

WILLOWS UNIFIED SCHOOL DISTRICT
Office of the Superintendent

Date of Meeting: 7/8/13

Request For Placement on Board Agenda:

**AGENDA TOPIC: Approval of Resolution #2013-14-01 and
the 2013/14 Spending Plan for the
Education Protection Account**

PRESENTER: Debby Beymer, Director of Business Services

Background Information:

Please see resolution.

Recommendations:

The administration would request the Board approve Resolution #2013-14-01 which includes Exhibit A, the 2013/14 Spending Plan for the Education Protection Account.

**BEFORE THE BOARD OF EDUCATION
WILLOWS UNIFIED SCHOOL DISTRICT
COUNTY OF GLENN, STATE OF CALIFORNIA**

RESOLUTION #2013-14-01

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 30th of each year, the Director of Business Services shall estimate the total amount of 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 costs;

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 Board of Education of the Willows Unified School District;

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

PASSED AND ADOPTED by the Board of Education of the Willows Unified School District this 8th day of July, 2013 which is prior to the receipt or expenditure of 2013/14 funds, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Alex Parisio, President
Board of Education

ATTEST:

Kyle Munguia, Clerk
Board of Education

I, Kyle Munguia, Clerk of the Board of Education of the Willows Unified School District, County of Glenn, do hereby certify the foregoing to be a full, true and correct copy of a resolution adopted by said Board at a meeting held at its regular meeting place on July 8, 2013, which action is contained in the minutes of the meeting of said Board.

WILLOWS UNIFIED SCHOOL DISTRICT BOARD OF TRUSTEES MEETING FACT SHEET

EDUCATION PROTECTION ACCOUNT 2013-14 SPENDING PLAN EXHIBIT A

SUBJECT:

Spending Plan for 2013-14

PREPARED BY:

Debby Beymer
Director of Business Services

BACKGROUND:

The creation of the Education Protection Account (EPA) by Proposition 30 not only impacts cash flow patterns but also has an accountability component. Proposition 30 provides that all K-14 local agencies have the sole authority to determine how the funds received from the EPA are spent, but 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

In addition, there will now be 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 EPA funds are NOT new dollars to the district, but are simply a portion of the Revenue Limit funding received.*

District's Spending Plan:

All Education Protection Account (EPA) funds received in 2012-13 and through 2018-19 will be used solely to support instruction and instructional-related services. As of the 2013-14 Budget Adoption, the District's estimated revenue limit State aid is \$8.1 million. Approx. 20% of the revenue limit funding will come to the district through the EPA or more specifically \$1,625,480. EPA funds will be distributed to school districts in four (4) equal quarterly installments of \$406,370 in September, December, March and June of each year. The district's spending plan is as follows: EPA funds will be used solely for salary and benefit expenditures for certificated staff members who provide direct classroom instruction. The estimated amount of EPA funds to be received in June for the 2012-13 fiscal year have been transferred from resource 0000 (unrestricted) into resource 1400 (Education Protection Account). The Spending Plan for 2012-13 was board approved on April 4th 2013, (copy attached). In compliance with state guidelines, no administrative costs will be charged to the EPA resource.

RECOMMENDATION:

Staff recommends the Board of Trustees adopt the Resolution 2013-14-01, pertaining to the Education Protection Account and the 2013-14 Spending Plan.

Must be posted on Web Site – after adoption.

WILLOWS UNIFIED SCHOOL DISTRICT
Office of the Superintendent

Date: 4/4/13

Request for Placement on Board Agenda:

AGENDA TOPIC: Education Protection Act Funding

PRESENTER: Debby Beymer, Director of Business Services

BACKGROUND INFORMATION:

As a component of the passage of Proposition 30 in November of 2012, the State of California has established a new resource (1400) designated to the Education Protection Act (EPA). The revenue generated for the purposes of this account comes directly out of the school districts revenue limit (unrestricted) entitlement.

The EPA funding represents approximately 20% of the districts revenue limit entitlement however is not additional revenue.

For those who wish to gain additional information relative to the EPA funding program, please visit <http://www.cde.ca.gov/fg/ac/ac/sacsfaq.asp>.

RECOMMENDATION:

The administration recommends that in accordance with the passage of Proposition 30, the Board of Trustees for the Willows Unified School District accept funding in Resource 1400 identified as the Education Protection Act for the 2012-13 fiscal year. Furthermore, the Board of Trustees for the Willows Unified School District designate Education Protection Act (Resource 1400) funding for the purpose of paying salaries and benefits for certificated employees who provide direct instruction in the classroom.