

LTCC making ends meet by dipping into reserves

By Kathryn Reed

While the proposed 2012-13 budget for Lake Tahoe Community College is about \$800,000 less than the previous year's budget, the institution continues to rely on reserves to balance the budget.

The \$13.7 million budget, which is expected to be adopted at the Sept. 11 board meeting, includes about \$732,000 from reserves. The board has advised staff to stick with the 10 percent contingency reserve, which for the next fiscal year would be about \$1.376 million.

However, that pot is not one that can continually be tapped because at some point nothing will be left in it if the college keeps using it for everyday expenses.



Lake Tahoe Community College is expected to approve the 2012-13 budget on Sept. 11.
Photo/LTN file

LTCC is putting forward a budget that assumes Proposition 30, the governor's tax initiative on the Nov. 6 ballot, will fail. If it does, it means a \$632,000 loss to the college. If it

passes, it means less money has to come out of reserves.

(The board on Aug. 28 had the first reading of a resolution supporting Proposition 30.)

Supplies and services have been cut to cope with the shortfall. Adjunct faculty hours have been reduced, which will mean changes in course selections for students. And the library will close at 7pm instead of 8pm.

Another issue the college is wrestling with is meeting the state education code rule that says at least 50 percent of the budget must go directly toward the classroom. LTCC has historically been on the cusp, but with the 12-13 budget may not meet that requirement.

"We are digging deep into those numbers. If we are going to be less than 50 percent, we have to file an exclusion with the board by Sept. 15," Jeff DeFranco, vice president of administrative services, told *Lake Tahoe News*.

The faculty has been notified the 50 percent mandate is likely not going to be met. The issue is expected to be discussed at Tuesday's meeting. If the board approves a budget not meeting the 50 percent rule, the state chancellor's office must be notified by Dec. 1. DeFranco said the college will need to show the state it has a plan to get back into compliance.

He said part of the plan includes realizing in fiscal year 2013-14 the full benefit of the 11 early retirements. With only one of the positions being a faculty member (Steve Adams), this did nothing to help attain the compliance with the 50 percent rule. The other retirements include one administrator and nine classified employees.

Eighty percent of the budget is allocated for employee salaries and benefits. In the 2011-12 budget \$11,702,727 was budgeted for salaries-benefits, with the actual closer to \$11,013,091. For fiscal year 2012-13, wages-benies come in a

\$10,954,505.

Net personnel savings come by not filling a dean position, but adding support staff. In 2013-14, the retirements will save the two-year college \$430,000.

DeFranco, who has been at LTCC a matter of months, is working through the numbers to make them easier to discern, and looking long-term instead year-to-year.

A detailed report on how Connect Ed, the college's community education program that was launched a year ago, is expected at the Sept. 11 meeting.

But the college has some pressing capital expenses to think about, too. The phone system is failing. A facilities master plan is expected to be discussed at the Sept. 25 board meeting.

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Note: Public hearing on the proposed 2012-13 final budget will be Sept. 11, 6:20pm, at Lake Tahoe Community College board room.