

**ONTARIO-MONTCLAIR SCHOOL DISTRICT**  
Ontario, California

June 17, 2021

**TO:** Elvia M. Rivas, President and Board of Trustees

**FROM:** James Q. Hammond, Superintendent

**SUBJECT:** Adoption of Resolution 2020-21-74, Education Protection (EPA) Funding and Spending Determinations for the 2021-2022 Fiscal Year

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**REQUESTED ACTION**

Approve the Adoption of Resolution 2020-21-74, Education Protection Account (EPA) Funding and Spending Determinations for the 2021-2022 Fiscal Year.

**BACKGROUND INFORMATION**

The Education Protection Account (EPA) was created in November 2012 by Proposition 30, The Schools and Local Public Safety Protection Act of 2012, and was implemented in 2013. The EPA is governed by Section 36 of Article XIII of the California Constitution, which was amended by Proposition 55 in November 2016. In essence, Section 36 temporarily increases the state's sales tax rate for all taxpayers and the personal income tax rates for upper-income taxpayers. The revenue generated by the measure's temporary tax increases is included in the calculations of the Proposition 98 minimum guarantee - raising the guarantee by billions of dollars each year. A portion of the new revenues therefore would be used to support increased school funding, with the remainder helping to balance the state budget.

The revenues generated from Section 36 of Article XIII of the California Constitution are deposited into a state account called the Education Protection Account. Of the funds in the account, 89 percent is provided to K-12 education and 11 percent to community colleges. Resolution 2020-21-74, Education Protection Account (EPA) Funding and Spending Determinations for the 2021-2022 Fiscal Year (Exhibit A) approves the set up of the EPA funding account and spending determinations in compliance with Article XIII, Section 36.

Staff recommends all EPA revenues allocated to the Ontario-Montclair School District be spent on Instruction activities (Exhibit B). Due to the annual requirement for board action and the fact EPA apportionments will not be certified until the 2021-2022 fiscal year, districts must estimate EPA revenue at this time.

Prepared by: Phil Hillman, Chief Business Official

**FINANCIAL IMPLICATIONS**

The estimated allocation of EPA revenues to the Ontario-Montclair School District is \$36,982,330 of which staff recommends all be spent on 'Instruction' activities.

Reviewed by: Phil Hillman, Chief Business Official

**Adoption of Resolution No. 2020-21-74, Education Protection Account (EPA) Funding and Spending Determinations for the 2021-2022 Fiscal Year**

June 17, 2021

**SUPERINTENDENT'S RECOMMENDATION**

The Superintendent recommends the Board adopt Resolution 2020-21-74, Education Protection Account (EPA) Funding and Spending Determinations for the 2021-2022 Fiscal Year.

Approved by: James Q. Hammond, Superintendent

A handwritten signature in black ink, appearing to read "J. Q. Hammond", is written over a horizontal line. The signature is cursive and somewhat stylized.

**ONTARIO-MONTCLAIR SCHOOL DISTRICT**  
Ontario, California

**June 17, 2021**

**Resolution No. 2020-21-74**

**EDUCATION PROTECTION ACCOUNT (EPA) FUNDING  
AND SPENDING DETERMINATIONS FOR THE 2021-2022 FISCAL YEAR**

**WHEREAS**, the voters approved Proposition 30 on November 6, 2012; and Proposition 55 on November 8, 2016; and

**WHEREAS**, Proposition 30 added Article XIII, Section 36 to the California Constitution effective November 7, 2012 (sun setting 12/31/2017), and Proposition 55 Article XIII, Section 36(e) to the California Constitution effective November 8, 2016 (commencing 01/01/2018); and

**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); and

**WHEREAS**, before June 30<sup>th</sup> of each year, the Chief Financial Officer 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; and

**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; and

**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; and

**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; and

**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; and

**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; and

**WHEREAS**, the monies received from the Education Protection Account shall not be used for salaries or benefits for administrators or any other administrative cost; and

**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; and

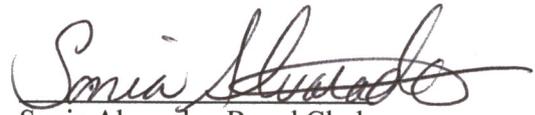
**WHEREAS**, the annual independent financial and compliance audit required of community college districts, county offices of education, school districts and charter schools shall ascertain and verify whether the funds provided from the Education Protection Account have been properly disbursed and expended as required by Article XIII, Section 36 of the California Constitution; and

**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:**

1. 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 the Ontario-Montclair School District;
2. In compliance with Article XIII, Section 36(e), with the California Constitution, the governing board of the Ontario-Montclair School District has determined to spend the monies received from the Education Protection Act as attached.

DATED: June 17, 2021.

  
Sonia Alvarado, Board Clerk

2021-2022  
 Ontario-Montclair School District  
 Education Protection Account  
 Program by Resource Report  
 Expenditures by Function - Detail

**Expenditures through: June 30, 2022**  
**For Fund 01, Resource 1400 Education Protection Account**

Description	Object Codes	Amount
<b>AMOUNT AVAILABLE FOR THIS FISCAL YEAR</b>		
Adjusted Beginning Fund Balance	9791-9795	0.00
Local Control Funding Formula Sources	8010-8099	36,982,330.00
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
<b>TOTAL AVAILABLE</b>		<b>36,982,330.00</b>
<b>EXPENDITURES AND OTHER FINANCING USES</b>		
<b>(Objects 1000-7999)</b>		
Instruction	1000-1999	36,982,330.00
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
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>		<b>36,982,330.00</b>
<b>BALANCE (Total Available minus Total Expenditures and Other Financing Uses)</b>		<b>0.00</b>