

Question	Answer
Putting Deferrals in the Rear-View and the Road Ahead for Charters	
1	What is TRAN? Tax and Revenue Anticipation Note
2	Are there any programs to finance Elementary and Secondary School Emergency Relief (ESSER) payments for charters? ESSER apportionments are anticipated to be 20-25% up front and then follow federal cash management policies of submitted periodic expenditure reports receiving reimbursement. Limited need to finance and any funding is likely only needed for 30-60 days.
3	How do the allocations for ESSER II and III funds work? See page 23 [Federal Pandemic Funding] of California School Finance Authority's (CSFA) webinar slides available here: https://www.treasurer.ca.gov/csfa/webinar/20210622/slides.pdf
4	The Advances on State Aid Payments (ASAP) intercept loan payments were scheduled to be recouped by California School Finance Authority (CSFA) when the deferral repayments were made through November. Now that deferrals will be repaid in August 2021, is there any change to the timing of the intercept payments? Yes. The timing of the intercepts for the CSFA Tax and Revenue Anticipation Note (TRAN) have been adjusted to match the new repayment schedule.
5	How will the deferrals affect community college districts (CCD)? CCD received similar deferrals as the K-12 districts in 2020-21. These deferrals are being repaid according to an accelerated schedule with all deferrals being repaid by the end of August 2021.
6	Is this webinar suited for community colleges? Cash flow is important to monitor for any type of Local Education Agency (LEA). Although we did not provide CCD specific information, all of the best practices apply to any type of LEA.

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7 On slide #8 [Proposition 98: One-Time Versus Ongoing Spending], why were deferrals excluded from the calculation of the percentage of one-time funds used in the 21/22 budget?	Although deferrals affect cash because they affect the timing of receipt of funds, they are not a separate source of funds and therefore are not included in the graph on page 8 of the webinar.
8 Will the deferrals all be paid in August 2021?	Yes. All of the deferral repayments will be made before the end of August 2021.
9 Is there a TRAN for charters that schools can apply to for a loan this year?	There are no immediate plans for a charter school TRAN pool. Those interested in a TRAN should contact Executive Director Katrina Johantgen of CSFA.
10 Can we get a copy of the PowerPoint presentation emailed to us?	A replay of the webinar as well as the PowerPoint presentation is available here: https://www.treasurer.ca.gov/csfa/webinar/20210622/description.asp
11 How will the increased Concentration Grant impact Basic Aids? Will we have to carve out the additional 15% with no new funding?	Yes, this is similar to the existing process for supplemental and concentration grant funding.

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<p>12 Is there a way to ask for an amendment for the Free Reduced Lunch (FRL) counts? We were not able to collect a lot of our applications due to the pandemic so our FRL/Unduplicated Pupil Percentage (UPP) decreased drastically.</p>	<p>Amendments are only allowed during the amendment window, so no changes can be made for last year. This year, the certification period submission window closes on December 17, 2021. The amendment window is from December 18, 2021 to January 22, 2022. However, all student applications must be received by October 31, 2021 to be counted toward current-year UPP.</p>
<p>13 The 40/80 rule for charters impacts / forces spending -we rather keep funds in reserve for future uncertainties - any changes to this regulation?</p>	<p>The 2020 budget "trailer" bill included a provision that calls for granting 2-year funding determinations to all nonclassroom-based charter schools whose funding determinations expire at the end of the 2020-21 or 2021-22 fiscal years. As such, CSFA presumes that the usual 40 and 80 percent spending targets that normally govern the granting of full funding determinations will be relaxed. CSFA further assumes the spending targets will resume for schools whose current determinations expire in 2022-23 and beyond unless there is additional legislation enacted.</p>
<p>14 Do you anticipate charters that didn't have an Independent Study Policy in their existing Charters will have to do a material revision to meet AB130 requirements?</p>	<p>The law is not explicit on this point. On the one hand, the mode of instruction (independent study versus in-person instruction) is not a required element of a charter petition. On the other hand, it arguably dovetails with other required elements.</p>
<p>15 Is the cap on reserves applicable to charters?</p>	<p>The cap on reserves does not apply to charter schools.</p>

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<p>16</p> <p>Is there any classes offered specifically on cash flow management and processes?</p>	<p>School Services of California will be offering a workshop on this topic that is available here: https://www.sscal.com/workshops/managing-cash-covid-19-era. The Charter Schools Development Center also offers training on cash flow modeling for charter schools as part of its larger Charter Business Officer Training Program. FFI: https://www.chartercenter.org/leadership-trainings/cbo-training-program.</p>
<p>17</p> <p>Is this webinar being recorded?</p>	<p>A replay of the webinar will be available here: https://www.youtube.com/watch?v=SVqiZw6P4eU&ab_channel=CaliforniaSchoolFinanceAuthority</p>
<p>18</p> <p>Do district reserves apply to all LEAs or just districts?</p>	<p>Charter schools are not subject to the reserve cap law.</p>
<p>19</p> <p>As a charter operator, we depend on cash disbursements from both the state and our local district in-lieu payments. In these challenging times, our districts have not consistently paid in-lieu on time, citing their own cash concerns. Is there any guidance from CSFA for how to navigate this tension?</p>	<p>We generally recommend that charter school business officials prepare a cash flow estimate prior to the start of each school year and share it with their district and county office business officials to ensure that they are aware of their mandate to provide timely payment. School districts should take their obligations to provide timely payment to avoid potential liability stemming from late payments.</p>
<p>20</p> <p>What are the estimated costs of steps 1 - 4?</p>	<p>There are no plans for a charter school TRAN pool. Those interested in a TRAN should contact Executive Director Katrina Johantgen of CSFA. Estimated costs will depend on the actual number of participants if we proceed with a pool.</p>