Regular Board Meeting-Closed Session at 6:00 p.m.
June 15, 2017 7:00 PM
District Office Board Room
8142 Moss Landing Road
Moss Landing, CA

Agenda Item: **P.IV. Approve Resolution #2016-1737 for the 2017-18 Education Protection Account (EPA) Public Disclosure of Funding and Disbursement**

Recommended Motion: Approve Resolution #2016-1737 for the 2017-18 Education Protection Account (EPA) Public Disclosure of Funding and Disbursement.

Rationale: At the beginning of the 2012-13 fiscal year, the District's adopted budget was required to include a mid-year trigger cut should Proposition 30 fail to pass with the voters. When Proposition 30 did pass, it guaranteed flat funding to the prior years' revenue limit. As a result, and pursuant to Article XIII, Section 36, of the California Constitution, school districts are now required to publicly disclose the amount of money received and how these monies are spent as a result of the passage of Proposition 30.

The Education Protection Account (EPA) was created to enable Districts to fulfill their requirement to separately account for these dollars. One of the directives of this Article is that the governing board is required to make the spending determinations in an open session of a public meeting prior to June 30th of each year. In addition, this information must be published annually on the District's internet website.

For the District to remain in compliance with Article XIII, Section 36, of the California Constitution, the Board of Directors is being asked to review and approve the Resolution presented tonight. A worksheet estimating the amount of EPA funds available for 2017-18 and the District's plan for spending the monies is attached. As in previous years, 100% of EPA funds are being spent on Instructional Salaries.

Proposition 30 expires in its entirety on December 31, 2017. However, with the passage of Proposition 55, which extends the higher income tax component of Proposition 30, all of the same reporting requirements of Proposition 30 remain in place. Proposition 55 takes effect January 1, 2018.

Financial Impact: None. Since EPA funding is a sub-set of our existing LCFF calculation, there is no financial gain to the District. The District is simply accounting for these dollars in a new resource number (Resource 1400 Education Protection Account) in order to comply with the new law. The 2017-18 Adopted budget estimates this value at $5,520,376.

Attachments:

Exhibit to Res. 2016-1737 EPA- 1718
Res. 2016-1737 - EPA - 1718

RESOLUTION OF THE GOVERNING BOARD OF THE NORTH MONTEREY COUNTY UNIFIED SCHOOL DISTRICT REGARDING THE EDUCATION PROTECTION ACCOUNT

Resolution #2016-1737

WHEREAS, the voters approved Proposition 30 on November 6, 2012;

WHEREAS, Proposition 30 added Article XIII, Section 36 to the California Constitution effective November 7, 2012;

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 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) that 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 school districts, county offices of education, charter schools and community college districts;

WHEREAS, monies deposited in 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 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 North Monterey County Unified School District;

2. In compliance with Article XIII, Section 36(e), with the California Constitution, the governing board of the North Monterey County Unified School District has determined to spend the monies received from the Education Protection Act as attached.

DATED: June 15, 2017

Linda Lines
Board Member

Martha Chavarria
Board Member

Board Member

Board Member

Board Member

North Monterey County Unified School
District 2017-18

Education Protection Account
Program by Resource Report
Expenditures by Function - Detail

Estimated Expenditures through: June 30, 2018

For Fund 01, Resource 1400 Education Protection Account

Description	Object Codes	Amount
AMOUNT AVAILABLE FOR THIS FISCAL YEAR		
Adjusted Beginning Fund Balance	9791-9795	0.00
Revenue Limit Sources	8010-8099	5,520,376.00
Federal Revenue	8100-8299	0.00
Other State Revenue	8300-8599	0.00
Other Local Revenue	8600-8799	0.00
All Other Financing Sources and Contributions	8900-8999	0.00
Deferred Revenue	9650	0.00
TOTAL AVAILABLE		5,520,376.00
EXPENDITURES AND OTHER FINANCING USES		
(Objects 1000-7999)		
Instruction	1000-1999	5,520,376.00
Instruction-Related Services		
Instructional Supervision and Administration	2100-2150	0.00
AU of a Multidistrict SELPA	2200	0.00
Instructional Library, Media, and Technology	2420	0.00
Other Instructional Resources	2490-2495	0.00
School Administration	2700	0.00
Pupil Services		
Guidance and Counseling Services	3110	0.00
Psychological Services	3120	0.00
Attendance and Social Work Services	3130	0.00
Health Services	3140	0.00
Speech Pathology and Audiology Services	3150	0.00
Pupil Testing Services	3160	0.00
Pupil Transportation	3600	0.00
Food Services	3700	0.00
Other Pupil Services	3900	0.00
Ancillary Services	4000-4999	0.00
Community Services	5000-5999	0.00
Enterprise	6000-6999	0.00
General Administration	7000-7999	0.00
Plant Services	8000-8999	0.00
Other Outgo	9000-9999	0.00
TOTAL EXPENDITURES AND OTHER FINANCING USES		5,520,376.00
BALANCE (Total Available minus Total Expenditures and Other Financing Uses)		0.00