

10.05

Office of Superintendent of Schools

ITEM REQUIRING ATTENTION – BOARD OF TRUSTEES

To the Superintendent of Schools:

Date: June 20, 2020

Subject: Education Protection Account (EPA) Spending Plan for 2020-2021

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 spending plan must be approved by the governing board 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 \$10,434,911 (the estimated amount of EPA funds to be received quarterly during the last ten days of September, December, March, and June for the 2020-2021 fiscal year) will be transferred from resource 0000 (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 proposed 2020 – 2021 Budget.

Prepared by: Kolvira Chheng Title: Assistant Superintendent Business Services

To the Board of Trustees:
Recommend Approval

Meeting: June 25, 2020
Regular Board Meeting

10.05
Agenda Placement

Hilaria Bauer, Ph.D., Superintendent

DISPOSITION BY BOARD OF TRUSTEES

Motion by: Linda Chavez Seconded by: Andrés Quintana
Approved: 5 Not Approved: 0 Tabled: 0

EDUCATION PROTECTION ACCOUNT

Certification:

	2019-20	2020-21	2021-22	2022-23	2023-24
EDUCATION PROTECTION ACCOUNT (EPA) MINIMUM ENTITLEMENT					
A-1 Total ADA for EPA Minimum	8,857.90	8,538.72	8,286.18	8,044.71	7,779.19
A-2 Minimum Funding per ADA	200	200	200	200	200
A-3 EPA Minimum Funding (A-1 * A-2)	1,771,580	1,707,744	1,657,236	1,608,942	1,555,838
EPA PROPORTIONATE SHARE CAP					
Adjusted Total Revenue Limit	44,985,111	43,364,146	42,081,614	40,855,301	39,506,849
Current Year Adjusted NSS Allowance	-	-	-	-	-
B-1 Adjusted Revenue Limit/Adjusted General Purpose Funding for EPA	44,985,111	43,364,146	42,081,614	40,855,301	39,506,849
B-2 Local Revenue/In-lieu of Property Taxes	24,750,334	24,421,878	24,228,989	24,036,311	-
B-3 EPA Proportionate Share Cap (B-1 - B-2; If less than 0, B-3 = 0)	20,234,777	18,942,268	17,852,625	16,818,990	39,506,849
EPA PROPORTIONATE SHARE					
C-1 Adjusted Revenue Limit/Adjusted General Purpose Funding for EPA	44,985,111	43,364,146	42,081,614	40,855,301	39,506,849
C-2 Statewide EPA Proportionate Share Ratio (as of P-2 certification)	23.88234575%	23.88234575%	23.88234575%	23.88234575%	23.88234575%
C-3 EPA Proportionate Share (C-1 * C-2)	10,743,500	10,356,375	10,050,077	9,757,204	9,435,162
EPA ENTITLEMENT					
D-1 EPA Entitlement (If C-3 < B-3, then C-3, else greater of A-3 or B-3)	10,743,500	10,356,375	10,050,077	9,757,204	9,435,162
D-2 Miscellaneous Adjustments**	-	-	-	-	-
D-3 Adjusted EPA Entitlement (D-1 + D-2)	10,743,500	10,356,375	10,050,077	9,757,204	9,435,162
D-4 Prior Year Annual Adjustment	111,498	(0)	0	(0)	0
D-5 P2 Entitlement Net of PY Adjustment	10,854,998	10,356,375	10,050,077	9,757,204	9,435,162
C-2 Statewide EPA Proportionate Share Ratio (as of Annual certification)	23.88234575%	23.88234575%	23.88234575%	23.88234575%	23.88234575%
Adjusted EPA Allocation (used to calculate LCFF Revenue)	10,743,500	10,356,375	10,050,077	9,757,204	9,435,162

EDUCATION PROTECTION ACCOUNT

Certification:		2019-20	2020-21	2021-22	2022-23
EDUCATION PROTECTION ACCOUNT (EPA) MINIMUM ENTITLEMENT					
A-1	Total ADA for EPA Minimum	395.40	392.68	393.01	393.34
A-2	Minimum Funding per ADA	200	200	200	200
A-3	EPA Minimum Funding (A-1 * A-2)	79,080	78,536	78,602	78,668
EPA PROPORTIONATE SHARE CAP					
	<i>Adjusted Total Revenue Limit</i>	-	-	-	-
	<i>Current Year Adjusted NSS Allowance</i>	-	-	-	-
B-1	Adjusted Revenue Limit/Adjusted General Purpose Funding for EPA	-	-	-	-
B-2	Local Revenue/In-lieu of Property Taxes	1,103,740	1,123,116	1,149,169	1,175,237
B-3	EPA Proportionate Share Cap (B-1 - B-2; If less than 0, B-3 = 0)	-	-	-	-
EPA PROPORTIONATE SHARE					
C-1	Adjusted Revenue Limit/Adjusted General Purpose Funding for EPA	-	-	-	-
C-2	Statewide EPA Proportionate Share Ratio <i>(as of P-2 certification)</i>	23.88234575%	23.88234575%	23.88234575%	23.88234575%
C-3	EPA Proportionate Share (C-1 * C-2)	-	-	-	-
EPA ENTITLEMENT					
D-1	EPA Entitlement (if C-3 < B-3, then C-3, else greater of A-3 or B-3)	79,080	78,536	78,602	78,668
D-2	Miscellaneous Adjustments**	-	-	-	-
D-3	Adjusted EPA Entitlement (D-1 + D-2)	79,080	78,536	78,602	78,668
D-4	Prior Year Annual Adjustment	-	-	-	-
D-5	P2 Entitlement Net of PY Adjustment	79,080	78,536	78,602	78,668
C-2	Statewide EPA Proportionate Share Ratio <i>(as of Annual certification)</i>	23.88234575%	23.88234575%	23.88234575%	23.88234575%
	<i>Adjusted EPA Allocation (used to calculate LCFF Revenue)</i>	79,080	78,536	78,602	78,668