



County of Santa Cruz Board of Supervisors

Agenda Item Submittal

From: Auditor-Controller-Treasurer-Tax-Collector

Subject: Tax and Revenue Anticipation Loans for School Districts

Meeting Date: June 24, 2025

Formal Title: Adopt resolution authorizing tax and revenue anticipation loans for school districts, and take related actions

Recommended Actions

1. Adopt and sign the attached resolution authorizing the temporary transfer of funds to the school districts; and
2. Direct the County Treasurer to make the necessary transfer of funds from the County Treasury pursuant to the approved resolution.

Executive Summary

Pursuant to §42620 of the California Education Code, seven school districts have requested short-term interest-bearing fund transfers for cash flow purposes.

Discussion

The following school districts have requested temporary tax and revenue anticipation transfers to meet the necessary operation and maintenance expenses during fiscal year 2025-2026, pursuant to §42620 of the California Education Code:

Live Oak Elementary School District	\$ 3,000,000
Pajaro Valley Unified School District	\$ 25,000,000
Santa Cruz City Schools	\$ 15,000,000
Scotts Valley Unified School District	\$ 1,000,000
Soquel Union Elementary School District	\$ 5,000,000
Mountain Elementary School District	\$ 375,000

The temporary transfers will be made from the school district portion of the Treasury pool and will bear interest at the rate received on similar investments in the County Treasury pool.

Education Code Section §42620 states that the County Board of Supervisors shall order, and the Auditor-Controller-Treasurer-Tax Collector, shall make a temporary transfer from any funds of the 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.

Financial Impact

The loans do not exceed 85% of the property taxes accruing to the school districts and will be repaid in December and April by the Auditor-Controller withholding the school

districts' property tax distributions. There are no additional charges to the school districts for this service.

Strategic Initiatives

Operational Plan - Operational Excellence

Submitted By:

Edith Driscoll, Auditor-Controller-Treasurer-Tax Collector

Recommended By:

Carlos J. Palacios, County Executive Officer

Artificial Intelligence Acknowledgment:

Artificial Intelligence (AI) did not significantly contribute to the development of this agenda item.