



# 2012-13

## 45 Day Budget Revision

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Business Services  
August 7, 2012

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This and other Financial & Budget documents of the Hemet Unified School District are posted on the web site:

<http://www.hemetusd.k12.ca.us/>

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# 2012-13 State Adopted Budget

## STATE BUDGET SUMMARY

The 2012-13 Budget Act for the State of California was passed by the Legislature on June 15, 2012 and signed by the Governor on June 27th. The 2012-13 Budget Act assumes the Governor's tax initiative will be approved by voters in a November 2012 election.

The enacted budget includes \$4.2 billion in expenditure reductions and \$4.7 billion in added revenues with the majority coming from the proposed tax initiative. Another \$1.4 billion comes from other solutions. Together the budget solutions are expected to close a \$9.2 billion budget deficit and provide a \$1.1 billion reserve. Should the voters not approve the tax proposals assumed in the enacted budget, language is included that would trigger additional cuts. The majority of the cuts would impact education.

## K-12 EDUCATION BUDGET REVISIONS

While the 2012-13 state budget act contains no major changes to K-12 Education funding from what was included in the May Revise proposal, there were other items that were either included, excluded or changed from the May Revise budget. Those items are:

- Increased the projected trigger cut from \$441 to \$457.47 per ADA if the Governor's tax initiative fails
- Authorizes districts to elect to receive mandate funding from either a \$28 per ADA block grant or to continue to claim reimbursements through the traditional cost-based process
- Reduce deferrals by \$2.1 billion if tax initiatives pass
- Allow districts to reduce the school year to 160 days in both 2012-13 and 2013-14 if tax initiative fails
- Does not include the Weighted Student Funding formula proposed by the governor.
- Does not eliminate Transitional Kindergarten



# District Budget

## DISTRICT BUDGET REVISIONS SUMMARY

Hemet Unified included an additional \$441 per ADA reduction to its revenue limit funding calculation in its 2012-13 adopted budget. The additional cut was included in the calculation as a safe-guard against potential cuts in state revenue should tax extensions not be approved by voters in November. The Budget Act revised the projected per ADA cut to \$457.47 per ADA. Based on the estimated ADA the district used for budgeting purposes, the impact of that increase equates to approximately \$345,000. The district will wait to revise it's budget for this change after the outcome of the November election is known.

### Unrestricted General Fund

#### REVENUES

At the time of adoption of the 2012-13 budget in June 2012, Hemet Unified School District's Unrestricted General Fund revenues were projected to be \$113.6 million. Should the full trigger cuts be imposed, revenues would be reduced to \$113.2 million.

#### EXPENDITURES

Revisions to expenditures related to the enacted budget and other factors will be addressed in the district's First Interim Report after ballot results of the tax initiative are available.

#### OTHER SOURCES/USES/CONTRIBUTIONS

No changes are recommended for the Other Sources/Uses/Contributions categories at this time.

#### FUND BALANCE

No changes to the ending balance is projected at this time.

### Restricted General Fund

No changes to the Unrestricted General Fund are proposed at this time.

### Other District Funds

No adjustments to other district funds are proposed at this time

