Per the Board Fiscal Policies, a Rainy Day Reserve can be increased after the P-2 Apportionment Entitlement Report has been State certified, and the District’s Fourth Quarter has been accepted.

Since the District’s 2004-05 year-end close provided a larger fund balance than what was anticipated, the staff is recommending an increase to the Rainy Day Reserve in the amount of $350,000. The majority of the additional revenue was of a one-time nature. The District did not meet its 2004-2005 enrollment target. This increase in the reserve will provide the District with a larger buffer to mitigate a potential revenue loss if enrollment levels are not fully restored. Contributions to and appropriations from this reserve require a majority vote of the Board of Trustees.

RECOMMENDATION

The President/Superintendent recommends an increase of $350,000 to the Rainy Day Reserve for the budget year 2005-06.