temporary help into permanent positions and filling vacancies.
- Overtime: Proposed amount is based on actual expenditures for FY 2011/12.



CalHFA Position Allocations

Authorized FY 2010-11
 Projected Actuals FY 2010-11
 Proposed FY 2011-12



Operating Expenses

- General Expense: Proposed \$866K (an increase of \$154K) due to off-site storage costs from move consolidation of files and equipment.
- Communications: Proposed \$649K (an increase of \$111K) due to new/upgraded VOIP phone system.
- Travel: Proposed \$410K (an increase of \$90K) due increased out-of-state travel, staff overtime mileage, lender recertifications, maintenance inspections, and servicer audits.
- Training: Proposed \$150K (a decrease of \$17K) due to limiting conferences and seminars.

Operating Expenses

- Facilities Operations: Proposed \$2.8M (an increase of \$800K) due to the end of free rent (August 2011).
- Consulting & Professional Services: Proposed \$3.5M (a decrease of \$400K) due to the Loan Servicing fund shift.
- Central Admin. Services (Pro-Rata): State overhead amount provided by DOF. Proposed is \$2.5M (an increase of \$192K).
- Information Technology: Proposed \$1.1M (an increase of \$197K) AT&T internet service, network infrastructure and server upgrades for disaster recovery.

Equipment, KYHC and Strategic Projects

- Equipment: Proposed \$150K (a decrease of \$170K) due to the consolidation of resources from the move and increasing of life expectancy of all equipment.
- Hardest Hit/Keep Your Home: Proposed (\$789K). This is money reimbursed to CalHFA for staff time spent on Keep Your Home. Now that the project has been rolled out, CalHFA has a better idea of the proposed reimbursements for staff time.
- Strategic Projects: Proposed \$4.7M (a decrease of \$2.7M) due to the postponement of the Fiscal Services Project and the Agency move being complete.