



NOVATO UNIFIED SCHOOL DISTRICT

Business Services

TO: Board of Trustees

FROM: Karen Maloney, Assistant Superintendent - Business & Operations
Nancy Walker, Director Fiscal Services

DATE: September 1, 2015

RE: Consent: Approve Resolution No. 3-2015/2016 Determining the Use of
Education Protection Account (EPA) Funds for Novato Unified
School District

Objective

Obtain approval of Resolution No. 3-2015/2016; expenditure of 2015-2016 funds received in the Education Protection Account (EPA) as required by Article XIII, Section 36 of the California State Constitution.

Background

On November 6th 2013, the California Voters approved Proposition 30, which added Article XIII, Section 36 to the California Constitution. This ballot created an Education Protection Account to receive and disburse revenue derived from the incremental increases in taxes imposed by Article XIII, Section, 36(f).

Under Proposition 30, the governing board of the district shall annually determine the spending of the received monies from the Education Protection Account (EPA). In addition, each school district shall publish an accounting of how the monies were spent on their website annually.

The Board shall certify at this meeting the funds provided from the Education Protection Account have been properly expended as required by Article X111, Section 36 of the California Constitution. All Expenses incurred by the District must comply with the additional audit requirement of Article XIII, Section 36.

As required, the Education Protection Account's estimated deposits and expenditures accounts are shown below:

| | |
|---|---------------|
| ▶ Estimated 2015-2016 EPA Entitlement | \$8,731,423 |
| ▶ Estimated Expenditures | |
| - Instructional Teacher Salaries and Related Payroll Cost | (\$8,731,423) |

NOTE: As per Article XIII, Section 36 of the California Constitution, the District will post an accounting of the actual funds received and expended from the EPA as the funds are received and expended.

In Summary, the public hearing and the resolution for the EPA is presented and meets the requirements as outlined in Article XIII, Section 30 of the California Constitution.

The following provides an annual accounting of funds deposited and expended from the Education Protection Account (EPA):

| Description | 2012/2013 <u>Actuals</u> | 2013/2014 <u>Actuals</u> | 2014/2015 <u>Actuals</u> | 2015/2016 <u>Actuals</u> |
|-------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Education Projection Account | \$8,570,745 | \$8,456,749 | \$10,710,367 | \$8,731,423 |
| Total Revenue | \$8,570,745 | \$8,456,749 | \$10,710,367 | \$8,731,423 |
| | | | | |
| Certificated Teacher Salaries | \$7,010,442 | \$7,198,465 | \$8,515,219 | \$7,082,757 |
| Related Payroll Costs | \$1,560,303 | \$1,258,284 | \$2,195,148 | \$1,648,666 |
| Total Expenditures | \$8,570,745 | \$8,456,749 | \$10,710,367 | \$8,731,423 |

Funding Source/Cost

Education Protection Account/\$8,731,423 (estimate)

Recommendation

The Superintendent and staff recommend approval of Resolution No. 3-2015/2016; expenditure of 2015-2016 funds received in the Education Protection Account (EPA) as required by Article XIII, Section 36 of the California State Constitution.

NOVATO UNIFIED SCHOOL DISTRICT

RESOLUTION No. 3-2015/2016

APPROVAL OF THE EDUCATION PROTECTION ACCOUNT

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, BE IT RESOLVED AS FOLLOWS:

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

▶ **Teachers' Salaries and Related Payroll Costs**

PASSED AND ADOPTED this 1st day of September 2015, by the following vote to wit:

AYES: 6

NOES: 0

ABSTAIN:

ABSENT: 1

State of California,
County of Marin

I, DEREK KWELL, Secretary/Clerk of the Novato Unified School District Board of Trustees, do hereby certify that the foregoing is a full, true, and correct copy of a resolution adopted by the Board of Trustees at a regularly called and conducted meeting held on said date.


Secretary/Clerk of Board of Trustees