

VI. GENERAL, MISCELLANEOUS REVENUE, AND LIBRARY SERVICES IMPROVEMENT FUNDS
A.2. Finances – State Budget Reduction – Information Item

As discussed during the October Board meeting, the possibility of a General Fund budget rescission this fiscal year has been realized, along with an ongoing General Fund two-percent base reduction (“reset”) starting in fiscal year 2021.

Based on the Governor’s budget reset, the current FY 2020 General Fund budget was reduced by \$41,547:

- General Fund, Personnel reduced by \$18,547
- General Fund, Operating reduced by \$13,000
- Federal Fund, Operating reduced by \$5,000
- General Fund, Trustee & Benefit reduced by \$5,000

Based on the Governor’s budget recommendations, an ongoing two-percent reduction to the agency’s FY 2021 General Fund appropriation will total \$85,672. A two-percent base reduction in each of our spending categories follows (noting that all totals are approximate):

- General Fund, Personnel reduced by \$42,766
- General Fund, Operating reduced by \$33,854
- General Fund, Trustee & Benefit reduced by \$9,052

The Division of Financial Management (DFM) has provided an exemption to keeping the budget reset in each of those spending categories for the current FY and FY 2021, but it is not known at this time if the ongoing two-percent General Fund base reduction will be applied evenly across all budget categories. As part of the annual budgeting process, staff are asked to submit a prioritized list of line items they would cut if budgets are reduced at the state or federal level. ICfL’s Management Team is considering leaving a position open following a projected retirement in July 2020 and are looking at a variety of other options to help cover the deficit going forward. More information will be provided at the February, April, and June meetings. At this time, staff would prefer to wait for additional information from the Governor’s Office and Legislature before presenting a final plan to the Board.