



## MEMORANDUM

Schools  
Excess  
Liability  
Fund

**To: SELF Members**

**From: Dave George, Chief Executive Officer**

**Date: October 16, 2020**

**Subject: AB 218 Revived Liability Funding Plan Update**

This year has been an especially challenging one for schools with COVID-19 and it has been further complicated by the implementation of AB 218 (The California Child Victims Act). The timing, to say the least, is bad. Just as the finances of schools are being hit hard, the California legislature and the courts' decisions are stressing your costs for things that don't help you in the classroom.

At Schools Excess Liability Fund, we take pride in the motto By Schools, For Schools, and throughout the year have been working to develop a plan designed to protect our members from the unfunded mandate created by this new law. For those seeking further information about the basics of AB218 and its effect on California's schools, please refer to the attached FAQ.

In June of 2020, SELF's Board approved the AB 218 Revived Liability Funding Plan, declaring a special assessment of \$46.6 million, based on the preliminary actuarial analysis of the fiscal impact.

Utilizing our independent actuarial analysis and historic JPA Agreements and Bylaws, SELF developed per-year funding amounts calculated as a pro-rata share of your original contributions, and identified four program years for which funding will be collected: 1996/1997, 1999/2000, 2006/2007 and 2016/2017.

Per-ADA funding amounts are based on type of member (K-12 or community college) and the level at which you were purchasing coverage from SELF (either above \$1M or \$5M) in that year.

The ADA used will be the same lottery ADA you were originally invoiced for in that historical year. Non-ADA members who were billed a fixed rate in those years, will be invoiced based on the pro-rata share of that original amount. In no case will a member receive a bill for a year in which they did not participate.

To assist you in moderating the impact to your budget, the total amount due will be payable over three fiscal years. You will have the option of paying the total amount up front, for a 3% discount, or you can pay in three equal annual installments.

1531 "I" Street  
Suite 300  
Sacramento, CA 95814  
(916) 321-5300  
(916) 321-5311 fax  
[www.selfjpa.org](http://www.selfjpa.org)



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SELF is committed to the prudent management of this plan to address these retroactive liabilities and protect and defend our members against these ongoing, retroactive legal exposures.

Enclosed is an AB 218 Rate Sheet, detailing the rates for each of the four years to be assessed at this time, and a Frequently Asked Questions reference sheet in anticipation of billing questions you may have.

We will continue to keep you updated on the status of the AB 218 Revived Liability Funding Plan as we move further into the three-year revival window.

If you have any questions we have not addressed, please don't hesitate to contact our office, either via email at [info@selfjpa.org](mailto:info@selfjpa.org) or by telephone at (866) 453-5300.

Sincerely,

A handwritten signature in blue ink that reads "Dave George". The signature is fluid and cursive.

**Dave George**  
Chief Executive Officer

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## FAQ's – AB 218 Revived Liability Funding Plan

Schools Excess Liability Fund is working hard to protect our school district, community college district and other educational agency members from the risks, costs and **revived liabilities** resulting from **AB 218**, which went into effect January 1, 2020.

<b>What is AB 218?</b>	<p>AB 218, or the California Child Victims Act, was authored by Assembly Member Lorena Gonzalez, D-San Diego and signed into law effective January 1, 2020.</p> <p>AB 218 has multiple implications for CA educational agencies, it:</p> <ul style="list-style-type: none"><li>• Opens a <b>three-year revival period</b>, during which a claim for childhood sexual assault can be filed from any point in the past</li><li>• Provides for <b>treble damages</b> if a “cover up” can be proven, a cost typically excluded from commercial insurance policies and JPA memoranda of coverage</li><li>• <b>Broadens the type of misconduct it covers by changing the term “abuse” to “assault”, significantly</b> increasing the risk exposure of educational agencies</li><li>• <b>Extends the general statute of limitations</b> in which to file a claim going forward from age 26 to age 40 (when the revival period closes).</li></ul> <p>This bill exposes educational agencies to claims for <b>sexual assault</b> going back decades and places them in the precarious position of having to defend against them. <b>It has created an unfunded mandate on schools.</b></p>
<b>How big is the potential impact?</b>	Initial actuarial studies of the potential impact of AB 218 projected a conservative estimated cost to CA public schools of <b>\$560 million.</b>
<b>Why am I receiving this?</b>	Your public educational agency was a member of SELF's Excess Liability Program during at least one of the prior coverage years affected. By joining SELF, members agree to pay contributions set by the SELF Board in exchange for coverage to fund liabilities. Those include liabilities retroactively imposed by law, such as the law the California Legislature enacted in this case.
<b>When should I expect an invoice?</b>	Invoices will be sent by the end of the calendar year 2020 and will be due within 60 days.
<b>What is the time frame for collection?</b>	To assist districts with the impact to your budget, the total amount due will be <b>payable over three fiscal years.</b> You will have the option of paying the total amount up front, for a 3% discount, or pay in three equal annual installments.
<b>How will this be billed?</b>	At this time, SELF is collecting these funds in the following program years: 1996/97, 1999/00, 2006/07 and 2016/17. Districts will be billed based on the historical lottery ADA that they were billed on for the original SELF coverage during those years.
<b>What if I didn't participate in all four of those years?</b>	You will only be billed for years your district participated in SELF.
<b>More Questions?</b>	Call (866) 453-5300 or email <a href="mailto:info@selfjpa.org">info@selfjpa.org</a>



## AB 218 Revived Liability Funding Plan Per ADA/FTES Member Contribution

### ADA/FTES Based Members

Member Type & Coverage	1996/1997	1999/2000	2006/2007	2016/2017
K-12 (Excess of \$1M)	\$3.58	\$3.65	\$2.08	\$4.17
K-12 (Excess of \$5M)	\$1.22	\$1.18	\$0.53	\$4.17
K-12 Minimum*				\$445.67
CCD (\$1M)	\$1.91	\$1.95	\$1.12	
CCD (\$5M)		\$0.63	\$0.28	\$2.95
CSU (\$1M)	\$1.91	\$1.95		
CSU (\$5M)			\$0.28	

\*Minimum contribution applies to those members whose calculation by ADA falls below that amount  
Grayed out areas indicate no participation in that year for that member type

### Fixed Rate Amounts (Non-ADA Members)

Member Type	1996/1997	1999/2000	2006/2007	2016/2017
ROPs	\$894.48	\$1,072.33	\$398.95	\$3,148.11
Special Purpose JPAs	\$894.48	\$1,072.33	\$398.95	\$3,148.11