Cecilia A. Massetti, Ed.D.
Superintendent

8.5

BOARD OF EDUCATION ACTION ITEM

May 8, 2018

Topic:
Resolution #8, 2017-2018 – To Determine Use of Education Protection Fund Proceeds

Issue:
Article XIII, Section 36 of the California Constitution requires that, school districts, county offices of education, and community college districts determine how the moneys received from the Education Protection Account are spent within their schools, provided that the governing board makes the spending determinations in an open session of a public meeting.

Background:
The passage of Proposition 30 in November 6, 2012, established Article XIII, Section 36 of the California Constitution, and the Education Protection Account (EPA). Local Education Agencies are required to determine how the EPA funds are spent in a public meeting each year. Funds shall not be used for the salaries and benefits of administrators or any other administrative costs. Proposition 30 sun set was on 12/31/2017 and with the passage of Proposition 55 on November 8, 2016 all requirements established under Proposition 30 transferred to Proposition 55.

Pursuant to the annual requirement for board action prior to the adoption of the budget, with actual EPA apportionments not certified until later in the 2018-19 fiscal year, LEAs must estimate EPA revenue. The EPA revenue for 2017-2018 for Madera County Superintendent of Schools is estimated to be $230,381, for Pioneer Technical Center $781,898, and Madera County Independent Academy the estimate is $54,785. In all three settings, this funding will be used to fund direct instructional services, such as instructional salaries and benefits.

Financial Impact:
Reclassification of $1,067,064 from State Aid to Education Protection Act Funding.

Resource:
Steve Carney
Chief Business & Administrative Services Officer

Recommendation: Approval of Resolution Number 8, 2017-2018.

Madera County Board of Education
Resolution No. 8
2018-2019 Education Protection Account

WHEREAS, the voters approved Proposition 30 on November 6, 2012 and Proposition 55 on November 8, 2016; and

WHEREAS, Proposition 30 added Article XIII, Section 36 to the California Constitution effective November 7, 2012 (sun setting 12/31/2017), and Proposition 55 Article XIII, Section 36 to the California Constitution effective November 8, 2016 (commencing 01/01/2018); and

WHEREAS, the Section 36(e) creates 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); and

WHEREAS, before June 30th 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 the Education Protection Account during the next fiscal year; and

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; and

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; and

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; and

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; and

WHEREAS, the County Board of Education shall make the spending determinations with respect to monies received from the Education Protection Account in open session of a public meeting; and

WHEREAS, the monies received from the Education Protection Account shall not be used for salaries or benefits for administrators or any other administrative cost; and

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; and

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; and

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 Madera County Board of Education.

2. In compliance with Article XIII, Section 36(e), with the California Constitution, the Madera County Board of Education has determined to spend the estimated $230,381 monies received by Madera County Superintendent of Schools, the estimated $781,898 monies received by Pioneer Technical Center, and the estimated $54,785 monies received by Madera County Independent Academy in 2018-2019 from the Education Protection Act in Local Control Funding Formula to fund direct instructional services.

DATED: May 8, 2018

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Sara Wilkins, President