

### About the Education Protection Account...

With the November 2012 passage of Proposition 30, which temporarily increases the personal income tax rates for upper-income taxpayers and the sales tax rate for all taxpayers<sup>1</sup>, the state established the Education Protection Account (EPA). Revenue generated from the increased taxes are deposited into the EPA and distributed to districts and charter schools on a quarterly basis.

While funds from the EPA are part of a district's or charter school's general purpose funding, Proposition 30 specifies that EPA funds may not be used for administrative salaries or benefits or any other administrative costs.

From an accounting perspective, EPA revenue and expenditures must be coded separately (under a new resource code, 1400, created specifically for EPA funds) and **from an operational perspective, governing boards must determine the use of EPA funds at an open public meeting. This determination must occur annually.**

### FY 2017-18 Education Protection Account Spending Plan

For schools that opened in 2013-14 or later, EPA is apportioned at \$200/ADA. For New Los Angeles Charter Elementary School, this equates to \$33,250, which will be used to support teacher salaries and benefits.

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<sup>1</sup> The .25 sales tax increase expired in 2016; the income tax increase set to expire in 2018, was extended by voters though 2030 via Proposition 55.