

Sacramento Valley Charter School Education Protection Account (EPA) 2020-21

The creation of the Education Protection Account (EPA) by Proposition 30, *The Schools and Local Public Safety Protection Act of 2012*, approved by the voters on November 6, 2012, temporarily increased the state's sales tax rate for all taxpayers and the personal income tax rates for upper-income taxpayers.

Revenues generated from Proposition 30 are deposited into state account called the EPA and local agencies have the sole authority to determine how the funds received from the EPA are spent, with these provisos:

- The spending plan must be approved by the governing board during a public meeting
- EPA funds cannot be used for the salaries or benefits of administrators or any other administrative costs
- Each year, the local agency must publish on its website an accounting of how much money was received from the EPA and how the funds were expended

EPA funds are not additional revenue; it is an offset to the Revenue Limit. Approximately 20% of the school's total deficated revenue limit must be accounted for under the new SACS resource code 1400.

In addition to the above requirements, the school's annual financial audit must include verification that the EPA funds were used as specified by Proposition 30. There were no findings for EPA in the audit report.

At its June 24, 2020 meeting, the board approved the 2020-21 spending plan to use estimated EPA funds of \$328,738 for teacher salaries. An increase of \$690 for 2019-20 is included in the 2020-21 total revenue and expense. The revenue was received and the expenditures were applied by the end of the fiscal year. Due to a major increase in statewide EPA revenue, EPA.funds exceeded teachers salaries so the excess funding was used toward the cost of teachers' Social Security and Medicare statutory benefit costs.

2020-21 EPA Revenue and Expenditure Final Results

<u>REVENUE</u>	SACS Resource	SACS Object	
20% RL Redirected to EPA	1400	8012	\$876,773.00
 <u>EXPENDITURES</u>			
Teacher salaries (non-admin)	1400	1100	\$848,244.54
Teachers OASDI(non-admin)	1400	3301	<u>\$ 28,528.46</u>
			<u>\$876,773.00</u>

All EPA funds were expended on non-administrative costs.