

Education Protection Account Fiscal Year 2013-2014

The Education Protection Account (EPA) funding is a component of a local educational agency's (LEA) total revenue limit or charter school general purpose entitlement. The creation of the 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 the following 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 costs
- 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.

As illustrated below, the Charters' estimated EPA for fiscal year 2013-2014 is comprised of approximately 17.91% of applicable revenues that result in EPA funds of \$2.45 million that must be spent in accordance with the above provisions. The EPA funds will be distributed in four (4) equal quarterly installments.

| HORIZON CHARTER SCHOOLS | | | |
|--|------------------|------------------|------------------|
| Education Protection Account (EPA) Proposed Spending Plan | | | |
| Fiscal Year Ending June 30, 2014 | | | |
| | HCS | PSCL | Total |
| Revenue: | | | |
| Carry-Over June 2013 | 1,643,149 | 1,642,854 | 3,286,003 |
| Estimated 2013 - 2014 | 1,376,641 | 1,073,285 | 2,449,926 |
| | 3,019,790 | 2,716,139 | 5,735,929 |
| Expenditures: | | | |
| Certificated Instructional Salaries | 2,393,149 | 2,148,854 | 4,542,003 |
| Certificated Instructional Benefits | 518,141 | 458,785 | 976,925 |
| Instructional Technology | 17,500 | 17,500 | 35,000 |
| Instructional OnLine Curriculum | 91,000 | 91,000 | 182,000 |
| | 3,019,790 | 2,716,139 | 5,735,928 |

Please note that the proposed spending (shown above) plan may adjust due to the Local Control Funding Formula (LCFF) changing during 2013-14. Upon further guidance from the State, the schedule will be adjusted accordingly and incorporated into the Charters' 2013-14 First Interim Report.

Even though no additional funds are realized for LEA's, there must be a process to recognize the uses of these funds; therefore, a Board Resolution has been created in order to meet compliance requirements.

**RESOLUTION 13-02 REGARDING THE
PARTNERSHIPS FOR STUDENT-CENTERED LEARNING
EDUCATION PROTECTION ACCOUNT**

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:

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 Partnerships for Student Centered Learning ;

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

DATED: October 17, 2013.


Board Member


Board Member


Board Member


Board Member


Board Member

Board Member

Board Member

2013-14 Education Protection Account
Program by Resource Report
Expenditures by Function - Detail
Partnerships for Student Centered Learning

Estimated Expenditures through: June 30, 2014
For Fund 02, Resource 1400 Education Protection Account

| Description | Object Codes | Amount |
|--|--------------|---------------------|
| AMOUNT AVAILABLE FOR THIS FISCAL YEAR | | |
| Adjusted Beginning Fund Balance | 9791-9795 | 1,642,854.00 |
| Revenue Limit Sources | 8010-8099 | 1,073,285.00 |
| 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 | | 2,716,139.00 |
| EXPENDITURES AND OTHER FINANCING USES | | |
| (Objects 1000-7999) | | |
| Instruction | 1000-1999 | 2,716,139.00 |
| 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 | | 2,716,139.00 |
| BALANCE (Total Available minus Total Expenditures and Other Financing Uses) | | 0.00 |

**RESOLUTION 13-01 REGARDING THE HORIZON CHARTER SCHOOL
EDUCATION PROTECTION ACCOUNT**

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;

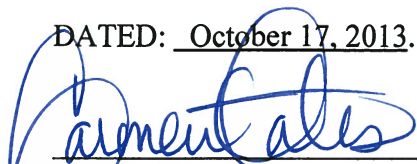
WHEREAS, expenses incurred by community college districts, county offices of education, school districts and charter schools to comply with the additional audit requirements of Article XIII, Section 36 may be paid with funding from the Education Protection Act and shall not be considered administrative costs for purposes of Article XIII, Section 36.

NOW, THEREFORE, IT IS HEREBY RESOLVED:

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 Horizon Charter School;

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

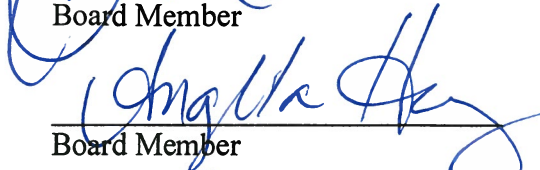
DATED: October 17, 2013.



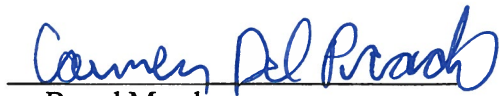
Board Member



Board Member



Board Member



Board Member



Board Member

Board Member

Board Member

2013-14 Education Protection Account
Program by Resource Report
Expenditures by Function - Detail
Horizon Charter School

Estimated Expenditures through: June 30, 2014
For Fund 09, Resource 1400 Education Protection Account

| Description | Object Codes | Amount |
|--|--------------|---------------------|
| AMOUNT AVAILABLE FOR THIS FISCAL YEAR | | |
| Adjusted Beginning Fund Balance | 9791-9795 | 1,643,149.00 |
| Revenue Limit Sources | 8010-8099 | 1,376,641.00 |
| 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 | | 3,019,790.00 |
| EXPENDITURES AND OTHER FINANCING USES | | |
| (Objects 1000-7999) | | |
| Instruction | 1000-1999 | 3,019,790.00 |
| 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 | | 3,019,790.00 |
| BALANCE (Total Available minus Total Expenditures and Other Financing Uses) | | 0.00 |