

BOARD OF TRUSTEES	ACTION
SANTA MONICA COMMUNITY COLLEGE DISTRICT	September 1, 2020

MAJOR ITEMS OF BUSINESS

RECOMMENDATION NO. 22

SUBJECT: ADOPTION OF EDUCATION PROTECTION ACCOUNT (EPA-PROP 55, AN EXTENSION OF PROP 30) EXPENDITURE PLAN

SUBMITTED BY: Vice President, Business and Administration

REQUESTED ACTION: It is recommended that the Board of Trustees approve the plan to expend the 2019-2020 Education Protection Account (EPA) funds of \$9,818,322 on instructional salaries.

SUMMARY: The EPA Expenditure Plan was previously approved at the Board of Trustees meeting August 4, 2020. On August 14, 2020, the California Chancellor’s office of Community Colleges released a revised 2019-2020 P2 Apportionment Report, therefore, the expenditure plan has been revised.

Proposition 55, The California Children’s Education and Health Care Protection Act of 2016, which was an extension of Proposition 30, temporarily raises the income tax rate for upper-income-earners (over \$250,000 for single filers, over \$500,000 for joint filers, and over \$340,000 for heads of households) through 2030-2031 to fund the State’s Educational Protection Account which provides funding for local school districts and community colleges.

Under Proposition 55, 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 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 by the EPA have been properly disbursed and expended as required by law.

This recommendation is submitted to comply with Proposition 55 provisions requiring the governing board to make the spending determination in an open session of a public meeting of the governing board. The estimated EPA that our District will receive for 2019-2020, as of P2, is \$10,071,579. Accordingly, the amount of EPA funds as of the recalculation of apportionment for 2018-2019 decreased from the P2 amount of \$19,523,072 to \$19,269,815 or a decrease of \$253,257. The entire amount for 2019-2020 less the adjustment in 2018-2019 will be spent on instructional salaries. The EPA funds are NOT additional funds but rather are components of the “computational revenue” calculations and will be offset by a decrease in apportionment funding received by the State.

MOTION MADE BY: Louise Jaffe
 SECONDED BY: Susan Aminoff
 STUDENT ADVISORY: Aye
 AYES: 7
 NOES: 0

CALIFORNIA COMMUNITY COLLEGES
Annual Financial and Budget Report

Details of Education Protection Account

For Actual Year: 2019-2020

District ID: 780

Name: SANTA MONICA

EPA Revenue	9,818,322
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Activity Classification	Activity Code	Salaries and Benefits (Obj 1000-3000)	Operating Expenses (Obj 4000-5000)	Capital Outlay (Obj 6000)	Total
Instructional Activities	0100-5900	10,071,579	0	0	10,071,579
TOTAL		10,071,579	0	0	10,071,579