

Governing Board

Grossmont-Cuyamaca Community College District

Telephone: 644-7682

Action

Subject: EDUCATION PROTECTION ACCOUNT
EXPENDITURE REPORT

Date: MARCH 18, 2014

1. PROPOSAL

Approve an expenditure report for Proposition 30 *Education Protection Account (EPA)*, 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 *Prop 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.

Each district receiving EPA funds must also annually publish on its internet web site 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 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.

Recommended:

Approved for Consideration:

Sue Rearic, Vice Chancellor Business Services

Cindy L. Miles, Chancellor

Docket Item No.

305.1

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c. Support of Strategic Planning

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

d. Fiscal Impact

Per 2013-14 First Principal apportionment from California Community Colleges, the District estimated EPA is \$11,468,234. The new EPA funds are not additional funds, but they represent a change of the components of the "Total Computational Revenue" (TCR) of \$88.3 million.

GCCCD will use the estimated funds of \$11,468,234 to partially fund the District's instructional salaries and benefits which 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.

305.2

