

Proposed Status Quo Budget

Office of the City Attorney - Budget Request 2010-2011

By all accounts, the City's budget crisis will likely worsen next fiscal year. All indications are that there will be no additional funds provided to any City department and that additional cuts are possible.

In fiscal year 2009-10, this Office took a disproportionate cut to its budget – reduced by 18 percent, one of the largest reductions in the City. Despite the inequity of this reduction, the Office has worked diligently to both meet its challenging budget goal and enhance service levels.

We are encouraged by the progress that has been made to date. Specifically, we have taken our budget deficit from nearly \$15 million to less than \$7 million – more than a 50 percent reduction. We continue to work to reduce that shortfall and are hopeful that we will fully meet the challenge. We have also had great success in protecting City revenues both by successfully defending the City in civil litigation and significantly enhancing debt collection efforts.

At the same time, the Early Retirement Incentive Program (ERIP) will significantly impact this Office by reducing staffing levels by roughly eight percent. With nearly 80 employees planning to retire, we will work to maintain and improve services through a more efficient use of our diminished resources.

For fiscal year 2010-11, the Mayor and CAO have directed every City Department to develop three budget scenarios. As result of the budget cut in fiscal year 2009-10 and ERIP staff losses, any of these budget scenarios will present a serious challenge to this Office:

- 1) **Status quo budget** - same level of funding provided as last year, however, any new or deferred costs must be absorbed.
- 2) **Ten percent budget reduction** – General Fund costs must be reduced by ten percent or alternate funding sources/revenue must be identified to offset costs. All new or deferred costs must still be absorbed.
- 3) **Twenty percent budget reduction** – General Fund costs must be reduced by 20 percent or alternate funding sources/revenue must be identified to offset costs. All new or deferred costs must still be absorbed.

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This Office expects to lose nearly 80 employees as a result of ERIP. This will save approximately \$8 million in salary costs next fiscal year. In order to absorb all required costs for next fiscal year, including COLAs, deferred bar dues, ERIP incentive payments to retirees, any positions vacated through ERIP must remain vacant. Although this will have the intended effect of covering all anticipated costs, the impact of ERIP (detailed in another section of this budget submittal) will clearly be felt. Despite the reduced workforce, this Office will attempt to maintain the same or higher service level as it has provided in the past.

We will continue the conversion of outside counsel case assignments to in-house attorneys, despite our reduced staff.

Limited funding is requested to cover unfunded resolution authority positions and to fund litigation expense at historically appropriate levels, as well as basic technology needs.