

GLENDALE UNIFIED SCHOOL DISTRICT

May 23, 2017

CONSENT CALENDAR NO. 7

TO: Board of Education  
FROM: Winfred B. Roberson, Jr., Superintendent  
SUBMITTED BY: Stephen Dickinson, Chief Business and Financial Officer  
PREPARED BY: Craig Larimer, Financial Analyst  
SUBJECT: **Resolution No. 31 - Use of Education Protection Account Revenue for 2017-18 Non-Administrative Expenditures as Required By Article XIII, Section 36 of the California Constitution.**

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The Superintendent recommends that the Board of Education, following a public hearing, adopt Resolution No. 31 on the use of Education Protection Account Revenue for 2017-18 Non-Administrative Expenditures as required by Article XIII, Section 36 of the California Constitution

As provided by Proposition 30 approved in 2012, Article XIII, Section 36 of the California Constitution establishes the Education Protection Account (EPA) as the means for collecting and distributing funds which are generated by the temporary increases to personal income taxes (beginning in 2012-13), and in place for seven years (ending in 2018), and sales tax (effective January 1, 2013) in place for four years (ending in 2016). Proposition 55 approved in 2016, Article XIII, Section 36 of the California Constitution extends Proposition 30 income tax increase (beginning in 2018-19), and in place for twelve years (ending in 2030-31). Similar to local property taxes, State aid is reduced by one dollar for each dollar received from the EPA, so there is no net change in total Local Control Funding Formula (LCFF). The EPA becomes, in essence, a third revenue source in addition to local property tax revenue and State Aid. The estimated EPA funds to be spent are \$32,620,881; however, the EPA funds do not provide an increase in funding. The LCFF funding is decreased by the amount of EPA funds the District receives.

The law further requires that the Board of Education determine the use of EPA funds in an open session of a public meeting, which should precede the recording of EPA expenditures and must be held annually. The attached resolution identifies in detail the use of 2017-18 EPA funds to cover certain non-administrative expenditures.

The law further requires that the school district annually publish on its Internet website an accounting of how much money was actually received from the EPA and how it was actually spent. This will be done at the time the Unaudited Actuals are made available on the web site each year. The EPA funds will be subject to the annual independent financial and compliance audit to ascertain whether the funds were properly disbursed and expended as required by law.

**RESOLUTION NO. 31**

**A RESOLUTION OF THE BOARD OF EDUCATION OF THE  
GLENDALE UNIFIED SCHOOL DISTRICT OF LOSANGELES  
COUNTY REGARDING THE EDUCATION PROTECTION  
ACCOUNT – 2017-18**

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**WHEREAS**, the voters approved Proposition 30 on November 6, 2012 and Proposition 55 on November 8, 2016;

**WHEREAS**, Proposition 30 added Article XIII, Section 36 to the California Constitution effective November 7, 2012 and Proposition 55 amended Article XIII, Section 36 to the California Constitution effective November 8, 2016;

**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 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**, be it resolved, determined and ordered by the Board of Education of the Glendale Unified School District as follows:

1. The 2017-18 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 the Glendale Unified School District;
2. In compliance with Article XIII, Section 36(e), with the California Constitution, the governing board of the Glendale Unified School District has determined to spend the monies received from the Education Protection Act on instructional teacher salary and benefits. 2017-18 EPA funds are estimated at \$32,620,881.

**PASSED AND ADOPTED** by the Board of Education of the Glendale Unified School District this day, May 23 2017, by the following vote:

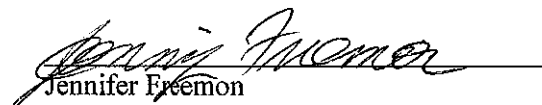
**AYES:** 5

**NAYS:** 0

**ABSTAIN:** 0

**ABSENT:** 0

**APPROVED:**

  
Jennifer Freeman  
Clerk of the Board of Education