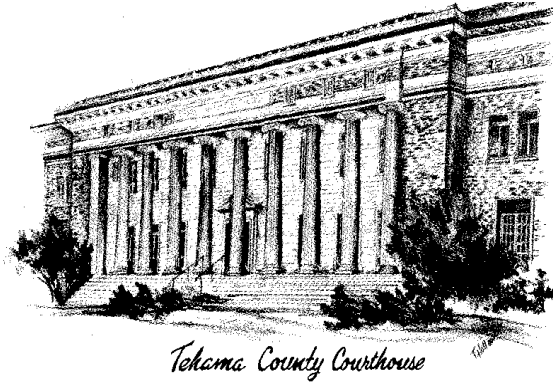


Board of Supervisors
COUNTY OF TEHAMA

District 1 – Rob Burroughs
District 2 – Tom Walker
District 3 – Steve Zane
District 4 – Matt Hansen
District 5 – Greg Jones



Gabriel Hydrick
Chief Administrator

April 28, 2026

The Honorable Cory Jackson
California State Assembly, District 60
1021 O Street, Suite 6120
Sacramento, CA 95814

RE: AB 2214 (Jackson) Local Agency Investment Fund: Community Reinvestment Account
– Oppose

Dear Assemblyman Jackson:

On behalf of the County of Tehama, we write in respectful opposition to AB 2214, which would authorize the use of local agency funds on deposit with the State Treasurer's Local Agency Investment Fund (LAIF) for purposes that are inconsistent with the liquidity needs and fiduciary responsibilities of local governments such as Tehama County.

LAIF is managed by the California State Treasurer's Office (STO) and invests in high-quality, low-risk securities such as U.S. Treasuries. Its primary purpose is the preservation of capital, with return on investment as a secondary consideration. For Tehama County, LAIF serves as an important liquidity option to safeguard public funds while ensuring those funds remain readily accessible to meet near-term financial obligations, including payroll, debt service, and operational expenses. Access to LAIF funds is efficient—typically same day or next business day—making it a reliable and essential component of the County's treasury management strategy.

Given the statutory limitations on how local governments may invest public funds, LAIF provides a trusted balance between safety, liquidity, and modest returns. Tehama County uses LAIF as one of its many tools in a larger diversified investment approach that supports both short- and medium-term fiscal needs while maintaining compliance with prudent investment standards.

AB 2214 proposes to redirect a portion of funds deposited in LAIF into a new fund for lending activities that are not aligned with LAIF's core purpose. Such a change would fundamentally alter the risk and liquidity profile of LAIF. For Tehama County, this would create significant concern: funds currently relied upon for immediate access could become less liquid and subject to increased risk. As a result, the County would be compelled to end its relationship with LAIF and utilize other liquidity products.

The strength of LAIF lies in its scale, stability, and conservative management; altering its structure in the manner proposed could undermine these benefits and increase risk and costs for participating entities.

As stewards of public funds, Tehama County officials are entrusted with upholding the highest standards of safety and liquidity. Any changes that diminish these principles would render an investment vehicle inconsistent with the prudent investor standard required under California law. Additionally, reducing collateral protections or redirecting funds toward longer-term lending activities conflicts with the County's responsibility to ensure funds are available when needed.

Tehama County's opposition to AB 2214 should not be interpreted as opposition to the policy goals the bill seeks to address. However, using local taxpayer funds—intended to remain secure and liquid—for longer-term or less predictable lending purposes is not appropriate. Such a shift would compromise the integrity of LAIF and its ability to serve local governments effectively.

For these reasons, the County of Tehama respectfully opposes AB 2214.

Sincerely,

Tom Walker, Chair
Tehama County Board of Supervisors