

**June 4, 2024**

APPROVED: DD:br

Board Meeting – June 4, 2024

Item VII. Recommendations

- A. Adoption of Board Resolution No. 59: Short-term Cash Loan to School Districts in Los Angeles County

The Superintendent recommends that the County Board adopt Board Resolution No. 59. This resolution, pursuant to Education Code (EC) Sections 42621 and EC 42622, is to allow the Superintendent to loan up to, but not to exceed, \$5 million from the County School Service Fund to the various individual school districts in Los Angeles County experiencing cash-flow emergencies. Any use of this authorization is to provide a temporary “bridge loan” during fiscal year (FY) 2024-25 that addresses a school district’s realized/projected cash short-fall that would otherwise cause a district not to meet an immediate financial obligation and that would negatively impact payroll processing for district employees.

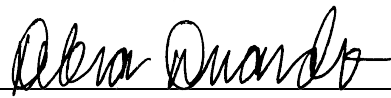
Any school district requesting and approved for a LACOE bridge loan will be obligated to repay LACOE fully and with a prorated daily interest rate equivalent to the rate that would be otherwise accrued by funds held in the Los Angeles County Treasury. Repayment of cash by the borrowing district will be made from a regularly-scheduled apportionment from the State of California during FY 2024-25.

## BOARD RESOLUTION

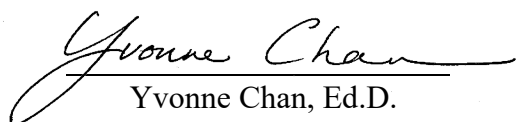
No. 59: 2024-2025

### Short-term Cash Loans to School Districts in Los Angeles County

- WHEREAS** A School District within the jurisdiction of the Los Angeles County Superintendent of Schools/Los Angeles County Office of Education (LACOE) has identified a short-term emergency cash situation and has requested a temporary “bridge loan” from LACOE during FY 2024-25; and,
- WHEREAS** LACOE business services staff has verified and concurs with the negative cash projections and the amount requested of the requesting district; and,
- WHEREAS** Education Code (EC) Section 42621 allows “the county superintendent of schools of each county, with the approval of the County Board of Education, may make temporary transfers to any school district which does not have sufficient money to its credit to meet current operating expenses from the county school service fund, in such amounts and at such times as 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 2024-25 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** The total of all loans by the Los Angeles County Superintendent of Schools, pursuant to this Resolution, cannot exceed \$5 million;
- NOW, THEREFORE, BE IT RESOLVED**, that the Los Angeles County Board of Education, hereby authorizes the Los Angeles County Superintendent of Schools to loan to school districts who meet the criteria established above, a total amount not to exceed \$5 million to be repaid with interest pursuant to this Resolution or EC Sections 42621 and EC 42622 as determined and agreed upon. Repayment date shall be no later than the next full principal apportionment payment date.
- ADOPTED** This 4<sup>th</sup> day of June 2024 by the Los Angeles County Board of Education, in Downey, California.



Debra Duardo, M.S.W., Ed.D.  
Superintendent



Yvonne Chan, Ed.D.  
Board President