

LIBRARY DISTRICT
FY 2008-09 BUDGETING FOR RESULTS GUIDELINES AND PRIORITIES
Approved by the Board of Directors on December 3, 2007

The purpose of these guidelines and priorities is to provide direction from the Board of Directors to the Office of Management and Budget and District staff so that they can develop a sustainable, structurally-balanced budget that achieves, within available resources, the District's mission and strategic goals.

Property Taxes:

The budget will advance the goal of reducing property tax rates by continuing the self-imposed limits on the District property tax levy and by controlling expenditure increases. In order to protect taxpayers from tax increases resulting from high valuation increases, the FY 2008-09 Flood Control District secondary tax levy on properties taxed in FY 2007-08 will increase by no more than 2%, which is equivalent to limits on primary property taxes.

Employee Compensation:

Employee compensation increases will depend on the availability of funding, and will be decided upon later in the budget process. In the meantime, the Office of Management and Budget and the District will address compensation funding in the following manner:

1. District budget requests will include supplemental requests for performance-based salary adjustments that will average **no more than 2.5%** for current eligible employees, which will be decided upon at a later date subject to availability of funding.
2. Funding for performance-based salary adjustments will not be allocated without direction from the Board of Directors.
3. Market salary adjustments will be prioritized to address only the most critical turnover, retention and recruitment issues that have a significant impact on critical public services. The cost of market salary adjustments will need to be offset with other budget reductions in addition to any other reductions otherwise necessary to balance the budget. The District may not include requests for new market compensation funding in their budget requests

Base Budget Targets:

Base budgets for all funds will be prepared within target amounts equal to their current budgets plus authorized adjustments. The Office of Management and Budget is directed to adjust budget targets for the following:

1. Annualized cost of FY 2007-08 approved Results Initiatives.
2. Annualized impact of FY 2007-08 mid-year appropriation adjustments.
3. Annualized impact of other items (including intergovernmental agreements) that were approved by the Board of Directors, so long as the impact was disclosed at the time of Board approval.
4. Items required by State law.

5. Other technical adjustments as required.

The District must submit its base expenditure budget requests within budget targets. If justified by revenue projections, base revenue budget requests may exceed revenue targets. Revenue targets for non-General Fund budgets will include an adjustment as necessary to maintain structural balance (recurring revenues equal to or greater than recurring expenditures) within the fund. If the revenue target cannot be met, the District must reduce base expenditures and base revenue by an amount sufficient to restore structural balance.

Base Budget Reductions

Lower growth and declines in revenue will challenge the District to continue to provide results for the people it serves. In order to meet this challenge, the District is urged to collaborate with the Office of Management and Budget to identify budget improvements through greater efficiency and reduction or elimination of services that have little or no impact on results. The District is requested to present options for reductions of 5%, 10% and 15% from their base targets.

Requests for Additional Funding:

Funding for new initiatives will be limited. District managers will be challenged to find innovative ways to maintain service levels as much as possible while finding opportunities for budget enhancement (reduced expenditures or increased revenue). Consequently, Results Initiative Requests will not be considered except to address critical or emergency issues or to implement opportunities for expenditure reduction or revenue enhancement, and only as directed by the Board of Directors.

Capital Improvement Program

The Office of Management and Budget is directed to work with District staff to develop an updated Capital Improvement Program and Capital Projects budget for FY 2008-09 that meets the strategic goal of developing, identifying funding, and beginning to implement a long-range plan for addressing library facility needs.

Information Technology

The Office of Management and Budget, the Office of Enterprise Technology and the District will explore opportunities for more efficient and effective information technology (including telecommunications) through consolidation of resources. New information technology projects will be considered if they have a return on investment with direct benefits of three years or less.