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August 29, 2011

Ms. Dianne Russo
Chief Financial Officer
Sweetwater Union High School District
1130 Fifth Avenue
Chula Vista, California 91911-2896

CONFIDENTIAL
ATTORNEY-CLIENT
COMMUNICATION

Dear Ms. Russo:

You have asked whether the District may make temporary transfers between the general fund and other funds such as the deferred maintenance fund, special reserve funds and county school facilities fund. You have advised me that the funds the District intends to transfer are not encumbered as security for obligations of the District or otherwise dedicated to other specific purposes.

CONCLUSION

The District is authorized by statute to make temporary transfers among funds such as those you have described.

DISCUSSION

Education Code section § 42600 et seq. addresses control of expenditures by the District. Section 42603 pertains to the temporary transfer of special or restricted fund moneys and provides as follows:

The governing board of any school district may direct that moneys held in any fund or account may be temporarily transferred to another fund or account of the district for payment of obligations. The transfer shall be accounted for as temporary borrowing between funds or accounts and shall not be available for appropriation or be considered income to the borrowing fund or account. Amounts transferred shall be repaid either in the same fiscal year, or in the following fiscal year if the transfer takes place within the final 120 calendar days of a fiscal year.

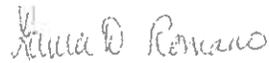
Borrowing shall occur only when the fund or account receiving the money will earn sufficient income, during the current fiscal year, to repay the amount transferred. No more than 75 percent of the maximum of moneys held in any fund or account during a current fiscal year may be transferred.

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As long as the District complies with the requirements set forth in section 42603 with regard to the amounts transferred, it is my opinion that the District has the authority to make temporary transfers among the funds specified on a temporary basis to meet immediate obligations. In rendering this opinion, I have not undertaken research whether the District may transfer funds encumbered as security for obligations of the District or otherwise dedicated to other purposes such as developer fees, so this opinion does not apply to such funds. I have attached to this opinion a copy of the other related statutes for your reference.

Please do not hesitate to contact me with questions or comments.

Sincerely,

A handwritten signature in cursive script that reads "Laura D. Romano".

Laura D. Romano
Attorney at Law