

OHLONE COMMUNITY COLLEGE DISTRICT

MEMORANDUM

TO: Board of Trustees

FROM: Dr. Douglas Treadway

DATE: June 13, 2007

SUBJECT: Approval of the 2007-08 Tentative Budget

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The Tentative budget is not materially different from the Preliminary Budget. The changes will be highlighted in a presentation during the regularly scheduled Board Meeting.

The General Fund Unrestricted Fund 10 revenue at \$45,072,768 is based on the Governor's May Revised Budget. Since that time the Senate and Assembly have both submitted proposals and the current session is closed. There is a significant difference in the three budgets and their impact on the Proposition 98 Guarantee. The State Budget is now in the consultation phase of the process to close the gaps.

The General Fund Unrestricted Fund 10 expenditure budget is at \$44,654,702. This Budget includes salary adjustments and the reorganization that was been Board Approved. Provisions for a half of a year of operations at the Newark Center and the effects of implementing GASB 45 Post Retiree Health Benefits have also been included.

It should be noted that the Tentative Budget assumes the maintenance of the State-recommended 5% contingency reserve and a Rainy Day reserve in the General Purpose General Fund Budget. Additional Reserves have been added for Capital Improvement, unspent One Time Funding and for the Newark Center for Health Sciences and Technology. After including all of the reserves there is ongoing revenue in excess of ongoing expenditures of \$418,066 prior to any negotiated settlements.

The 2007-08 Tentative Budget for all funds, assumes budgeted revenues at \$54,590,842 and budgeted expenditures at \$97,809,008. Expenditures are projected considerably higher than Revenue because the unspent portion of the \$110 million in general obligation bonds remains in the beginning Fund Balance of \$71,645,119.

RECOMMENDATION

The President/Superintendent recommends that the Board approve the 2007-08 Tentative Budget as proposed in the Budget Booklet prepared by staff.