BOARD OF TRUSTEES
Santa Monica Community College District

MAJOR ITEMS OF BUSINESS

RECOMMENDATION NO. 11

SUBJECT: PUBLIC HEARING AND ADOPTION OF EDUCATION PROTECTION ACCOUNT (EPA) FUNDING AND EXPENDITURES

SUBMITTED BY: Vice-President, Business/Administration

REQUESTED ACTION: It is recommended that the Board of Trustees conduct a public hearing to receive comments on the Santa Monica Community College District’s Education Protection Account Funding and Expenditures.

SUMMARY: 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 sole 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. Each entity receiving funds must annually publish on its Internet web site an accounting of how much money was received from the EPA and how that money was spent. Additionally, the annual independent financial and compliance audit required of community colleges shall ascertain and verify whether the funds provided from the EPA have been properly disbursed and expended as required by law. Expenses incurred to comply with these additional audit requirements may be paid from the EPA.

Since the District now has the information needed to make a spending determination, this recommendation is submitted to comply with the Chancellor’s Office and Proposition 30 provision requiring the governing board to make the spending determination in an open session of a public meeting of the governing board. The estimated EPA funds that the Santa Monica Community College District will receive are $16,486,930 and the entire amount will be spent in the category of instructional salaries. The EPA funds are NOT additional funds but rather are components of the “computational revenue” calculations.

PUBLIC HEARING: Open Public Hearing: 8:56 p.m.
Motion Made By: Andrew Walzer
Seconded By: David Finkel
Student Advisory: Aye
Ayes: 5
Noes: 0
Absent: 2 (Quiñones-Perez, Rader)
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<tr>
<th>Activity Classification</th>
<th>Activity Code</th>
<th>Salaries and Benefits (Obj 1000-3000)</th>
<th>Operating Expenses (Obj 4000-5000)</th>
<th>Capital Outlay (Obj 6000)</th>
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