

Salinas City Elementary School District

REPORT TO BOARD OF TRUSTEES

BOARD
MEETING
DATE:
11/12/13

School Site Plan
Reference Page

DATE: October 29, 2013

FROM: Gerald J. Stratton, Assistant Superintendent of
Business Services

SIGNATURE: Gerald J. Stratton

Approved By _____ Date: _____

Business Dept: Donna G. G. 10/30/13

Assistant Supt: 10/30/13

Superintendent: 10/30/13

SUBJECT: Education Protection Account (EPA) Spending Plans- ACTION

ATTACHMENT:

- A. Letter, October 12, 2013, from John Chiang, California State Controller
- B. SCESD 2012-2013 EPA Spending Plan with supporting documentation
- C. SCESD 2013-2014 EPA Spending Plan with supporting documentation

RECOMMENDATION:

That the Board review and approve the EPA spending plans for 2012-13 and 2013-14.

ANALYSIS:

Reference A from California State Controller John Chiang specifies that the LEA boards shall approve how the Prop 30 EPA funds are spent in a public hearing. Additionally, each LEA must post how these monies are spent on its website. Finally, The Controller also requests that LEA's provide his office with the district's financial officer by title, contact information and a direct link to the district's website where the Controller will consolidate and post all agency EPA Spending Plan links beginning next year.

The intent of the EPA funds approved by voters last November is to restore critical lost funding. Therefore, the District has allocated all EPA funds to teacher salaries. No funds are allocated to administrative staffing or operations.

Reference B is the District's 2012-2013 EPA Spending Plan with supporting documentation.

Reference C is the District's 2013-2014 EPA Spending Plan with supporting documentation.

Separately, the District has responded to Controller Chiang's request for a district point of contact and a link to our website where the EPA Spending Plans will be posted.

FISCAL IMPACT:

Prop 30 EPA funds stabilize teacher staffing. Absent approval of Prop 30 the District would have had to re-open negotiations to reduce staffing in order to remain fiscally solvent. It is notable that the District actually "deficit spent" to maintain these teaching positions pending arrival of the EPA funds which did not occur until June 27, 2013.

PROGRAM IMPACT: Funds eliminated the need to significantly reduce certificated staff and further increase class sizes.



REC'D OCT 18 2013

JOHN CHIANG
California State Controller

October 11, 2013

After the passage of Proposition 30, the *Schools and Local Public Safety Protection Act of 2012*, schools and community college campuses across California have begun receiving funds through a new Education Protection Account (EPA) that was established by the voter initiative.

As you know, voters were assured that these funds would be spent wisely to help stabilize school budgets and restore educational opportunities that were decimated by revenue shortfalls wrought by the Great Recession. Toward this end, the initiative promised voters that EPA funds cannot be used for administration, and plans to spend these dollars must be approved by a district's governing board in a public hearing. Additionally, Proposition 30 requires any district receiving EPA funds to post how it spends those monies on its website.

In order to demonstrate whether local education agencies are making good on those promises, my office will be launching a centralized website offering the public a transparent view of how schools are complying with spending and accountability requirements, as well as the flow and use of these education dollars. The website will also provide other metrics gauging how Proposition 30 funds are impacting the fiscal health of our schools.

To help make this site the best resource possible, I am asking local education agencies to provide my office with the following:

1. The name of the agency's financial officer, along with his or her title and contact information, for correspondence from the State Controller's Office.
2. A **direct link** to its webpage containing the spending plan for its received EPA funds and its posting of expenditures.

All information can be submitted directly to TrackProp30@sco.ca.gov.

October 11, 2013

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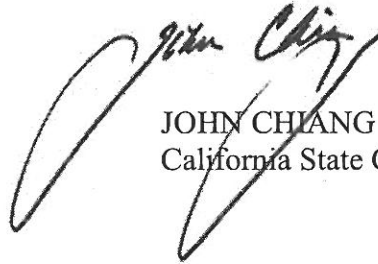
In order to make sure we reach everyone, we are also asking that County Offices of Education forward this communication to any responsible financial officers at school districts or other education institutions within their jurisdiction.

We will need responses from all local education agencies by no later than **November 4, 2013**, as the new website is expected go online early next year. To ensure full participation, my office will follow-up with education agencies that do not respond by the deadline.

In the meantime, please view the Proposition 30 (EPA) spending plan developed by the San Ysidro School district. My office believes this is an excellent example of making the projected use of these funds – by category – readily accessible to the public.

Many thanks in advance for your cooperation. With your support, we can offer the public an important resource that charts the use of state tax dollars. If you have any questions, please call 916-322-5698.

Sincerely,

A handwritten signature in black ink, appearing to read "John Chiang", is written over the printed name and title.

JOHN CHIANG
California State Controller

Salinas City Elementary School District
2013-2014 Education Protection Account (EPA) Spending Plan

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 rate 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). School districts, county offices of education, and charter schools (LEAs) will receive funds from the EPA based on their proportionate share of the statewide revenue limit amount. A corresponding reduction is made to an LEA's revenue limit EPA entitlement. LEAs will receive EPA payments quarterly beginning with the 2013-14 Fiscal Year.

Proposition 30 provides that all K-14 local agencies have the sole authority to determine how the funds received from the EPA are spent but with these provisions:

The spending plan must be approved by the governing board during a public meeting.

EPA funds cannot be used for the salaries or benefits of administrators or any other administrative costs.

Refer to the attached list of functions for which EPA funds may be used.

Each year, the local agency must publish on its website an accounting of how much money was received from the EPA and how the funds were expended.

Salinas City Elementary School District estimates 2013-2014 EPA Entitlement per CDE P-1 data
\$7,607,632.00

It is proposed that EPA funds be used to cover salary and benefit costs of non-administrative certificated staff.

76 Classroom Teachers	SACS Function 1000	\$7,607,632.00
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**STATE AWARDS
REVENUES AND EXPENDITURES - ALL FUNDS
SCHEDULE FOR CATEGORICALS SUBJECT TO RESTRICTED ENDING BALANCES**

STATE PROGRAM NAME	Education Protection Account (EPA)
STATE CATALOG NUMBER	25226
RESOURCE CODE	1400
REVENUE OBJECT	8012
LOCAL DESCRIPTION (if any)	Prop 30
AWARD	
1. Prior Year Restricted Balance	0.00
2.a. Current Year Award	7,607,632.00
b. Sec. 12.40 Transfers (Obj 8998)	0.00
c. Adj Current Year Award (sum lines 2a and 2b)	0.00 7,607,632.00
3. Required Matching Funds/Other	0.00
4 Total Available Award (Sum lines 1, 2c & 3)	7,607,632.00
REVENUES	
5. Cash Received in Current Year	7,607,632.00
6. Amounts included in Line 5 for Prior Year Adjustments	0.00
7.a. Accounts Receivable (Line 2 minus lines 5 & 6)	0.00
b. Non-current Accounts Receivable	0.00
c. Current Accounts Receivable (Line 7a minus line 7b)	0.00 0.00
8. Contributed Matching Funds	0.00
9. Total Available (sum lines 5, 7c & 8))	7,607,632.00
EXPENDITURES	
10. Donor-Authorized Expenditures	7,607,632.00
11.. Non Donor-Authorized	0.00
12. Total Expenditures (line 10 plus line 11)	7,607,632.00
RESTRICTED ENDING BALANCE	
13. Current Year (line 4 minus line 10)	0.00