

Board Office Use: Legislative File Info.	
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Introduction Date	8/28/2019
Enactment Number	19-1322
Enactment Date	8/28/19 os



# Memo

**To** Board of Education

**From** Kyla Johnson-Trammell, Superintendent  
Luz Cazares, Consultant CFO

**Board Meeting Date** August 14, 2019

**Subject** Resolution No. 1920-0002 - Temporary Transfer of Funds – Up to \$30 Million – County of Alameda Treasury Due to Fluctuation in District Revenue and Receipts for Fiscal Year 2019-2020

**Action Requested** Approval by the Board of Education of Resolution No. 1920-0002 – Temporary Transfer of Funds – up to \$30 Million – County of Alameda Treasury due to fluctuation in revenue and receipts for fiscal year 2019-2020.

**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 authorize the District to request a temporary transfer of up to \$30 million dollars in needed funds from the County 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 Education of Resolution No. 1920-0002 – Temporary Transfer of Funds – Up to \$30 Million – County of Alameda Treasury due to fluctuation in District revenue and receipts for fiscal year 2019-2020

**Attachments** Resolution No. 1920-0002

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

**RESOLUTION NO. 1920-0002**

**REQUESTING TEMPORARY TRANSFER OF FUNDS IN AN AMOUNT NOT TO EXCEED \$30  
MILLION DOLLARS FROM THE ALAMEDA COUNTY TREASURY DUE TO FLUCTUATION IN  
DISTRICT REVENUE AND RECEIPTS FOR FISCAL YEAR 2019-2020**

**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 Treasurer's duty to make such temporary transfer from the funds that are in the County's custody and are paid out solely through the Treasurer's office as may be necessary to provide funds for meeting the obligations incurred for maintenance purposes by any district whose funds are in the Treasurer's custody and are paid out solely through the Treasurer's office;

**WHEREAS**, such temporary transfer of funds shall not exceed 85% of anticipated revenue accruing to the Oakland Unified School District (District), shall not be made prior to the first day of 2019-20 (Fiscal Year), nor after the last Monday in April of the 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 and 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 of the District at that point in time;

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

1. The Board of Supervisors of Alameda County is requested to direct the Treasurer to make a temporary transfer of funds in its custody to the District on or before the last Monday in April 2020 to the District to meet obligations incurred for maintenance purposes in the amount not to exceed \$30,000,000.00 (thirty million dollars), which amount does not exceed a total of 85% of the amount of money which will accrue to the District or the Alameda County school service fund during the Fiscal Year.
2. Funds will be transferred to the District by the Treasurer in sums as requested by the District Superintendent in order for the District to meet its obligations incurred for maintenance purposes so long as the total amount of funds transfers does not exceed \$30,000,000.00 (thirty 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. Each month, the appropriate interest rate to be used will be identified, and the resulting calculated interest will be charged.
4. The Secretary of the District's Governing Board shall file a copy of this resolution with the Board of Supervisors, the County Superintendent of Schools, the County Auditor and Controller, and the County Treasurer-Tax Collector.

**PASSED BY THE FOLLOWING VOTE:**

PREFERENTIAL AYE:	None
PREFERENTIAL NOE:	None
PREFERENTIAL ABSTENTION:	None
PREFERENTIAL RECUSE:	None
AYES:	James Harris, Jumoke Hinton-Hodge, Gary Yee, Shanthi Gonzales, Vice President Jody London, President Aimee Eng
NOES:	None
ABSTAINED:	None
RECUSE:	None
ABSENT:	Student Director Garibo, Student Director Smith-Dahl, Roseann Torres

## 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 28<sup>th</sup> Day of August, 2019.

### **OAKLAND UNIFIED SCHOOL DISTRICT**



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Aimee Eng  
President, Board of Education



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Kyla Johnson-Trammell  
Superintendent and Secretary, Board of Education

RESOLUTION NO. 1920-0002

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