

DEPARTMENT: Treasurer

BY: Keith M. Williams, Treasurer
PHONE: 966-2830

RECOMMENDED ACTION AND JUSTIFICATION:

Approve a resolution authorizing the County Treasurer to make a temporary transfer funds to the Mariposa County Unified School District for the amount of \$1,000,000 during the 2010-11 fiscal year.

Article 16, Section 6 of the California Constitution authorizes temporary transfers to certain public entities when the County has funds available and the funds are needed by the public entity to perform its functions and meet its obligations.

See attached staff report.

BACKGROUND AND HISTORY OF BOARD ACTIONS:

None

ALTERNATIVES AND CONSEQUENCES OF NEGATIVE ACTION:

The County would be in violation of the California State Constitution and the School District would be unable to pay their bills and cover payroll.

Financial Impact? () Yes (X) No	Current FY Cost:	Annual Recurring Cost: \$0
Budgeted In Current FY? () Yes () No () Partially Funded		
Amount in Budget: \$ _____		List Attachments, number pages consecutively _____
Additional Funding Needed: \$ _____		Formal Resolution _____
Source:		Staff Report _____
Internal Transfer _____		CA Constitution Article 16 - Public Finance _____
Unanticipated Revenue _____ 4/5's vote		MCUSD Projected Gen Fund Bal Chart _____
Transfer Between Funds _____ 4/5's vote		MCUSD Res. 10-22 _____
Contingency _____ 4/5's vote		Mariposa County Office of Ed Res 10-02 _____
() General () Other		

CLERK'S USE ONLY:

Res. No.: 10-215 Ord. No. _____
Vote - Ayes: 5 Noes: _____
Absent: _____
Approved
() Minute Order Attached () No Action Necessary

The foregoing instrument is a correct copy of the original on file in this office.

Date: _____
Attest: MARGIE WILLIAMS, Clerk of the Board
County of Mariposa, State of California
By: _____
Deputy

COUNTY ADMINISTRATIVE OFFICER:

Requested Action Recommended
 No Opinion
Comments:

CAO: *[Signature]*

MARIPOSA COUNTY RESOLUTION NO. 10- 121

**RESOLUTION AUTHORIZING THE MARIPOSA COUNTY TREASURER TO
TEMPORARILY TRANSFER FUNDS TO THE MARIPOSA COUNTY UNIFIED
SCHOOL DISTRICT IN FISCAL YEAR 2010-2011**

WHEREAS, Article XVI, Section 6 of the Constitution of the State of California provides that it shall be the duty of the treasurer of any county to make such temporary transfers from the funds in his custody as may be necessary to provide funds for meeting the obligations incurred for maintenance purposes by any political subdivision whose funds are in his custody and are paid out solely through his office; and

WHEREAS, Section 42620 of the Education Code of the State of California provides that whenever prior to the receipt by any school district of its state, county, or district funds, any school district does not have sufficient money to its credit to meet current expenses of maintenance, the board of supervisors of the county shall order, and the auditor and treasurer of the county shall make a temporary transfer from any funds of the county not immediately needed to pay claims against it to the school fund not exceeding eighty-five percent (85%) of the amount of money which will accrue to the school district during the fiscal year; and

WHEREAS, Education Code Section 42620 further provides that the funds transferred shall be retransferred by the auditor or treasurer to the fund from which they were taken from the first moneys accruing to the school district and before any other obligation of the school district is paid from the money accruing; and

WHEREAS, the Mariposa County Unified School District ("the District") does not have sufficient funds on hand to provide for the operation of the District during the 2010-2011 fiscal year; and

WHEREAS, the District has requested a temporary transfer from funds in the custody of the Mariposa County Treasurer to the District on an as-needed basis of an amount not to exceed \$1,000,000 for the purpose of meeting the obligations incurred for maintenance purposes by the District for the 2010-2011 fiscal year;

NOW, THEREFORE BE IT RESOLVED, that the Mariposa County Treasurer be and is hereby authorized and directed to transfer from the funds in his custody to the Mariposa County Unified School District, the sum of up to and not to exceed \$1,000,000, provided that the Mariposa County Auditor determines that said funds are not immediately needed to pay claims against the County of Mariposa. Said sum shall be used for meeting the obligations incurred for maintenance purposes by the District for the 2010-2011 fiscal year. Said sum does not exceed eighty-five percent (85%) of the anticipated revenues accruing to the District, shall not be made prior to July 1, 2010 nor after April 25, 2011, and shall be replaced from the revenues accruing

to the District before any other obligations are met from said revenues.

PASSED AND ADOPTED by the Mariposa County Board of Supervisors this 4th
day of May 2010, by the following vote:

AYES: ABORN, TURPIN, BIBBY, CANN, ALLEN
NOES: NONE
ABSENT: NONE
ABSTAINED: NONE



KEVIN CANN, Chairman
Mariposa County Board of Supervisors

ATTEST:

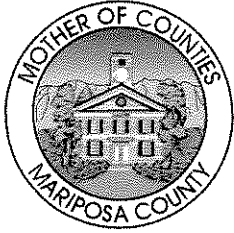
APPROVED AS TO FORM:



MARGIE WILLIAMS
Clerk of the Board



STEVEN W. DAHLEM
County Counsel



Keith M. Williams
Treasurer – Tax Collector and
County Clerk

Treasurer (209) 966-2830 - Tax Collector (209) 966-2621 - County Clerk / Registrar of Voters (209) 966-2007 - Fax (209) 966-6496

Staff Report

April 23, 2010

Board of Supervisor's

The Mariposa County Unified School District (MCUSD) has requested a temporary transfer of funds under Article 16, Section 6 of the California Constitution. Article 16, Section 6 provides that with approval from the Board of Supervisor's the County Treasurer shall transfer funds as needed not to exceed 85% of the districts anticipated revenue for the fiscal year. MCUSD has requested up to \$1,000,000 to be transferred between July 1, 2010 and the last Monday in April, 2011. MCUSD agrees that this transfer will be treated as a loan and will be charged and the County pool rate. The borrowed funds come from the County pool and are to be repaid by MCUSD from the revenues of the district which include the property tax apportionments.

MCUSD and the Mariposa County Office of Education have provided copies of their resolutions requesting this loan. In addition, they have provided a chart outlining their projected general fund balance which shows their need for the loan in the early part of August. I anticipate the repayment of funds with the first apportionment of property taxes in December 2010 but no later than June 30, 2011.

While this is the first time this type of loan has been used in Mariposa County, the practice is statewide and is commonly referred to as "dry period" financing.

Keith M. Williams
Treasurer – Tax Collector &
County Clerk

CALIFORNIA CONSTITUTION
ARTICLE 16 PUBLIC FINANCE

SEC. 6. The Legislature shall have no power to give or to lend, or to authorize the giving or lending, of the credit of the State, or of any county, city and county, city, township or other political corporation or subdivision of the State now existing, or that may be hereafter established, in aid of or to any person, association, or corporation, whether municipal or otherwise, or to pledge the credit thereof, in any manner whatever, for the payment of the liabilities of any individual, association, municipal or other corporation whatever; nor shall it have power to make any gift or authorize the making of any gift, of any public money or thing of value to any individual, municipal or other corporation whatever; provided, that nothing in this section shall prevent the Legislature granting aid pursuant to Section 3 of Article XVI; and it shall not have power to authorize the State, or any political subdivision thereof, to subscribe for stock, or to become a stockholder in any corporation whatever; provided, further, that irrigation districts for the purpose of acquiring the control of any entire international water system necessary for its use and purposes, a part of which is situated in the United States, and a part thereof in a foreign country, may in the manner authorized by law, acquire the stock of any foreign corporation which is the owner of, or which holds the title to the part of such system situated in a foreign country; provided, further, that irrigation districts for the purpose of acquiring water and water rights and other property necessary for their uses and purposes, may acquire and hold the stock of corporations, domestic or foreign, owning waters, water rights, canals, waterworks, franchises or concessions subject to the same obligations and liabilities as are imposed by law upon all other stockholders in such corporation; and

Provided, further, that this section shall not prohibit any county, city and county, city, township, or other political corporation or subdivision of the State from joining with other such agencies in providing for the payment of workers' compensation, unemployment compensation, tort liability, or public liability losses incurred by such agencies, by entry into an insurance pooling arrangement under a joint exercise of powers agreement, or by membership in such publicly-owned nonprofit corporation or other public agency as may be authorized by the Legislature; and

Provided, further, that nothing contained in this Constitution shall prohibit the use of state money or credit, in aiding veterans who served in the military or naval service of the United States during the time of war, in the acquisition of, or payments for, (1) farms or homes, or in projects of land settlement or in the development of such farms or homes or land settlement projects for the benefit of such veterans, or (2) any business, land or any interest therein, buildings, supplies, equipment, machinery, or tools, to be used by the veteran in pursuing a gainful occupation; and

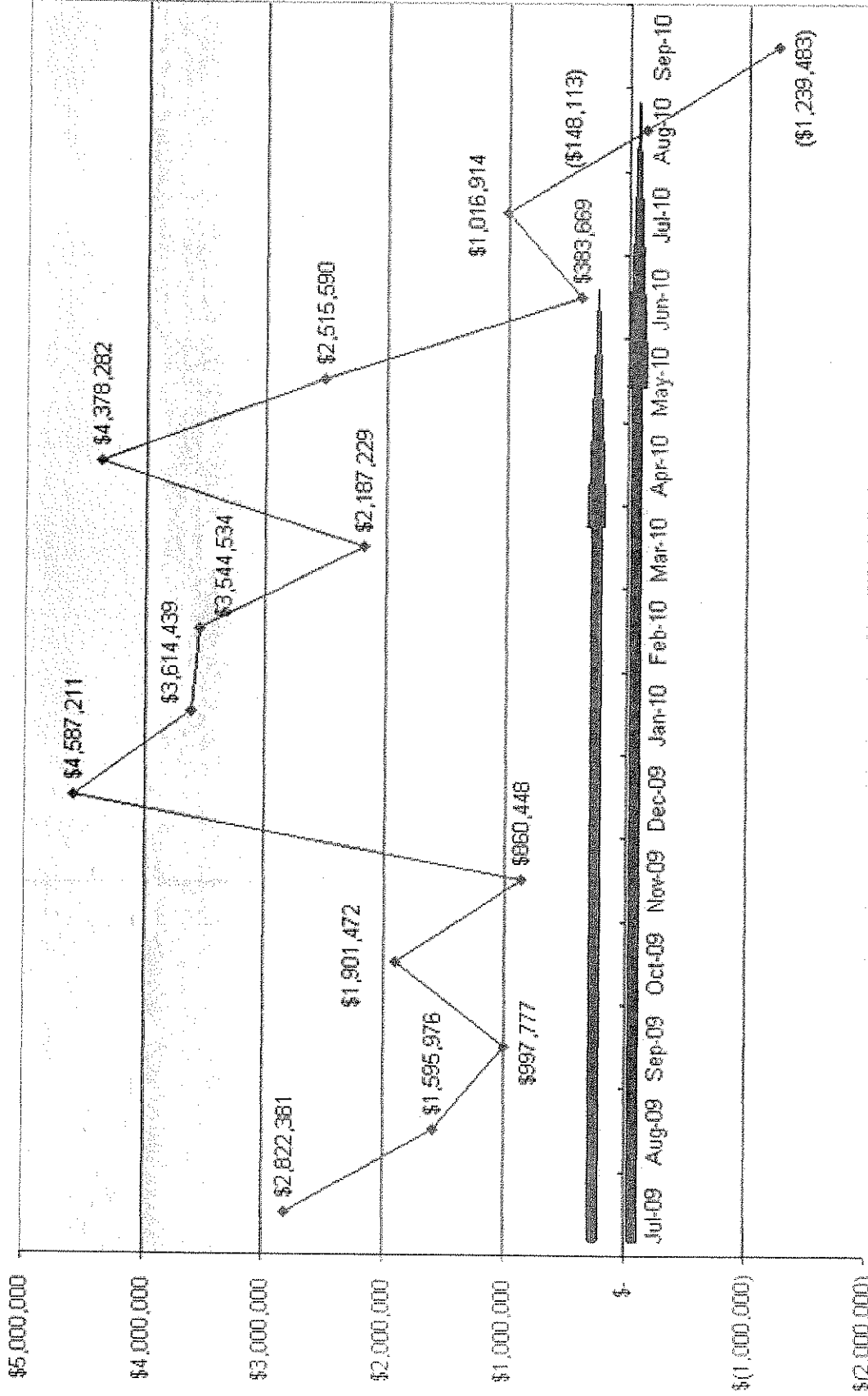
Provided, further, that nothing contained in this Constitution shall prohibit the State, or any county, city and county, city, township, or other political corporation or subdivision of the State from providing aid or assistance to persons, if found to be in the public interest, for the purpose of clearing debris, natural materials, and wreckage from privately owned lands and waters deposited thereon or therein during a period of a major disaster or emergency, in either case declared by the President. In such case,

the public entity shall be indemnified by the recipient from the award of any claim against the public entity arising from the rendering of such aid or assistance. Such aid or assistance must be eligible for federal reimbursement for the cost thereof.

And provided, still further, that notwithstanding the restrictions contained in this Constitution, the treasurer of any city, county, or city and county shall have power and the duty to make such temporary transfers from the funds in custody as may be necessary to provide funds for meeting the obligations incurred for maintenance purposes by any city, county, city and county, district, or other political subdivision whose funds are in custody and are paid out solely through the treasurer's office. Such temporary transfer of funds to any political subdivision shall be made only upon resolution adopted by the governing body of the city, county, or city and county directing the treasurer of such city, county, or city and county to make such temporary transfer. Such temporary transfer of funds to any political subdivision shall not exceed 85 percent of the anticipated revenues accruing to such political subdivision, 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 political subdivision before any other obligation of such political subdivision is met from such revenue.

MCUSD Projected General Fund Balance

Red arrow- COE loan
 Blue arrow- County Treasurer loan



The above scenario depicts when the possible loans would need to commence and by what entity

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MARIPOSA COUNTY UNIFIED SCHOOL DISTRICT
Mariposa, California

RESOLUTION NO. 10-22

DISTRICT OF THE COUNTY OF MARIPOSA, STATE OF CALIFORNIA,
REQUESTING FUND TRANSFER UNDER ARTICLE XVI, SECTION 6 OF THE
STATE CONSTITUTION

RESOLVED by the Governing Board of the Mariposa County Unified School District, a District of the County of Mariposa, State of California, that:

WHEREAS, the District does not have sufficient funds on hand to provide for the operation of the District during the 2010-2011 fiscal year, and

WHEREAS, Article XVI, Section 6 of the State Constitution authorizes a temporary transfer of funds in the custody of the County Treasurer upon approval of the Board of Supervisors, and

WHEREAS, the revenues to said District for the current fiscal year, 2009-10, are budgeted at \$18,542,411;

NOW, THEREFORE, IT IS DETERMINED AND ORDERED as follows:

1. That the Board of Supervisors of the County of Mariposa be and it is hereby requested to authorize a temporary transfer to this District on an as-needed basis of an amount not to exceed \$1,000,000 during the 2010-11 fiscal year; said sum will not exceed 85% of the revenues to said District during said fiscal year. Repayment will commence upon first monies received by the District before any other obligation is paid. Interest will apply at the County Treasurer's current pooled rate at the time of payoff.
2. For the convenience of the County Treasurer and County Auditor a schedule of monthly anticipated cash flow is attached hereto.
3. That the County Treasurer of the County of Mariposa be requested to recommend and the County Auditor of the County of Mariposa be requested to acknowledge said transfer.
4. That certified copies of this resolution be forwarded by the Clerk of this Board to the Board of Supervisors of the County of Mariposa, the County Auditor and County Treasurer of this County.

PASSED and ADOPTED by the Governing Board of the Mariposa County Unified School District this 15th day of April, 2010 by the following vote:

AYES: Cardoso, Eppler, Forsythe-Allison, Henderson
NOES: None
ABSENT: Gamble

ATTEST: Aaron N Rosander
Aaron Rosander, Acting Superintendent

MARIPOSA COUNTY UNIFIED SCHOOL DISTRICT

MARIPOSA, CALIFORNIA

APRIL 15, 2010

GENERAL FUND
ANTICIPATED MONTHLY ENDING BALANCES
FROM JULY 2009 TO SEPTEMBER 2010

CLERK'S CERTIFICATE

I, Aaron Rosander, Clerk of the Governing Board of the Mariposa County Unified School District of the County of Mariposa, State of California, do hereby certify that the foregoing is a full, true and correct copy of a resolution duly adopted at a special/regular meeting of the Governing Board of said District regularly held at April 15, 2010, of which meeting all of the members of said Governing Board had due notice. I further certify that said resolution has not been amended, modified, or rescinded since the date of its adoption and the same is now in full force and effect.

ATTEST: This 15th day of April 2010.



Clerk of the Governing Board of the

Mariposa County Unified School District
County of Mariposa, State of California

MARIPOSA COUNTY OFFICE OF EDUCATION
Mariposa, California

RESOLUTION NO. 10-02

DISTRICT OF THE COUNTY OF MARIPOSA, STATE OF CALIFORNIA,
REQUESTING FUND TRANSFER UNDER ARTICLE XVI, SECTION 6 OF THE
STATE CONSTITUTION

RESOLVED by the Governing Board of the Mariposa County Office of Education (MCOE), a District of the County of Mariposa, State of California, that:

WHEREAS, the MCOE recognizes that the Mariposa County Unified School District may not have sufficient funds on hand to provide for the operation of the District during the 2010-2011 fiscal year, and therefore approves the District securing a temporary loan from the Mariposa County Treasurer;

WHEREAS, Article XVI, Section 6 of the State Constitution authorizes a temporary transfer of funds in the custody of the County Treasurer upon approval of the Board of Supervisors, and

WHEREAS, the revenues to said District for the current fiscal year, 2009-10, are budgeted at \$18,542,411;

NOW, THEREFORE, IT IS DETERMINED AND ORDERED as follows:

1. That the Board of Supervisors of the County of Mariposa be and it is hereby requested to authorize a temporary transfer to this District on an as-needed basis of an amount not to exceed \$1,000,000 during the 2010-11 fiscal year; said sum will not exceed 85% of the revenues to said District during said fiscal year. Repayment will commence upon first monies received by the District before any other obligation is paid. Interest will apply at the County Treasurer's current pooled rate at the time of payoff.
2. For the convenience of the County Treasurer and County Auditor a schedule of monthly anticipated cash flow is attached hereto.
3. That the County Treasurer of the County of Mariposa be requested to recommend and the County Auditor of the County of Mariposa be requested to acknowledge said transfer.
4. That certified copies of this resolution be forwarded by the Clerk of this Board to the Board of Supervisors of the County of Mariposa, the County Auditor and County Treasurer of this County.

PASSED and ADOPTED by the Governing Board of the Mariposa County Office of Education this 15th day of April, 2010 by the following vote:

AYES: Cardoso, Eppler, Forsythe-Allison, Henderson

NOES: None

ABSENT: Gamble

ATTEST:


Randy Panietz, Superintendent

§ 42610
Note 1

ELEMENTARY & SECONDARY EDUCATION
Title 2

Article 3

TEMPORARY TRANSFER—COUNTY TO DISTRICTS,
TO FINANCE EXCESS EXPENDITURE

Section

- 42620. Transfer of county funds to district credit to meet current maintenance ex-
penses.
- 42621. Temporary transfers to school districts from county school service fund and
provisions for repayment.
- 42622. Conditional apportionment to school districts from county school service fund.
- 42623. Temporary transfer of funds to newly organized school district.

*Article 3 was enacted by Stats.1976, c. 1010, § 2, operative April 30,
1977.*

Constitutional Provisions

Article 16, § 6, provides authority for city or county treasurers to make temporary transfers of public funds for meeting obligations incurred for maintenance purposes by any district.

§ 42620. Transfer of county funds to district credit to meet current maintenance expenses

Whenever prior to the receipt by any school district or county school service fund of its state, county, city and county, or district funds, any school district or county school service fund of a county or city and county does not have sufficient money to its credit to meet current expenses of maintenance, the board of supervisors of the county or city and county shall order, and the auditor and treasurer of the county or city and county shall make a temporary transfer from any funds of the county or city and county not immediately needed to pay claims against them to the school fund of the district or county school service fund of the amount needed, not exceeding 85 percent of the amount of money which will accrue to the school district or county school service fund during the fiscal year. Upon the making of the transfer the auditor shall immediately notify the superintendent of schools of the county or city and county of the amount transferred. Each transfer of funds requested under this section shall be granted in order of receipt by the board of supervisors, regardless of whether sufficient county funds are available for transfer to meet pending or anticipated requests of school districts.

The funds transferred under this section to the credit of a school district or county school service fund shall be retransferred by the auditor and treasurer to the fund from which they were taken from the first moneys accruing to the school district or county school service fund and before any other obligation of the school district or county school service fund is paid from the money accruing.

(Stats.1976, c. 1010, § 2, operative April 30, 1977.)

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1961, c. 57,
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Construction
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1. Construc
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The section of supervisors for maintenanc Art. 4, § 31, re. duty upon boar to school distri

SCHOOL FINANCE

Pt. 24

§ 42620

Note 4

Historical and Statutory Notes

Derivation: Educ.C.1959, § 21051 (Stats. 1959, c. 2, p. 1359, § 21051, amended by Stats. 1961, c. 576, p. 1717, § 1). School C. § 4.290, amended by Stats.1931, c. 1186, p. 2497, § 1.
Educ.C.1943, § 5941 (Stats.1943, c. 71, p. 432).

Cross References

Board of supervisors, see Government Code §§ 25000, 25003 et seq.
County auditor, see Government Code § 26900 et seq.
County school service fund services, see Education Code § 1700 et seq.
County treasurer, see Government Code § 27000 et seq.

Library References

Schools ⇨ 92(0.5).
Westlaw Topic No. 345.
C.J.S. Schools and School Districts § 500.

Research References

Encyclopedias

CA Jur. 3d Schools § 102, Temporary and Conditional Transfers from Other Funds.

Notes of Decisions

Construction with other laws 1
Current expenses 2
Special tax revenues 4
Sufficiency of funds 3

poses when school district has insufficient funds with which to meet expenses of current maintenance. 21 Op.Atty.Gen. 104 (1953).

2. Current expenses

The words "current expenses of maintenance" used in statute encompass all normal operating expenses incurred in maintaining school district including but not necessarily limited to payment of salaries of school administrators, teachers, janitors and the purchase of supplies. 22 Op.Atty.Gen. 105 (1953).

3. Sufficiency of funds

Under statute, requiring board of supervisors of county or city and county to transfer funds not immediately needed to pay claims against them to aid school district whenever school district has insufficient funds to meet current expenses of maintenance, the question whether there are in fact funds not immediately needed for payment of obligations of county or city and county is question of fact to be determined by board of supervisors. 21 Op.Atty.Gen. 104 (1953).

4. Special tax revenues

Junior [community] college district could not use special tax revenues, raised in school year under Educ.C.1959, § 25541.5 authorizing taxes to produce amount proposed to be extended as shown by budget under interdistrict attendance agreement, to pay for interdistrict services of prior year, since it was intended that special tax revenues were to be used first for special purpose obligations incurred in year funds were

1. Construction with other laws

The amount of county funds which may be temporarily transferred to a school district is restricted by Const. Art. 16, § 6, which prohibits the legislature from making any gift of any public money or thing of value to any individual, municipal or other corporation, to 85 percent of the school district taxes levied by the county under Const. Art. 13, § 21, which provides for an annual levy by counties of school district taxes, and of all amounts apportioned to the county or to such school district under Const. Art. 9, § 6, which relates to apportionment of the state school fund, solely with respect to any retirement system provided for in the charter of such county pursuant to the provisions of which the contributions of and benefits to, certificated employees of a school district who are members of such system are based upon the proportion of the salaries of such certificated employees contributed by such county, which will accrue to such school district during the fiscal year in which such transfer is made. 63 Op.Atty.Gen. 397, 5-13-80.

The section relating to loans by county board of supervisors of county funds to school districts for maintenance purposes is definitive of Const. Art. 4, § 31, relating to such loans, and imposes duty upon boards of supervisors to lend moneys to school districts for current maintenance pur-