

# Board Inquiry Form

Inquiry Number: 17

Board Member	
Carbajal	
Wolf	
Farr	
Adam	
Lavagnino	X

Department: General County Programs  
Date: 06/09/13  
Page(s) of Budget Book: D-244

**Request/Question:** Strategic Reserve - how much of this reserve has been designated for CEC/MISC and other items

Response Prepared by: Tom Alvarez

**Response:**

On page D-244 of the Budget Book, it identifies a potential need to fund the CEC/MISC liabilities of \$7.8 million. After a negotiated settlement with the State, the remaining balance estimated necessary for this liability is \$2.7 million. Approximately half of this balance is expected to be paid in FY 2013-14 and the balance is anticipated to be due in FY 2014-15. The County has appealed these audit assessments; however, it is probable that these funds will need to be paid before any negotiations would occur and the ultimate outcome is unknown. We therefore will be recommending that the Board increase the Audit Exception Reserve by \$2.7 million for these items. The source of the \$2.7 million could be from expected FY 2013-14 General Fund savings or from the Strategic Reserve. A Budget Revision will be brought to the Board later this month to appropriate these funds.