

HIGHLINE SCHOOL DISTRICT NO. 401  
KING COUNTY, WASHINGTON

RESOLUTION NO. 02-21

A RESOLUTION of the Board of Directors of Highline School District No. 401, King County, Washington, relating to the financing of District programs; authorizing interfund loans from the District's General Fund to the Transportation Vehicle Fund; authorizing transfers from the Capital Projects Fund to the General Fund for the purpose of paying costs associated with the application and modernization of certain educational technology improvements for operations and instruction; increasing the Transportation Vehicle Fund and Capital Projects Fund appropriations; adopting an extension of the 2020-21 budget; and providing for other related matters.

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF HIGHLINE SCHOOL DISTRICT NO. 401, KING COUNTY, WASHINGTON, as follows:

Section 1. Findings and Determinations The Board of Directors (the "Board") of Highline School District No. 401, King County, Washington (the "District"), takes note of the following facts and makes the following findings and determinations:

(a) Interfund Loans.

(i) WAC 392-123-140 provides that loans are allowable to the District's Transportation Vehicle Fund ("TVF") from the District's General Fund ("GF"). However, such loans shall not be made to the detriment of any function or project for which the GF was established.

(ii) The District anticipates receiving in August 2021 State of Washington reimbursement for the costs of school buses pursuant to RCW 28A.160.200 ("State Reimbursement"). Pending receipt of the State Reimbursement, the District has an immediate need to purchase new school buses ("Bus Purchases") and the District does not have available sufficient money in the TVF to pay such costs.

(iii) It is therefore necessary and desirable to authorize interfund loans to the TVF from the GF in the aggregate amount of not to exceed \$235,000 ("Interfund Loans") to pay expenditures of the Bus Purchases pending the District's receipt of State Reimbursement and other money due in the TVF during the next twelve months. The Interfund Loans will not be a detriment to any function or project for which the GF was established.

(b) Interfund Transfers.

(i) Pursuant to Chapters 3 of the *Accounting Manual for Public School Districts in the State of Washington*, the District may transfer money from the District's Capital Projects Fund ("CPF") to the GF for certain expenditures associated with the application and modernization of technology systems for operations and instruction as authorized in RCW 28A.320.330(2)(f)(ii).

(ii) On November 3, 2020, voters within the District approved a two-year excess tax levy for the CPF (“Capital Levy”) for the purpose of paying costs of carrying out and accomplishing certain educational technology improvements, including, but not limited to, replacing aging computers, providing training and support, upgrading classrooms, ensuring all students have internet access and updating cybersecurity, all as more particularly described in Resolution No. 07-20 (collectively, “Technology Improvements”). The District expects to collect \$15,932,000 in calendar year 2021 (the first year of collection) and will begin paying expenditures for the Technology Improvements on or about March 17, 2021. Pursuant to RCW 28A.320.330(2)(f)(ii), the excess taxes to be collected under the Capital Levy to pay for certain expenditures associated with the application and modernization of the Technology Improvements for operations and instruction (“GF Technology Improvements”) must be transferred from the CPF to the GF.

(iii) It is necessary and advisable to authorize transfers from the CPF to the GF in the aggregate amount of not to exceed \$8,000,000 for the purpose of paying expenditures of the GF Technology Improvements. The proposed transfers will not result in a negative estimated ending fund balance in the CPF.

(c) Budget Extension.

(i) RCW 28A.505.170(2) authorizes each first class school district to increase the amount of the appropriations in the school district’s budget for necessary expenditures if, before incurring expenditures in excess of the appropriations, the school district board of directors adopts a resolution stating the facts and the estimated amount of appropriations to meet those expenditures.

(ii) By Resolution No. 04-20, the Board adopted, fixed and determined the appropriations from each District fund and adopted the 2020-21 budget (the “2020-21 Budget”). The 2020-21 Budget did not include expenditure authority for the Bus Purchases. As a result of the Interfund Loans and the need to pay expenditures of the Bus Purchases from the TVF, it has become necessary to increase the amount of the appropriations in the TVF of the 2020-21 Budget for the remaining months of operation in the 2020-21 fiscal year to provide for those expenditures. Further, the 2020-21 Budget did not include expenditure authority for the GF Technology Improvements. As a result of the Capital Levy and the need to pay expenditures of the GF Technology Improvements, it has become necessary to increase the amount of the appropriations in the GF of the 2020-21 Budget for the remaining months of operation in the 2020-21 fiscal year to provide for those expenditures.

(iii) It is in the best interests of the District to extend the 2020-21 Budget to increase the fund appropriations (*i.e.*, add to the existing appropriations authorized in the 2020-21 Budget) in the following estimated amounts and from the following sources (which sources are sufficient to provide for the increased appropriations):

- (1) TVF – \$500,000 from the Interfund Loans and fund balance.
- (2) GF – \$8,000,000 from the Capital Levy and fund balance.

(iv) As provided by RCW 28A.505.170, the Board provided due notice of and has conducted a public hearing for the purpose of adopting a budget extension for the 2020-21 Budget and increasing the fund appropriations as provided herein.

Section 2. Interfund Loans. The Board hereby authorizes the District's Chief Financial Officer ("Chief Financial Officer") to make the Interfund Loans to pay expenditures of the Bus Purchases, as determined necessary and advisable by the Chief Financial Officer. The source of money for repayment of the Interfund Loans shall be State Reimbursement and other money due in the TVF. Each Interfund Loan shall be fully repaid within twelve months of the date such Interfund Loan is made. Each Interfund Loan shall bear interest on its outstanding balance from the date of transfer at an interest rate calculated using the gross monthly rate for the King County Investment Pool, which rate shall not be less than the current warrant interest rate then prevailing in King County, Washington, as determined by the Treasury Operations Section, Finance and Business Operations Division, Department of Executive Services, King County, Washington, as *ex officio* treasurer of the District (the "Treasurer"). Interest shall be credited to the GF and may not be transferred to any other fund. The Interfund Loans shall be reported as an interfund receivable in the GF and interfund payable in the TVF.

Section 3. Interfund Transfers. The Board hereby authorizes and approves the transfer or transfers of money in the CPF on an as needed basis in the amount of not to exceed \$8,000,000 from the CPF to the GF for the purpose of paying expenditures of the GF Technology Improvements. The Chief Financial Officer is authorized to request and direct the Treasurer to transfer, without further action of the Board, money from the CPF to the GF in amount of not to exceed \$8,000,000. The Board hereby authorizes the Chief Financial Officer to determine the exact amount and timing of such transfer or transfers of money from the CPF. In the unlikely event that all or a portion of the GF Technology Improvements may not be accomplished, the Board may transfer all or a portion of the \$8,000,000 interfund transfer from the GF back to the CPF, all as determined necessary or advisable by the Board.

Section 4. Budget Extension. The Board adopts an extension of the 2020-21 Budget for the remaining months of operation in the 2020-21 fiscal year, in the following appropriation amount (in addition to the existing appropriations authorized in the 2020-21 Budget):

- (a) TVF – \$500,000 from the Interfund Loans and fund balance.
- (b) GF – \$8,000,000 from the Capital Levy and fund balance.

The amount of the appropriation increases are more fully described in the District's Form F-200, which is attached as Exhibit A and incorporated herein by this reference. Additionally, a copy of the District's latest budget status report (Form F-198) for the 2020-21 Budget is attached as Exhibit B and incorporated herein by this reference.

Section 5. Execution; General Authorization; and Ratification. This resolution may be executed by the Directors being present and voting in favor of the resolution, or only the President of the Board ("President"), and attested by the Secretary to the Board ("Secretary"), in tangible medium, manual, facsimile or electronic form under any security procedure or platform, and notwithstanding any other District resolution, rule, policy or procedure, or in any other manner evidencing its adoption. The Secretary, the President, the Chief Financial Officer, the District's

Director of Budget, and other appropriate officers of the District, are hereby further severally authorized and directed to take such actions and to create, accept, execute, send, use and rely upon such tangible medium, manual, facsimile or electronic documents, records and signatures under any security procedure or platform, and notwithstanding any other District resolution, rule, policy or procedure, as in their judgment may be necessary or desirable to effectuate the provisions of this resolution. All actions taken prior to the effective date of this resolution in furtherance of and not inconsistent with the provisions of this resolution are ratified and confirmed in all respects.

Section 6.      Effective Date. This resolution takes effect from and after its adoption.

ADOPTED by the Board of Directors of Highline School District No. 401, King County, Washington, at a regular open public meeting, held this 3rd day of March, 2021.

HIGHLINE SCHOOL DISTRICT NO. 401  
KING COUNTY, WASHINGTON

DocuSigned by:  
*Angela Alvarez*  
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President and Director

DocuSigned by:  
*Joe Van*  
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Vice President and Director

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*[Signature]*  
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Director

DocuSigned by:  
*Fa'izah Bradford*  
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Director

DocuSigned by:  
*Bernie Donsey*  
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Director

ATTEST:

DocuSigned by:  
*Susan Enfield*  
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SUSAN A. ENFIELD, Ed.D.  
Secretary to the Board of Directors

EXHIBIT A

EXTENSION OF 2020-21 BUDGET – FORM F-200

EXHIBIT B

2020-21 BUDGET STATUS REPORT – FORM F-198