

Kentfield School District
REPORT TO THE BOARD
EDUCATIONAL PROTECTION ACCOUNT (EPA)

TO: Board of Trustees and Superintendent
FROM: Barbara Johnson, Chief Business Official
DATE: June 9, 2015
SUBJECT: Approval – 2015-16 Spending Plan for the Kentfield School District
Education Protection Account (EPA) – Certificated Salaries

Background:

Proposition 30, The Schools and Local Public Safety Protection Act of 2012, approved by the voters on November 6, 2012 temporarily increases the states sales tax rate for all taxpayers and the personal income tax rates for upper-income taxpayers.

The new revenues generated from Proposition 30 are deposited into a newly created state account called the Education Protection Account (EPA).

The Local Control Funding Formula (LCFF) is now comprised of three funding sources: State Aid, EPA and Property Taxes.

Discussion/Issues:

For fiscal years 2013-14 through 2018-19 the EPA spending plan must be approved at the time the budget is adopted. At the beginning of each year, the Department of Finance will estimate the amount that will be transferred into the EPA. This provision does not distinguish between state-funded and community-funded school districts. For 2015-16, the EPA funds will be distributed in equal payments quarterly during the last 10 days of September, December, March and June.

EPA revenue funds will be deposited into a new resource 1400.

Along with the new funding source came additional reporting requirements:

- 1) Each year the Board of Trustees must approve a spending plan for the EPA money.
- 2) The EPA funds cannot be used for the salaries or benefits of administrators or administrative costs.
- 3) The District must publish on its website the amount of EPA money received and how it was spent.
- 4) An annual audit will be required to verify that EPA funds were spent in accordance with the requirements of Proposition 30.
- 5) For fiscal years 2013-14 through 2018-19 the spending plan must be approved at the time the budget is adopted.

The temporary taxes expire in fiscal year 2019-2020, when the Local Control Funding Formula is expected to be fully funded.

2015-16 Spending Plan:

The District plans to use the EPA funding for current certificated teacher salaries. The estimated EPA funds for the Kentfield School District are as follows:

2012-13	\$234,332
2013-14	\$240,088
2014-15	\$239,784
2015-16	\$235,492
2016-17	\$236,222

Strategic Plan District-Wide Goals for 2015-16

Strategic Plan Goal 2: Commit to exceptional and inspirational educators and staff, and LCAP Goal 3: Ensure appropriate stewardship of our facilities and fiscal systems.

Financial Impact:

EPA funds to be used for certificated salaries.

Recommendations:

The CBO, Barbara Johnson recommends that the Board of Trustees approve the 2015-16 Spending Plan for the Kentfield School District regarding the Education Protection Account (EPA) funding, to be spent on certificated teacher salaries.