TOPIC PROPOSITION 30 EDUCATION PROTECTION ACCOUNT EXPENSE DETERMINATION

SUPPORTS BOARD POLICY

Board Policy 6300 Fiscal Management – The Superintendent/President shall establish procedures to assure that the fiscal condition and activity of the District ensures fiscal health and stability, supports Governing Board priorities and financial planning and budgeting, and is consistent with generally accepted principles of accounting and business practices.

PROPOSAL

To approve the determination that Proposition 30 Education Protection Account funds in the estimated amount of $10,789,911 be used for instructional faculty salaries and benefits for the 2012–2013 fiscal year.

BACKGROUND

Proposition 30, The Schools and Local Public Safety Protection Act of 2012 passed in November 2012. This proposition temporarily raises the sales and use tax by .25 cents for four years and raises the income tax rate for high income earners ($250,000 for individuals and $500,000 for couples) for seven years to provide continuing funding for local school districts and community colleges. The Education Protection Account (EPA) was created in the state General Fund to receive and disburse these temporary tax revenues.

Districts have sole authority to determine how the moneys received from the EPA are spent, provided that the governing board makes these spending determinations in open session of a public meeting of the governing board. Each entity receiving funds must annually publish on its Internet website an accounting of how much money was received from the EPA and how that money was spent. Additionally, the annual independent financial and compliance audit required of community colleges shall ascertain and verify whether the funds provided from the EPA have been properly disbursed and expended as required by law. Expenses incurred to comply with these additional audit requirements may be paid from the EPA.

EPA expenditures should be recorded annually on the CCFS-311 (Prop 30 EPA expenditure report, copy attached), which can also be used as a template for districts to publish their EPA expenditures on their website.

Revenue for EPA funds is unrestricted and should be recorded in object code 8630. The Act specifically prohibits the expenditure of EPA funds for administrative salaries and benefits or any other administrative costs. The District will incur a sufficient level of non-administrative costs (e.g., instruction and student support costs) to easily ensure that EPA funds are not used for administrative costs.

Chaffey Community College District will spend the estimated EPA funds of $10,789,911 on instructional faculty salaries and benefits.

BUDGET IMPLICATIONS

N/A

RECOMMENDATION

It is recommended the Governing Board approve the determination that Proposition 30 Education Protection Account funds in the estimated amount of $10,789,911 be used for instructional faculty salaries and benefits for the 2012–2013 fiscal year.

Prepared by: Anita D. Undercoffer, Interim Executive Director, Budgeting Services
Submitted by: Cid Pinedo, Associate Superintendent, Business Services and Economic Development
Recommended by: Henry D. Shannon, Superintendent/President
### Salaries and Benefits

<table>
<thead>
<tr>
<th>Activity Classification</th>
<th>Activity Code</th>
<th>Salaries and Benefits (1000 - 3000)</th>
<th>Operating Expenses (4000 - 5000)</th>
<th>Capital Outlay (6000)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Instructional Activities - Faculty Salaries</td>
<td>0100-5900</td>
<td>10,789,911</td>
<td></td>
<td></td>
<td>10,789,911</td>
</tr>
<tr>
<td>Other Support Activities (list below)</td>
<td>6XXX</td>
<td>0</td>
<td></td>
<td></td>
<td>0</td>
</tr>
</tbody>
</table>

**Total Expenditures for EPA**

- Salaries and Benefits: $10,789,911
- Operating Expenses: $0
- Capital Outlay: $0
- Total: $10,789,911

**Revenues less Expenditures:** $0

*Total Expenditures for EPA may not include Administrator Salaries and Benefits or other administrative costs.*
**Activity Classification** | **Activity Code** | **Unrestricted**  
--- | --- | ---  
EPA Proceeds: | 8630 | 10,878,522  

**Activity Classification** | **Activity Code** | **Salaries and Benefits (1000 - 3000)** | **Operating Expenses (4000 - 5000)** | **Capital Outlay (6000)** | **Total**  
--- | --- | --- | --- | --- | ---  
Instructional Activities - Faculty Salaries | 0100-5900 | 10,878,522 | | | 10,878,522  
Other Support Activities (list below) | 6XXX | | | |  

Total Expenditures for EPA* | 10,878,522 | 0 | 0 | 10,878,522  

Revenues less Expenditures | 0  

*Total Expenditures for EPA may not include Administrator Salaries and Benefits or other administrative costs.