

CERRITOS COLLEGE
Regular Meeting of the Board of Trustees

Meeting Date: **April 11, 2018**
Agenda Item No. 30

FROM: _____
Dr. Jose Fierro
President/Superintendent

REVIEWED BY: _____
Felipe R. Lopez
Vice President of Business Services/
Assistant Superintendent

PREPARED BY: _____
Noorali Delawalla
Director of Fiscal Services

SUBJECT: Consideration of Approval of Resolution #18-0411B to Approve the Use of Education Protection Account Proceeds Resulting From the Passage of Proposition 30 and 55

ACTION

It is recommended that the Board of Trustees approve Resolution #18-0411B authorizing the use of an estimated \$12,492,805 of Education Protection Account proceeds resulting from the passage of Proposition 30 to partially fund instructional salaries and benefits.

FISCAL IMPACT

The estimated revenue is projected at \$12,492,805 for Cerritos College and funds will be utilized for faculty salaries and benefits.

REPORT SUMMARY

Proposition 30, The Schools and Local Public Safety Protection Act of 2012, passed in November 2012. This proposition temporarily raises the sales and use tax by .25 cents for four years and raises the income tax rate for high income earners (\$250,000 for individuals and \$500,000 for couples) for seven years to provide continuing funding for local school districts and community colleges. Proposition 55 continued the income tax rates instituted by Proposition 30 through 2030. The Education Protection Account (EPA) is created in the General Fund to receive and disburse these temporary tax revenues.

Revenue for EPA funds are unrestricted and the Act specifically prohibits the expenditures of EPA funds for administrative salaries and benefits or any other administrative costs.

Districts have sole authority to determine how the moneys received from the EPA are spent, provided that the governing board makes these spending determinations in open session of a public meeting of the governing board. Each entity receiving funds must annually publish on its Internet web site an accounting of how much money was received from the EPA and how that money was spent. Additionally, the annual independent financial and compliance audit required of community colleges shall ascertain and verify whether the funds provided from the EPA have been properly disbursed and expended as required by law. Expenses incurred to comply with these additional audit requirements may be paid from the EPA.

NOTICING REQUIREMENTS

None is required beyond posting of this item on the agenda.

ATTACHMENT(S)

Exhibit C: California Community Colleges 2017-18 First Principal Apportionment Cerritos Community College District

**CALIFORNIA COMMUNITY COLLEGES
2017-18 FIRST STATE GENERAL APPORTIONMENT
CERRITOS COMMUNITY COLLEGE DISTRICT**

EXHIBIT C

Total Computational Revenue and Revenue Source

Total Computational Revenue

I. Basic Allocation		\$4,866,176
II. Base FTES Revenue		\$84,537,601
III. Less Current Year Decline		(\$5,286,360)
IV. Stability Adjustments		\$5,523,921
V. Inflation Adjustment (COLA)	1.56%	\$1,312,232
VI. Base Increase		\$2,467,880
VII. Restored Decline in Current Year		\$0
VIII. Growth Revenue		\$0
IX. Other Adjustments		
College/Center Size or Status	\$0	
College/Center Size or Status COLA	\$0	
Miscellaneous Adjustments	\$0	
	Total Other Adjustments	\$0
	Total Computation Revenue	\$93,421,450

Revenue Source

A1 Property Taxes		\$21,107,646
A2 Less Property Taxes Excess		\$0
B Student Enrollment Fees		\$4,826,956
State General Apportionment		
C1 General Apportionment	\$53,503,590	
C2 Full-Time Faculty Hiring Apportionment	\$1,036,600	
	Total State General Apportionment	\$54,540,190
D Education Protection Account		\$12,492,805
E Deficit Factor/Revenue Shortfall	0.0048581241	(\$453,853)
	Total Revenue Source	\$92,967,597

CERRITOS COMMUNITY COLLEGE DISTRICT

Supporting Schedules

Schedule I: Basic Allocation Revenue

District Type	FTES	Funding Rate	Number of Colleges/Centers	Basic Allocation
		a	b	a x b
Single College District	<=10000	\$3,649,630	0	\$0
	>10000 & <20000	\$4,866,176	1	\$4,866,176
	>=20000	\$6,082,720	0	\$0
Mult-College District	<=10000	\$3,649,630	0	\$0
	>10000 & <20000	\$4,257,904	0	\$0
	>=20000	\$4,866,176	0	\$0
Additional Rural \$ Centers		\$1,160,807	0	\$0
State Approved	>=1000	\$1,216,544	0	\$0
Grandparented	>=1000	\$1,216,544	0	\$0
	>=750 & <1000	\$912,407	0	\$0
	>=500 & <750	\$608,272	0	\$0
	>=250 & <500	\$304,136	0	\$0
	>=100 & <250	\$152,068	0	\$0
Total Basic Allocation				\$4,866,176

Schedule II: FTES Revenue

FTES Summary

	Credit	Noncredit	CDCP	Total
Base (PY Funded)	16,305.100	138.500	279.760	16,723.360
Growth Target	0.000	0.000	0.000	0.000
Restored	0.000	0.000	0.000	0.000
Stability	(2,608.020)	2,839.210	(141.580)	89.610
Total Funded	13,697.080	2,977.710	138.180	16,812.970
Unfunded	0.000	0.000	0.000	0.000
Actual Reported	13,697.080	2,977.710	138.180	16,812.970

Base FTES Revenue

FTES Type	Base Funding Rate (Before CY COLA)	Marginal Funding Rate (Includes CY COLA)	BASE FTES (PY Funded)	Base Revenue
	a	b	c	a x c
Credit	5,071.806490	5,150.926642	16,305.100	\$82,696,312
Noncredit	3,049.819960	3,097.397152	138.500	\$422,400
CDCP	5,071.806461	5,150.926642	279.760	\$1,418,889
Total Base FTES Revenue				\$84,537,601

Schedule III: Growth Revenue

	Rate	Amount		Funded Growth Revenue
Target Growth	1.10%	\$976,332	Credit	\$0
Funded Growth	0.00%	\$0	Noncredit	\$0
Statewide Target Growth	1.02%	\$57,794,001	CDCP	\$0
Statewide Funded Growth	0.57%	\$32,527,215	Total Growth Revenue	
				\$0

Unrestored Decline as of July 1st of Current Year (Before COLA)

A. 1st Year	\$5,202,902
B. 2nd Year	\$0
C. 3rd Year	\$0
Total	\$5,202,902