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
- $5.6 million 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.
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.