

LAKE COUNTY OFFICE OF EDUCATION
Office of Superintendent

Temporary Transfer of Funds to Upper Lake Unified School District

ISSUE

The newly formed Upper Lake Unified School District will receive balance transfers from both the Upper Lake Union Elementary School District and Upper Lake Union High School District as soon as the books are closed and fund balances can be determined. Until such time, the Upper Lake Unified School District will need cash to meet current obligations such as operational costs and payroll.

PREVIOUS ACTIVITY

There is no previous history related to cash loans for district reorganization.

DISCUSSION

The Lake County Office of Education may loan cash to districts located within the county as per Education Code 42621. This is one of the reasons that most county offices maintain a high reserve.

Authority

EC 42621 The county superintendent of schools of each county, with the approval of the county board of education, may make temporary transfers to a school district or charter school that does not have sufficient money to its credit to meet current operating expenses from the county school service fund, in amounts and at times that the county superintendent of schools deems necessary. These transfers shall not exceed 85 percent of the amount of money accruing to the school district or charter school at the time of transfer. The amounts so transferred shall be repaid to the county school service fund before June 30 of the current year from any funds subsequently received by the school district or charter school.

FISCAL, STAFFING AND FACILITIES ISSUES

It is requested that the amount of \$1,000,000 dollars be transferred from the County Schools Service Fund (General Fund) to the General Fund of Upper Lake Unified School District. It is anticipated that the loan will be repaid on or before September 30th 2016. The loan will not be extended beyond October 31, 2016.

RECOMMENDATION

The Lake County Superintendent of Schools recommends the County Board of Education approve and authorize the Lake County Superintendent of Schools to temporarily transfer funds in the amount of \$1,000,000 from the County School Services Fund to the Upper Lake Unified School District General Fund, to be repaid no later than October 31, 2016.

Report prepared by Michelle Buell, Senior Director, Fiscal Services.