

Updated 2011-2012 Preliminary General Fund Forecast

2011-2012 Shortfall Components	2011-2012 Preliminary General Fund Forecast Shortfall as of November 8, 2010	2011-2012 Updated Preliminary General Fund Forecast Shortfall as of January 24, 2011
Carry-Over from 2010-2011 Adopted Budget	\$20.5 M	\$20.5 M
Expenditure Changes		
- Increased Retirement Contributions*	21.5 M	60.9 M
- Increased Health Care Costs	4.1 M	4.1 M
- Salary Step/Performance Increases	3.1 M	3.1 M
- 2011-2012 Committed Additions (Capital projects scheduled to come on-line)	6.6 M	6.6 M
- Public Safety Vehicle Replacement	4.4 M	4.4 M
- Other Adjustments	<u>0.2 M</u>	<u>0.2 M</u>
Sub-Total Expenditure Changes	\$39.9 M	\$79.3 M
Decreased Revenue Estimates	\$9.5 M	\$9.5 M
Total 2011-2012 Projected General Fund Shortfall	\$69.9 M	\$109.3 M**

* Increased Retirement Contributions: Police (\$26.7 M), Fire (\$18.7 M), Federated (\$15.5 M); Does not include updated Police/Fire retiree healthcare changes.

** Does not include any potential San Jose Redevelopment Agency impacts.