To: Board of Trustees
Date: May 20, 2014
From: Superintendent/President
Item & File No. C.12.D.
Subject: Approve Resolution for Use of Educational Protection Account Revenue

Reason for Board Consideration: APPROVAL
Enclosure(s): Resolution

BACKGROUND:

Proposition 30, The Schools and Local Public Safety Protection Act of 2012 passed in November 2012. This proposition 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. The Education Protection Account (EPA) is created in the General Fund to receive and disburse these temporary tax revenues.

Districts have authority to determine how the moneys received from the EPA are spent, provided that the governing board makes these spending determinations in open session of a public meeting of the governing board. Revenue from EPA funds are unrestricted except where the Act specifically prohibits the expenditure of EPA funds for administrative salaries and benefits or any other administrative costs.

For the 2013-2014 fiscal year for the College of Marin, the EPA revenue is estimated to be approximately $434,000. Staff recommends that EPA revenue be used for the direct cost of classroom instruction and general operating expenses, exclusive of administrative costs, for the 2013-2014 fiscal year.

RECOMMENDATION:

The Superintendent/President recommends that the Board approve the attached Resolution establishing the use of EPA revenue for the 2013-2014 fiscal year.

Administrator Initiating Item
Greg Nelson, Vice President, Finance and College Operations
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 30th of each year, the 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:

1. 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 of Marin Community College District;

2. In compliance with Article XIII, Section 36(e), with the California Constitution, the governing board of the Marin Community College District has determined to spend the monies received from the Education Protection Act for the 2013-2014 fiscal year on the direct cost of classroom instruction and general operating expenses, exclusive of administrative costs.

Adopted this 20th day of May, 2014 by the following roll call vote:

AYES:

NOES:

ABSENT:

STATE OF CALIFORNIA   )
 )
COUNTY OF MARIN   )

I, David Wain Coon, Superintendent/President of the Marin Community College District of Marin County, California, do hereby certify that the foregoing is a true and correct copy of a Resolution adopted by said Board at a regular meeting thereof, held at its regular place of meeting at the time and by the vote above stated.

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Secretary to the Board of Trustees