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COMPLETE FINANCIAL & DEMOGRAPHIC PLANNING FOR EDUCATION

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CS NEWSFLASH:

LOS ANGELES & SAN DIEGO COUNTIES TO BEGIN PAYING ERAF MONIES TO LEAS

Local Educational Agencies ("LEAs") in Los Angeles and San Diego Counties will finally begin to see the inclusion of an Educational Revenue Augmentation Fund ("ERAF") boost to their statutory pass-through payments this month. This resulted from the 2012 ruling in which Los Angeles Unified School District won a five-year lawsuit ("LAUSD Lawsuit") against Los Angeles County regarding the calculation of redevelopment pass-through payments. For the vast majority of LEAs, the LAUSD Lawsuit meant the disbursement of an ERAF boost, or higher statutory pass-through redevelopment payments.

The ERAF boost is resulted from the judge's ruling in the LAUSD Lawsuit that the calculation of pass-through payments must include the LEA's share of the property tax revenue that was diverted by the sales tax triple flip. Dolinka Group has received notification that the San Diego County Auditor-Controller began paying ERAF to LEAs in January 2015 for the 2014/15 fiscal year. Additionally, the Los Angeles County Auditor-Controller began paying ERAF on February 29, 2016 to LEAs for the 2015/16 fiscal year.

Please note, these ERAF boost payments will most likely come as a separate redevelopment deposit. A portion of the dollars will be State revenue offset, while the remaining can be used for facilities projects. LEAs must accurately account for these and not inadvertently report the entire ERAF boost dollars as State revenue offset.

The delay in these payments was caused by an unclear model to follow when calculating the revised pass-through payments. Therefore, to ensure your statutory pass-through payments are correct and are fully received each fiscal year, Dolinka Group recommends contacting your County Auditor-Controller, as well as performing a redevelopment audit for the project areas within the jurisdiction your LEA.

Should you have any questions regarding the additional ERAF payments your LEA should be receiving or if you would like information regarding pursuing a redevelopment audit, please contact us at 949.250.8320 or info@coopstrategies.com.

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