Board Reference Material

SUBJECT TITLE: **Education Protection Account**

REQUESTED ACTION: Adopt Resolution

Action___X___ Discussion/Information_____

RECOMMENDATION:

It is recommended the Board adopt Resolution #10-17 regarding the Education Protection Account.

BACKGROUND INFORMATION:

With the passage of Proposition 30 effective November 7, 2012 (sun setting December 31, 2017) adding Article XIII, Section 36 to the California Constitution, and Proposition 55 effective November 8, 2016 (commencing January 1, 2018) replacing Article XIII, Section 36 to the California Constitution, school districts are required to determine how the funds received from the Education Protection Account are spent, provided that the governing board makes the spending determinations in an open session of a public meeting. The language requires that funds shall not be used for the salaries and benefits of administrators or any other administrative costs.

The Education Protection Account (Resource 1400) revenues make up approximately 13% of the District's total Local Control Funding Formula. This amount is determined by the State of California Director of Finance in June and for 2017-18 is currently projected to be $13,248,569. Teaching staff salaries and benefits will be charged to the Education Protection Account.

HOW DOES THIS ACTIVITY SUPPORT BOARD GOALS?

This activity is operational in nature and does not support a specific Board goal.

ALTERNATIVES/IDENTIFIED OPPOSITION:

None identified.

SPECIFIC FINANCIAL IMPACT (Include Impact on School District Facilities):

The adoption of the resolution is required by the State under Proposition 30 in order to receive funding.

ORIGINATOR: Don Laursen, Director, Fiscal Services
Date: June 8, 2017

LOS BANOS UNIFIED SCHOOL DISTRICT
1717 S. 11TH STREET
LOS BANOS, CALIFORNIA 93635-4800

RESOLUTION #10-17

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

WHEREAS, Proposition 30 added Article XIII, Section 36 to the California Constitution effective November 7, 2012 (sun setting December 31, 2017) and Proposition 55 Article XIII, Section 36 to the California Constitution effective November 8, 2016 (commencing January 1, 2018;

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 State 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) 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 community college districts, county offices of education, school districts and charter schools:

WHEREAS, monies deposited into 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 cost;

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, of the California Constitution and the spending determinations on how the money will be spent shall be made in open session of a public meeting of the governing board of Los Banos Unified School District;

2. In compliance with Article XIII, Section 36(e), of the California Constitution, the governing board of Los Banos Unified School District has determined to spend the monies received from the Education Protection Act for 2017-18 on teacher compensation.

DATED: June 8, 2017.

Anthony Parreira, Board President

Margaret Benton, Clerk