

## Education Protection Account (EPA) 2012-13

### Background

Proposition 30, *The Schools and Local Public Safety Protection Act of 2012*, approved by the voters on November 6, 2012, temporarily increases the State's sales tax rate for all taxpayers and personal income tax rates for upper-income taxpayers. Proposition 30 added Article XIII, Section 36 to the California Constitution effective November 7, 2012. The provisions of Article XIII, Section 36(e) create in the state General Fund an Education Protection Account (EPA) to receive and disburse the revenues derived from the incremental increases in taxes imposed by Article XIII, Section 36(f).

School districts, county offices of education, and charter schools (LEAs) will receive funds from the EPA based on their proportionate share of the statewide revenue limit amount. To allow time for the State to collect the increased tax revenues, EPA entitlements cannot be calculated for the 2012-13 Fiscal Year until June 2013. LEAs will receive their 2012-13 Fiscal Year EPA entitlement in one lump sum payment at the end of June 2013. A corresponding reduction is made to a LEAs revenue limit general purpose state aid equal to the amount of their EPA entitlement. LEAs will receive EPA payments quarterly beginning with the 2013-14 Fiscal Year.

Nearly all of the increased revenue generated from Proposition 30 is used to pay K-14 expenses from the prior year and reduce delays in payments due to schools. Therefore, districts throughout California are estimating deferral payback funding which will allow for restoration of previous cuts imposed during the recession.

### 2012-13 Education Protection Act

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.

Before June 30 of each year, the State Director of Finance is required to 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.

As required, the Education Protection Account's estimated deposits and expenditure accounts are shown on the attached schedule.

**Colusa Unified School District**

**Resolution No. 2012-2013.11**

**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 increases in taxes imposed by Article XIII, Section 36(f);

**WHEREAS**, before June 30<sup>th</sup> of each year, the Director of Finance 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.

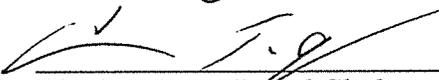
**NOW, THEREFORE, IT IS HEREBY RESOLVED:**

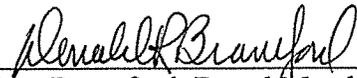
1. The monies received from the Education Protection Account shall be spent as required by Article XIII, Section 36 and the spending determinations on how the money will be spent shall be made in open session of a public meeting of the governing board of Colusa Unified School District.

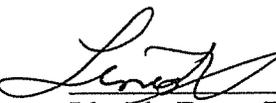
2. In compliance with Article XIII, Section 36(e), with the California Constitution, the governing board of the Colusa Unified School District has determined to spend the monies received from the Education Protection Act as attached.

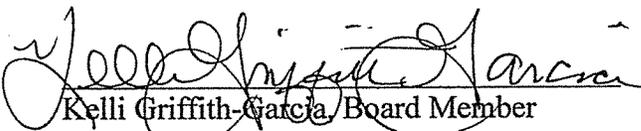
DATED: April 16, 2013

  
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Terry Bressler, Board President

  
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Charles Yerxa, Board Clerk

  
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Don Bransford, Board Member

  
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Lincoln Forry, Board Member

  
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Kelli Griffith-Garcia, Board Member

2012-13 Education Protection Account  
Program by Resource Report  
Expenditures by Function - Detail

Estimated Expenditures through: June 30, 2013  
For Fund 01, Resource 1400 Education Protection Account

Description	Object Codes	Amount
<b>AMOUNT AVAILABLE FOR THIS FISCAL YEAR</b>		
Adjusted Beginning Fund Balance	9791-9795	0.00
Revenue Limit Sources	8010-8099	1,599,194.00
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
<b>TOTAL AVAILABLE</b>		<b>1,599,194.00</b>
<b>EXPENDITURES AND OTHER FINANCING USES</b>		
<b>(Objects 1000-7999)</b>		
Instruction	1000-1999	1,599,194.00
Instruction-Related Services		
Instructional Supervision and Administration	2100-2150	0.00
AU of a Multidistrict SELPA	2200	0.00
Instructional Library, Media, and Technology	2420	0.00
Other Instructional Resources	2490-2495	0.00
School Administration	2700	0.00
Pupil Services		
Guidance and Counseling Services	3110	0.00
Psychological Services	3120	0.00
Attendance and Social Work Services	3130	0.00
Health Services	3140	0.00
Speech Pathology and Audiology Services	3150	0.00
Pupil Testing Services	3160	0.00
Pupil Transportation	3600	0.00
Food Services	3700	0.00
Other Pupil Services	3900	0.00
Ancillary Services	4000-4999	0.00
Community Services	5000-5999	0.00
Enterprise	6000-6999	0.00
General Administration	7000-7999	0.00
Plant Services	8000-8999	0.00
Other Outgo	9000-9999	0.00
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>		<b>1,599,194.00</b>
<b>BALANCE (Total Available minus Total Expenditures and Other Financing Uses)</b>		<b>0.00</b>