



Agenda Submittal

Agenda #: 10 **Status:** Approved
Type: Resolution **Department:** Treasurer-Tax Collector-County Clerk
File #: 17-360 **Contact:** Charles Lomeli, 784-3419
Agenda date: 6/6/2017 **Final action:** 6/6/2017
Title: Approve a resolution authorizing the transfer of up to 85% of FY2017/18 anticipated tax revenues from the Treasury Pool funds to local school districts as mandated under Article XVI Section 6 of the California Constitution
Governing body: Board of Supervisors
District: All
Attachments: 1. A - Resolution, 2. B - BUSD Resolution, 3. C - DUSD Resolution, 4. D - FSUSD Resolution, 5. E - VVUSD Resolution, 6. F - VJUSD Resolution, 7. Adopted Resolution, 8. Minute Order

Date	Ver.	Action By	Action	Result
6/6/2017	1	Board of Supervisors	Adopted	

Published Notice Required? Yes ☐ No ☒
Public Hearing Required? Yes ☐ No ☒

DEPARTMENTAL RECOMMENDATION:

It is recommended that the Board of Supervisors approve a resolution authorizing the transfer of 85% of FY2017/18 anticipated tax revenues from the Treasury Pool funds to local school districts under Article XVI Section 6 of the California Constitution from July 1, 2017 to April 30, 2018.

SUMMARY/DISCUSSION:

Various State mandates require the County, using available fund balances, or the County Treasurer, using pooled funds, to provide temporary funding to the local school districts in order to cover any cash deficits they may experience in meeting their operational requirements. The applicability of each mandate is dependent upon the type of district to be covered, the portion of time to be covered, and the availability of funds not immediately needed to pay claims against the funds. The attached resolution will enable the various local school districts to fulfill their educational mandates by providing them with a stable source of required operational cash from July 1, 2017 to April 30, 2018, while keeping the County in compliance with all applicable mandatory statutes. Transfers will be payable with interest at the rate the County applies to funds of the districts on deposit with the County.

Listed herein are the respective code sections and actions that must be taken by the County to provide operationally required cash flow to the districts as a result of State actions to defer revenues to the districts that are statutorily owed them by the State of California.

In accordance with Article XVI, Section 6 of the California Constitution, the County Treasurer will make mandatory advances of up to 85% of anticipated property tax revenues accruing to the respective districts during FY2017/18 as need. All advances will be repaid prior to April 30, 2018 as required by law. While the mandate allows for the advancement of 100% of all funds, County policy is to request that districts initially request no more than 85% of anticipated property revenues as determined by the Auditor - Controller. If additional funding is required, a separate request will be brought forward at that time detailing the amount of

additional funding required, all applicable mandates, the source of funding for the loan, and the source or sources of additional pledged revenue.

The district requests for Constitutional Advance funding are as follows:

Benicia USD	11,350,393
Dixon USD	4,000,000
Fairfield Suisun USD	23,000,000
Vacaville USD	17,110,517
Vallejo City USD	<u>20,600,000</u>
Total	\$76,060,910

FINANCIAL IMPACT:

The Constitutional transfers of funds will be made using cash available in the Treasury Pool. The Treasurer has determined that the temporary transfers of funds will not adversely affect the County Treasury Pool. There is sufficient liquidity in the Treasury Pool to fund these advances. The advances will be repaid from the first available revenues accruing to the district.

ALTERNATIVES:

The Board of Supervisors could elect not to authorize the transfer of funds to the District; however, this is not recommended as the transfers are mandated. A failure to adopt the resolutions will cause the various school districts to be unable to meet their functional mandates, and place the County in noncompliance with State mandates.

OTHER AGENCY INVOLVEMENT:

The Auditor-Controller, County Counsel, County Administrator, Solano County Office of Education, and the respective requesting districts have been directly involved in this request. Formal transfer request resolutions from the respective districts are attached.

CAO RECOMMENDATION:

APPROVE DEPARTMENTAL RECOMMENDATION