

Agenda Item #11.A.



STATE AND CONSUMER SERVICES AGENCY • GOVERNOR EDWIN G. BROWN JR.



BOARD OF VOCATIONAL NURSING & PSYCHIATRIC TECHNICIANS
2535 Capitol Oaks Drive, Suite 205, Sacramento, CA 95833-2945
Phone (916) 263-7800 Fax (916) 263-7855 Web www.bvnpt.ca.gov

DATE: February 13, 2012

TO: Board Members

A handwritten signature in black ink, appearing to read 'Teresa Bello-Jones', written over a horizontal line.

FROM: Teresa Bello-Jones
Executive Officer

SUBJECT: Proposal to Merge the Vocational Nursing (VN) and Psychiatric Technicians (PT) Funds

Statement of Issue

The Board is a "special fund agency" that is totally self-supporting. The Board oversees two distinct licensure programs (i.e., Vocational Nursing Program and Psychiatric Technicians Program). Each program has its own statutes and regulations, budget authority, curriculum requirements, examinations, and staff.

The Board derives all of its revenue from its applicants and licensees through the collection of examination, licensing and renewal fees. The Board's main sources of revenue are from the following fee categories:

- Application
- Re-Examination
- Initial License
- Biennial Renewal
- Delinquent Renewal

Current budget projections indicate that the VN Program's fund reserve will be exhausted by Fiscal Year (FY) 2017/18 and the PT Program's fund reserve will be exhausted by FY 2014/15. The Board should consider statutory amendments to ensure the solvency of the programs.

Background and Subject Review

The last fee change occurred on October 1, 2010. The statutory fee ranges are cited in the Business and Professions Code (B&P Code), Section 2895 (VN) and 4548 (PT) and the specific fee amounts currently charged are cited in the CCR, Title 16, Sections 2537 (VN) and 2590 (PT).

The following table reveals that both the VN and PT Programs are at the statutory maximums allowed by law. No further fee increases can be implemented until the statutory fee ranges are raised.

| FEE SCHEDULES & STATUTORY FEE RANGES | | | | |
|---|--|---------------------------------|--|---------------------------------|
| Fee Categories | VN Program | | PT Program | |
| | Current Fees (eff. 10/1/2010) | Statutory Fee Ranges | Current Fees (eff. 10/1/2010) | Statutory Fee Ranges |
| 1. Application | \$150* | \$75 - \$150 | \$150* | \$100 - \$150 |
| 2. Re-Examination | \$150* | \$75 - \$150 | \$150* | \$100 - \$150 |
| 3. Initial License | \$150* | \$100 - \$150 | \$300* | \$200 - \$300 |
| 4. Biennial Renewal (every two years) | \$155* | \$100 - \$150 | \$300* | \$200 - \$300 |
| 5. Delinquency | \$75* | \$50 - \$75 | \$150* | \$100 - \$150 |
| 6. Interim Permit | \$40 | \$40 - \$50 | \$20 | \$20 - \$50 |
| 7. Duplicate License | \$25 | \$25 - \$50 | \$20 | \$20 - \$50 |
| 8. Endorsement | \$75 | \$75 - \$100 | \$20 | \$20 - \$50 |
| 9. Continuing Education Provider | \$200 | No Range | \$150 | \$150 - \$200 |
| 10. Blood Withdrawal Certification*** | N/A | N/A | \$20 | \$20 - \$50 |

* These fee categories are at the statutory maximums allowed by law. No further fee increases can be implemented until the fee ranges are raised.
 Vocational Nurse Education Fund – Although the Board’s VN renewal fee is \$150, the Board is required to collect an additional \$5.00 at the time of license renewal from its LVNs (i.e., \$155) to fund VN education efforts.
 *** Post-licensure certification in blood withdrawal for PTs began in 1999.

Attachment A shows an Analysis of the VN Program’s Fund Condition and Attachment B shows an analysis of the PT Program’s Fund Condition. According to the DCA Budget Office, the VN Program is facing a fund deficit in FY 2017/18 based on current projected revenue and expenditures. The PT Program is facing a fund deficit in FY 2014/15 based on current projected revenue and expenditures. A statutory amendment is required within the next 1-2 years to ensure the solvency of the PT Program.

On February 20, 2009, the Board approved proposed statutory amendments to B&P Code Sections 2895 and 4548 relative to increasing the “statutory fee ranges” for the initial license fee, the biennial renewal fee and the delinquency fee. Board staff was directed to proceed with the legislative process. On February 19, 2010, Assembly Bill (AB) 2484 was introduced by Assembly Member Carter to increase statutory fee ranges. Unfortunately, the author dropped the bill due to opposition by one of the professional nursing organizations.

An alternative to a statutory amendment to raise the PT Program's fee ranges within the next 1-2 years is to consider the merger of the VN and PT Programs' funds. According to the DCA Budget Office, if the VN Fund and PT Fund are merged through a statutory amendment effective July 1, 2013, the combined funds will face a fund deficit in FY 2017/18 (see Attachment C). Based on current projections, the VN Program's fund will require a fee increase by FY 2017/18 regardless of a merger. However, by merging the funds, the need to increase the PT fees will be delayed by 2-3 years. Additionally, if the funds were merged in July 2013, it would allow the Board to assess actual operational costs and factor in combined reversions of both programs over the next 2-3 years and then assess the fee increases fairly for each profession.

Recommendation:

1. The Board approve the proposal to merge the VN Program's Fund and PT Program's Fund and direct staff to proceed with the legislative process.

**0779 - Vocational Nursing Program
Analysis of Fund Condition**

PREPARED 1-27-12

(Dollars in Thousands)

FY 2012-13 Governor's Proposed Budget

| | ACTUAL 2010-11 | CY 2011-12 | BY 2012-13 | BY+1 2013-14 | BY+2 2014-15 | BY+3 2015-16 | BY+4 2016-17 | BY+5 2017-18 | BY+6 2018-19 | BY+7 2019-20 |
|---|-------------------|---------------|---------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| BEGINNING BALANCE | \$ 6,549 | \$ 8,609 | \$ 7,332 | \$ 6,978 | \$ 6,270 | \$ 5,213 | \$ 3,796 | \$ 2,008 | \$ (160) | \$ (2,695) |
| Prior Year Adjustment | \$ 24 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Adjusted Beginning Balance | \$ 6,573 | \$ 8,609 | \$ 7,332 | \$ 6,978 | \$ 6,270 | \$ 5,213 | \$ 3,796 | \$ 2,008 | \$ (160) | \$ (2,695) |
| REVENUES AND TRANSFERS | | | | | | | | | | |
| Revenues: | | | | | | | | | | |
| 125600 Other regulatory fees | \$ 233 | \$ 119 | \$ 119 | \$ 119 | \$ 119 | \$ 119 | \$ 119 | \$ 119 | \$ 119 | \$ 119 |
| 125700 Other regulatory licenses and permits | \$ 3,547 | \$ 3,915 | \$ 3,915 | \$ 3,915 | \$ 3,915 | \$ 3,915 | \$ 3,915 | \$ 3,915 | \$ 3,915 | \$ 3,915 |
| 125800 Renewal fees | \$ 5,603 | \$ 5,700 | \$ 5,700 | \$ 5,700 | \$ 5,700 | \$ 5,700 | \$ 5,700 | \$ 5,700 | \$ 5,700 | \$ 5,700 |
| 125900 Delinquent fees | \$ 121 | \$ 120 | \$ 120 | \$ 120 | \$ 120 | \$ 120 | \$ 120 | \$ 120 | \$ 120 | \$ 120 |
| 141200 Sales of documents | \$ - | \$ 2 | \$ 2 | \$ 2 | \$ 2 | \$ 2 | \$ 2 | \$ 2 | \$ 2 | \$ 2 |
| 142500 Miscellaneous services to the public | \$ 3 | \$ 4 | \$ 4 | \$ 4 | \$ 4 | \$ 4 | \$ 4 | \$ 4 | \$ 4 | \$ 4 |
| 150300 Income from surplus money investments | \$ 34 | \$ 71 | \$ 64 | \$ 62 | \$ 52 | \$ 38 | \$ 20 | \$ - | \$ - | \$ - |
| 150500 Interest from Interfund Loans | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 160400 Sale of fixed assets | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 161000 Escheat of unclaimed checks and warrants | \$ 4 | \$ 3 | \$ 3 | \$ 3 | \$ 3 | \$ 3 | \$ 3 | \$ 3 | \$ 3 | \$ 3 |
| 161400 Miscellaneous revenues | \$ 9 | \$ 6 | \$ 6 | \$ 6 | \$ 6 | \$ 6 | \$ 6 | \$ 6 | \$ 6 | \$ 6 |
| Totals, Revenues | \$ 9,554 | \$ 9,940 | \$ 9,933 | \$ 9,931 | \$ 9,921 | \$ 9,907 | \$ 9,889 | \$ 9,869 | \$ 9,869 | \$ 9,869 |
| Transfers from Other Funds | | | | | | | | | | |
| GF Loan repay per 1580-011-0779 BA of 2003 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| F00683 Teale Data Center (CS 15 00, Bud Act of 2005) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Transfers to Other Funds | | | | | | | | | | |
| T00001 GF loan per 1580-011-0779 BA of 2003 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| T00001 GF loan per 1111-011-0779 BA of 2008 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Totals, Revenues and Transfers | \$ 9,554 | \$ 9,940 | \$ 9,933 | \$ 9,931 | \$ 9,921 | \$ 9,907 | \$ 9,889 | \$ 9,869 | \$ 9,869 | \$ 9,869 |
| Totals, Resources | \$ 16,127 | \$ 18,549 | \$ 17,265 | \$ 16,909 | \$ 16,191 | \$ 15,120 | \$ 13,685 | \$ 11,877 | \$ 9,709 | \$ 7,174 |
| EXPENDITURES | | | | | | | | | | |
| Disbursements: | | | | | | | | | | |
| 0840 State Controller (State Operations) | \$ 15 | \$ 13 | \$ 11 | | | | | | | |
| 8880 Financial Information System for CA (State Operations) | \$ 4 | \$ 38 | \$ 10 | | | | | | | |
| 1110 Program Expenditures (State Operations) | \$ 7,499 | \$ 11,166 | \$ 10,266 | \$ 10,639 | \$ 10,978 | \$ 11,324 | \$ 11,677 | \$ 12,037 | \$ 12,404 | \$ 12,779 |
| Total Disbursements | \$ 7,518 | \$ 11,217 | \$ 10,287 | \$ 10,639 | \$ 10,978 | \$ 11,324 | \$ 11,677 | \$ 12,037 | \$ 12,404 | \$ 12,779 |
| FUND BALANCE | | | | | | | | | | |
| Reserve for economic uncertainties | \$ 8,609 | \$ 7,332 | \$ 6,978 | \$ 6,270 | \$ 5,213 | \$ 3,796 | \$ 2,008 | \$ -160 | \$ -2,695 | \$ -5,605 |
| Months in Reserve | 9.2 | 8.6 | 7.9 | 6.9 | 5.5 | 3.9 | 2.0 | -0.2 | -2.5 | -5.3 |

NOTES:

- A. ASSUMES WORKLOAD AND REVENUE PROJECTIONS ARE REALIZED FOR 2009-10 AND 2010-11
- B. ASSUMES 2% GROWTH IN EXPENDITURES IN FY 2012-13

0780 - Psychiatric Technicians Program

Analysis of Fund Condition

PREPARED 1-27-12

(Dollars in Thousands)

FY 2012-13 Governor's Proposed Budget

| | ACTUAL 2010-11 | CY 2011-12 | BY 2012-13 | BY+1 2013-14 | BY+2 2014-15 | BY+3 2015-16 | BY+4 2016-17 | BY+5 2017-18 | BY+6 2018-19 | BY+7 2018-19 |
|---|-------------------|---------------|---------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| BEGINNING BALANCE | \$ 1,935 | \$ 1,933 | \$ 1,076 | \$ 594 | \$ 51 | \$ (551) | \$ (1,212) | \$ (1,933) | \$ (2,715) | \$ (3,560) |
| Prior Year Adjustment | \$ 24 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Adjusted Beginning Balance | \$ 1,959 | \$ 1,933 | \$ 1,076 | \$ 594 | \$ 51 | \$ (551) | \$ (1,212) | \$ (1,933) | \$ (2,715) | \$ (3,560) |
| REVENUES AND TRANSFERS | | | | | | | | | | |
| Revenues: | | | | | | | | | | |
| 125600 Other regulatory fees | \$ 23 | \$ 3 | \$ 3 | \$ 3 | \$ 3 | \$ 3 | \$ 3 | \$ 3 | \$ 3 | \$ 3 |
| 125700 Other regulatory licenses and permits | \$ 282 | \$ 282 | \$ 282 | \$ 282 | \$ 282 | \$ 282 | \$ 282 | \$ 282 | \$ 282 | \$ 282 |
| 125800 Renewal fees | \$ 1,371 | \$ 1,380 | \$ 1,380 | \$ 1,380 | \$ 1,380 | \$ 1,380 | \$ 1,380 | \$ 1,380 | \$ 1,380 | \$ 1,380 |
| 125900 Delinquent fees | \$ 20 | \$ 20 | \$ 20 | \$ 20 | \$ 20 | \$ 20 | \$ 20 | \$ 20 | \$ 20 | \$ 20 |
| 141200 Sales of documents | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 142500 Miscellaneous services to the public | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 150300 Income from surplus money investments | \$ 12 | \$ 10 | \$ 4 | \$ 1 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 150500 Interest from Interfund Loans | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 160400 Sale of fixed assets | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 161000 Escheat of unclaimed checks and warrants | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 161400 Miscellaneous revenues | \$ 1 | \$ 1 | \$ 1 | \$ 1 | \$ 1 | \$ 1 | \$ 1 | \$ 1 | \$ 1 | \$ 1 |
| Totals, Revenues | \$ 1,709 | \$ 1,696 | \$ 1,690 | \$ 1,687 | \$ 1,686 | \$ 1,686 | \$ 1,686 | \$ 1,686 | \$ 1,686 | \$ 1,686 |
| Transfers from Other Funds | | | | | | | | | | |
| F00683 GF loan repayment per 1580-011-0780 BA of 2003 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Transfers to Other Funds | | | | | | | | | | |
| T00001 GF loan per 1580-011-0780 BA of 2003 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Totals, Revenues and Transfers | \$ 1,709 | \$ 1,696 | \$ 1,690 | \$ 1,687 | \$ 1,686 | \$ 1,686 | \$ 1,686 | \$ 1,686 | \$ 1,686 | \$ 1,686 |
| Totals, Resources | \$ 3,668 | \$ 3,629 | \$ 2,766 | \$ 2,281 | \$ 1,737 | \$ 1,135 | \$ 474 | \$ (247) | \$ (1,029) | \$ (1,874) |
| EXPENDITURES | | | | | | | | | | |
| Disbursements: | | | | | | | | | | |
| 0840 State Controller (State Operations) | \$ 2 | \$ 3 | \$ 2 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 8860 FSCU (State Operations) | \$ 1 | \$ 9 | \$ 2 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 1110 Expenditures (State Operations) | \$ 1,732 | \$ 2,541 | \$ 2,168 | \$ 2,230 | \$ 2,288 | \$ 2,347 | \$ 2,407 | \$ 2,468 | \$ 2,531 | \$ 2,595 |
| Total Disbursements | \$ 1,735 | \$ 2,553 | \$ 2,172 | \$ 2,230 | \$ 2,288 | \$ 2,347 | \$ 2,407 | \$ 2,468 | \$ 2,531 | \$ 2,595 |
| FUND BALANCE | | | | | | | | | | |
| Reserve for economic uncertainties | \$ 1,933 | \$ 1,076 | \$ 594 | \$ 51 | \$ -551 | \$ -1,212 | \$ -1,933 | \$ -2,715 | \$ -3,560 | \$ -4,469 |
| Months in Reserve | 9.1 | 5.9 | 3.2 | 0.3 | -2.8 | -6.0 | -9.4 | -12.9 | -16.5 # | -20.7 |

NOTES:

- A. ASSUMES WORKLOAD AND REVENUE PROJECTIONS ARE REALIZED BEGINNING IN FY 2011-12
- B. EXPENDITURE GROWTH PROJECTED AT 2% BEGINNING FY 2012-13.

Agenda Item #11.A. - Attachment B

Board of Vocational Nursing and Psychiatric Technicians

Analysis of Merged Fund Condition

PREPARED 1-27-12

(Dollars in Thousands)

| FY 2012-13 Governor's Proposed Budgets | ACTUAL 2010-11 | CY 2011-12 | BY 2012-13 | BY+1 2013-14 | BY+2 2014-15 | BY+3 2015-16 | BY+4 2016-17 | BY+5 2017-18 | BY+6 2018-19 | BY+7 2019-20 |
|---|-------------------|---------------|---------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| BEGINNING BALANCE | \$ 8,484 | \$ 10,542 | \$ 8,408 | \$ 7,572 | \$ 6,321 | \$ 4,662 | \$ 2,584 | \$ 75 | \$ (2,875) | \$ (6,255) |
| Prior Year Adjustment | \$ 48 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Adjusted Beginning Balance | \$ 8,532 | \$ 10,542 | \$ 8,408 | \$ 7,572 | \$ 6,321 | \$ 4,662 | \$ 2,584 | \$ 75 | \$ (2,875) | \$ (6,255) |
| REVENUES AND TRANSFERS | | | | | | | | | | |
| Revenues: | | | | | | | | | | |
| 125600 Other regulatory fees | \$ 256 | \$ 122 | \$ 122 | \$ 122 | \$ 122 | \$ 122 | \$ 122 | \$ 122 | \$ 122 | \$ 122 |
| 125700 Other regulatory licenses and permits | \$ 3,829 | \$ 4,197 | \$ 4,197 | \$ 4,197 | \$ 4,197 | \$ 4,197 | \$ 4,197 | \$ 4,197 | \$ 4,197 | \$ 4,197 |
| 125800 Renewal fees | \$ 6,974 | \$ 7,080 | \$ 7,080 | \$ 7,080 | \$ 7,080 | \$ 7,080 | \$ 7,080 | \$ 7,080 | \$ 7,080 | \$ 7,080 |
| 125900 Delinquent fees | \$ 141 | \$ 140 | \$ 140 | \$ 140 | \$ 140 | \$ 140 | \$ 140 | \$ 140 | \$ 140 | \$ 140 |
| 141200 Sales of documents | \$ - | \$ 2 | \$ 2 | \$ 2 | \$ 2 | \$ 2 | \$ 2 | \$ 2 | \$ 2 | \$ 2 |
| 142500 Miscellaneous services to the public | \$ 3 | \$ 4 | \$ 4 | \$ 4 | \$ 4 | \$ 4 | \$ 4 | \$ 4 | \$ 4 | \$ 4 |
| 150300 Income from surplus money investments | \$ 46 | \$ 81 | \$ 68 | \$ 63 | \$ 52 | \$ 38 | \$ 20 | \$ - | \$ - | \$ - |
| 150500 Interest from Interfund Loans | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 160400 Sale of fixed assets | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 161000 Escheat of unclaimed checks and warrants | \$ 4 | \$ 3 | \$ 3 | \$ 3 | \$ 3 | \$ 3 | \$ 3 | \$ 3 | \$ 3 | \$ 3 |
| 161400 Miscellaneous revenues | \$ 10 | \$ 7 | \$ 7 | \$ 7 | \$ 7 | \$ 7 | \$ 7 | \$ 7 | \$ 7 | \$ 7 |
| Totals, Revenues | \$ 11,263 | \$ 11,636 | \$ 11,623 | \$ 11,618 | \$ 11,607 | \$ 11,593 | \$ 11,575 | \$ 11,555 | \$ 11,555 | \$ 11,555 |
| Transfers from Other Funds | | | | | | | | | | |
| GF Loan repay per 1580-011-0779 BA of 2003 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| F00683 Teale Data Center (CS 15.00, Bud Act of 2005) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Transfers to Other Funds | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| T00001 GF loan per 1580-011-0779 BA of 2003 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| T00001 GF loan per 1111-011-0779 BA of 2008 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Totals, Revenues and Transfers | \$ 11,263 | \$ 11,636 | \$ 11,623 | \$ 11,618 | \$ 11,607 | \$ 11,593 | \$ 11,575 | \$ 11,555 | \$ 11,555 | \$ 11,555 |
| Totals, Resources | \$ 19,795 | \$ 22,178 | \$ 20,031 | \$ 19,190 | \$ 17,928 | \$ 16,255 | \$ 14,159 | \$ 11,630 | \$ 8,680 | \$ 5,300 |
| EXPENDITURES | | | | | | | | | | |
| Disbursements: | | | | | | | | | | |
| 0840 State Controller (State Operations) | \$ 17 | \$ 16 | \$ 13 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 8880 Financial Information System for CA (State Operations) | \$ 5 | \$ 47 | \$ 12 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 1110 Program Expenditures (State Operations) | \$ 9,231 | \$ 13,707 | \$ 12,434 | \$ 12,869 | \$ 13,266 | \$ 13,671 | \$ 14,084 | \$ 14,505 | \$ 14,935 | \$ 15,374 |
| Total Disbursements | \$ 9,253 | \$ 13,770 | \$ 12,459 | \$ 12,869 | \$ 13,266 | \$ 13,671 | \$ 14,084 | \$ 14,505 | \$ 14,935 | \$ 15,374 |
| FUND BALANCE | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Reserve for economic uncertainties | \$ 10,542 | \$ 8,408 | \$ 7,572 | \$ 6,321 | \$ 4,662 | \$ 2,584 | \$ 75 | \$ (2,875) | \$ (6,255) | \$ (10,074) |
| Months in Reserve | 9.2 | 8.1 | 7.1 | 5.7 | 4.1 | 2.2 | 0.1 | -2.3 | -4.9 | -7.9 |

NOTES:

- A. ASSUMES WORKLOAD AND REVENUE PROJECTIONS ARE REALIZED FOR 2009-10 AND 2010-11
- B. ASSUMES 2% GROWTH IN EXPENDITURES IN FY 2012-13

Agenda Item #11.A. – Attachment C

