

GRANADA HILLS CHARTER HIGH SCHOOL



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Executive Director

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When the voters passed Proposition 30 in November 2012, the Education Protection Account (EPA) was created in the state budget. All of the funds from the approved increase in state sales tax rate and the increase in personal income tax for upper-income taxpayers is deposited in this account. 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 new revenues therefore would be used to support increased school funding, with the remainder helping to balance the state budget. Of the funds in the account, 89 percent is provided to K–12 education and 11 percent to community colleges.

Local Education Agencies (LEAs), including charter schools, received funds from the EPA this past year based on their proportionate share of the statewide local control funding formula, which includes charter school general purpose funding. At a minimum, each LEA received \$200 per unit of average daily attendance (ADA) in EPA funds. **A corresponding reduction was made to an LEA's Local Control Funding Formula general purpose state aid equal to the amount of the EPA entitlement.** For most non excess tax LEAs, the EPA entitlement directly offset the state aid, resulting in no net difference. That is why we do not show it as a separate line item in our current year budget.

For the 2013-14 fiscal year, the second year of the EPA, LEAs received four quarterly payments in September, December, March, and June. The actual EPA payment for our school was \$5,445,573. **Our general state aid payments through-out the year were reduced accordingly in order to make this distribution.**

Proposition 30 requires all districts, county offices, and charter schools to report on their Web sites an accounting of how much money was received from the EPA and how that money was spent. Proposition 30 requires that the use of EPA funds be determined by the governing board at an open public meeting. Because the EPA funding is part of our general unrestricted state aid, we may allocate any unrestricted expenditures there, except for administrative costs. Since the expenditure for classroom teacher salaries and employee benefits is a major part of our school budget, the GHCHS Governing Board approved a recommendation at its August 19, 2013 meeting that the EPA funding for 2013-14 be spent in this manner and a prorated share of these classroom expenditures were transferred to the EPA account. The final accounting for the expenditure of the 2013-14 EPA funding is as follows:

Classroom Teacher Salaries	\$ 4,252,387
Employee Benefits	<u>1,193,186</u>
Total Expenditures	\$ 5,445,573

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