

BOARD OF TRUSTEES	ACTION
Santa Monica Community College District	August 2, 2016

MAJOR ITEMS OF BUSINESS

RECOMMENDATION NO. 2

SUBJECT: **PUBLIC HEARING AND ADOPTION OF EDUCATION PROTECTION ACCOUNT (EPA-PROP 30) FUNDING AND EXPENDITURES – TO REFLECT THE REVISED AMOUNT IDENTIFIED IN THE SECOND PRINCIPAL APPORTIONMENT (P2)**

SUBMITTED BY: Vice-President, Business and 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 (Proposition 30) Funding and Expenditures and to approve the plan to expend the Education Protection Account (EPA) funds of \$16,715,978 on instructional salaries.

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. 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.

This recommendation is submitted to comply with the Chancellor’s Office and with Proposition 30 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 funds that our District will receive decreased from \$16,894,391 to \$16,715,978 as of P2 and the entire amount will be spent on instructional salaries. The EPA funds are NOT additional funds but rather are components of the “computational revenue” calculations.

PUBLIC HEARING OPENED: 7:59 p.m.
PUBLIC COMMENTS: None
PUBLIC HEARING CLOSED: 7:59 p.m.

MOTION MADE BY: Barry Snell
SECONDED BY: Susan Aminoff
STUDENT ADVISORY: Aye
AYES: 5
NOES: 0
ABSENT: 2 (Greenstein, Quiñones-Perez)

CALIFORNIA COMMUNITY COLLEGES
Annual Financial and Budget Report

Details of Education Protection Account

For Actual Year: 2015-2016

District ID: 780

Name: SANTA MONICA

EPA Revenue	16,739,367
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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	16,739,367	0	0	16,739,367
TOTAL		16,739,367	0	0	16,739,367