

# Sacramento turmoil keeps budgets downstream in flux

By Kathryn Reed

Now there's a state budget, now there's not. This fiscal gamesmanship California lawmakers are playing may ensure they keep getting a salary, but it is creating an eraser hole in ledgers up and down the state.

Lake Tahoe Unified and Lake Tahoe Community College boards of education on June 14 discussed their respective budgets. Both plan to adopt so-called final budgets June 28. But in reality they are placeholder budgets until the state approves a budget.



June 15 was the legal deadline for lawmakers to approve a state budget. It was done so on controversial party lines. The following day Gov. Jerry Brown vetoed the Democrats' plan – even though he is one of them.

Brown said what landed on his desk contained “legally questionable maneuvers, costly borrowing and unrealistic savings.”

State Sen. Ted Gaines, R-Roseville, and Assemblywoman Beth Gaines, R-Roseville, who represent Tahoe in the Legislature, voted no on the budget.

LTUSD and LTCC had found ways to work within the confines of what Brown proposed in his May revise.

But what the Dems put forth Wednesday would have thrown at least K-12 CFOs scrambling to find money.

“It is unfortunate that the state has chosen to shift the

burden to fund state education obligations – forcing districts to use precious limited dollars to borrow money – to meet unavoidable expenses for salaries and operations,” LTUSD CFO Deb Yates told *Lake Tahoe News* before the governor’s veto.

While it’s a wait-and-see mode right now, it’s like a fiscal (and bit of an emotional) yo-yo that educators, cities and counties are subjected to.

The budget lawmakers came up with eliminated redevelopment agencies. Placer County adopted a five-year redevelopment plan in May, while South Lake Tahoe transferred most of its Redevelopment Agency holdings to the city.

Marc Sabella, director of fiscal services at LTCC, presented options to the board Tuesday night for being able to keep from bouncing checks. At the May 24 meeting the board was briefed on possibly needing a TRAN (Tax and Revenue Anticipation Note) to keep the cash flow going.

The board decided this week to hold off on that idea and instead consider borrowing from reserves or a local bank or possibly some other scenario. This is because a TRAN could cost \$65,000 and other options would be nil or significantly less.

The money is needed because the state stops paying its bills if a budget is not in place. The fiscal year for the state, LTUSD and LTCC starts July 1.

On Thursday, Sabella told *Lake Tahoe News* June 16 just before Brown vetoed the budget, “Only when all parties agree to the state budget, does it effect the college. We will have to wait

for a completed state budget before there are any changes here.”

When that day will come remains a mystery.