

Office of Superintendent of Schools

ITEM REQUIRING ATTENTION – BOARD OF TRUSTEES

To the Superintendent of Schools:

Date: June 7, 2024

Subject: Education Protection Account (EPA) Spending Plan for 2024-2025

Staff Analysis: 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 governing board must approve the spending plan during a public meeting; EPA funds cannot be used for salaries or benefits of administrators or any other administrative costs (as determined through the account code structure); 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.

In addition, there will now be a requirement for the annual financial audit to include verification that the EPA funds were used as specified by Proposition 30, and the additional costs of the audit would be an allowable expense from the EPA. If EPA funds are not expended in accordance with the requirements of Proposition 30, civil or criminal penalties could be incurred.

The District's spending plan is as follows: salary and benefit expenditures for teachers in the amount of \$24,079,019 (the estimated amount of EPA funds to be received quarterly during the last ten days of September, December, March, and June for the 2024-2025 fiscal year) will be from resource 1000 (unrestricted) to resource 1400 (Education Protection Act). No administrative costs will be charged to the EPA resource.

Recommendation: Staff recommends adoption of the District's Education Protection Account (EPA) Spending Plan for 2024-2025.

Prepared by: Kolvira Chheng

Title: Assistant Superintendent Business Services

To the Board of Trustees:
Recommend Approval

Meeting: June 27, 2024
Regular Board Meeting

12.03

Agenda Placement

Imee Almazan, Ed.D., Interim Superintendent

DISPOSITION BY BOARD OF TRUSTEES

Motion by: Corina Heneal - Iken

Seconded by: Aricha Flores Suenon

Approved: 5

Not Approved: 0

Tabled: 0

Alum Rock Union Elementary (69369) - Budget Development

5/21/24

EDUCATION PROTECTION ACCOUNT

		Certification Period:									
		Annual 2021-22	P-2 2022-23	Annual 2022-23	Estimated P-2 2023-24	Est. Annual 2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
EDUCATION PROTECTION ACCOUNT (EPA) MINIMUM ENTITLEMENT											
A-1	Total ADA for EPA Minimum	8,435.10	8,073.74	8,279.19	7,661.49	7,661.49	7,193.85	6,750.65	6,678.96	6,363.50	6,050.06
A-2	Minimum Funding per ADA	200	200	200	200	200	200	200	200	200	200
A-3	EPA Minimum Funding (A-1 * A-2)	\$ 1,687,020	\$ 1,614,748	\$ 1,655,838	\$ 1,532,298	\$ 1,532,298	\$ 1,438,770	\$ 1,350,130	\$ 1,335,792	\$ 1,272,700	\$ 1,210,012
EPA PROPORTIONATE SHARE CAP											
B-10	2012-13 Deficit Base RI/Charter Rate (adjusted for COLA eff. 21/22)	\$ 5,831.95		\$ 6,214.53	\$ 6,725.36	\$ 6,725.36	\$ 6,797.32	\$ 6,996.48	\$ 7,211.97	\$ 7,449.97	\$ 7,695.07
B-11	Current Year Funded ADA, excluding NSS	8,435.10		8,279.19	7,661.49	7,661.49	7,193.85	6,750.65	6,678.96	6,363.50	6,050.06
B-12	2012-13 Deficit Other Revenue Limit per ADA (adjusted for COLA eff. 21/22)	57.76		61.55	66.61	66.61	67.32	69.29	71.42	73.78	76.21
B-13	Current Year Funded ADA, including NSS	8,435.10		8,279.19	7,661.49	7,661.49	7,193.85	6,750.65	6,678.96	6,363.50	6,050.06
B-14	Adjusted Total Revenue Limit	\$ 49,680,292		\$ 51,960,859	\$ 52,036,610	\$ 52,036,610	\$ 49,383,190	\$ 47,698,541	\$ 48,645,470	\$ 47,877,383	\$ 47,016,710
B-15	Current Year Adjusted NSS Allowance										
B-16	Adjusted Revenue Limit/Adjusted General Purpose Funding for EPA	\$ 49,680,292	\$ 50,671,438	\$ 51,960,859	\$ 52,036,610	\$ 52,036,610	\$ 49,383,190	\$ 47,698,541	\$ 48,645,470	\$ 47,877,383	\$ 47,016,710
B-17	Local Revenue/In-Lieu of Property Taxes	\$ 21,188,096	\$ 25,212,078	\$ 27,515,839	\$ 25,706,828	\$ 25,706,828	\$ 25,287,540	\$ 24,851,541	\$ 24,777,117	\$ 24,435,506	\$ 24,509,000
B-18	EPA Proportionate Share Cap (B-16 - B-17; if less than 0, B-18 = 0)	\$ 28,492,196	\$ 25,459,360	\$ 24,445,020	\$ 26,329,782	\$ 26,329,782	\$ 24,095,650	\$ 22,847,000	\$ 23,868,353	\$ 23,441,877	\$ 22,507,710
EPA PROPORTIONATE SHARE											
C-1	Adjusted Revenue Limit/Adjusted General Purpose Funding for EPA	\$ 49,680,292	\$ 50,671,438	\$ 51,960,859	\$ 52,036,610	\$ 52,036,610	\$ 49,383,190	\$ 47,698,541	\$ 48,645,470	\$ 47,877,383	\$ 47,016,710
C-2	Statewide EPA Proportionate Share Ratio (as of P-2 certification)	12.74780911%	12.74780911%	12.74780911%	12.74780911%	12.74780911%	12.74780911%	12.74780911%	12.74780911%	12.74780911%	12.74780911%
C-3	EPA Proportionate Share (C-1 * C-2)	\$ 37,444,816	\$ 6,459,498	\$ 6,676,004	\$ 25,372,814	\$ 25,372,814	\$ 24,079,019	\$ 23,257,592	\$ 23,719,310	\$ 23,344,794	\$ 22,925,134
EPA ENTITLEMENT											
D-1	EPA Entitlement (if C-3 < B-18, then C-3; else B-18); (if C-3 and B-18 < A-3, then A-3)	\$ 28,492,196	\$ 6,459,498	\$ 6,676,004	\$ 25,372,814	\$ 25,372,814	\$ 24,079,019	\$ 22,847,000	\$ 23,719,310	\$ 23,344,794	\$ 12,507,710
D-2	Miscellaneous Adjustments**										
D-3	Adjusted EPA Entitlement (D-1 + D-2)	28,492,196	6,459,498	6,676,004	25,372,814	25,372,814	24,079,019	22,847,000	23,719,310	23,344,794	12,507,710
D-4	Prior Year Annual Adjustment	(350,558)	\$ (466,916)	(466,916)	\$ 216,506	216,506					
D-5	P2 Entitlement Net of PY Adjustment	28,141,638	\$ 5,992,582	6,209,088	\$ 25,589,320	25,589,320	24,079,019	22,847,000	23,719,310	23,344,794	12,507,710
C-2	Statewide EPA Proportionate Share Ratio (as of Annual certification)	75.37156903%	12.84814107%	12.84814107%	12.84814107%	12.84814107%	12.84814107%	12.84814107%	12.84814107%	12.84814107%	12.84814107%
	Adjusted EPA Allocation (used to calculate LCFF Revenue)		\$ 6,676,004	\$ 6,676,004	\$ 25,372,814	\$ 25,372,814	\$ 24,079,019	\$ 22,847,000	\$ 23,719,310	\$ 23,344,794	\$ 12,507,710

**A miscellaneous adjustment increases EPA State Aid (object 8012) funding in lieu of it to an LEA when it is overpaid. EPA State Aid offsets LCFF State Aid (object 8011). It is calculated a single time at P2.