

**LAKE TAHOE UNIFIED SCHOOL DISTRICT
RESOLUTION NO. 2012-13-29
EDUCATION PROTECTION ACCOUNT 2012-13**

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 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;

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;

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, school district 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 Board of Education 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 school district 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 school districts 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 school districts 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 Board of Education of the Lake Tahoe Unified School District;

2. In compliance with Article XIII, Section 36(e), with the California Constitution, the Board of Education of the Lake Tahoe Unified School District has determined to spend the monies received from the Education Protection Act for certificated salaries and benefits.

PASSED AND ADOPTED by the Board of Education of the Lake Tahoe Unified School District, County of El Dorado, State of California, this 14th day of May by the following vote:

Ayes: **Bannar, David, Doyle, Green, Novasel**
Noes: **None**
Absent: **None**
Abstain: **None**



Barbara Bannar
Clerk of the Board

FROM 07/01/2012 TO 06/30/2013

UNAPPROVED TRANSACTIONS INCLUDED
 RESOURCE:1400 Education Protection Account

FUND :01 GENERAL FUND

| OBJECT CLASSIFICATION | APPROVED BUDGET | EXPENDED/RECEIVED | | ENCUMBERED BALANCE | UNENCUMBERED BALANCE |
|-------------------------------------|-----------------|-------------------|--------------|--------------------|----------------------|
| | | CURRENT | YEAR TO DATE | | |
| 8012 Education Protection Account | 0.00 | 4,063,161.00 | 4,063,161.00 | 0.00 | 4,063,161.00 |
| TOTAL: 8xxx | 0.00 | 4,063,161.00 | 4,063,161.00 | 0.00 | 4,063,161.00 |
| 1110 TEACHERS SALARIES | 0.00 | 3,222,875.66 | 3,222,875.66 | 0.00 | 3,222,875.66 |
| TOTAL: 1xxx | 0.00 | 3,222,875.66 | 3,222,875.66 | 0.00 | 3,222,875.66 |
| 3101 STRS-CERTIFICATED | 0.00 | 261,776.81 | 261,776.81 | 0.00 | 261,776.81 |
| 3321 MEDICARE-CERTIFICATED | 0.00 | 44,728.90 | 44,728.90 | 0.00 | 44,728.90 |
| 3401 HEALTH & WELFARE-CERTIFICATED | 0.00 | 442,903.23 | 442,903.23 | 0.00 | 442,903.23 |
| 3501 STATE UNEMPLOYMENT INS-CERT | 0.00 | 35,412.43 | 35,412.43 | 0.00 | 35,412.43 |
| 3601 WORKER'S COMP INS-CERTIFICATED | 0.00 | 55,463.97 | 55,463.97 | 0.00 | 55,463.97 |
| TOTAL: 3xxx | 0.00 | 840,285.34 | 840,285.34 | 0.00 | 840,285.34 |
| TOTAL: 1xxx - 5xxx | 0.00 | 4,063,161.00 | 4,063,161.00 | 0.00 | 4,063,161.00 |

California Proposition 30 (2012)

From Wikipedia, the free encyclopedia

Proposition 30, officially titled **Temporary Taxes to Fund Education**, is a California ballot measure that was decided by California voters at the state-wide election on November 6, 2012. The initiative is a measure to increase taxes to prevent US\$6 billion cuts to the education budget for California state schools.^{[2][3]} The measure was approved by California voters by a margin of 55 to 45 percent.

Proposition 30 provides for personal income tax increase over seven years for California residents with an annual income over US\$250,000, to be implemented retroactively starting January 1, 2012 through the end of 2018. The measure also provides for an increase in the state sales tax by 0.25 percent over four years (from January 1, 2013 through December 31, 2016).^[3]


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Campaigning

California governor Jerry Brown supported and campaigned for the passage of Proposition 30. The governor described the proposition as essential for preserving education funding, stating that "The California dream is built on great public schools and colleges and universities."^[4] The "Yes on 30" campaign raised US\$69 million in campaign funds.

The National Federation of Independent Business, the Small Business Action Committee, and the Howard Jarvis Taxpayers Association opposed the bill, arguing that the increased taxes would hurt small businesses and job growth.^[5]

| Proposition 30 | | |
|--|-------------------|----------------|
| Temporary Taxes to Fund Education | | |
| Election results | | |
| Yes or no | Votes | Percentage |
| <input checked="" type="checkbox"/> Yes | 7,014,114 | 55.37% |
| <input checked="" type="checkbox"/> No | 5,653,637 | 44.63% |
| Valid votes | 12,667,751 | 100% |
| Invalid or blank votes | 0 | 0% |
| Total votes | 12,667,751 | 100.00% |
| Election results by county | | |
|  <p>Prop 30</p> <p>■ Yes ■ No</p> | | |
| <input type="checkbox"/> Yes | | |
| <input type="checkbox"/> No | | |
| [1] | | |

Tax changes

Proposition 30 raised the statewide sales tax rate from 7.25% to 7.50%, effective January 1, 2013.^[6] Many local municipalities impose additional sales taxes on top of the standard statewide rate.^[6]

Marginal income tax rates remained unchanged for single filers under \$250,000; joint filers under \$500,000; and head of household filers under \$340,000, ranging from 1% to 9.3%^[7] Above these income thresholds, new marginal tax rates were created by the passage of Prop 30:^[8]

| New Marginal Tax Rates and Income Brackets for 2012 | | | |
|---|-------------------------------------|---|-----------------------|
| Marginal Tax Rate ^[7] | Single or Married Filing Separately | Married Filing Jointly or Qualified Widow(er) | Head of Household |
| 10.3% | \$250,001 – \$300,000 | \$500,001 – \$600,000 | \$340,001 – \$408,000 |
| 11.3% | \$300,001 – \$500,000 | \$600,001 – \$1,000,000 | \$408,001 – \$680,000 |
| 12.3% | \$500,001+ | \$1,000,001+ | \$680,001+ |

Prop 30 provides that, as with existing tax brackets, these income brackets shall be adjusted for inflation each year.^[8]

Revenue projections

According to the 2013-14 Governor's Budget Summary, released on January 10, 2013, Proposition 30 is estimated to increase personal income tax revenues by \$3.2 billion in fiscal year 2011–12, \$4.8 billion in FY 2012–13, and \$4.9 billion in FY 2013–14. It is estimated to increase sales and use tax revenues by \$611 million in FY 2012–13 and \$1.3 billion in FY 2013–14.^[9]

Relationship to Proposition 38

Proposition 30 conflicted with another measure on the November 6, 2012 ballot: Proposition 38. The Constitution of California specifies that if two conflicting measures both pass, the one with the most votes will go into effect where it conflicts with the one that receives the lesser number of votes, but that any provisions in the latter that don't conflict with the winning proposition will still go into effect.

Prop 30 provided that, if it passed with a greater number of votes, nothing in Prop 38 would go into effect. Because Proposition 38 failed, this provision was not enacted. Prop 38 provided that, if it passed with a greater number of votes, the tax-increase provisions of Prop 30 would not go into effect. Any provisions of Prop 30 not related to tax increases would still go into effect, such as the "trigger cuts" to expenditures.^[10]

References

- [^] "Statement of Vote" (<http://www.sos.ca.gov/elections/sov/2012-general/sov-complete.pdf>). California Secretary of State. Retrieved 15 December 2012.

Lake Tahoe Unified School District

Created : October 17, 2013 at 06:01 PM

Meeting: REGULAR BOARD MEETING : 10. DISCUSSION
AND ACTION

n. Approve Resolution 2012/13-29 Education Protection Account for 2012-13 (D) (V)

May 14, 2013

Status: Complete

Discussion Item

Motion Made By : Dr. Larry Green.

Motion Seconded By : Dr. Michael Doyle.

Quick Summary / Abstract

Pursuant to the passage of Proposition 30 in November 2012, sales and income tax rates were temporarily increased and an Education Protection Account (EPA) was created in the state General Fund to receive and disburse the additional tax revenues to local education agencies (LEAs). Additionally, it is now required that the Board of Education makes EPA spending determinations in an open session of a public meeting.

Administrator's Recommendation

The Superintendent respectfully requests that the Board of Education approve the Resolution 2012/13-29, Education Protection Account for 2012-13.

Background Information

As a result of the passage of Proposition 30 in November 2012, sales and income tax rates were temporarily increased and an Education Protection Account (EPA) was created in the state General Fund to receive and disburse the additional tax revenues to local education agencies (LEAs).

The amount received by each district, county office of education or charter school will be based on their proportionate share of the statewide revenue limit with a corresponding reduction to the LEA's state aid.

Proposition 30 language requires that:

- The district governing board makes EPA spending determinations in an open session of a public meeting.
- Funds shall not be used for the salaries and benefits of administrators or any other administrative costs.
- The district must annually post on its website an accounting of how much money was received from EPA and how that money was spent.

Current Considerations

Lake Tahoe Unified School District, in the past, uses state funding to support the 85% certificated salary and benefit costs of the District. Lake Tahoe will continue to use this new state funding source for salaries and benefits of certificated staff.

Financial Implications

None

Submitted By

Debra Yates, CFO

Associated File Attachments

 [Resolution 2012-13-29 Education Protection Account \(Files\)](#)

Minutes

Debra Yates explained that the District must annually declare how the money from Prop. 30 will be spent and post quarterly financials of the website. She stated that it will be spent on certificated salaries. Essentially, the District is receiving the same amount, but it's "just carved into a different pot, with its own restricted resource code".

Votes

Motion Made By : Dr. Larry Green.

Motion Seconded By : Dr. Michael Doyle.

Wendy David - **Yes**

Sue Novasel - **Yes**

Dr. Larry Green - **Yes**

Barbara Bannar - **Yes**

Dr. Michael Doyle - **Yes**