



FY 2017 Recommended Budget Budget Question

Board Question #: 81

BUDGET QUESTION: By how much would the Fiscal Stability Reserve contribution decrease for FY 2017 if we made our calculation based on budget year (FY 2017) revenues vs. the following year (FY 2018) revenues?

RESPONSE: The County's adopted fiscal policies call for the Fiscal Stability Reserve (FSR) and the Budget Stabilization Reserve (BSR) to be 11% and 1.25%, respectively, of "the subsequent fiscal year budget." So, as we are developing the FY 2017 Budget, we are planning for the end-of-year FY 2017 FSR and BSR totals to be certain percentages of the FY 2018 revenues.

If we were to alter the FSR policy and have the calculation be based upon FY 2017 instead of FY 2018 revenues, the reserve would be \$4.7 million lower at the end of FY 2017. \$3.7 million of this amount is one-time funding already in the fund balance, and the remaining \$1.0 million is on-going revenue that is being added to the fund balance as part of the FY 2017 Budget.