

Agenda Item:	III G: Action Item
Date:	June 7, 2024
To:	Magnolia Educational & Research Foundation dba Magnolia Public Schools (“MPS”) Board of Directors (the “Board”)
From:	Alfredo Rubalcava, CEO & Superintendent
Staff Lead(s):	Steve Budhrajia Ed.D, Chief Financial Officer
RE:	Approval of 2024-25 Education Protection Act (EPA) Spending Resolution for MPS

Action Proposed:

I move that the Board approve the Resolution for the Education Protection Act for the 2024-25 School Year.

Background:

The Education Protection Account (EPA) was created in November 2012 by Proposition 30, the Schools and Local Public Safety Protection Act of 2012, and it was implemented in 2013. The EPA is governed by Section 36 of Article XIII of the California Constitution, which was amended by Proposition 55 in November 2016.

The EPA is the way for the State to collect and distribute funds that are generated by the tax increases related to personal income and sales tax as authorized by Proposition 30. Similar to local property taxes, local education agencies’ (LEAs) State Aid is reduced by one dollar for each dollar received from the EPA. California Education Code requires that LEAs adopt an EPA resolution annually as part of receipt for Local Control Formula Funding (LCFF).

Budget Implications:

All projected EPA funding is included in the 2024-25 Adopted Budget in accordance with the California Education Code.

Exhibits (Attachments):

Resolution for the Education Protection Act for the 24/25 school year.



RESOLUTION REGARDING THE EDUCATION PROTECTION ACCOUNT (EPA)

WHEREAS,the voters approved Proposition 30 on November 6, 2012;

WHEREAS, Proposition 30 added Article XIII, Section 36 to the California Constitution effective November 7, 2012;

WHEREAS,the provisions of Article XIII, Section 36(e) create in the state General Fund an Education Protection Account to receive and disburse the revenues derived from the Incremental increases in taxes imposed by Article XIII, Section 36(f);

WHEREAS,before June 30th of each year,the Director of Finance shall estimate the total amount of additional revenues less refunds that will be derived from the incremental increases in tax rates made pursuant to Article XIII, Section 36(f) that will be available for transfer into the Education Protection Account during the next fiscal year;

WHEREAS,if the sum determined by the State Controller is positive, the State Controller shall transfer the amount calculated into the Education Protection Account within ten days preceding the end of the fiscal year;

WHEREAS,all monies in the Education Protection Account are hereby continuously appropriated for the support of school districts, county offices of education, charter schools and community college districts;

WHEREAS,monies deposited in the Education Protection Account shall not be used to pay any costs incurred by the Legislature, the Governor or any agency of state government;

WHEREAS, a community college district, county office of education, school district, or charter school shall have the sole authority to determine how the monies received from the Education Protection Account are spent in the school or schools within its jurisdiction;

WHEREAS, the governing board of the district shall make the spending determinations with respect to monies received from the Education Protection Account in open session of a public meeting of the governing board;

WHEREAS, the monies received from the Education Protection Account shall not be used for salaries or benefits for administrators or any other administrative cost;

WHEREAS, each community college district, county office of education, school district and charter school shall annually publish on its internet website an accounting of how much money was received from the Education Protection Account and how that money was spent;

WHEREAS, the annual independent financial and compliance audit required of community college districts, county offices of education, school districts and charter schools shall ascertain and *verify* whether the funds provided from the Education Protection Account have been properly disbursed and expended as required by Article XIII, Section 36 of the California Constitution;

WHEREAS, expenses incurred by community college districts, county offices of education, school districts and charter schools to comply with the additional audit requirements of Article XIII, Section 36 may be paid with funding from the Education Protection Act and shall not be considered administrative costs for purposes of Article XIII, Section 36.

NOW; THEREFORE, IT IS HEREBY RESOLVED;

1. The monies received from the Education Protection Account shall be spent as required by Article XIII, Section 36 and the spending determinations on how the money will be spent shall be made in open session of a public meeting of the governing board of Magnolia Public Schools.
2. In compliance with Article XIII, Section 36(e), with the California Constitution, the governing board of the Magnolia Public Schools has determined to spend the monies received from the Education Protection Act as attached.

Board President

Date