

Governing Board

Grossmont-Cuyamaca Community College District

Telephone: 644-7682

Action

Subject: EDUCATION PROTECTION ACCOUNT
EXPENDITURE REPORT

Date: MAY 21, 2013

1. PROPOSAL

Approve an expenditure report for the *Proposition 30* Education Protection Account, as recommended by the Chancellor.

2. INFORMATION IN SUPPORT OF PROPOSAL

a. Summary of Issue

Proposition 30, the Schools and Local Public Safety Protection Act of 2012, provides temporary tax revenues for funding of 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 within guidelines, provided that the Governing Board makes these determinations in an open session of a public meeting of the Board and shall not use any of the funds from the EPA for administrative salaries and benefits or any other administrative costs.

In accordance with EPA requirements, the Board is asked to approve the attached *Proposition 30* EPA Expenditure Report ([Attachment A](#)).

b. Background

Proposition 30, the Schools and Local Public Safety Protection Act of 2012, passed in November 2012, 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.

With the passage of *Proposition 30*, the District did not receive an anticipated reduction in State General Fund revenue of \$5.6 million; however, the District received \$926,153 as a result of the workload restoration of 210 FTES.

Each district receiving EPA funds must also annually publish on its internet website its report 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

Recommended:

Approved for Consideration:

Sue Rearic, Vice Chancellor Business Services

Cindy L. Miles, Chancellor

Docket Item No.

310.1

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community colleges must 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.

c. Support of Strategic Planning

- (1) Efficient and effective operation of the District; and
- (2) Sound fiscal management, fiscal stability, and accountability.

d. Fiscal Impact

Per 2012-13 First Principal apportionment from California Community Colleges, the District's EPA amount is \$13,800,442. The EPA funds are not additional funds, but they represent a change of the components of the "Total Computational Revenue" (TCR) of \$84.7 million.

GCCCD will use the EPA funds to partially fund the District's instructional salaries and benefits. The expenditure report will be posted to the District's website to meet the website posting requirements.

3. BOARD ACTION

The Governing Board grants authority to take action as specified in Item One of this docket exhibit.

Docket Item No.

310.2

CALIFORNIA COMMUNITY COLLEGES
Annual Financial and Budget Report

Schools and Local Public Safety Protection Act
Prop 30 EPA Expenditure Report

SUPPLEMENTAL DATA

For Actual Year: 2012-2013

Budget Year: 2013-2014

District ID: 020

Name: Grossmont-Cuyamaca CCD

Activity Classification	Activity Code	Unrestricted			
EPA Proceeds:	8630	\$13,800,442			
Activity Classification	Activity Code	Salaries and Benefits (1000 - 3000)	Operating Expenses (4000 - 5000)	Capital Outlay (6000)	Total
Instructional Activities:					
Biological Sciences	0400	\$653,193			\$653,193
Business and Management	0500	776,846			776,846
Communications	0600	145,947			145,947
Computer and Information Science	0700	575,749			575,749
Education	0800	865,079			865,079
Engineering and Related Industrial Technology	0900	368,515			368,515
Fine and Applied Arts	1000	1,461,787			1,461,787
Foreign Language	1100	573,813			573,813
Health	1200	887,993			887,993
Consumer Education and Home Economics	1300	307,368			307,368
Humanities	1500	2,836,864			2,836,864
Mathematics	1700	1,257,852			1,257,852
Physical Sciences	1900	1,047,840			1,047,840
Psychology	2000	271,643			271,643
Public Affairs and Services	2100	117,041			117,041
Social Sciences	2200	1,285,847			1,285,847
Interdisciplinary Studies	4900	367,065			367,065
Total Expenditures for EPA*		\$13,800,442	0	0	\$13,800,442
Revenues less Expenditures					0
*Total Expenditures for EPA may not include Administrator Salaries and Benefits or other administrative costs.					