

BOARD OF DIRECTORS AGENDA ITEM

Agenda Date: June 12, 2018

RECOMMENDATION: Adopt the Resolution to determine the use of Education Protection Account (EPS) spending requirements.

BACKGROUND INFORMATION:

The voter's approved Proposition 30 in November of 2012, which established the Education Protection Account (EPA). All temporary tax revenues collected from Proposition 30 over the next seven years for income tax and four years for sales tax, will be collected into the Education Protection Account and distributed to K-12 and Higher Education. There are several requirements for spending determination, disclosing and reporting on the use of the EPA funds. The board of directors must determine the use of the EPA funds in an open session of a public meeting through the attached resolution.

The EPA funds must be accounted for separately and not used for administrative costs. Increased cash management planning and analysis should also be emphasized with the establishment of the EPA due to the timing of revenues received. Additionally, districts are required to annually report on their website an accounting of the EPA funds received and how those funds were spent.

CURRENT INFORMATION:

Proposition 30 is estimated to generate \$6 billion in revenue to the State of California. The budget implication is additional revenue that cannot be spent on administrative expense.

RESOLUTION TO DETERMINE THE USE OF EDUCATION PROTECTION ACCOUNT (EPA) SPENDING REQUIREMENTS

WHEREAS, the voters approved Proposition 30 on November 6, 2012; WHEREAS, Proposition 30 added Article XIII, Section 36 to the California

Constitution effective November 7, 2012;

WHEREAS, the provisions of Article XIII, Section 36(e) create in the state General Fund an Education Protection Account to receive and disburse the revenues derived from the incremental increases in taxes imposed by Article XIII, Section 36(f);

WHEREAS, before June 30th of each year, the Executive Director shall estimate the total amount of additional revenues, less refunds that will be derived from the incremental increases in tax rates made pursuant to Article XIII, Section 36(f) that will be available for transfer into the Education Protection Account during the next fiscal year;

WHEREAS, if the sum determined by the State Controller is positive, the State Controller shall transfer the amount calculated into the Education Protection Account within ten days preceding the end of the fiscal year;

WHEREAS, all monies in the Education Protection Account are hereby continuously appropriated for the support of school districts, county offices of education, charter schools and community college districts;

WHEREAS, monies deposited in the Education Protection Account shall not be used to pay any costs incurred by the Legislature, the Governor or any agency of state government;

WHEREAS, a community college district, county office of education, school district, or charter school shall have the sole authority to determine how the monies received from the Education Protection Account are spent in the school or schools within its jurisdiction;

WHEREAS, the governing board of the district shall make the spending determinations with respect to monies received from the Education Protection Account in open session of a public meeting of the governing board;

WHEREAS, the monies received from the Education Protection Account shall not be used for salaries or benefits for administrators or any other administrative cost;

WHEREAS, each community college district, county office of education, school district and charter school shall annually publish on its Internet website an accounting of how much money was received from the Education Protection Account and how that money was spent;

WHEREAS, the annual independent financial and compliance audit required of community college districts, county offices of education, school districts and charter schools shall ascertain and verify whether the funds provided from the Education Protection Account have been properly disbursed and expended as required by Article XIII, Section 36 of the California Constitution;

WHEREAS, expenses incurred by community college districts, county offices of education, school districts and charter schools to comply with the additional audit requirements of Article XIII, Section 36 may be paid with funding from the Education Protection Act and shall not be considered administrative costs for purposes of Article XIII, Section 36.

NOW, THEREFORE, IT IS HEREBY RESOLVED:

1. The monies received from the Education Protection Account shall be spent as required by Article XIII, Section 36 and the spending determinations on how the money will be spent shall be made in open session of a public meeting of the Board of Directors;

2. In compliance with Article XIII, Section 36(e), with the California

Constitution, the Board of Directors of ***Bella
Mente Montessori Charter School***

Has determined to spend the monies received from the Education Protection Act as attached.

DATED:

June 12, 2018.

Caroline Veale, Secretary of the Board

Education Protection Account Program
by Resource Report Expenditures by Function - Detail

Expenditures through: June 30, 2018
For Fund 01, Resource 1400 Education Protection Account

Description	Object Codes	Amount
AMOUNT AVAILABLE FOR THIS FISCAL YEAR		
Adjusted Beginning Fund Balance	9791-9795	0.00
Revenue Limit Sources	8010-8099	102102102,460,102,102,460
Federal Revenue	8100-8299	0.00
Other State Revenue	8300-8599	0.00
Other Local Revenue	8600-8799	0.00
All Other Financing Sources and Contributions	8900-8999	0.00
Deferred Revenue	9650	0.00
TOTAL AVAILABLE		0.00
EXPENDITURES AND OTHER FINANCING USES		
(Objects 1000-7999)		
Instruction		
Instruction-Related Services	1000-1999	
Instructional Supervision and Administration AU of a Multidistrict SELPA	2100-2150	0.00
Instructional Library, Media, and Technology	2200	0.00
Other Instructional Resources	2420	0.00
School Administration	2490-2495	0.00
Pupil Services	2700	
Guidance and Counseling Services		0.00
Psychological Services	3110	0.00
Attendance and Social Work Services Health Services	3120	0.00
Speech Pathology and Audiology Services Pupil	3130	0.00
Testing Services	3140	0.00
Pupil Transportation Food	3150	0.00
Services Other Pupil	3160	0.00
Services	3600	0.00
Ancillary Services	3700	0.00
Community Services	3900	0.00
Enterprise	4000-4999	0.00
General Administration	5000-5999	0.00
Plant Services	6000-6999	0.00
Other Outgo	7000-7999	0.00
Other Outgo	8000-8999	0.00
TOTAL EXPENDITURES AND OTHER FINANCING USES	9000-9999	0.00
BALANCE (Total Available minus Total Expenditures and Other Financing Uses)		0.00