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**OAKLAND UNIFIED
SCHOOL DISTRICT**
Community Schools, Thriving Students

Memo

To Board of Education

From Devin Dillon, Interim Superintendent
Vernon Hal, Senior Business Officer

Board Meeting Date June 28, 2017

Subject Resolution No. 1617-0138 - TEMPORARY DISTRICT BORROWING –UP TO \$26 MILLION – COUNTY OF ALAMEDA TREASURY DUE TO FLUCTUATION IN DISTRICT REVENUE AND RECEIPTS

Action Requested APPROVAL BY THE BOARD OF EDUCATION OF RESOLUTION NO. 1617-0138 – TEMPORARY DISTRICT BORROWING – UP TO \$26 MILLION – COUNTY OF ALAMEDA TREASURY DUE TO FLUCTUATION IN REVENUE AND RECEIPTS

Background The California Constitution and Education Code Section 42620 provide that the Treasurer of the County of Alameda has the power to temporarily transfer funds in the County's custody to provide funds for meeting the obligation incurred for maintenance purposes by any District. Such temporary transfer by the Treasurer of funds requires a request of this Board to the County Board of Supervisors. The funds transferred to the District cannot exceed 85% of anticipated revenue accruing to the District, cannot be made prior to the first day of the fiscal year nor after the last Monday in April of the current fiscal year, and must be repaid from the revenues accruing to the District before any other obligation of the District. Because of fluctuation in revenue and receipts, the District may not have sufficient cash to meet all its obligations incurred for operating requirements during the course of the year. The approval of this Resolution will enable the District to borrow up to \$26 million dollars in needed funds as an advance on the District revenue during the same fiscal year.

Recommendation APPROVAL BY THE BOARD OF EDUCATION OF RESOLUTION NO. 1617-0138 – TEMPORARY DISTRICT BORROWING – UP TO \$26 MILLION – COUNTY OF ALAMEDA TREASURY DUE TO FLUCTUATION IN REVENUE AND RECEIPTS

Fiscal Impact Fiscal impact is the interest cost on borrowed funds. The interest rate is the same as the interest earnings rate for the County Treasury.

Attachments

- Resolution 1617-0138

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

Resolution No. 1617-0138

**AUTHORIZING TEMPORARY BORROWING OF AN AMOUNT NOT TO EXCEED \$26 MILLION
DOLLARS FROM THE ALAMEDA COUNTY TREASURY DUE TO FLUCTUATION IN DISTRICT
REVENUE AND RECEIPTS**

WHEREAS, the California Constitution, Article XVI, Section 6 and Education Code Section 42620 provide that the Treasurer of the County of Alameda (the “Treasurer”) and the Auditor of the County of Alameda (the “Auditor”) shall have the power and it shall be the duty to make such temporary borrowing from the funds in the County’s custody as may be necessary to provide funds for meeting the obligations incurred for maintenance purposes by any District whose funds are in its custody and are paid out solely through its office;

WHEREAS, such temporary borrowing of funds shall be made only upon request by the Board of Education to the County Board of Supervisors;

WHEREAS, such temporary transfer of funds shall not exceed 85% of anticipated revenue accruing to the District, shall not be made prior to the first day of the fiscal year nor after the last Monday in April of the current fiscal year, and shall be replaced from the revenues accruing to such District before any other obligation of the District; and

WHEREAS, due to fluctuation in District revenue, the cost reimbursement nature of certain Federal and State contracts, there will not be sufficient cash on hand at various points in time to provide funds for meeting obligations by the District at that point in time;

NOW, THEREFORE, pursuant to the provisions of the California Constitution, Article XVI, Section 6, and Education Code Section 42620, **BE IT RESOLVED**, that:

1. **RESOLVED**, that the District hereby requests the Board of Supervisors of Alameda County to direct the Treasurer and Auditor to temporarily loan an amount not to exceed \$26 million (\$26,000,000) from any lawfully available funds of the County (the “Loan”) which amount does not exceed a total of 85% of anticipated revenue accruing to the District by June 30, 2018.
2. **RESOLVED**, that the District hereby requests the Treasurer and the Auditor to transfer to the District the full amount of the Loan.
3. **RESOLVED**, that the District hereby requests the Auditor to inform the Superintendent of Schools of the County of the Loan as soon as it is made.
4. **RESOLVED**, that the Loan shall be repaid from the revenues accruing to the school district and before any other obligation of the school district is paid from the money accruing to the District.

5. RESOLVED, that the District Superintendent or her designee is hereby authorized and directed to sign a Temporary Transfer Agreement consistent with the terms of this Resolution.

PASSED BY THE FOLLOWING VOTE:

Ayes: Jody London, Aimee Eng, Jumoke Hinton Hodge, Roseann Torres, Shanthi Gonzales,
Vice President Nina Senn, President James Harris

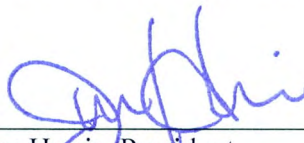
Nays: None


Abstained: None

Absent: None

CERTIFICATION

We, James Harris and Devin Dillon, President and Interim Secretary of the Board of Education of the Oakland Unified School District, respectively, do hereby certify that the foregoing Resolution was duly approved and adopted by the Board of Education of said District at a Regular Meeting held on the 29th of June, 2017 with a copy of the Resolution being on file in the Office of the Board of Education of the District.

By: 
James Harris, President
Board of Education


Devin Dillon, Interim Secretary
Board of Education