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OAKLAND UNIFIED
SCHOOL DISTRICT

Community Schools, Thriving Students

Memo

To Board of Education

From Kyla Johnson-Trammell, Superintendent
 Marcus Battle, Chief Business Officer *MB*
 Ryannhon Nguyen, Controller *RN*

Board Meeting Date August 8, 2018

Subject RESOLUTION NO. 1819-0001 - TEMPORARY DISTRICT BORROWING – UP TO \$30 MILLION – COUNTY OF ALAMEDA TREASURY DUE TO FLUCTUATION IN DISTRICT REVENUE AND RECEIPTS FOR FISCAL YEAR 2018-2019

Action Requested APPROVAL BY THE BORAD OF EDUCATION OF RESOLUTION NO. 1819-0001 – TEMPORARY DISTRICT BORROWING – UP TO \$30 MILLION – COUNTY OF ALAMEDA TREASURY DUE TO FLUCTUATION IN REVENUE AND RECEIPTS FOR FISCAL YEAR 2018-2019

Background The California Constitution and Education Code Section 42620 provide that the Treasurer of the County of Alameda have 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 \$30 million dollars in needed funds as an advance on the District revenue.

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.

Recommendation APPROVAL BY THE BOARD OF RESOLUTION NO. 1819-0001 REQUESTING TEMPORARY TRANSFER OF UP TO \$30 MILLION DOLLARS FROM ALAMEDA COUNTY TREASURY DUE TO FLUCTUATION IN DISTRICT REVENUE AND RECEIPTS FOR FISCAL YEAR 2018-2019

Attachments RESOLUTION NO. 1819-0001

**RESOLUTION OF THE BOARD OF EDUCATION
OF THE
OAKLAND UNIFIED SCHOOL DISTRICT
RESOLUTION NO. 1819-0001**

**AUTHORIZING TEMPORARY BORROWING OF AN AMOUNT NOT TO EXCEED \$30 MILLION
DOLLARS FROM THE ALAMEDA COUNTY TREASURY DUE TO FLUCTUATION IN DISTRICT
REVENUE AND RECEIPTS FOR FISCAL YEAR 2018-2019**

WHEREAS, the California Constitution, Article XVI, Section 6 and Education Code Section 42620 provide that the Treasurer of the County of Alameda (Treasurer) 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 may 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, BE IT RESOLVED, that pursuant to the provisions of the California Constitution, Article XVI, Section 6, and Education Code Section 42620, the Governing Board of the Oakland Unified School District hereby requests:

1. The Board of Supervisors of Alameda County directs the Treasurer to temporary loan from the funds in its custody to the District to meet obligations incurred for maintenance purposes in the amount not to exceed \$30 Million Dollars, which amount does not exceed a total of 85% of anticipated revenue accruing to the District by June 30, 2018.
2. Funds will be transferred to the District by the Treasurer to meet District obligations in an amount not exceed \$30 Million Dollars.
3. Repayment of the funds is anticipated to be made from the revenues accruing to and identified by the District. Interest on any transferred funds will accrue and be payable by the District, at the greater of the same interest rate the County of Alameda Investment Pool is earning or a proxy TRAN cost as determined by the market until the entire amount transferred is repaid. Interest will be charged monthly.
4. Authorized the District Superintendent or designee to sign a Temporary Transfer Agreement, subject to form and content approval by the General Counsel, consistent with the terms of this Resolution.

PASSED BY THE FOLLOWING VOTE:

PREFERENTIAL AYE: None

PREFERENTIAL NOE: None

PREFERENTIAL ABSTENTION: None

PREFERENTIAL RECUSE: None

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

NOES: None

ABSTAINED: None

RECUSE: None

ABSENT: Student Directors Josue Chavez and Yota Omo-Sowho

CERTIFICATION

We hereby certify that the foregoing is a full, true and correct copy of a Resolution passed at a Regular Meeting of the Board of Education of the Oakland Unified School District held on 8th Day of August, 2018.

OAKLAND UNIFIED SCHOOL DISTRICT



Aimee Eng
President, Board of Education



Kyla Johnson-Trammell
Superintendent and Secretary, Board of Education

Resolution No. 1819-0001

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