

## Odyssey Charter Schools

### 2018-19 Education Protection Account (EPA) Spending Plan

**Proposed Action Item:**

*Using a 2018–19 EPA revenue amount of approximately \$7.3 billion, the CDE calculated estimated EPA entitlements using a factor of 28.13512027 percent based on the statewide total of revenue limits and charter school block grant funding as of the 2017–18 Second Principal Apportionment. Each LEA’s EPA entitlement was then reduced so that funding from local property taxes and the EPA combined did not exceed the LEA’s adjusted revenue limit or charter school general purpose funding, provided that each LEA received the minimum EPA funding of \$200 per unit of ADA. For most LEAs, EPA funding offsets LCFF state aid allocated through the Principal Apportionment.*

*These funds will support instructional program expenditures (e.g. teacher salaries). Funds will not be used to support school administration and other EPA non-allowable expenses.*

**Education Protection Account Information:**

With the 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 later distributed to districts and charter schools.

For the 2018-19 fiscal year, EPA funds will be allocated 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, and object code 8012 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. 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.

<b>Odyssey Charter School Estimated Entitlement FY18-19</b>	\$681,495
<b>OCS-South Estimated Entitlement FY18-19</b>	\$28,500

It is proposed that EPA funds be used to cover salary and benefit costs of non-administrative certificated staff and be allocated to instructional program expenditures (teacher’s salaries).

School Site	Position	#of Employees	Costs	EPA Allocation	Cost Description
Odyssey	Classroom Teachers	18	\$1,019,893	\$627,125	17-18 Actuals
Odyssey	Classroom Teachers	18	\$1,139,412	\$681,495	18-19 Est.Actuals
OCS-South	Classroom Teachers	8	\$437,000	\$28,500	18-19 Est.Actuals