

Question	Answer
<b>Putting Deferrals in the Rear-View and the Road Ahead for K-12 Districts</b>	
1	What is TRAN? Tax and Revenue Anticipation Note
2	Is this TRAN available for school districts with cashflow issues due to Elementary and Secondary School Emergency Relief (ESSER) II and III expense reimbursement delays? A TRAN may be issued for Local Education Agency (LEA) with cash flow issues due to any reason, including delays in Federal COVID dollars. If you are interested in borrowing, please contact Annette Yee at Montague DeRose and Associates at yee@montaguederose.com
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: <a href="https://www.treasurer.ca.gov/csfa/webinar/20210622/slides.pdf">https://www.treasurer.ca.gov/csfa/webinar/20210622/slides.pdf</a>
4	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.
5	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.
6	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.

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7 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 TRAN have been adjusted to match the new repayment schedule.
8 When does the one-time supplement have to be submitted?	Local Control and Accountability Plan (LCAP) supplement is due February 28, 2022. Subsection (e)(1) of Section 124 of AB 130 requires LEAs to use the Supplement to present an update on the Annual Update to the 2021–22 LCAP and Budget Overview for Parents on or before February 28, 2022, at a regularly scheduled meeting of the governing board or body of the LEA. New template to be adopted by November 30, 2021. Covers the increased concentration funding from 50% to 65%.
9 With regards to reserve caps and approving a LEA waiver request, what is the criteria for approval of the waiver by County Office of Education (COE) staff?	The school district will need to provide documentation indicating the extraordinary fiscal circumstances that necessitate a fund balance above the cap.
10 Will the deferrals all be paid in August 2021?	Yes. All of the deferral repayments will be made before the end of August 2021.
11 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: <a href="https://www.treasurer.ca.gov/csfa/webinar/20210622/description.asp">https://www.treasurer.ca.gov/csfa/webinar/20210622/description.asp</a>

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<p>12 How will the increased Concentration Grant impact basic aids? Will we have to carve out the additional 15% with no new funding?</p>	<p>Yes, this is similar to the existing process for supplemental and concentration grant funding.</p>
<p>13 If districts are able to borrow cash temporarily through interfund transfers, is it recommended that they pay interest back to the fund that is borrowed from?</p>	<p>Practices vary on the payment of interest for internal interfund borrowing. Interest should be paid on any borrow from restricted funds - bond proceeds, developer fees, adult education, cafeteria, potentially some insurance reserves. The rate of interest should be based on the county treasurer's pooled investment fund - in other words, the rate that would have been paid if these funds had remained in the original fund.</p>
<p>14 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: <a href="https://www.sscal.com/workshops/managing-cash-covid-19-era">https://www.sscal.com/workshops/managing-cash-covid-19-era</a>. 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: <a href="https://www.chartercenter.org/leadership-trainings/cbo-training-program">https://www.chartercenter.org/leadership-trainings/cbo-training-program</a>.</p>
<p>15 Is this webinar being recorded?</p>	<p>A replay of the webinar will be available here: <a href="https://www.youtube.com/watch?v=SVqiZw6P4eU&amp;ab_channel=CaliforniaSchoolFinanceAuthority">https://www.youtube.com/watch?v=SVqiZw6P4eU&amp;ab_channel=CaliforniaSchoolFinanceAuthority</a></p>
<p>16 Is Fund 40 Special Reserve included in the reserve cap calculation?</p>	<p>Only the General Fund and Fund 17 are included.</p>