

FINANCIAL RESOURCES



III.D.1. Financial resources are sufficient to support and sustain student learning programs and services and improve institutional effectiveness. The distribution of resources supports the development, maintenance, allocation and reallocation, and enhancement of programs and services. The institution plans and manages its financial affairs with integrity and in a manner that ensures financial stability. (ER 18)

As student learning and student support are at the core of LTCC's mission, planning and funding to achieve student success are the highest of priorities in the budgeting process.

Prioritization of the Instructional and Student Services Programs

LTCC maintains financial resources that are sufficient to support and sustain student learning programs as well as support the development, maintenance, and enhancement of programs and services, all while ensuring the long-term fiscal stability of the College. This is demonstrated by a balanced budget, increased efforts around transparency, minimal audit findings that are nonfiscal in nature, and adequate reserve levels ([III.D.1-1](#)) ([III.D.1-2](#)).⁶

In May of 2013, LTCC implemented an eighteen-month fiscal stability plan to reinvigorate the College while stabilizing finances ([III.D.1-3](#)). At that time, challenges included increased accountability, regulations, funding restrictions, and loss of local enrollment. The outcome of that plan included a new vision for LTCC; strategic budget reductions and cost containment strategies to support effective and efficient programs and services; new revenue generation through grants and entrepreneurial efforts that align with the *Strategic Plan*; passage of Measure F in 2014, a \$55 million general obligation bond; and stronger community support. Due in part to the actions implemented by the fiscal stability plan, LTCC had a balanced budget in Fiscal Year (FY) 2014/15 and FY 2015/16 after years of deficit spending and declining reserve levels ([III.D.1-4](#)).

With the goal of diversifying enrollments to address local declines, in the past few years, LTCC has developed new programs to support learning and student success as well as increase enrollment. All new programs are vetted through the participatory governance process before inception, and status reports are presented to the BOT in each of the first three years of the program to demonstrate achievement and effectiveness. These programs serve participating students with high quality educational opportunities. They also contribute to the College's ability to sustain a balanced, comprehensive, and effective set of programs institution-wide.

⁶ Eligibility Requirement 18, Financial Resources, Compliant

New programs include the following:

- Incarcerated Student Program (ISP), which includes partnerships with multiple correctional facilities (four facilities in Folsom, one in High Desert, and one in Growlersburg)
- Student Equity Program and the Student Success and Support Program through categorical program funding from the state
- Dual-Enrollment Program, in conjunction with Lake Tahoe Unified School District
- Athletics, including men's and women's soccer
- International Education Program
- Advance Adult Education Program, through Adult Education Block Grant funding, which has led to a partnership with the Lake Tahoe Adult Education Consortium

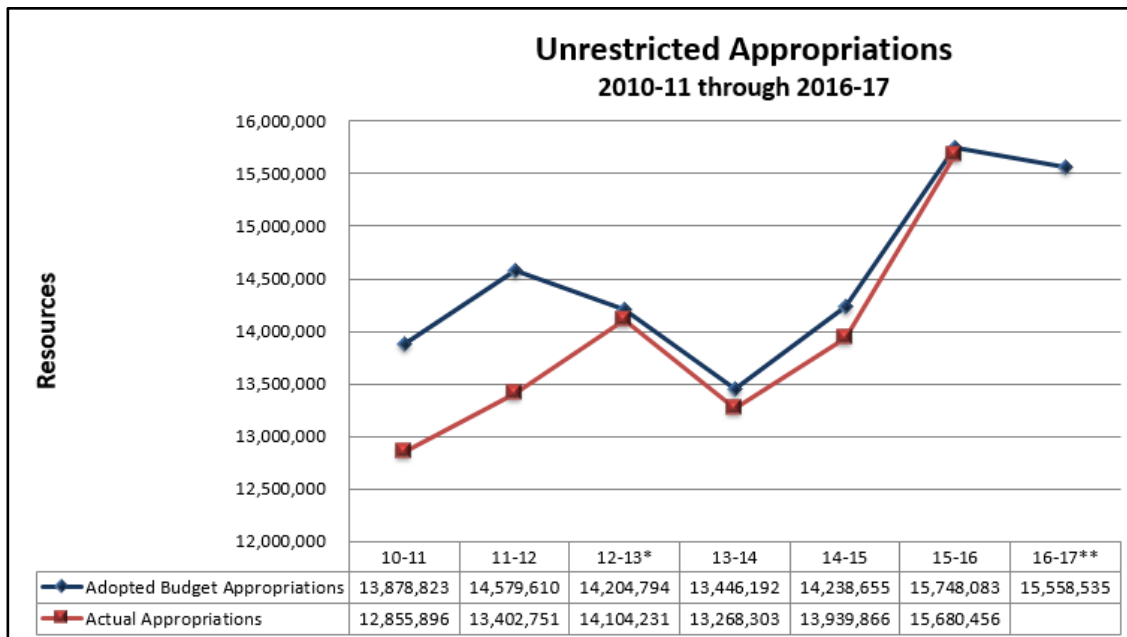
A recent Title III grant is designed to promote institutional effectiveness through better use of data. In addition, a Student Success Team (SST) combining existing work teams on basic skills, SSSP, and equity was formed in spring 2016 to avoid redundancy in the services offered and to braid resources.

Integrity and Stability

A college-wide effort to increase the transparency and integrity surrounding financial affairs has helped shape the financial success of LTCC. Planning and managing financial affairs is processed through participatory governance councils. LTCC has adopted several revised budgets midyear in an effort to address significant budget deficits and to gather input through a facilitative process to achieve a balanced budget by year-end. All changes to the adopted budget that cross major object codes are presented to the Board of Trustees quarterly for review and approval ([III.D.1-5](#)) ([III.D.1-6](#)). LTCC has had minimal audit findings, predominantly nonfiscal in nature, in the past few years' audit findings ([III.D.1-7](#)).

Stewards of Financial Resources

LTCC continues to see a decline in on-campus enrollment, which is a direct threat to apportionment funding from the state. Continued efforts to diversify enrollment streams, provide outreach to the community, and support the students already enrolled are a top priority for staff. With direction from the Board of Trustees, LTCC maintains an unrestricted general fund reserve of close to 15% of appropriations, which is the upper limit for reserves as described in Board Policy 6305 – Reserves ([III.D.1-2](#)), and well above the 5% minimum required by the Chancellor's Office ([III.D.1-1](#)) ([III.D.1-8](#)) ([III.D.1-9](#)). The LTCC Budget Council (BC) has a breadth of representation from various campus stakeholder groups that recommend key elements of the budget for each fiscal year. The budget development process ([III.D.1-10](#)) outlines the steps taken to review requests through the lenses of the College's vision, mission, beliefs, and strategic priorities, particularly around student access and success.



* FY12-13 adopted budget includes a one-time retirement incentive transfer in the amount of \$439,848.

** FY16-17 is budget only.

The graph above is an overview of historical LTCC unrestricted appropriations (FY10-11 through FY16-17) and illustrates the difference between the organization's budgeted appropriations versus the actual appropriations. Historically, LTCC often had a notable discrepancy, occasionally over \$1 million, between budgeted and actual appropriations. Staff has worked diligently to become more transparent and precise in developing budget projections.

Analysis and Evaluation

The College meets the standard. Student learning and support are at the core of LTCC's mission, planning, and funding. Student success is the primary guiding priority in the College's mission-driven budgeting process. LTCC maintains financial resources that are sufficient to support and sustain student learning programs as well as support the development, maintenance, and enhancement of programs and services, all while ensuring the long-term fiscal stability of the College. A college-wide effort to increase the transparency and integrity surrounding financial affairs has helped shape the financial success of LTCC.



Evidence List for III.D.1.

- III.D.1-1. [Budgets and Audit Reports](#)
- III.D.1-2. [BP 6305 – Reserves](#)
- III.D.1-3. [Presentation of Fiscal Stability Plan \(May 28, 2013\)](#)
- III.D.1-4. [Budget Actuals](#)
- III.D.1-5. [Budget Adjustments](#)
- III.D.1-6. [Intrabudget Transfers](#)
- III.D.1-7. [Audit Findings](#)
- III.D.1-8. [Budget Building Assumptions](#)
- III.D.1-9. [Resource Allocation Guiding Principles](#)
- III.D.1-10. [Budget Development Process Flowchart](#)



III.D.2. The institution’s mission and goals are the foundation for financial planning, and financial planning is integrated with and supports all institutional planning. The institution has policies and procedures to ensure sound financial practices and financial stability. Appropriate financial information is disseminated throughout the institution in a timely manner.

LTCC engages in noteworthy vision- and mission-driven planning and budgeting processes.

Vision and Mission Driven

LTCC’s vision, mission, beliefs ([III.D.2-1](#)), and *Educational Master Plan* ([III.D.2-2](#)) are the foundation for financial planning, including the annual budget development process ([III.D.2-3](#)) and long-term planning. As part of the 2013 fiscal stability plan ([III.D.2-4](#)), the vision and mission statements were recreated through a facilitated process in 2014 (see [Standard I.A](#)) ([III.D.2-5](#)). The mission was approved by the Board of Trustees on June 24, 2014 ([III.D.2-6](#)). This process provided a new direction for the college as “California’s premier destination community college.” LTCC has prioritized resources toward programs that support this vision, including athletics ([III.D.2-7](#)), international education ([III.D.2-8](#)), and the Residential Living Feasibility Study ([III.D.2-9](#)), and has continued to deploy targeted marketing and outreach.