

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY
AND RECORD OF ACTION**

June 25, 2024

FROM

ENSEN MASON, Auditor-Controller/Treasurer/Tax Collector

SUBJECT

Temporary Transfer of Funds – Needles Unified School District

RECOMMENDATION(S)

1. Approve the recommendation of the Auditor-Controller/Treasurer/Tax Collector for temporary transfer of funds to the Needles Unified School District, in the total amount of \$1,748,840, as listed on Attachment A.
2. Adopt **Resolution No. 2024-93** pertaining to the temporary transfer of funds in the custody of the San Bernardino County Treasurer, and the necessity for providing such funds for meeting the obligations of the Needles Unified School District, as listed on Attachment A.
(Presenter: Diana Atkeson, Assistant Auditor-Controller/Treasurer/Tax Collector, 382-7004)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Operate in a Fiscally-Responsible and Business-Like Manner.

Pursue County Goals and Objectives by Working with Other Agencies

FINANCIAL IMPACT

Approval of this item will not result in the use of additional Discretionary General Funding (Net County Cost). San Bernardino County (County) interest earnings will be reduced when the Needles Unified School District (District) utilizes the temporary transfer of funds (TTF). The District TTF is non-interest bearing and potentially reduces the amount of the County funds available for County use until repayment is completed. Approval of this item will establish a "line of credit" in the amount of \$1,748,840 for the District to draw on, as needed, to be repaid by April 28, 2025.

BACKGROUND INFORMATION

The Auditor-Controller/Treasurer/Tax Collector (ATC) has received a request from the District for a TTF, in accordance with the provisions of Article XVI, Section 6 of the California Constitution and Section 42620 of the California Education Code. These provisions require the Board of Supervisors (Board) to order the County Treasurer to make a TTF to the District from any funds of the County not immediately needed to pay County claims, if the District has established a need for the funds.

The TTF must not exceed 85% of the anticipated property tax revenue that will accrue to the District and shall be repaid from property tax collections before these collections are used to pay any other obligation of the District.

**Temporary Transfer of Funds - Needles Unified School District
June 25, 2024**

The District has requested a TTF for \$1,748,840. ATC considered several factors, including the District's deepest projected cash deficit and the anticipated tax revenue that will accrue to the District in arriving at its recommendation. A TTF is generally requested to cover temporary cash flow issues prior to property tax distributions in December. The District has previously requested and received a TTF in the amount of \$1,168,585 for fiscal year 2023-24. This request was approved by the Board on June 27, 2023 (Item No. 33), and the payment was made in full on April 29, 2024.

ATC recommends TTFs in amounts that are the lesser of the District's request, 85% of its anticipated tax revenue, or 125% of its deepest projected cash deficit. Upon review of the District's cash needs, ATC finds that the District has satisfactorily demonstrated a reasonable need for a TTF and recommends a TTF totaling \$1,748,840. The recommended TTF amount is based upon the District's deepest cash deficit and represents approximately 72% of the District's anticipated property tax revenue for fiscal year 2024-25, as outlined in Attachment A.

The TTF will be made by establishing a "line-of-credit" for the District within the County's SAP System. TTFs are terminated and funds are re-transferred beginning with the first full property tax apportionment occurring after November 1, 2024, and ending no later than April 28, 2025.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Kristina Robb, Deputy County Counsel, 387-5455) on May 17, 2024; Finance (Penelope Chang, Administrative Analyst, 387-4486) on May 28, 2024; and County Finance and Administration (Paloma Hernandez-Barker, Deputy Executive Officer, 387-5423) on June 5, 2024.

**Temporary Transfer of Funds - Needles Unified School District
June 25, 2024**

Record of Action of the Board of Supervisors
San Bernardino County

APPROVED (CONSENT CALENDAR)

Moved: Curt Hagman Seconded: Joe Baca, Jr.
Ayes: Col. Paul Cook (Ret.), Jesse Armendarez, Dawn Rowe, Curt Hagman, Joe Baca, Jr.

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: June 25, 2024



cc: File - Auditor-Controller/Treasurer/Tax Collector w/resolution
 w/attach
CCM 06/25/2024