

# Education Protection Account (EPA) 2023-2024 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. 21% of the 23-24 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 2023-24 EPA Spending Plan.

2023-24 EPA funds are expected to be received during the 2023-24 fiscal year and a board approved expenditure plan is required so the expenditures can be appropriately applied for the 2023-2024 fiscal year. 2023-24 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

### 2023-24 Fund 01

<u>REVENUE</u>	<u>SACS Resc</u>	<u>SACS Object</u>	
Redirect to EPA	1400	8012	\$14,200,236
Adjusted LCFF Revenue	0000	8010:8099	\$54,433,114
		<b>Total LCFF Revenue</b>	<b>\$68,633,350</b>
<u>EXPENDITURES</u>			
Certificated Salaries (non admin)	1400	1000:1999	\$9,858,148
Certificated Benefits (non admin)	1400	3000:3999	\$4,342,088
		<b>TOTAL EPA Expenditures</b>	<b>\$14,200,236</b>

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

# Education Protection Account (EPA) 2023-2024 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. 28% of the 23-24 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 2023-24 EPA Spending Plan.

2023-24 EPA funds are expected to be received during the 2023-24 fiscal year and a board approved expenditure plan is required so the expenditures can be appropriately applied for the 2023-2024 fiscal year. 2023-24 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

### 2023-24 Fund 09

### REVENUE

Redirect to EPA	1400	8012	\$5,069,072
Adjusted LCFF Revenue	0000	8010:8099	\$18,407,470
<b>Total LCFF Revenue</b>			<b>\$23,476,542</b>

### EXPENDITURES

Certificated Salaries (non admin)	1400	1000:1999	\$3,408,324
Certificated Benefits (non admin)	1400	3000:3999	\$1,660,748
<b>TOTAL EPA Expenditures</b>			<b>\$5,069,072</b>

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