

OHLONE COMMUNITY COLLEGE DISTRICT

MEMORANDUM

TO: Board of Trustees

FROM: Dr. Douglas Treadway

DATE: April 12, 2006

SUBJECT: PRELIMINARY 2006/07 GENERAL FUND (FUND10) BUDGET
PROJECTION

- Regular Agenda item

Staff has prepared a preliminary 2006/07 General Fund (Fund 10) budget projection.

Major Revenue Assumptions

The revenue has been projected using the Governor's January budget proposal as a starting point. The Governor's proposal includes a 5.18% COLA. With the current positive trends, the District is assuming that the target FTES goal of 7,965 will be met. The staff has used the current funding formula which does not include equalization for the District. If SB361 is enacted it could mean an additional \$600,000 for the District. Additional revenue from Adjunct Parity funding has also not been assessed and therefore not included.

Major Expenditure Assumptions

The budget projections include all step, column, and longevity increases as well as the Board approved 5% salary increase for 2006/07. District Wide Capital planning has been added after 2 years of budget cuts. Estimates for increased energy costs are included but not all service contracts have been assessed yet.

Budget Shortfall

There is currently \$293,515 shortfall in 2006/07. It is anticipated that there will be additional saving from 2005/06 that may minimize this further before we get to the Tentative Budget.