BE IT RESOLVED , that Palo Verde Community College District Board of Trustees approves the authorization to use the estimated $1,857,137 of Educational Protection Account proceeds resulting from the passage of Proposion 30 to partially fund instruction.

BACKGROUND:

Proposition 30, The Schools and Local Public Safety Protection Act of 2012 passed in November 2012. This proposition temporarily raised the sales and use tax by .25 cents and raised the income tax rate for high income earners ($250,000 for individuals and $500,000 for couples) to provide continuing funding for local school districts and community colleges.

Per Proposition 30, a community college has the sole authority to determine how the moneys received from the Education Protection Act (EPA) are spent, provided that the governing board shall make these spending determinations in open session of a public meeting of the governing board and shall not use any of the funds from the EPA for administrative salaries and benefits or any other administrative costs. Futhermore, each entity receiving funds shall 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.

We have now received an estimate of the amount of money we will receive from the EPA in June. We have also received final instructions and a copy of the new report to be added to the CCSF-311, Annual Financial & Budget Report, regarding how the EPA funds was received.

Since we now have the information needed to make a spending determination, we are submitting this agenda item to comply with the 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 our District will receive are $1,857,137 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" calculation.

The attached form identifying this $1,857,137 as proceeds from the EPA and the District's intent to use these funds for the classroom instructional salaries, will be posted to the District's Internet web site to meet the web site posting requirements. This same form will be updated at year end with actual figures and will be audited as part of the District's annual financail and compliance audit.

CALIFORNIA COMMUNITY COLLEGES

Annual Financial and Budget Report

SUPPLEMENTAL DATA

Schools and Local Public Safety Protection Act

Prop 30 EPA Expenditure Report

For Actual Year: 2012-2013 Budget Year: 2013-2014 District ID: 820 Name: Citrus Community College District

Activity Classification	Activity Code			Unrestricted	
EPA Proceeds:	8630				1,857,137
Activity Classification	**Activity Code**	**Salaries and Benefits (1000 - 3000)**	**Operating Expenses (4000 - 5000)**	**Capital Outlay (6000)**	**Total**
Insructional Activities	0100-5900	1,857,137			1,857,137
Other Support Activities (list below)	6XXX				
Total Expenditures for EPA*		1,857,137	0	0	1,857,137
Revenues less Expenditures					0

***Total Expenditures for EPA may not include Administrator Salaries and Benefits or other administrative costs.**