



*Torrance*  
*Unified School District*

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## *Press Release*

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### Budget Update

Torrance, CA – For the first time in several years, the State of California has an on time budget for 2011-2012. We appreciate that as we begin the new school year, the State budget did not include additional reductions for K-12 education. This budget provides “flat” funding for education which means that school districts are being funded at the same level as 2010-2011. “Flat” funding allows districts to avoid the necessity of additional cuts which would have been necessary if funding had been reduced.

However, the budget, as approved, does concern us. The State underfunded Proposition 98 (education’s minimum funding guarantee) by \$2 billion and was approved with an assumption that the California economy is improving. It assumes that state revenues will improve by an additional \$4 billion above what had been previously projected. If state revenues do not improve by this projected amount, then automatic "triggers" will reduce funding to various state agencies, including university and college systems, and K-12 education.

By December 15, 2011 the State is supposed to come to a decision on whether or not mid-year reductions will need to be made based upon the state revenues. If state revenues are short by \$2 billion or more, then K-12 education will be reduced up to \$260 per ADA for the second half of the school year. This translates to \$6.2 million in reductions to TUSD.

In addition, Assembly Bill (AB) 114, which was approved by the Assembly and signed by the Governor, allows school districts, if necessary, to reduce the school year by an additional seven days. If this were to be considered, it would have to be negotiated with employee bargaining units. AB 114 also limits the financial oversight of the county offices of education. AB 114 essentially requires school districts to pretend that all is well and limits school districts abilities to plan for potential reductions.

Despite the economic uncertainty at the State level, TUSD is in a strong financial position. We continue to carry adequate reserves which will protect us this school year, and for the next two years, from these cuts. We do not believe that if mid-year reductions are triggered that we will need to take the drastic step of reducing the school year.

TUSD has always taken the position that we will live within our means, and we continue to do so, despite the tremendous economic challenges we have faced over the past three years. Our goal, during these economic times, has always been to stabilize our programs, class size and staffing as much as possible. We will continue to work towards these goals, in order to ensure all TUSD students receive the educational environment and opportunities they deserve.