

# LTUSD, LTCC able to cope with gov's budget proposal

By Kathryn Reed

South Lake Tahoe education officials are cautiously optimistic Gov. Jerry Brown's budget will stay intact as presented earlier this month – at least when it comes to dollars for schools.

The Friday before Brown released his proposal on May 16 all the predictions were dire.



Lake Tahoe Unified School District CFO Deb Yates said a sigh of relief reverberated throughout the state with the announcement Proposition 98 would be fully funded.

This 1988 voter approved initiative guarantees a certain level of funding for K-14 education. However, in recent years the folks in Sacramento have not honored that agreement.

For LTUSD this means restoring more than \$1.2 million to the budget. But it does not mean being able to hire back teachers or staff who were laid off or restoring programs.

“We are still deficit spending \$1.2 million a year. It's a systemic problem,” Yates told *Lake Tahoe News* before the May 24 board meeting. She gave the board an update that evening.

Adding to LTUSD's woes is enrollment continues to decline, though it looks like the district will have lost less than 100 students from the start of the school year.

What the state budget will do for LTUSD is not make the proposed cuts for the 2012-13 school year be as drastic. But

until a budget is signed, anything can happen in Sacramento.

Built into Brown's budget is a five-year extension on taxes that are supposed to expire this year.

However, state Sen. Ted Gaines, R-Roseville, when he was in South Tahoe on Tuesday said having the taxes go away will not adversely impact education per the current budget proposed by the governor. Gaines is adamantly opposed to keeping the taxes going because it means the average family of four pays out \$1,000/year.

Part of what is allowing the governor to create a rosier budget is revenues are projected to be close to \$7 billion more than originally anticipated. But the state still must close a gap of nearly \$10 billion.

The state budget is supposed to take effect July 1, but that hasn't happened for years. LTUSD and Lake Tahoe Community College start their fiscal years July 1 as well. The LTUSD and LTCC boards expect to approve their respective budgets next month.

The governor is proposing to reduce preschool funding by 15 percent. This will not affect preppie-K in LTUSD. But it could have an indirect impact on the district as childcare centers in town close.

The Al Tahoe Child Development Center is closing at the end of June because of cuts. Kindertown Day Care/Preschool has lost its state funding. All of these changes have low-income parents scrambling to find a place for their children.

Another unknown impact to LTUSD is the probable shift of mental health services to education.

Yates said she doesn't know yet what the impact to the district will be. Two students in the district are in a non-public school setting. Each child could cost the district

upward of \$200,000 a year.

"I have never seen adequate funding follow special education in all of my 30 years," Yates said.

At the college board meeting that same night it was brought up that LTCC might need to seek a TRAN (Tax and Revenue Anticipation Note) to make payroll if the state does not have a balanced budget. The college projects a \$1.2 million cash flow problem in September if the state holds back money. The state stops writing checks when the current budget expires June 30.

Marc Sabella, who is running the finance department because the college no longer has a vice president of Business Services, told the board the county office of education is hesitant to loan the college money because it has started the process the last two years and then backed away when it wasn't needed. This is why the college is looking at a TRAN.

Board member Kerry David said Vicki Barber, superintendent of El Dorado County Office of Education, should be reminded it's the people in the county who elect her and that perhaps she should be less worried about the charter schools in Southern California she wants to give money to.

The college board has until June 14 to decide about a TRAN. The negative about the TRAN is the college may only need the money for 30 days and it could cost \$50,000 to \$70,000 to secure the funding.

"We are optimistic while the budget is definitely tight next year, we hopefully won't have to borrow money," interim President Steve Maradian said.

He is estimating the college will take an \$800,000 hit with what Brown has in the May revise budget.

Maradian said, "We've had to scrub the budget carefully" but

it will be balanced when it's presented to the board in June.

Pulled from the May 24 agenda was an item to discuss proceeding with hiring a VP of Business Services. The board is going to wait until the new president is on board to go forward with that idea.

In the mean time, the board bumped Sabella's salary by \$2,500/month on a month-to-month basis.

On a bright note, the college's Child Development Center is breaking even, which hasn't happened in years. Raising fees helped. And with the closure of childcare facilities in town this may bring youngsters to the college's center.