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OAKLAND UNIFIED
SCHOOL DISTRICT

Community Schools, Thriving Students

Memo

To Board of Education
 From Tony Smith, Ph.D., Superintendent
 By Maria Santos, Deputy Superintendent, Instruction, Leadership & Equity-in-Action
 Vernon Hal, Deputy Superintendent, Business & Operations *EA*
 Board Meeting Date May 8, 2013
 Subject Approval of Fiscal Year 2012-13 Spending Plan for Education Protection Account (Proposition 30 Fund)

Action Requested Approval of the spending plan for Proposition 30 funds for Fiscal Year 2012-13.

Background On November 6, 2012, voters approved Proposition 30: The Schools and Local Public Safety Protection Act of 2012. Pursuant to Article XIII, Section 36 of the California Constitution, each school district, charter school, county offices of education, and community college district are required to determine how the funds received from the Education Protection Account (EPA) will be spent in the schools within its jurisdiction, provided that the governing board makes the spending determinations in an open session of a public meeting (see Exhibit "A"). The language in the constitutional amendment requires that funds shall not be used for the salaries and benefits of administrators or any other administrative costs.

Discussion
One paragraph summary of the scope of work. Due to the annual requirement for board action and the fact that EPA apportionments will not be certified until late in the 2012-13 fiscal year, the Alameda County Office of Education directed District staff to estimate EPA revenue based on an established formula. Oakland Unified School District estimated its EPA allocation by multiplying the total 2012-13 deficated revenue limit by 20% (see Exhibit "B" attached). The California Department of Education created a new unrestricted resource code 1400 to be used for tracking revenue and expenditures for the EPA fund.

Recommendation Approval of Fiscal Year 2012-13 Spending Plan for Education Protection Account (Proposition 30 Fund)

Fiscal Impact A copy of Oakland Unified School District's EPA report for revenue and expenditures through June 30, 2013 is attached as Exhibit "A"

Attachments

- EXHIBIT "A" (2012-13 EPA Estimated Revenue and Expenditure Plan)
- EXHIBIT "B" (2012-13 EPA Estimated Revenue Calculations)

**RESOLUTION
OF THE
GOVERNING BOARD
OF THE
OAKLAND UNIFIED SCHOOL DISTRICT**

RESOLUTION NO. 1213-0160

**SPENDING OF THE EDUCATION PROTECTION ACT – PROPOSTION 30
FUNDS – FISCAL YEAR 2012-2013**

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, 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 Oakland Unified School District; In compliance with Article XIII, Section 36(e), with the California Constitution, the Governing Board of the Oakland Unified School District has determined to spend the monies received from the Education Protection Act, as listed in Exhibit "A," attached.

PASSED AND ADOPTED at a Regular Meeting of Board of Education of the Oakland Unified School District on this 22th day of May, 2013 by the following vote:

AYES: Jody London, Christopher Dobbins, James Harris, Roseann Torres
Vice President Jumoke Hinton Hodge, President David Kakishiba

NAYES: None

ABSTAIN: None

ABSENT: None

I hereby certify that the foregoing is a full, true and correct copy of a Resolution passed at Regular Meeting of the Board of Education of the Oakland Unified School District held May 22, 2013.



Edgar Rakestraw, Jr.
Secretary of the Board of Education

EXHIBIT "A"

2012-13 Education Protection Account Program by Resource Report (Detail Expenditures by function)

Oakland Unified School District
Expenditures through: June 30, 2013
For Fund 01, Resource 1400 Education Protection Account

Description	Object Codes	Amount
AMOUNT AVAILABLE FOR THIS FISCAL YEAR		
Adjusted Beginning Fund Balance	9791-9795	0.00
Revenue Limit Sources	8010-8099	39,566,361.00
Federal Revenue	8100-8299	0.00
Other State Revenue	8300-8599	0.00
Other Local Revenue	8600-8799	0.00
All Other Financing Sources and Contributions	8900-8999	0.00
Deferred Revenue	9650	0.00
TOTAL AVAILABLE		39,566,361.00
EXPENDITURES AND OTHER FINANCING USES		
(Objects 1000-7999)		
Instruction	1000-1999	39,566,361.00
Instruction-Related Services		
Instructional Supervision and Administration	2100-2150	0.00
AU of a Multidistrict SELPA	2200	0.00
Instructional Library, Media, and Technology	2420	0.00
Other Instructional Resources	2490-2495	0.00
School Administration	2700	0.00
Pupil Services		
Guidance and Counseling Services	3110	0.00
Psychological Services	3120	0.00
Attendance and Social Work Services	3130	0.00
Health Services	3140	0.00
Speech Pathology and Audiology Services	3150	0.00
Pupil Testing Services	3160	0.00
Pupil Transportation	3600	0.00
Food Services	3700	0.00
Other Pupil Services	3900	0.00
Ancillary Services	4000-4999	0.00
Community Services	5000-5999	0.00
Enterprise	6000-6999	0.00
General Administration	7000-7999	0.00
Plant Services	8000-8999	0.00
Other Outgo	9000-9999	0.00
TOTAL EXPENDITURES AND OTHER FINANCING USES		39,566,361.00
BALANCE (Total Available minus Total Expenditures and Other Financing Uses)		0.00

EXHIBIT "B"

Education Protection Account Entitlement and Second Principal Apportionment Payment Calculator 2012-13 Fiscal Year

General Instructions:

This worksheet is only applicable to school districts. A county office of education or charter school should select the appropriate tab located at the bottom of this workbook.

The calculator was created by the California Department of Education (CDE) to help school districts estimate their 2012-13 Education Protection Account (EPA) entitlement and the resulting impact on their 2012-13 Second Principal Apportionment (P-2) revenue limit state aid, and to estimate cash flow for those programs.

A user may not change to a different school district once any data has been overwritten because data input cells do not clear. A new version must be started or click on the "Reset to P-1 Data" button. Before selecting a new school district you may save the current school district's version to your local drive for future reference.

Section 1 calculates a district's estimate of EPA funding using 2012-13 First Principal Apportionment (P-1) certified data that has been preloaded into the Excel workbook. Before using the calculator verify that the information populated in the non-calculated fields below matches the P-1 data for the school district. A user may choose to overwrite any non-calculated field with their own 2012-13 P-2 estimates. In addition to calculating an EPA funding estimate, Section 1 will provide a user with an estimated net revenue limit state aid amount for P-2. This amount will transfer to Line A-2, School District Revenue Limit State Aid in Section 2 and will be used to estimate the district's 2012-13 P-2 Apportionment total. Section 3 provides cash flow estimates of the EPA funding and Principal Apportionment State Aid for 2012-13 fiscal year funds paid in June 2013 to August 2013 for the selected school district. Section 3 does not provide cash flow estimates for 2013-14 fiscal year funds.

The line number references in Section 1 match the specific lines and calculations of the school district revenue limit exhibit that are used for the EPA calculations. Step 1 through 4 in Section 1 reflects the calculations to determine a school district's EPA Entitlement. This amount will be used to calculate the net revenue limit state aid amount paid through the Principal Apportionment.

Column K provides specific instructions to the user about various data elements.

SELECT A SCHOOL DISTRICT	
County: Alameda	District: Oakland Unified School District
SECTION 1 - EPA ESTIMATE AND NET STATE AID	

<u>School District Revenue Limit Exhibit</u>		
Line E-1	Total Revenue Limit	\$ 197,831,807
Line E-2	Local Revenue	\$ 64,938,703
Line E-3	Charter School General Purpose Block Grant Offset	\$ 5,595,119
Line E-4	Gross State Aid (E-1 - E-2 - E-3; if < 0, E-4 = 0)	\$ 127,297,985
	EPA Entitlement Calculation	
Step 1 - EPA Proportionate Share Calculation		\$ 39,566,361
	20% of Revenue Limit (Line E-1)	
Step 2 - Calculate EPA Minimum		
	ADA	35,959,87
	Minimum \$200 per ADA	\$ 7,191,974
Step 3 - Adjust EPA Entitlement		
	Adjusted EPA Entitlement, Lesser of Gross State Aid (Line E-4) or the Proportionate Share Calculation (Step 1)	\$ 39,566,361
Step 4 - Estimated EPA Entitlement		
	Estimated EPA Entitlement (greater of the EPA minimum (Step 2) or the Adjusted EPA amount (Step 3); this amount transfers to Line G-1)	\$ 39,566,361
Line G-1	Estimated 2012-13 EPA Entitlement (Step 4)	\$ 39,566,361
Line G-2	Estimated P-2 Net Revenue Limit State Aid (E-4 - G-1; if < 0, G-2 = 0)	\$ 87,731,624

SECTION 2 - SECOND PRINCIPAL APPORTIONMENT ESTIMATE	
Section 2 provides a list of all programs included in the Principal Apportionment and is preloaded with the district's 2012-13 P-1 certified data or data from Section 1.	

Line A-1	County Office of Education Revenue Limit State Aid	\$ -
Line A-2	School District Revenue Limit State Aid (Includes County Office Funds to be transferred)	\$ 87,731,624
Line A-3	Charter School General Purpose Entitlement State Aid	\$ -
Line A-4	Charter School Categorical Block Grant	\$ -
Line A-5	Charter School In-Lieu of Economic Impact Aid	\$ -
Line A-6	Core Academic Program (Supplemental Instruction, Grades K-12)	\$ 130,428
Line A-7	Remedial Program (Supplemental Instruction, Grades 7-12)	\$ 175,387
Line A-8	Retained and Recommended for Retention (Supplemental Instruction, Grades 2-9)	\$ 73,884
Line A-9	Low STAR Score and at Risk of Retention (Supplemental Instruction, Grades 2-6)	\$ 5,121
Line A-10	Apprenticeship	\$ -
Line A-11	Community Day School Additional Funding	\$ 26,245
Line A-12	Community Day School Additional Funding for Mandatory Expelled Pupils	\$ 112,562
Line A-13	Basic Aid "Choice"	\$ -
Line A-14	Basic Aid Court-Ordered Voluntary Pupil Transfer	\$ -
Line A-15	Basic Aid Open Enrollment	\$ -
Line A-16	Basic Aid Supplement Charter School Adjustment	\$ -
Line A-17	Gifted and Talented Education	\$ 248,006
Line A-18	Regional Occupational Centers/Programs	\$ 1,316,324
Line A-19	Adult Education	\$ 10,667,466
Line A-20	Adults in Correctional Facilities	\$ -
Line A-21	Special Education AB 602	\$ 23,545,405
Line A-22	Special Education Infants 0-2	\$ -
Line A-23	Special Education ROC/P Handicapped	\$ -
Line A-24	Total County Office Funds Transfer	\$ -
Line A-25	New or Expanding Charter Advance Payments Block Grant	\$ -
Line A-26	New or Expanding Charter Advance Payments Categorical Block Grant	\$ -
Line A-27	New Charter Advance Payments In-Lieu of Economic Impact Aid	\$ -
Line A-28	School District Advance Payments of In-Lieu Property Tax Transfers for New or Expanding Charter Schools	\$ (1,348,314)
Line A-29	Amount Charter Overpaid	\$ -
Line A-30	PY Amount Charter Overpaid	\$ -
Line A-31	Adjustments and PY Recomputations	\$ (4,634,157)
Line A-32	Basic Aid Reduction	\$ -
Line B-1	Total Principal Apportionment	\$ 118,049,981