

Education Protection Account (EPA) 2016-2017 Spending Plan (Fund 01)

BACKGROUND

The creation of the Education Protection Account (EPA) by Proposition 30, *The Schools and Local Public Safety Protection Act of 2012*, approved by the voters on November 6, 2012, temporarily increased the states sales tax rate for all taxpayers and the personal income tax rates for upper-income taxpayers.

Revenues generated from Proposition 30 will be deposited into a newly created state account called the EPA and local agencies have the sole authority to determine how the funds received from the EPA are spent, with these provisions:

- The spending plan must be approved by the governing board during a public meeting
- EPA funds cannot be used for the salaries or benefits of administrators or any other administrative costs
- Each year, the local agency must publish on its website an accounting of how much money was received from the EPA and how the funds were expended

EPA funds are not additional revenue; it is an offset to total LCFF revenue. Approx. 13% of the 16-17 LCFF revenue must be accounted for under the new SACS resource code 1400.

In addition to the above requirements, the school district annual financial audit must include verification that the EPA funds were used as specified by Proposition 30.

RECOMMENDATION

Approve 2016-17 EPA Spending Plan.

2016-17 EPA funds are expected to be received during the 2016-17 fiscal year and a board approved expenditure plan is required so the expenditures can be appropriately applied for the 2016-2017 fiscal year.

2016-17 through 2018-19, the rest of the years that Proposition 30 will be effective, EPA spending plans should be approved by the board at the time the district budget for each year is adopted.

EPA Spending Plan 2016-17 Fund 01

<u>REVENUE</u>	<u>SACS Resc</u>	<u>SACS Object</u>	
Redirect to EPA	1400	8012	\$7,047,822
Adjusted LCFF Revenue	0000	8010:8099	\$47,916,365
		Total LCFF Revenue	\$54,964,187
<u>EXPENDITURES</u>			
Certificated Salaries (non admin)	1400	1000:1999	\$4,837,598
Certificated Benefits (non admin)	1400	3000:3999	\$2,210,224
		TOTAL EPA Expenditures	\$7,047,822

All EPA funds will be expended on certificated salaries and benefits only (non-administrative)
Board Approved 6/6/16

Education Protection Account (EPA)

2016-2017 Spending Plan (Fund 09)

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EPA Spending Plan

2016-17 Fund 09

<u>REVENUE</u>	<u>SACS Resc</u>	<u>SACS Object</u>	
Redirect to EPA	1400	8012	\$2,278,071
Adjusted LCFF Revenue	0000	8010:8099	\$14,713,261
		Total LCFF Revenue	\$16,991,332
<u>EXPENDITURES</u>			
Certificated Salaries (non admin)	1400	1000:1999	\$1,482,357
Certificated Benefits (non admin)	1400	3000:3999	\$795,714
		TOTAL EPA Expenditures	\$2,205,689

All EPA funds will be expended on certificated salaries and benefits only (non-administrative)
Board Approved 6/6/16