

Cap on Reserves Information

The Proposed Cap on Reserves would be triggered by a complex set of conditions that includes passage of Proposition 2, slated for the November election. Independent of the proposed cap on reserves, there is now a new requirement, beginning in 2015-16 to hold a public hearing whenever reserves are greater than two times the minimum.

Assembly Bill 146 would have repealed Education Code Section 42127.01, which creates a cap on reserves (assigned and unassigned account balances) in any fiscal year following a fiscal year in which the State of California makes a payment of any amount to the Public School System Stabilization Account.

The bill failed to achieve enough support in the final days of the legislative session. CSBA and others have pledged to continue a repeal effort.

[Cap on Reserves](#)

[CSBA – SB858 Got it Wrong](#)

[CSBA – Repeal SB858 Reserve Cap](#)