

LTUSD deficit may swell to \$2.6 mil.; depends on state

By Kathryn Reed

It's a bit of hoping for the best, planning for worst when it comes to forecasting what the Lake Tahoe Unified School District budgets will look like for the next two years.



Educators have their fingers crossed the proposed June ballot initiative by Gov. Jerry Brown passes. But the reality is it may never see the light of day. That will be determined by the Legislature in March.

The best-case scenario as presented to the board Jan. 25 is the continued running deficit of \$1.2 million. The worst-case option is another \$1.4 million will be added to that systemic problem to bring the district's ledgers showing \$2.6 million in red.

CF0 Deb Yates and Human Resources Director Jim Watson delivered the sobering news Tuesday to a packed house at the district office. Watson went over possible elimination of positions for the next two years. His job is one that could be cut in 2011-12.

This would mean Superintendent Jim Tarwater would spend all of his time at the district office. He currently divides his day as principal of the Environmental Magnet School. Someone would have to take over those duties.

Watson said during a recent webinar a leading economist said what makes this different from previous budgets is "this really is a sky is falling budget to go with the sky is falling rhetoric."

California is grappling with a \$25 billion deficit. For the past several years lawmakers have put a Band-Aid on the issue and deferred some of the more painful decisions. Brown has said he wants to stop that practice and begin making the hard decisions.

He wants voters to continue on with tax hikes that were put into effect two years ago. The Republican Legislature is resisting the Democrat's idea.

Even if the proposal makes it on the June ballot, that does not give this or most districts much time to figure out what they are doing because most fiscal years begin July 1. This is why LTUSD is essentially working on parallel budgets based on funding possibilities.

The LTUSD board took no action this week. (Sue Novasel was absent.) But action will have to be taken soon even if it means revising things when the state figures out its mess.

Teachers have another week to let the district know if they will be taking the golden handshake retirement option. If enough people pursue early retirement, pink slips will likely not have to be issued for the coming school year.

A slew of ideas were outlined at the meeting as possible ways to maintain solvency. When it comes to positions, reduction in the number of school days or the furlough day, those would have to be negotiated with the unions.

The state allowed districts to go from maintaining a 3 percent reserve to 1 percent for this school year. The proposed budget from Brown says districts will be allowed to maintain a 0.33 percent reserve.

"I'm hearing if this is not the time for reserves, I'm not sure when is. No one I've crossed paths with has seen it worse," Yates told the board.