May 13, 2020

To: Nancy Magee, County Superintendent of Schools

From: Denise Porterfield
Deputy Superintendent, Business Services Division

Subject: Authorizing Temporary Borrowing ("Bridge Loans") in 2020-2021 for Small School Districts with Average Daily Attendance of 901 or Fewer

Board action is requested approving the attached Resolution No. 20-34 for 2020-2021.

The purpose of this resolution is to authorize the San Mateo County Superintendent of Schools to make loans from the County School Service Fund to school districts with an ADA of 901 or fewer, when they do not have sufficient funds to meet their current operating expenses.

The school district must meet the criteria set forth in the resolution. The total loan amount is not to exceed $1.5 million.

Attachment

Approved and Recommended to the Board:

Nancy Magee, County Superintendent of Schools
Resolution No. 20-34
San Mateo County Board Of Education
State Of California

Authorizing Temporary Borrowing ("Bridge Loans") in 2020-2021 for Small School Districts with Average Daily Attendance of 901 or Fewer

Whereas, school districts with an ADA of 901 or fewer within the jurisdiction of the San Mateo County Superintendent of Schools/San Mateo County Office of Education (SMCOE) may identify short-term emergency cash situations and may request temporary “bridge loans” from SMCOE during FY 2020-2021; and

Whereas, if such a request should be made, SMCOE business services staff will verify and concur with the negative cash projections and the amount requested by the district; and

Whereas, Education Code (EC) 42621 allows “the County Superintendent of Schools, with the approval of the County Board of Education, to make temporary transfers from the County School Service Fund to any school district which does not have sufficient money to its credit to meet current operating expenses, in such amounts and at such times as he or she deems necessary. Such transfers shall not exceed 85 percent of the amount of money accruing to the school district at the time of transfer. The amounts so transferred shall be repaid to the County School Service Fund prior to June 30 of the current year from any funds subsequently received by the school district”; and

Whereas, repayment of any temporary “bridge loan” authorized by this resolution may be required during FY 2020-2021 in conformance with EC 42621, unless otherwise agreed upon by SMCOE and in conformance with EC 42622; and

Whereas, EC 42622 allows the County Superintendent of Schools, with approval of the County Board of Education, to “make an apportionment to a school district from the County School Service Fund conditional upon the repayment to the fund during the next succeeding fiscal year of the amount apportioned to the district and shall, during the next succeeding fiscal year, transfer the amount of such apportionment from the general fund of the district to the county school service fund”; and

Whereas, eligible districts are those with an ADA of 901 or fewer and the total of all loans by the San Mateo County Superintendent of Schools, pursuant to this Resolution, cannot exceed $1.5 million;

Now, Therefore, Be It Resolved the San Mateo County Board of Education hereby authorizes the San Mateo County Superintendent of Schools to loan to school districts that meet the criteria established above a total amount not to exceed $1.5 million to be repaid with interest pursuant to this Resolution or EC 42621 or EC 42622 as determined and agreed upon.

Regularly Passed and Adopted this Twentieth Day of May 2020, by the San Mateo County Board of Education in Redwood City, California.