

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, the state officially 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 LCFF funding, Proposition 30 specifies that EPA funds may not be used for salaries or benefits of administrators or any other administrative costs.

From an accounting perspective, EPA revenue and expenditures must be coded separately (under 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 2016-17 Education Protection Account Spending Plan

In FY 2016-17, EPA funds are estimated to be 25% of a school's total Local Control Funding Formula entitlement. For Watts Learning Center Charter Middle School this equates to \$507,683. The spending plan for Watts Learning Center Charter Middle School allocates these funds to support teacher salaries.

Proposed Motion Language:

"I hereby move to adopt the Watts Learning Center Charter Middle School EPA Spending Plan, which will allocate FY16-17 EPA funds estimated to be \$507,683 toward teacher salaries.