**Sample Press Release on Local Reserve Cap Issue**

**NEWS RELEASE**

**[DISTRICT NAME] ADOPTS RESOLUTION URGING LEGISLATURE AND GOVERNOR TO REPEAL OR CHANGE SB 858**

**CITY, Calif., (Month, X, 2014)** – [DISTRICT NAME] adopted a resolution on the local reserves cap that calls upon the Legislature and Governor to immediately repeal or substantially change the language contained in Sec 27 of SB 858.

On June 20, 2014, the Gov. Brown signed SB 858 (Committee on Budget and Fiscal Review, Chapter 32, Statutes of 2014), which will require school districts to spend their assigned and unassigned account balances down to no more than two to three times the minimum level of the statutory reserve for economic uncertainties (depending on district size) in the fiscal year following the fiscal year in which the State of California makes a payment of any amount to the Public School System Stabilization Account (referred to as the Prop 98 Reserve).

The statutory minimum for school district reserves for economic uncertainties ranges from 1 to 5 percent, depending on district enrollment, and covers a few days to a couple of weeks of payroll, or less than 20 days of total cash flow. Reserves and ending balances help districts in bad economic times and allows them in good times to plan ahead for large expenditures such as maintenance projects, heating and air conditioning, roof replacement, school bus replacement, technology and textbook purchases.

“Section 27 of SB 858 needs to be repealed. As the state’s distribution of funds to schools has been overhauled and greater authority provided to local school boards through the subsidiarity component of the Local Control Funding Formula, this section runs in the opposite direction and weakens the financial position of school districts across the state, including [INSERT DISTRICT NAME],” said [NAME AND TITLE of DISTRICT]. “With the LCFF not yet fully implemented, many school districts are still funded below their 2007-08 levels, and districts cannot survive another downturn without fiscally responsible reserves.”

[TELL YOUR DISTRICT’S STORY AS TO WHY IT MAINTAINS RESERVES/ENDING BALANCES. What are they for? What is being planned? How would spending down reserves to the minimum levels impact your district’s ability to meet anticipated needs or issue voter approved bonds?]

A full copy of the resolution can be viewed [here.](http://www.csba.org/GovernanceAndPolicyResources/FairFunding/~/media/CSBA/Files/GovernanceResources/EducationIssues/FairFunding/LCFF/Reserve%20Cap%20Sample%20Resolution%20070814.ashx)

**About [YOUR DISTICT NAME]**

[Insert boilerplate]

###

**Contact:** Insert contact information