

# LTCC dealing with unstable financial forecast from state

By Kathryn Reed

Voters will decide if Lake Tahoe Community College must deal with “the good” or “the ugly” budget scenario.



“The model we are using now is the bad,” LTCC President Kindred Murillo told the board. It’s between “the good” which requires cutting costs by \$800,000 and “the ugly” which requires cuts of \$1.3 million.

“We want to be able to move either way,” she added.

If the education bill passes in November, it gives K-14 districts money that is owed them – not anything more. If it fails, it means another mid-year budget cut. LTCC took a \$400,000 hit at the start of this calendar year.

If the voters say no, it will mean a workload reduction of 5.56 percent. The state pays community colleges based on the number of fulltime equivalent students. The 5.56 percent equals 105 FTES or \$500,000. LTCC is now funded at 1,890 students. Just eliminating classes does not solve the problem. However, cutting some courses and putting more students into another class would help.

If that student number increases, the college gets no reimbursement from the state. In the 2009-10 school year, LTCC had 182.49 unfunded FTES. That is why administrators made a concerted effort to watch that figure and have kept it in line for two years.

The biggest problem is with the cut coming midyear; after the

budget is adopted and after the school year has begun.

No matter the outcome of the November ballot measure put forth by Gov. Jerry Brown, the South Lake Tahoe college is looking at a structural deficit of \$800,000. Half of that is because of increased costs of automatic salary increases via the step process and benefits.

In the last two years, LTCC has experienced a 15 percent increase in health and welfare costs. It's expected to go up another 2 percent in fiscal year 2012-13. The college board, while well aware of the financial constraints, was presented with the grim picture in black and white during a budget workshop April 10. But the numbers presented are in a more readable format than the past 30-plus years.

Instead of a series of code numbers which most people have no idea what they mean, the line items are easier to read. For the first time restricted and unrestricted funds are separated on paper; they always had been in practice.

**“We need to rethink how we serve our students and our community.” – Kindred Murillo, LTCC president**

Unrestricted funds account for about 90 percent of the budget.



“That’s what funds classes for students,” Murillo explained to *Lake Tahoe News*.

The board was shown the new format using the current budget.

The 2012-13 budget will be the first one Murillo has prepared. Those numbers are being crunched, with the board likely to start reviewing the budget for the next school year in May.

Murillo, after Tuesday's meeting, said she spent that morning scrubbing the budget to find anything that could bring down the deficit. She said she found several little things – like someone being budgeted twice, issues with a grant, things that can be eliminated – that adds up to close to \$400,000.

While every dollar is being scrutinized, it is not possible to curtail all costs. And with revenues flat or decreasing and costs going up, the gap widens.

In the past four years, the community college system has sustained a 23 percent reduction from the state.

“We will continue to do more with less,” Murillo told the board. But she added, “We need to rethink how we serve our students and our community.”