



**RESOLUTION NO. 14-047**  
**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 30<sup>th</sup> of each year, the State's 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, IT IS HEREBY RESOLVED:**

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 on June 4, 2014.

In compliance with Article XIII, Section 36(e), with the California Constitution, the governing board of the Berkeley Unified District has determined to spend the monies received from the Education Protection Act as attached.

**PASSED AND ADOPTED** by the Board of Education of the Berkeley Unified School District this 4th day of June, 2014.

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

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**Beatriz Leyva-Cutler,**  
Clerk of the Board of Education  
Of the City of Berkeley and of Berkeley Unified  
School District of Alameda County, State of California

# **BERKELEY UNIFIED SCHOOL DISTRICT**

**TO:** Donald Evans, Ed.D., Superintendent  
**FROM:** Javetta Cleveland, Deputy Superintendent  
**DATE:** June 4, 2014  
**SUBJECT:** Education Protection Account

## **BACKGROUND INFORMATION**

The voters approved Proposition 30 on November 6, 2012, which created an Education Protection Account (EPA) in the State General Fund to receive and disburse the revenues derived from the incremental increase in taxes imposed by Proposition 30.

EPA funds represent a portion of our budget's General Fund revenue that would have been cut if Proposition 30 had not passed. Therefore, these funds do not represent increased revenue above what the Board adopted in the District's 2013-14 budget. EPA is a reclassification of the state aid portion of the Revenue Limit funding and is classified as unrestricted revenue.

The creation of the EPA benefits cash flow patterns and it also has an accountability component. Proposition 30 provides that all K-14 local agencies have the sole authority to determine how the funds received from the EPA are spent with the following provisos:

- The spending plan must be approved by the governing board during a public meeting.
- EPA funds cannot be used for the salaries or benefits of administrators or any other administrative costs.
- Each year, the local agency must publish on its website an accounting of how much money was received from the EPA and how the funds were expended.

In addition, there will now be a requirement for the annual financial audit to include verification that the EPA funds were used as specified by Proposition 30, and the additional cost of the audit would be an allowable expense from the EPA.

If EPA funds are not expended in accordance with the requirements of Proposition 30, civil or criminal penalties could be incurred. For FY 2013-14 the District received \$9,246,062 in EPA funding which was used for classroom teacher's salaries and benefits.

For FYs 2013-14, the District plans to spend EPA funding for classroom teachers' salaries and benefits.

The attached Resolution No. 14-047 details the provisions and requirements of the EPA.

**DISTRICT GOAL**

**V. Resources:** Generate and equitably allocate resources for programs and services that enable every student to succeed.

**FISCAL IMPACT**

The unrestricted General Fund received \$9,246,062 in EPA funding that will be used for classroom teacher's salaries and benefits.

**STAFF RECOMMENDATION**

Approve Resolution No. 14-047 and the receipt and use of EPA funding as outlined.