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East Side Union High School District

Governing Board Meeting

June 18, 2026

Agenda Item Details

East Side Union High School District

ADOPTED

Board of Trustees

mgunter 6/18/26

Agenda Item #: 13.01

Title:

Discussion and/or Action to Adopt Resolution #2025/2026-38 Pertaining to the Education Protection Account (EPA)

Submitted by:

Tom Huynh, Associate Superintendent of Business Services

Recommended Action:

It is recommended that the Board of Trustees approve the spending plan for the Education Protection Account (EPA) and adopt Resolution #2025/2026-38 Pertaining to the Education Protection Account (EPA).

Background:

The creation of the Education Protection Account (EPA) by Proposition 30 not only impacts cash flow patterns but also has an accountability component. Proposition 30 provides that all K-14 local agencies have the sole authority to determine how the funds received from the EPA are spent, but with these provisions:

- 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 cost
- 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

In addition, there will now be a requirement for the annual financial audit to include verification that the EPA funds were used as specified by Proposition 30. If EPA funds are not expended in accordance with the requirements of Proposition 30, civil or criminal penalties could be incurred.

District's Spending Plan: All EPA funds received in 2026-27 will be used solely to support instruction and instructional-related services.

As of the first principal apportionment for 2026-27, the District estimates to receive \$55.8 million. The District uses the EPA funds to pay teachers' salaries and benefits.

Presented to the Board of Trustees for approval is the spending plan for the Education Protection Account and the adoption of Resolution #2025/2026-38 Pertaining to the Education Protection Account (EPA).

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EPA Spending Plan

Projection for Fiscal Year Ended June 30, 2027

Projected Revenues

State Advance EPA Entitlement

\$ 55,803,280

Teacher Salaries and Benefits

Amount Spent for EPA Fund
with Resource Code 1400

\$ 55,803,280

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Adopt Resolution #2025/2026-38 Pertaining to the Education Protection Account (EPA)

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

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 to the California Constitution effective November 8, 2016 (commencing 01/01/2018);

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 the final fiscal year end 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 in to 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

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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, BE IT 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 East Side Union High School District;
2. In compliance with Article XIII, Section 36(e), with the California Constitution, the Governing Board of the East Side Union High School District has determined to spend the monies received from the Education Protection Act for fiscal years 2012-13 through 2029-30, solely on instruction and instructional- related services.

PASSED AND ADOPTED on June 18, 2026, by the Governing Board of the East Side Union High School District, County of Santa Clara, California, by the following vote:

AYES: 5

NOES: 0

ABSENT: 0

ABSTAIN: 0

I, J. Manuel Herrera, Clerk of the Governing Board of the East Side Union High School District of Santa Clara County, California, do hereby certify that the foregoing is a full, true and correct copy of a resolution adopted by the said Board at a meeting thereof held and by the vote stated.


Clerk of the Board
East Side Union High School District

East Side Union High School District

ADOPTED

Board of Trustees

Herrera 6-18-26