

Governing Board

Grossmont-Cuyamaca Community College District

Telephone: 644-7682

Action

Subject: EDUCATION PROTECTION ACT
EXPENDITURE PLAN

Date: MARCH 20, 2018

1. PROPOSAL

Approve an expenditure plan for *Education Protection Act* 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 raised the sales and use tax by .25 cents for four years through December 31, 2016, and raised 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.

Proposition 55, the *California Children's Education and Health Care Protection Act of 2016*, is an extension of Proposition 30 and extends the personal income tax increase through 2030-31. It did not extend the sales and use tax which expired January 1, 2017.

Recommended:

Nabil Abu-Ghazaleh, President, Grossmont College

Julianna Barnes, President, Cuyamaca College

Sue Rearic, Vice Chancellor Business Services

Approved for Consideration:

Cindy L. Miles, Chancellor

Docket Item No.

204.1

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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.

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 2017-2018 First Principal Apportionment (P1) from California Community Colleges, the District estimated EPA is \$14,388,901. The new EPA funds are not additional funds, but they represent a change of the components of the "Total Computational Revenue" (TCR) of \$109,366,314 on the P1.

3. BOARD ACTION

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

Docket Item No.

204.2

CALIFORNIA COMMUNITY COLLEGES
Annual Financial and Budget Report

Details of Education Protection Account

For Actual Year: **2017-2018**

District ID: **020**

Name: **Grossmont-Cuyamaca CCD**

Activity Classification	Activity Code	Unrestricted General Fund			
EPA Revenue	8630	\$14,388,901			
Activity Classification	Activity Code	Salaries and Benefits (1000 - 3000)	Operating Expenses (4000 - 5000)	Capital Outlay (6000)	Total
Instructional Activities	0100-5900	14,388,901			\$14,388,901
Total Expenditures for EPA*		\$14,388,901	0	0	\$14,388,901
*Total Expenditures for EPA may not include Administrator Salaries and Benefits or other administrative costs.					