

**LAKEPORT UNIFIED SCHOOL DISTRICT**

2508 Howard Avenue  
Lakeport, CA 95453

**BOARD MEETING AGENDA ITEM**

To: Board of Education

Meeting Date: June 17, 2020

From: Jacque Eischens, Chief Business Official

Subject: Education Protection Account (EPA) and Approval of the Spending Plan for the State  
EPA funds to be received in fiscal year 2020-21

**Background Information:**

Proposition 30 was approved by the voters of California on November 6, 2012 and is expected to generate between \$6 billion and \$9 billion in revenues annually through December 2018. The funds are deposited and distributed from a special account established by the initiative called the Education Protection Account (EPA). Proposition 30 added Article XIII, Section 36 to the California Constitution which not only impacts cash flow patterns in school districts but also has an accountability component. Proposition 55 was approved by the voters of California on November 8, 2016 and continues the EPA through December 2030.

The Proposition provides that all K-14 local agencies have the sole authority to determine how the funds received from the EPA are spent, but with the following 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 (as determined through the account code structure) 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 Moreover, EPA dollars will reduce the state's obligation to fund state aid only to the extent that EPA dollars offset state aid as per the Local Control Funding Formula calculation. The amount projected is subject to change based on the state adopting its budget.

**Fiscal Impact:**

Expected Revenue: \$1,695,413

Expected Expenditure: \$1,695,413

Superintendent's Recommendation: Recommended for Approval





## Web Posting Required for 2019-20 Education Protection Account

The passage of Proposition 30 from the November 2012 elections created the Education Protection Account to collect the temporary increase in taxes through December 2018 and continues with the passage of Proposition 55 in November 2016. Proposition 55 will remain in effect through December 2030.

LUSD spent \$2,311,528 for fiscal year 2018-19 on unrestricted instructional salaries and expects to spend \$1,752,182 for fiscal year 2019-20. The district projects to receive \$1,695,413 for fiscal year 2020-21, which will be received quarterly. All funds received and spent will be tracked in the budget using resource code 1400 and will be used for unrestricted instructional salaries and benefits.

Description	Function Codes	Object Codes	2018-19 Unaudited Actuals	2019-20 Estimated Actuals	2020-21 Adopted Budget
<b>Revenues</b>					
LCFF Sources - EPA		8012	\$ 2,311,528	\$ 1,755,557	\$ 1,695,413
<b>EPA Carryover</b>		8012			\$ 3,375
<b>Expenditures (Salaries &amp; Benefits)</b>					
Instruction	1000-1999	1000-3999	\$ 2,311,528	\$ 1,752,182	\$ 1,535,002
Instruction - Related Services	2000-2999		-	-	-
Pupil Services	3000-3999		-	-	\$ 163,786
Ancillary Services	4000-4999		-	-	-
Community Services	5000-5999		-	-	-
Enterprise	6000-6999		-	-	-
General Administration	7000-7999		-	-	-
Plant Services	8000-8999		-	-	-
Other Outgo	9000-9999		-	-	-
<b>Total Expenditures</b>			<b>\$ 2,311,528</b>	<b>\$ 1,752,182</b>	<b>\$ 1,698,788</b>
<b>Balance (Total revenue less expenditures)</b>			<b>-</b>	<b>\$ 3,375</b>	<b>-</b>

<b>LAKEPORT UNIFIED SCHOOL DISTRICT</b> <b>Proposition 30</b> <b>Education Protection Account (EPA)</b>
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Proposition 30, *The Schools and Local Public Safety Protection Act of 2012*, approved by the voters on November 6, 2012, temporarily increases the state sales tax rate for all taxpayers and the personal income tax rate for upper income taxpayers.

The revenue generated from Proposition 30 is deposited into a special state account called the Education Protection Account (EPA).

School districts, charter schools, and county offices of education will receive funds from the EPA based on their proportionate share of the Local Control Funding Formula (LCFF). A corresponding reduction will be made to the district's LCFF entitlement. Payments will be disbursed to the school district quarterly.

EPA funds can be spent on any educational purpose, except for the salaries and benefits of administrators or any other administrative costs.

<u>Estimated EPA entitlement for 2020-21:</u>	\$ 1,695,413
EPA 2019-20 Carryover	\$ 3,375
<b>Total</b>	<b>\$ 1,698,788</b>

Estimated EPA expenditures for 2020-21:

Certificated teachers' salaries and benefits to reduce class sizes and offer additional classes in grades K-12

Lakeport Elementary School	\$ 583,764
Terrace Middle School	\$ 375,880
Clear Lake High School	\$ 551,650
Psychologist salaries and benefits	\$ 162,318
Classified employee salaries and benefits	

Classified employee extra duty for student support	\$ 1,468
Community Day School paraprofessional	\$ 23,708
<b>Total Expenditures</b>	<b>\$ 1,698,788</b>

Unexpended balance of EPA funds: 0