



## EPA – EDUCATION PROTECTION ACCOUNT

### About the Education Protection Account:

With the November 2012 passage of Proposition 30, which temporarily increases the personal income tax rates for upper-income taxpayers and the sales tax rate for all taxpayers, the state officially established the Education Protection Account (EPA). Revenue generated from the increased taxes are deposited into the EPA and distributed to districts and charter schools on a quarterly basis.

While funds from the EPA are part of a district's or charter school's general purpose funding, Proposition 30 specifies that EPA funds may not be used for salaries or benefits of administrators or any other administrative costs.

From an accounting perspective, EPA revenue and expenditures must be coded separately (under a new resource code, 1400, created specifically for EPA funds) and from an operational perspective, governing boards must determine the use of EPA funds at an open public meeting. This determination must occur annually.

In FY 2018-19, EPA funds are estimated to be 17% of a school's total Local Control Funding Formula (LCFF) base rate. For PUEENTE Charter School, this equates to \$135,000. The spending plan for PUEENTE Charter School allocates these funds to support teacher salaries and benefits.