

OHLONE COMMUNITY COLLEGE DISTRICT

MEMORANDUM

TO: Board of Trustees

FROM: Douglas Treadway

DATE: June 9, 2004

SUBJECT: Approval of the 2004-05 Tentative Budget

Staff presented a budget workshop on May 12, 2004. The workshop concentrated on the General Fund (Fund 10). Enclosed in this packet is the complete Tentative Budget. As was pointed out at the workshop, the College's budget planning process this past spring focused solely on the identification of budget reductions. Over the summer, our planning process must incorporate College wide goals into the upcoming year's budget plan. The assumptions driving the Tentative Budget are conservative. For example, equalization funding is not included. As a consequence, there is a shortfall of \$376,830 projected. With the Governor's favorable May revised budget proposal, it is anticipated that there will be no shortfall when the Final Budget is prepared.

The 2004-05 Tentative Budget assumes budgeted revenues at \$ 41,745,799 and budgeted expenditures at \$ 54,600,880 for all funds. **It should be noted from the attached Fund Summary that the primary reason for the significant difference between revenues and expenses is due to the planned expenditure of \$ 12,600,000 of bond funds. The bond proceeds (revenue) were recorded during the 2001-02 fiscal year.** Also, it should be noted that the Tentative Budget assumes the inclusion of a State-recommended 5% contingency reserve as well as the continuation of the rainy day reserve of \$450,000 in the General Purpose General Fund Budget.

Once the Governor signs the 2004-05 State Budget, staff will revise budget assumptions. The impact of the signed State budget on the District's budget will be reviewed with the Board. After the books are closed, staff will revise 2004-05 revenue and expenditure assumptions based on actual 2003-04 financial activity.

A 2004-05 Final Budget Workshop is scheduled at 6:00 p.m on September 1, 2004. The public hearing and the adoption of the Final Budget are scheduled on September 8, 2004.

RECOMMENDATION:

The President/Superintendent recommends that the Board approve the 2004-05 Tentative Budget.