



July 23, 2021

TO: Business Administrators
Los Angeles County School Districts and Charter Schools

FROM: Alyssa Martinez, Manager
Business Advisory Services

SUBJECT: Notice of 2021-22 Advance Principal Apportionment

Attached is the Notice for the Advance Principal Apportionment for Fiscal Year 2021-22 certified by the California Department of Education (CDE) under Education Code (EC) Section 41330. The statewide total was \$39,845,071,453. The Advance Principal Apportionment letter and funding excel files are posted on the CDE's website at:

<https://www.cde.ca.gov/fg/aa/pa/pa2122.asp>

Local Control Funding Formula State Aid – School Districts and Charter Schools

The estimated 2021-22 state aid for each school district and charter school is based on funding from the 2020-21 Second Principal Apportionment (P-2) certification. Specific calculation details related to provisions in AB 130, class size penalties, local revenue and Redevelopment Agency Asset Liquidation Funds, and Education Protection Account entitlements are included in the Advance Principal Apportionment letter.

Also contained in the Advance Principal Apportionment letter is information related to Basic Aid “Choice,” Court-Ordered Voluntary Pupil Transfer, Charter Supplement, Adults in Correctional Facilities, Special Education – Assembly Bill 602 and Infant Program funding, Transfer of Funds for County Served District funded average daily attendance, Other State Aid and Charter School Overpayments.

Payment Schedule

There are no payment deferrals for the 2021-22 fiscal year. For cash planning, the Principal Apportionment payment calculation schedule is available on the CDE's website at:

<https://www.cde.ca.gov/fg/aa/pa/papayschedule.asp>

The Payment Schedule Summary, detailing local educational agencies' monthly payment amounts from July through January, is available on the CDE's website at:

<https://www.cde.ca.gov/fg/aa/pa/iassf21adv.asp>

Charter Schools

Some charter schools are **direct-funded**, meaning they receive apportionment dollars directly from the CDE. For other charter schools, funding is first received by their chartering agency, and then forwarded to them. These charter schools are known as **locally-funded** charter schools.

Funding for both direct-funded and locally-funded charter schools is listed on the Advanced Apportionment Summary, which can be found on the CDE website listed above.

Charter schools should contact their authorizing agency, not the Los Angeles County Office of Education (LACOE), with questions regarding apportionments, timelines, forms, budget assumptions, or other issues.

This bulletin is posted on the Los Angeles County Office of Education website at:

<https://www.lacoe.edu/Bulletins.aspx>

Use the "Search" box in the Bulletins section to locate a specific bulletin by number or keyword.

Please contact me at (562) 922-6137, or by email at Martinez_Alyssa@lacoe.edu, or your Business Services Consultant.

Approved:
Octavio Castelo, Director
Business Advisory Services

AM:lm
Attachment



Home / Finance & Grants / Allocations & Apportionments / Principal Apportionment

**California Department of Education
Official Letter**

July 20, 2021

[Email notice of this letter was sent on July 20, 2021, to the PASE and CDEfisc email distribution lists.]

Dear County Superintendents of Schools:

2021–22 Advance Principal Apportionment

The California Department of Education (CDE) certified the 2021–22 Advance Principal Apportionment (Advance) on July 20, 2021, pursuant to California *Education Code (EC)* Section 41330. The statewide total was \$39,845,071,453. At the end of each month from July 2021 through January 2022, county treasurers will receive warrants that reflect state aid for Advance programs for local educational agencies (LEA). County superintendents of schools should advise school districts and charter schools of this apportionment immediately.

The 2021–22 Advance is apportioned on the basis of an LEA's Second Principal Apportionment (P-2) funding from the preceding fiscal year pursuant to *EC* Section 41330 and funding appropriations provided in the 2021–22 Budget Act and Assembly Bill (AB) 130, Chapter 44, Statutes of 2021.

A summary of the Advance calculations is described below. This letter, as well as Excel files that provide funding and monthly payment amounts, are available on the CDE website at <https://www.cde.ca.gov/fg/aa/pa/pa2122.asp>. Additionally, the CDE has posted the 2021–22 Funding Rates and Information web page at <https://www.cde.ca.gov/fg/aa/pa/pa2122rates.asp>.

2021–22 Advance Calculations by Program

Provisions in AB 130 resulted in an effective 5.07 percent compounded cost-of-living adjustment (COLA) for the Local Control Funding Formula (LCFF), and an effective increase of 4.05 percent for non-LCFF programs. The LCFF compounded COLA includes

the suspended 2.31 percent 2020–21 statutory COLA that LEAs would have received for the 2020–21 fiscal year, the 1.7 percent 2021–22 statutory COLA, and an additional 1.0 percent augmentation for LCFF.

The following provides specific details regarding the calculation of funding for each program, including the LCFF. **Because this apportionment is merely a means to begin allocating funds in accordance with *EC* Section 41330, it should not be used by LEAs for budgeting.**

Local Control Funding Formula State Aid – County Offices of Education

The estimated 2021–22 LCFF State Aid for each county office of education (COE) is based on funding from the 2020–21 P-2 certification and reflects the following:

1. The 2020–21 Target Entitlement, with exception of the add-on funding component, was adjusted to reflect the suspended 2.31 percent 2020–21 statutory COLA and 2.70 percent 2021–22 COLA for LCFF if the COE's LCFF Entitlement was based on the LCFF Target as of 2020–21 P-2. For all other COEs, the 2020–21 P-2 LCFF Entitlement was unadjusted for COLA.
2. Additional funding for Local Control and Accountability Plan support for COEs funded on the Target formula as of 2016–17 P-2, pursuant to *EC* Section 2575.1, is included in the Advance state aid amount and was adjusted to reflect the suspended 2.31 percent 2020–21 statutory COLA and 2.70 percent 2021–22 COLA for LCFF. Additional state aid for Differentiated Assistance pursuant to *EC* Section 2575.2 is equal to the 2020–21 P-2 amount.
3. The 2020–21 P-2 local revenue amount was used to determine the COE's Advance state aid and excludes any one-time Redevelopment Agency (RDA) Asset Liquidation funds reported as part of the COE's 2020–21 P-2 property taxes.
4. The Education Protection Account (EPA) Entitlement, which is an offset to state aid, has been recalculated to reflect the 2021–22 funding estimate of \$10.3 billion. See the EPA section below for additional details.

Local Control Funding Formula State Aid – School Districts and Charter Schools

The estimated 2021–22 LCFF State Aid is based on funding from the 2020–21 P-2 certification and reflects the following:

1. The 2020–21 P-2 LCFF Entitlement was recalculated with adjusted base grant rates to reflect the suspended 2.31 percent 2020–21 statutory COLA and 2.70 percent 2021–22 COLA for LCFF. Additionally, the factor used to calculate the concentration

grant was increased from 50 percent to 65 percent in accordance with Section 26 of AB 130.

2. 2020–21 class size penalties (reflected in the miscellaneous adjustments and minimum state aid adjustments lines of the School District LCFF funding exhibit) have been excluded from the Advance.
3. The 2020–21 P-2 local revenue amount was used to determine the school district's Advance state aid and excludes any one-time RDA Asset Liquidation funds reported as part of the district's 2020–21 P-2 property taxes.
4. The EPA Entitlement, which is an offset to state aid, has been recalculated to reflect the 2021–22 funding estimate of \$10.3 billion. See the EPA section below for additional details.

Education Protection Account

EPA revenues, as authorized by Section 36 of Article XIII of the California Constitution, are generated by an increase in the personal income tax rates for upper-income taxpayers. All LEAs will receive quarterly EPA payments through the 2030–31 fiscal year, which will be paid outside of the Principal Apportionment. For most LEAs, EPA funding offsets state aid allocated through the Principal Apportionment.

Using a revised 2021–22 EPA revenue estimate of approximately \$10.3 billion, the CDE calculated estimated EPA entitlements using a factor of 46.65955022 percent based on the 2020–21 P-2 statewide total of revenue limits and charter school block grant funding and 2020–21 P-2 local revenue data, adjusted to exclude one-time RDA Asset Liquidation funds. If an LEA's 2020–21 P-2 EPA entitlement was based on \$200 per ADA (the minimum), the 2021–22 estimated EPA entitlement was not recalculated for the Advance.

While the funding is not allocated through the Principal Apportionment, estimated 2021–22 EPA amounts are provided on the Advance Apportionment Summary available on the CDE's website at <http://www.cde.ca.gov/fg/aa/pa/iassf21adv.asp> for your convenience. For additional information on EPA calculations, letters of apportionment, payment schedules, spending restrictions, frequently asked questions, Standardized Account Code Structure financial reporting and more, please refer to CDE's EPA web page at <https://www.cde.ca.gov/fg/aa/pa/epa.asp>.

Basic Aid “Choice”, Court-Ordered Voluntary Pupil Transfer, and Charter Supplement

Funding for Basic Aid “Choice”, Court-Ordered Voluntary Pupil Transfer, and Charter Supplement was adjusted to reflect the suspended 2.31 percent 2020–21 statutory COLA and 2.70 percent 2021–22 COLA for LCFF.

Adults in Correctional Facilities

LEAs that participate in the Adults in Correctional Facilities (AICF) program receive funding on a reimbursement basis. The 2021–22 Budget Act provides \$8,000,000, which will be used to fund the 2020–21 program. Advance funding for the AICF program is equal to the 2020–21 P-2 state aid amounts for each LEA.

Special Education – Assembly Bill 602 Program

The 2021–22 Budget Act provides \$3,938,366,000 for the AB 602 program, which reflects \$396.9 million to increase the base funding rates to \$715 per ADA and funding for the suspended 2.31 percent 2020–21 statutory COLA and a 1.70 percent 2021–22 statutory COLA. The estimated 2021–22 state aid for each Special Education Local Plan Area (SELPA) is based on funding from the 2020–21 P-2 certification and reflects the following adjustments:

1. The 2020–21 Special Education Property Tax amount was used to determine the SELPA's Advance state aid and excludes any one-time RDA Asset Liquidation funds reported as part of the county's 2020–21 P-2 property taxes.
2. A factor of 1.1588701951 was applied to each SELPA's adjusted 2020–21 state aid amount.

Special Education – Infant (Ages Two Years and Younger) Program

The 2021–22 Budget Act provides \$83,114,000 for the Infant program. The Advance is based on the 2020–21 P-2 amounts for each LEA, adjusted for the 2.31 percent 2020–21 statutory COLA and a 1.70 percent 2021–22 statutory COLA.

Transfer of Funds for County Served District Funded Average Daily Attendance

EC Section 2576 requires the CDE to transfer funds from the district of residence to the COE for all District Funded County Program ADA. Funding for the Transfer of Funds for County Served District Funded ADA is based on the 2020–21 P-2 amounts. Transfers based on the per-ADA LCFF rate amounts were adjusted to reflect the suspended 2.31 percent 2020–21 statutory COLA and 2.70 percent 2021–22 COLA for LCFF.

Other State Aid

Other State Aid captures pass-through payments made to LEAs for legislative priorities. Currently, these appropriations can be found in AB 104 (Chapter 13, Statutes of 2015) and AB 130 (Chapter 44, Statutes of 2021).

Charter School Overpayments

Fourth quarter EPA revenue for FY 2020–21 increased by approximately 43 percent over the estimated revenue used for the preceding quarters. This significant increase in EPA and a commensurate decrease in LCFF state aid resulted in many charter schools being overpaid at the 2020–21 P-2 Certification. For these charter schools the 2020–21 overpayment will be reflected in the Advance Apportionment Summary on Line A-14, Prior Year Amount Charter Overpaid. The negative adjustment on this line decreases the charter school's total 2021–22 Principal Apportionment, which has the effect of decreasing current year monthly Principal Apportionment payments to repay the prior year overpayment.

Payment Schedule

The 2021–22 Budget Act does not include any Principal Apportionment deferrals for LEAs this fiscal year. Monthly payments for the Advance (July 2021 – January 2022) are available on the CDE's website at the county summary level and by LEA. For cash planning, LEAs should refer to the Principal Apportionment Payment Schedule web page at <https://www.cde.ca.gov/fg/aa/pa/papayschedule.asp>. The State Controller's website provides monthly payment information, including offset amounts at https://www.sco.ca.gov/ard_payments_k12.html and estimated payment dates at https://www.sco.ca.gov/Files-ARD-Payments/sched_2021.pdf.

If you need assistance, or have any further questions, please contact the Principal Apportionment Section by email at PASE@cde.ca.gov or by phone at 916-324-4541.

Sincerely,

Wendi McCaskill, Associate Director
Principal Apportionment Section

WM:kl

Last Reviewed: Tuesday, July 20, 2021
