

WILLOWS UNIFIED SCHOOL DISTRICT
Office of the Superintendent

Date of Meeting: June 26, 2014

Request For Placement on Board Agenda:

**AGENDA TOPIC: Approval of Resolution #2013-14-19 and
the 2014-15 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 #2013-14-19 which includes Exhibit A, the 2014-15 Spending Plan for the Education Protection Account.

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

RESOLUTION #2013-14-19

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 26th day of June, 2014 which is prior to the receipt or expenditure of 2014/15 funds, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

James Ward, 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 June 26, 2014, which action is contained in the minutes of the meeting of said Board.

WILLOWS UNIFIED SCHOOL DISTRICT

EDUCATION PROTECTION ACCOUNT 2014-15 SPENDING PLAN EXHIBIT A

SUBJECT:

Spending Plan for 2014-15

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 for 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 Local Control Funding Formula revenue 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 2014-15 Budget Adoption, the District's estimated Local Control Funding Formula (LCFF) revenue is \$10,608,119. Approx. \$1,374,728 derived from the LCFF will come to the district through the EPA. EPA funds will be distributed to school districts in four (4) equal quarterly installments of \$343,682.00 in September, December, March and June.

The district's spending plan for EPA revenue is:

Education Protection Account funds will be used solely for salary and benefit expenditures for certificated staff members who provide direct classroom instruction.

RECOMMENDATION:

Administration recommends the Board of Trustees adopt Resolution 2013-14-19, pertaining to the Education Protection Account and the 2014-15 Spending Plan.

Must be posted on Web Site – after adoption.

Willows Unified - 2014-15 BUDGET ADOPTION

6/16/14

PROPOSITION 30 - EPA					
EPA Entitlement as % of statewide adjusted Revenue Limit	21.39%	18.19%	18.19%	18.19%	18.19%
CALCULATE APPLICATION OF EPA					
	2012-13	2013-14	2014-15	2015-16	2016-17
Adjusted Total Revenue Limit	7,889,764	7,594,915	7,557,481	7,384,566	7,322,539
CY Adjusted NSS Allowance	-	-	-	-	-
Total	7,889,764	7,594,915	7,557,481	7,384,566	7,322,539
Less Property Taxes/In-Lieu	3,050,078	3,158,737	3,156,793	3,149,614	3,146,233
Gross State Aid for Purposes of EPA	4,839,686	4,436,178	4,400,688	4,234,952	4,176,306
EPA Entitlement					
Proportionate Share*	1,687,542	1,381,538	1,374,728	1,343,275	1,331,992
Min EPA \$200/ADA	290,012	279,174	277,798	271,442	269,162
EPA Allocation	1,687,542	1,381,538	1,374,728	1,343,275	1,331,992
Application of EPA					
Phase-In Entitlement	7,889,764	9,582,467	10,608,119	10,952,038	11,233,367
Less Property Taxes/In-Lieu	3,050,078	3,158,737	3,156,793	3,149,614	3,146,233
Gross State Aid	4,839,686	6,423,730	7,451,326	7,802,424	8,087,134
Less EPA Allocation	1,687,542	1,381,538	1,374,728	1,343,275	1,331,992
Net State Aid	3,152,144	5,042,192	6,076,598	6,459,149	6,755,142
Minimum State Aid					
Adjusted Total Revenue Limit	7,889,764	7,594,915	7,557,481	7,384,566	7,322,539
2012-13 Deficited NSS Allowance	-	-	-	-	-
Less Property Taxes/In-Lieu	3,050,078	3,158,737	3,156,793	3,149,614	3,146,233
Less EPA Allocation	1,687,542	1,381,538	1,374,728	1,343,275	1,331,992
Revenue Limit Minimum State Aid	3,152,144	3,054,640	3,025,960	2,891,677	2,844,314
Categorical Minimum State Aid	1,498,277	1,498,277	1,517,857	1,517,857	1,517,857
Minimum State Aid Guarantee	4,650,421	4,552,917	4,543,817	4,409,534	4,362,171
Charter School Minimum State Aid Offset (effective 2014-15)	-	-	-	-	-
LCFF State Aid	4,650,421	5,042,192	6,076,598	6,459,149	6,755,142
EPA in Excess to LCFF Funding	-	-	0	-	-

*EPA proportionate share is based on the adjusted revenue limit in the Floor calculation