



COUNTY OF SAN DIEGO

AGENDA ITEM

BOARD OF SUPERVISORS

PALOMA AGUIRRE
First District

JOEL ANDERSON
Second District

TERRA LAWSON-REMER
Third District

MONICA MONTGOMERY STEPPE
Fourth District

JIM DESMOND
Fifth District

DATE: August 26, 2025

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TO: Board of Supervisors

SUBJECT

COUNTY OF SAN DIEGO AND SAN DIEGO COUNTY SCHOOL DISTRICTS TAX AND REVENUE ANTICIPATION NOTE PROGRAM, SERIES 2025A (DISTRICTS: ALL)

OVERVIEW

In the ordinary course of business, local governments and school districts may experience temporary cash flow shortage during the fiscal year due to a mismatch in the timing of the receipt of revenues, which is largely focused on the months surrounding tax payment dates, and ongoing payment of expenditures. To meet these short-term cash flow needs, the school districts need to issue a tax and revenue anticipation note ("TRAN") to manage cash flow. Pursuant to Article 7.6, Chapter 4, Part 1, Division 2, Title 5 § 53853, the Board of Supervisors has the authority to approve the issuance of TRANs for the San Diego County School Districts within 45-days of the respective school district boards requesting that the County assist with the TRANs. The last time the County of San Diego (County) issued TRANs in conjunction with certain school districts within San Diego County via a County of San Diego and San Diego County School Districts Tax and Revenue Anticipation Note Program ("Note Program") was in Fiscal Year 2013-14, approved by the Board on May 7, 2013. This year, the County already issued its TRANs which closed on July 3, 2025, as approved by the Board on June 3, 2025. However, certain school districts still anticipate the need to participate in the Note Program. Today's recommendation is to support these school districts and allow the County of San Diego to execute a TRAN on behalf of the participating school districts. The amount of the Series 2025A TRAN will be dependent on the participating school districts' projected cash flow profiles for Fiscal Year 2025-26.

RECOMMENDATION(S)

CHIEF ADMINISTRATIVE OFFICER

Adopt a Resolution entitled:

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN DIEGO PROVIDING FOR THE BORROWING OF FUNDS BY CERTAIN SCHOOL DISTRICTS FOR FISCAL YEAR 2025-26 THROUGH THE EXECUTION BY THE COUNTY OF CERTAIN 2025-26 TAX AND REVENUE ANTICIPATION NOTES AND THE PARTICIPATION BY SUCH SCHOOL DISTRICTS IN THE SAN DIEGO COUNTY SCHOOL DISTRICTS TAX AND REVENUE ANTICIPATION NOTE PROGRAM

SUBJECT: COUNTY OF SAN DIEGO AND SAN DIEGO COUNTY SCHOOL DISTRICTS TAX AND REVENUE ANTICIPATION NOTE PROGRA, SERIES 2025A (DISTRICTS: ALL)

EQUITY IMPACT STATEMENT

The issuance of the Tax and Revenue Anticipation Notes are a vital financing mechanism for some school districts in our community. The proceeds from the bonds are used to provide much needed cash to continue school operations during temporary cash flow shortage during the fiscal year due to a mismatch in the timing of the receipt of revenues, which is largely focused on the months surrounding tax payment dates, and ongoing payment of expenditures. Without these bond proceeds, a school district may not be able to provide valuable resources to the students in San Diego County.

SUSTAINABILITY IMPACT STATEMENT

Today's action supports the Sustainability (Economy) Strategic Initiative in the County of San Diego's 2025-2030 Strategic Plan by aligning the San Diego County School District's available resources with services to maintain fiscal stability and ensure continuity of operations to help meet its sustainability goals.

FISCAL IMPACT

There is no fiscal impact associated with today's action. The Series 2025A TRAN will be obligations of the school districts participating in the Fiscal Year 2025-26 Note Program and will be payable from authorized revenues of the respective school districts, and do not constitute an obligation of the County of San Diego. The cost of delivering the Series 2025A TRAN will be the responsibility of the participating school districts. There will be no change in net General Fund cost and no additional staff years.

BUSINESS IMPACT STATEMENT

N/A

ADVISORY BOARD STATEMENT

N/A

BACKGROUND

Since 1999, the County and schools have issued their TRANs together via the County of San Diego and San Diego School Districts Note Program. The last time the County issued TRANs in conjunction with certain school districts within San Diego County that wish to issue their short-term TRAN with the County was in Fiscal Year 2013-14, as approved by the Board on May 7, 2013. This year, the County already issued its TRANs which closed on July 3, 2025, as approved by the Board on June 3, 2025. The County will support the participating school districts by issuing the TRAN on behalf of the school districts. Each note participant, i.e., each individual participating school district, will be responsible for the repayment of its own note only. All obligations under the issuance are separate and distinct.

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To carry out the Fiscal Year 2025-26 Note Program, County staff is working with the San Diego County Office of Education (SDCOE), which represents and organizes the various participant school districts. SDCOE provides a variety of services for 42 school districts and five community college districts in the county. SDCOE provides school districts with a range of services, including budget approval and oversight. At this time, it is anticipated that 2 school districts within the county will participate in the Fiscal Year 2025-26 Note Program, borrowing an aggregate amount not to exceed \$120.00 million. Participating school districts include San Dieguito Union High School District and San Diego Unified School District.

The proposed recommendation will authorize the Fiscal Year 2025-26 Note Program and will allow the County to execute the TRAN on behalf of the participating school districts. Today's action will also approve the form of the legal and financing documents to which the County is a signatory, authorizing certain County officers to sign these documents.

LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN

Today's proposed action supports the Sustainability (Economy) Strategic Initiative in the County of San Diego's 2025-2030 Strategic Plan by supporting local school districts in their efforts to ensure continued provision of services to the students in San Diego County.

Respectfully submitted,



EBONY N. SHELTON
Chief Administrative Officer

ATTACHMENT(S)

1. RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN DIEGO PROVIDING FOR THE BORROWING OF FUNDS BY CERTAIN SCHOOL DISTRICTS FOR FISCAL YEAR 2025-26 THROUGH THE EXECUTION BY THE COUNTY OF CERTAIN 2025-26 TAX AND REVENUE ANTICIPATION NOTES AND THE PARTICIPATION BY SUCH SCHOOL DISTRICTS IN THE SAN DIEGO COUNTY SCHOOL DISTRICTS TAX AND REVENUE ANTICIPATION NOTE PROGRAM
2. Form of Trust Agreement
3. Form of Note Purchase Contract
4. Form of Preliminary Official Statement and Appendix A
5. Form of Notice Inviting Bids