

Board Office Use: <b>Legislative File Info.</b>	
File ID Number	14-1868
Introduction Date	9/23/14
Enactment Number	14-1689
Enactment Date	9-23-14



# Memo

**To** Board of Education

**From** Antwan Wilson, Superintendent  
 Vernon Hal, Senior Business Officer *VH*  
 Ruth Alahyoian, Chief Financial Officer

**Board Meeting Date** September 23, 2014

**Subject** Resolution No. 1415-0073 - TEMPORARY DISTRICT BORROWING - UP TO \$50 MILLION - COUNTY OF ALAMEDA TREASURY DUE TO ONGOING STATE REVENUE DEFERRALS

**Action Requested** APPROVAL BY THE BOARD OF EDUCATION OF RESOLUTION NO. 1415-0073 - TEMPORARY DISTRICT BORROWING - UP TO \$50 MILLION - COUNTY OF ALAMEDA TREASURY DUE TO ONGOING STATE REVENUE DEFERRALS

**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 can not exceed 85% of anticipated revenue accruing to the District, can 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 must be repaid from the revenues accruing to the District before any other obligation of the District. Due to fluctuation in State Aid Revenue and Receipts, the District does not have sufficient cash to meet all its obligations incurred for operating requirements in the current fiscal. The approval of this Resolution will enable the District to borrow up to \$50 million dollars in needed funds as an advance on the State deferred payments to the District.

**Fiscal Impact Recommendation** As funds will be paid within the current fiscal year, no fiscal impact

APPROVAL BY THE BOARD OF REOLUTION NO. 1415-0073 REQUESTING TEMPORARY TRANSFER OF UP TO \$50 MILLION DOLLARS FROM THE ALAMEDA COUNTY TREASURY DUE TO ONGOING STATE REVENUE DEFERRALS.

**Attachments**

- Board Resolution No. 1415-0073

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

**Resolution No. 1415-0072**

**REQUESTING TEMPORARY BORROWING OF AN AMOUNT NOT TO  
EXCEED \$50 MILLION DOLLARS FROM THE ALAMEDA COUNTY  
TREASURY DUE TO ONGOING STATE REVENUE DEFERRALS.**

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 from 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 State Aid Revenue and receipts, there is not sufficient cash on hand to provide funds for meeting obligations by the District in the current fiscal;

**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 \$50 Million Dollars, which amount does not exceed a total of 85% of anticipated revenue accruing to the District by June 30, 2015.
2. Funds will be transferred to this District by the Treasurer to meet District Obligations in an amount not to exceed \$50 Million Dollars
3. Repayment of the funds is anticipated to be made from the principal apportionments identified by the District; however the District recognizes that the source of repayment may be from other revenues accruing to the District before any other obligation. 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. Authorize the District Superintendent or designee to sign a Temporary Transfer Agreement consistent with the terms of this Resolution.

I hereby certify that the foregoing resolution was duly adopted at a meeting of the Board of Education of the Oakland Unified School District held on of September 10, 2014, by the following vote:

AYES: Jody London, Jumoke Hinton Hodge, Roseann Torres, Christopher Dobbins, Vice President James Harris and President David Kakishiba

NOES: None

ABSTAINED: None

ABSENT: Anne Washington

By: \_\_\_\_\_

  
David Kakishiba, President  
Board of Education

  
Antwan Wilson, Superintendent and  
Secretary, Board of Education

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