

BALDY VIEW ROP BUDGET UPDATE

February 9, 2011

Just a note to inform you that there are no new developments in the Governor's budget at this time.

Recently, staff has raised the question of unfreezing step and column for the current fiscal year (2010-11). As you are aware, this would create an on-going expense for Baldy View during a time of economic uncertainty. Given the need to retain reserves in order to maintain adequate cash-flow and the possibility of the failure of the Governor's proposed ballot measures, it would be fiscally irresponsible for the organization to undertake such a financial obligation.

At this time, step and column will remain frozen until we are in a position to assume this on-going commitment.

As we begin the 2011-12 budget process, we encourage you to submit your cost saving or revenue generating ideas to us for consideration.

As developments occur, we will continue to keep you informed.