



To: Lagunitas Board of Trustees
From: Ana Mendez, CBO
Date: August 25, 2016
Subject: Education Protection Account Resolution

Recommendation:

Staff recommends approval of Resolution No. 2017-03; expenditure of 2016-2017 funds received in the Education Protection Account (EPA) as required by Article XIII, Section 36 of the California State Constitution.

Background:

Proposition 30, the Schools and Local Public Safety Protection Act of 2012, was approved by California voters on November 6, 2012. It temporarily increases the State Sales Tax rate for all taxpayers as well as personal income tax rates for upper-income taxpayers. Proposition 30 added Article XIII, Section 36(e) to the California State Constitution, creating an Education Protection Account (EPA) within the State General Fund to receive and disburse revenues derived from incremental increases in taxes as imposed by Article XIII, Section 36(f) of the California State Constitution.

Basic aid school districts will receive funds from the EPA based on \$ 200 per ADA.

2016-2017 Education Protection Account:

The Proposition 30 initiative was intended to minimize deeper cuts to school agencies and other state-supported programs in California. In addition, Proposition 30 prohibits the Initiative's tax revenues allocated to K- 12 agencies from being used for administrative costs. While all revenues raised by Proposition 30 are distributed to school districts, a significant share of those resources simply reduce the amount of other state funding that schools receive.

LAGUNITAS SCHOOL DISTRICT

RESOLUTION NO. 2017-03

REGARDING THE EDUCATION PROTECTION ACCOUNT

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 increase in taxes impose by Article XIII, Section 36(f);

WHEREAS, before June 30th of each year, the Chief Business Official shall estimate the total amount of additional revenue, 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 office of education, charter schools and community college district;

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 district, county office of education, school districts and charter school 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 district and charter schools to comply with the additional audit requirements of Article XII, Section 36 may be paid with funding from the Education Protection Act and shall not be considered administrative costs for purposed oaf Article XIII, Section 36.

NOW, THEREFORE, be it resolved, determined and ordered by the Board of Trustees of the Lagunitas School District as follows:

1. The monies received for the Education Protection Account shall be spend 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 governing board of Lagunitas School District;
2. In compliance with Article XIII, Section 36(e), with the California Constitution, the governing board of the Lagunitas School District has determined to spend the monies received from the Education Protection Act on:
 - Teacher Salaries, Payroll costs: \$52,010

PASSED AND ADOPTED this day, August 25, 2016, by the following vote:


AYES: 3 (Sloan, Ochs-Potter, Bohman)

NOES: 0

ABSTAIN: 0

ABSENT: 2 (Rebscher, Sabec)

I, John A. Carroll, Secretary to the Board of Trustees, do hereby certify that the foregoing is a true and correct copy of a Resolution adopted by the Board of Trustees of the Lagunitas Elementary School District at their meeting of August 25, 2016, which Resolution is on file in the office of said Board.



John A. Carroll, Secretary, Board of Trustees

ATTEST  Denise Bohman, President, Board of Trustees

As required Lagunitas School District's estimated deposits and expenditures from the Education Protection Account (EPA) are shown below:

LAGUNITAS SCHOOL DISTRICT		
Education Protection Account (EPA) Proposed Spending Plan		
Fiscal Year Ending June 30, 2017		
		Total
Revenue:		
Estimated 2016 - 2017		\$ 52,010
Expenditures:		
Certificated Instructional Salaries		\$ 52,010

In addition, there is a requirement for the annual financial audit to include verification that the EPA funds were used as specified by Proposition 30. If EPA funds are not expended in accordance with the requirements of Proposition 30, civil or criminal penalties could be incurred. The creation of the EPA by Proposition 30 provides that a portion of K-14 general purpose funds must be utilized for instructional purposes.

Note: As per Article XIII, Section 36 of the California Constitution, the District will post an accounting of the actual EPA funds as they are received and expended.

Associated File: Resolution # 2017-03 Regarding the Education Protection Account