

Governing Board

Grossmont-Cuyamaca Community College District

Telephone: 644-7682

Action

Subject: **EDUCATION PROTECTION ACCOUNT
EXPENDITURE PLAN**

Date: MAY 19, 2015

1. PROPOSAL

Approve an expenditure plan for *Education Protection Account* funds, 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, provided that the Governing Board makes these determinations in an open session of a public meeting of the Board.

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:

Tim Flood, Interim President, Grossmont College

Mark J. Zacovic, President, Cuyamaca College

Sue Rearic, Vice Chancellor Business Services

Approved for Consideration:

Cindy L. Miles, Chancellor

Docket Item No.

311.1

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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 2014-2015 First Principal Apportionment from California Community Colleges, the District estimated EPA is \$13,886,530. The new EPA funds are not additional funds, but they represent a change of the components of the "Total Computational Revenue" (TCR) of \$92.2 million.

3. **BOARD ACTION**

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

Docket Item No.

311.2

CALIFORNIA COMMUNITY COLLEGES
Annual Financial and Budget Report

Details of Education Protection Account

For Actual Year: 2014-2015

District ID: 020

Name: Grossmont-Cuyamaca CCD

Activity Classification	Activity Code				Unrestricted General Fund
EPA Revenue	8630				\$13,886,530
Activity Classification	Activity Code	Salaries and Benefits (1000 - 3000)	Operating Expenses (4000 - 5000)	Capital Outlay (6000)	Total
Instructional Activities	0100-5900	13,886,530			\$13,886,530
Total Expenditures for EPA*		\$13,886,530	0	0	\$13,886,530
*Total Expenditures for EPA may not include Administrator Salaries and Benefits or other administrative costs.					