

Subject **Excess ERAF Distribution Update**
From Ma, Jacelyn <Jacelyn.Ma@fin.sccgov.org>
To willf@campbellca.gov <willf@campbellca.gov>, bethv@cupertino.org <bethv@cupertino.org>, Harjot Sangha <harjot.sangha@cityofgilroy.org>, sniederhofer@losaltosca.gov <sniederhofer@losaltosca.gov>, Peter Pirnejad <ppirnejad@losaltoshills.ca.gov>, GUngvari@losgatosca.gov <GUngvari@losgatosca.gov>, ELemon@losgatosca.gov <ELemon@losgatosca.gov>, LLai@ci.milpitas.ca.gov <LLai@ci.milpitas.ca.gov>, reynold@cityofmontesereno.org <reynold@cityofmontesereno.org>, dat.nguyen@morganhill.ca.gov <dat.nguyen@morganhill.ca.gov>, [28 more...](#)
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Date 2024-03-06 10:56 AM



Dear Colleagues,

The Excess ERAF information for the current year's distribution and the next fiscal year's preliminary estimate are available on our website, please see below for the links.

For Cities: <https://controller.sccgov.org/cities/excess-eraf-distribution-cities>

For Special Districts: <https://controller.sccgov.org/special-districts/excess-eraf-distribution-special-districts>

The calculations and projections are based on the State February reports, with adjustment made to reflect the latest property tax revenues for the FY2024-25 projection. The increase in the preliminary FY2024-25 projection is mainly due to the decrease in the funding requirement for schools and State special education programs, attributable to low average daily attendance.

Please note that the amounts provided are before any provision to potential at-risk exposure related to the Governor's budget proposal of ERAF funding for Charter Schools, and the SCO's audit findings on Excess ERAF calculation. The annual at-risk percentages have slightly changed for the FY2024-25 Projection.

The percentage at-risk for the FY2024-25 projection:

- The Governor's budget proposal of ERAF funding for Charter Schools: 9%
- The SCO's audit findings on Excess ERAF calculation: 20%

Should there be any questions, feel free to contact our office.



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Our mission:

We serve as Steward of the public's financial resources upholding Accountable Financial Excellence with integrity and transparency. (SAFE)

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From: Ma, Jacelyn

Sent: Thursday, January 25, 2024 1:27 PM

To: willf@campbellca.gov; bethv@cupertino.org; Harjot Sangha <harjot.sangha@cityofgilroy.org>; sniederhofer@losaltosca.gov; Peter Pirnejad <ppirnejad@losaltoshills.ca.gov>; GUngvari@losgatosca.gov; ELemon@losgatosca.gov; LLai@ci.milpitas.ca.gov; reynold@cityofmontesereno.org; dat.nguyen@morganhill.ca.gov; derek.rampone@mountainview.gov; tarun.narayan@cityofpaloalto.org; rick.bruneau@sanjoseca.gov; Selena.Ubando@sanjoseca.gov; klee@santaclaraca.gov; MMcCahan@SantaClaraCA.gov; tkirby@sunnyvale.ca.gov; gcrd@pacbell.net; smoreno@gcrd.org; LAHCFD Clerk <clerk@lahcfd.org>; dina@lomaprietarcd.org; philw@purissimawater.org; samv@purissimawater.org; contact@ranchoreccenter.com; Chuck Griffen <cgriffen@sccl.org>; saratogacemetery@sbcglobal.net; twhitley@saratogafire.org; christine@sscvMemorialDistrict.org; jonathano@cupertino.org; rhinchman@saratoga.ca.us; axu@saratoga.ca.us; Karen Rowe <admin@aldercroftheightscwd.org>; hhong@losaltoshills.ca.gov; Darin Taylor <DTaylor@valleywater.org>; Chenlei Yao <CYao@valleywater.org>; Kristie Resendez <KResendez@valleywater.org>; Timothy Chan <TChan@valleywater.org>; Enrique De Anda <EDeAnda@valleywater.org>

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Subject: RE: Excess ERAF Distribution Update

Dear Colleagues,

I hope this email finds you well. Below is some news related to Excess ERAF that we would like to share with you:

1. **2024-25 State Budget Proposal- Excess ERAF to fund Charter Schools**

The Governor's budget proposes legislation allocating ERAF to charter schools, potentially reversing the recent appellate decision the County and State Controller's Office obtained holding that charter schools do not get ERAF. We are actively working to prevent the State's attempt. For detail of the proposal please see [Budget Summary \(ca.gov\)](#) [page 18].

- Annual negative impact on local jurisdiction's Excess ERAF is approximately 8%, which may fluctuate annually.

2. **State Controller's Office audit finding on Marin County's Excess ERAF calculation related to the H&S Code 34188(d) redevelopment dissolution revenue**

- Our County filed a lawsuit against the State Controller's Office on this matter in late-December. Please have your attorney contact Lizanne Reynolds in the County Counsel's Office for more information lizanne.reynolds@cco.sccgov.org.
- The impact is the same as previously provided:
 - Annual negative impact on local jurisdiction's Excess ERAF is approximately 22%, which

- may fluctuate annually.
- Both retroactive & prospective in nature. Please ensure the establishment of reserves, starting from the Fiscal Year 2020-21 distribution.

Let us know if you have any questions.

Regards,
Jacelyn



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