

**RESOLUTION OF THE BOARD OF TRUSTEES OF
THE KENWOOD SCHOOL DISTRICT
REGARDING THE EDUCATION PROTECTION ACCOUNT 2012-13**

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

PASSED AND ADOPTED this day, May 15, 2013, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

APPROVED:

President of the Board of Trustees of the
Kenwood School District

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Discussion/Issues:

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 rates 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). EPA funds are based on the proportionate share of the statewide revenue limit amount.

EPA revenue funds will be deposited into a new restricted resource 1400, using revenue object code 1200.

Along with the new funding source came additional reporting requirements:

- 1) Each year the Board of Education must approve a spending plan for the EPA money
- 2) The EPA funds cannot be used for the salaries or benefits of administrators or administrative costs.
- 3) The District must publish on its website the amount of EPA money received and how it was spent.
- 4) An annual audit will be required to verify that EPA funds were spent in accordance with the requirements of Proposition 30. The cost of this audit can be paid with EPA funds.
- 5) For fiscal years 2013-14 through 2018-19 the spending plan must be approved at the time the budget is adopted.

The temporary taxes expire in fiscal year 2019-2020, when the Local Control Funding Formula is expected to be fully funded.

Spending Plan:

Education Protection Account 2012-13	
<p>Estimated Revenue:</p> <p>Period 2 Average Daily Attendance (P-2 ADA) X \$200 per student.</p>	<p>\$31,220.00</p>
<p>Proposed Expenditures:</p> <p>Instruction related salaries and benefits.</p> <p>Note: An accounting of the actual money received from the EPA and accounts where expenses were incurred will be posted when the funds have been received.</p>	<p>\$31,220.00</p>