

Board of Trustees Agenda Item

Board Meeting Date: 12/10/12

Title of Item:

Update on Proposition 30, Education Protection Account

Background and Analysis:

The successful passage of Prop. 30 brings welcome relief and negates the need to make much deeper, painful budget cuts than our district is already facing. However, the language in Prop. 30 has several “strings” attached that community colleges will need to be aware of and prepared to respond to as required.

With the passage of Prop. 30, revenue generated from new taxes will now be distributed under the umbrella of the Education Protection Account (EPA). This will add complexity to the way community colleges are funded. Prior to Prop. 30, community college funding was coming from three sources: property taxes, student fees and state general fund apportionment. With the passage of Prop. 30, some of the state general fund apportionment will be reduced and another category, EPA, will supplement the funding. The language of Prop. 30 requires that each local educational agency:

- have sole authority to determine how the moneys received from the Education Protection Account are spent in the school or schools within its jurisdiction, provided
- the appropriate governing board or body shall make these spending determinations in open session of a public meeting of the governing board or body and shall not use any of the funds from the Education Protection Account for salaries or benefits of administrators or any other administrative costs
- 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
- shall, in addition to all other requirements of law, ascertain and verify through the annual independent audit whether the funds provided from the Education Protection Account have been properly disbursed and expended as required by this section

The State Chancellor’s Office is working on providing a detailed interpretation of the language included in Prop. 30 and will be distributing more complete information in the near future. This is important as all districts will be required to modify their financial reporting for the current fiscal year and we are already nearly half way through the fiscal year.

The District Business Office will be closely monitoring the situation as more concrete information becomes available and will regularly update the board on our progress towards meeting all reporting requirements for the Prop. 30 Education Protection Account.

Recommendation: (specify if information only)

Information only

Submitted by: Kevin McElroy Additional contact names: Is backup provided? No
--