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Memo

To Board of Education

From Tony Smith, Ph.D., Superintendent
Vernon Hal, Chief Financial Officer

Board Meeting Date May 12, 2010

Subject Resolution No. 0910-0231 - Temporary Borrowing Between Funds, FY 2009-2010

Action Requested: Approval by the Board of Education of Resolution No. 0910-0231 - Temporary Borrowing Between Funds for Fiscal Year 2009-10.

Background: The Board of Trustees of the Oakland Unified School District deemed it necessary to temporarily borrow between funds, due to ongoing deferred funding by the State and the District's cash flow projections show the possibility of insufficient cash funds by June 30, 2010. This action is authorized under the Education Code Section 42603 permitting the Governing Board of any school district the authority for transferring and temporary borrowing funds within the provisions of the Education code.

Discussion: The borrowed funds will be repaid within 90 days of the District's receipt of its July apportionment.

Fiscal Impact: None.

Recommendation: Approval by the Board of Education of Resolution No. 0910-0231 - Temporary Borrowing Between Funds for Fiscal Year 2009-10.

Attachments:

- Resolution No. 0910-0231 - Temporary Borrowing Between Funds for Fiscal Year 2009-10

**RESOLUTION OF THE BOARD OF EDUCATION
OF THE
OAKLAND UNIFIED SCHOOL DISTRICT**

Resolution No. 0910-0231

Temporary Borrowing Between Funds for Fiscal Year 2009-10

WHEREAS, the State of California will defer certain apportionments to California school districts in February, April, May and June 2010; and

WHEREAS, the Board of Trustees of the Oakland Unified School District has determined that there may be insufficient cash in June 2010 to meet the District's obligations based upon the ongoing deferred funding by the State; and

WHEREAS, Education Code Section 42603 permits the Governing Board of any school district to direct that monies held in any fund or account may be temporarily transferred to another fund or account of the district for payment of obligations and that such borrowed funds shall not be available for appropriation or be considered income, during the current fiscal year to repay the amount transferred; and

WHEREAS, amounts transferred shall be repaid either in the same fiscal year, or in the following fiscal year if the transfer takes place within the final 120 calendar days of a fiscal year,

NOW, THEREFORE, BE IT RESOLVED that the Governing Board of the Oakland Unified School District, in accordance with the provisions of Education Code Section 42603, hereby specifically authorizes for fiscal year 2009-2010 the temporarily transfer up to \$25 million dollars from Fund 21- Building Fund -to- Fund 01- General Fund;

BE IT FURTHER RESOLVED that said borrowed funds shall be and are hereby authorized to be repaid to Fund 21 from Fund 01 within ninety (90) days of the District's receipt of its July 2010 apportionment.

PASSED AND ADOPTED by the Governing Board of the Oakland Unified School District on this 12 day of May 2010, by the following vote:

AYES:

NOES:

ABSTAINED:

ABSENT:

I hereby certify that the foregoing is a full, true and correct copy of a Resolution adopted by the Board of Education of the Oakland Unified School District at a publicly noticed Regular Meeting of said Board held May 12, 2010.

Edgar Rakestraw, Jr.
Secretary, Board of Education
Oakland Unified School District
Alameda County, California