



PALOS VERDES PENINSULA UNIFIED SCHOOL DISTRICT FISCAL SERVICES

2012-13 Education Protection Account

Proposition 30, *The Schools and Local Public Safety Protection Act of 2012*, approved by the voters on November 6, 2012, temporarily increases the state's sales tax rate for all taxpayers and the personal income tax rates for upper-income taxpayers. The revenues generated from Proposition 30 are deposited into a newly created state account called the Education Protection Account (EPA).

School Districts will receive funds from the EPA based on their proportionate share of the statewide revenue limit amount. However, a district's EPA entitlement will be reduced so that funding from local property taxes and EPA combined does not exceed a district's revenue limit, provided that at a minimum, each district will receive at least \$200 per unit of average daily attendance (ADA) in EPA funds.

Proposition 30 Requirements

- All districts, counties, and charter schools to report on their Web sites an accounting of how much money was received from the EPA and how that money was spent.
- **Use of EPA funds be determined by the governing board at an open regularly scheduled public meeting** which the CDE believes could be the annual budget adoption meeting.

Allowable uses of EPA funds

EPA funds may be used for the following activities:

- Instruction
- Instructional-related services (except administrative costs)
- Pupil Services
- Ancillary Services
- Community Services
- Plant Services

Non-allowable uses of EPA funds

Proposition 30 specifies that LEAs may not use EPA funds for salaries or benefits of administrators or any other administrative costs.

The CDE has interpreted that administrative costs, as used in Proposition 30, means anything defined as administration in the *California School Accounting Manual*. Administrative costs include general administration, school administration, and instructional administration.