



AB 218 Revived Liability Funding Plan

BUDGET INDICATIONS

Schools Excess Liability Fund is working hard to protect our current and former members from the risks, costs and **revived liabilities** resulting from **AB 218**. SELF has already received a number of AB 218 claims for both current and former members; as far back as 1987. In response, the SELF Board recently approved a special funding plan to raise the needed funds to protect our members from these lawsuits.

At SELF, **we understand the many cost pressures your district faces and the timeline involved with building your budgets**. That is why we are working diligently to provide you with initial indications of the expected funding plan amounts so you can plan and budget for 2020/21. Unfortunately, none of us were able to control the passing of this new **unfunded mandate**. **Rest assured we will work to protect every district we serve to minimize the impacts of this litigation.**

The following are the AB218 Revived Liability Funding Plan indications* (per ADA) to help you budget for the invoices that will go out in the Fall of 2020:**

INITIAL INDICATIONS - Aggregated \$ per ADA/FTES				
Current Members - Membership period including 1986 through 2020				
Member Type	Total AB218 Funding			
	20/21	21/22	22/23	
K-12, Charters	\$ 13.83	\$ 4.61	\$ 4.61	\$ 4.61
CCD	\$ 7.65	\$ 2.55	\$ 2.55	\$ 2.55

How do we budget for this? What ADA should we use?

We suggest you review your ADA history for all years of membership with SELF, and select an ADA figure you feel comfortable budgeting with. You know your ADA history and trends best.

- **A conservative estimate** (Charter) - take your highest ADA year of membership, let's say it was 2006/07 and ADA was 3,300: **3,300 X \$4.61 = \$15,213** for each fiscal year (3 years)
- **A moderate estimate** (K-12) – take your midpoint ADA year of membership, let's say it was 1997/98 and ADA was 20,000: **20,000 X \$4.61 = \$92,200** for each fiscal year (3 years)
- **An average estimate** (CCD) – determine average FTES over all years of membership, let's say it calculates to 125,000 FTES: **125,000 X \$2.55 = \$318,750** for each fiscal year (3 years)

* These are indications for budget purposes only, and represent an aggregate of 11 individual years of projected claims costs. We estimate they are worst case indications; actual invoice will vary depending on your actual years of participation if different from above, your attachment point (\$1M or \$5M), and your actual ADA/FTES for the years of participation. Invoices will detail each affected year, your SELF ADA/FTES per year, and the per ADA/FTES funding amount per year. **The 11 affected years that we have received claims for at the Feb. 29 cut-off are: 1987/88, 1991/92, 1993/94, 1996/97, 1997/98, 1999/00, 2006/07, 2012/13, 2015/16, 2016/17, 2017/18.**

**Either SELF or your Primary JPA will invoice your District, subject to your Primary JPA Pool's decision and other factors.

The SELF Board will adopt final, per year funding rates, in the fall of 2020. We will share that information as soon as it is available.

If you have any questions, please don't hesitate to contact our office at (866) 453-5300.