

# **HUGHES-ELIZABETH LAKES UNION SCHOOL DISTRICT**

## **Education Protection Account – Prop 30 – Spending Plan**

*Presented to the Board of Directors on June 2, 2020*

Proposition 30, *The Schools and Local Public Safety Protection Act of 2012*, approved by the voters on November 6, 2012, temporarily increased the state's sales tax rate for all taxpayers and the personal income tax rates for upper-income taxpayers. The revenue generated by the measure's temporary tax increases is included in the calculations of the Proposition 98 minimum guarantee—raising the guarantee by billions of dollars each year. A portion of the revenues therefore would be used to support increased school funding, with the remainder helping to balance the state budget. As of July 1, 2017, the only revenues generated for the EPA funds are from the increases on the personal income taxes of the upper-income taxpayers.

The revenues generated from Proposition 30 are being deposited into a state account called the Education Protection Account (EPA). 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. A corresponding reduction is made to the LEA's revenue limit EPA entitlement for the year. LEAs receive quarterly payments of the EPA revenues.

Proposition 30 provides that all K-14 local agencies have the sole authority to determine how the funds received from the EPA are to be 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
- EPA funds are only allowed to be spent on specific functions representing the types of activities
- 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

The Education Protection Account (EPA) provides local educational agencies (LEAs) with general purpose state aid funding pursuant to Section 36 of Article XIII of the California Constitution. The EPA funding is a component of an LEA's total LCFF entitlement as calculated in the Principal Apportionment.

***Hughes-Elizabeth Lakes Union Elementary School District***

2019-2020 EPA Entitlement (as of Feb 2020 before COVID-19 impact) \$ 36,748.00

It is being proposed that the EPA funds be used to cover salary and benefits costs of non-administrative certificated and classified staff as shown on the following budget plan. Due to the decrease in the EPA funds, only 25% of the certificated costs are supplemented with this funding.

<b>Object</b>	<b>Function</b>	<b>Purpose</b>	<b># of FTEs</b>	<b>Employee Group</b>	<b>2018-2019 Actual Costs</b>	<b>2019-2020 Projected Costs</b>
1000	1000	Teachers	2.0	Certificated	72,195.00	31,968.00
2100	2420	Instructional Aide	0	Classified	2,740.00	0
3000	1000	Benefits	1.0	Classified	15,720.00	4,780.00
3000	2420	Benefits	0	Classified	0	
		Total Expenditures			\$90,655.00	\$36,748.00
8012		EPA funds			\$75,131.00	\$36,748.00
8019		PY correction			15,524.00	
		Total			\$90,655.00	90,655.00

The Board will be discussing the EPA Spending Plan at the June 2, 2020 board meeting.

The administration is requesting approval of the EPA Spending Plan.