

## District Business & Advisory Services

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Bulletin: 13-027

Date: September 12, 2012

To: District Fiscal Directors  
Charter School Administrators

From: Kolvira Chheng

Re: Calculation of Redevelopment Pass-Through Payments

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The purpose of this bulletin is to inform you of the impact of the Los Angeles Superior Court's ruling in the case of Los Angeles Unified School District v. Los Angeles County (Superior Court Case BS108180).

### Background Information:

The Los Angeles Superior Court took under consideration the question of whether redevelopment pass-through calculations should be made using a "pre-ERAF" shares methodology or a "post-ERAF" shares methodology and determined that the "post-ERAF" method is the correct one. Pursuant of this decision, on August 13, 2012, the California State Controller's Office issued a letter requiring all Auditor-Controllers to start calculating redevelopment pass-through accordingly.

The impact of using a "post-ERAF" methodology means an increase in statutory pass-through monies for the vast majority of Local Educational Agencies (LEAs). Unfortunately, at this time, there is no model for Auditor-Controllers to follow in calculating the revised pass-through payments.

The Santa Clara County Controller-Treasury's Office has notified the Santa Clara County Office of Education (SCCOE) that this topic will be discussed in the upcoming statewide Tax Managers meeting, which is scheduled for September 24, 2012. Once a model is determined for this county, the Santa Clara County Auditor-Controller will implement a "post-ERAF" methodology in fiscal year 2012-13.

We will keep you updated as more information becomes available.

*Please distribute this memo within your District as deemed appropriate.*