

GRANADA HILLS CHARTER

June 30, 2019

The voters' approval of Proposition 30 in November 2012 added language to the California Constitution (specifically Article XIII, Section 36) creating in the state General Fund an Education Protection Account (EPA) to receive and disburse revenues generated by Proposition 30 tax increases through the end of 2018. The added language requires all school district, county office, and charter school governing boards to determine and approve how EPA revenues are expended. This determination is to be made in open session of a public board meeting, and the funds cannot be used for administrative salaries and benefits or any other administrative costs. In addition, each local education agency is required to annually publish on its website an annual accounting of how much money was received from the EPA and how that money was spent.

Proposition 55, the ballot measure approved by voters in November 2016, extends the increased income tax rates on high-income earners – not the increased sales taxes – contained in Proposition 30 for 12 years, thereby continuing related EPA spending requirements through December 31, 2030.

EPA funds offset the state's General Fund contribution to K-12 education funding calculated pursuant to the Local Control Funding Formula (LCFF). Local property taxes (for school districts and county offices) or in-lieu property tax payments (for charter schools) make up the balance of LCFF dollars.

On June 25, 2018, the Governing Board approved the use of EPA funds for classroom teacher salaries and benefits for the 2018-19 fiscal year.

The following chart details the final accounting of EPA expenditures for 2018-19:

2018-19 Education Protection Account Expenditures	
Expenditure Object Code	Total
1110 – Teachers' Salaries	\$7,214,349
3101 – STRS	1,174,496
3331 – Medicare	104,608
3501 – Unemployment Insurance	3,607
3601 – Workers' Compensation	73,731
Total EPA Expenditures	\$8,570,791