

# Education Protection Account (EPA) 2019-2020 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. Proposition 55 extended Proposition 30 until the year 2030.

Revenues generated from Proposition 30 / Proposition 55 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 19-20 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 / 55.

## RECOMMENDATION

Approve 2019-20 EPA Spending Plan.

2019-20 EPA funds are expected to be received during the 2019-20 fiscal year and a board approved expenditure plan is required so the expenditures can be appropriately applied for the 2019-2020 fiscal year. 2019-20 through 2029-30 are the rest of the years that Proposition 30 / 55 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 2019-20 Fund 01

<u>REVENUE</u>	<u>SACS Resc</u>	<u>SACS Object</u>	
Redirect to EPA	1400	8012	\$7,433,714
Adjusted LCFF Revenue	0000	8010:8099	\$49,838,980
		<b>Total LCFF Revenue</b>	<b>\$57,272,694</b>
<u>EXPENDITURES</u>			
Certificated Salaries (non admin)	1400	1000:1999	\$5,431,954
Certificated Benefits (non admin)	1400	3000:3999	\$2,001,760
		<b>TOTAL EPA Expenditures</b>	<b>\$7,433,714</b>

*All EPA funds will be expended on certificated salaries and benefits only (non-administrative)*

# Education Protection Account (EPA) 2019-2020 Spending Plan (Fund 09)

## 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. Proposition 55 extended Proposition 30 until the year 2030.

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. 12% of the 19-20 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 / 55.

## RECOMMENDATION

Approve 2019-20 EPA Spending Plan.

2019-20 EPA funds are expected to be received during the 2019-20 fiscal year and a board approved expenditure plan is required so the expenditures can be appropriately applied for the 2019-2020 fiscal year. 2019-20 through 2029-30 are the rest of the years that Proposition 30 / 55 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 2019-20 Fund 09

<u>REVENUE</u>	<u>SACS Resc</u>	<u>SACS Object</u>	
Redirect to EPA	1400	8012	\$2,181,674
Adjusted LCFF Revenue	0000	8010:8099	\$15,460,707
		<b>Total LCFF Revenue</b>	<b>\$17,642,381</b>
<u>EXPENDITURES</u>			
Certificated Salaries (non admin)	1400	1000:1999	\$1,504,488
Certificated Benefits (non admin)	1400	3000:3999	\$677,186
		<b>TOTAL EPA Expenditures</b>	<b>\$2,181,674</b>

*All EPA funds will be expended on certificated salaries and benefits only (non-administrative)*