

CAPISTRANO UNIFIED SCHOOL DISTRICT  
San Juan Capistrano, California

**RESOLUTION NO. 2324-35**

**ESTABLISHING A TARGET RESERVE LEVEL**

*WHEREAS*, the Board of Trustees of Capistrano Unified School District (District) recognizes the importance of maintaining adequate financial reserves to ensure the long-term financial stability and fiscal health of the District; and

*WHEREAS*, the State of California Education Code requires the District to maintain a minimum reserve level of 2 percent; and

*WHEREAS*, the Board of Trustees believes that maintaining a reserve level above the minimum requirement is prudent and necessary to safeguard against unforeseen financial challenges and emergencies; and

*WHEREAS*, after careful consideration of the District's financial situation and future needs, the Board has determined that establishing a target reserve level of 4 percent of the District's total budget is appropriate;

*NOW, THEREFORE, BE IT RESOLVED*, that the Board of Trustees of Capistrano Unified School District hereby establishes a target reserve level of 4 percent of the District's total general fund expenditure budget;

*BE IT FURTHER RESOLVED*, the Superintendent and Chief Financial Officer are directed to develop and implement a plan to achieve and maintain the target reserve level of 4 percent, taking into account the District's financial priorities and obligations;

*BE IT FURTHER RESOLVED*, the Superintendent, in consultation with the Deputy Superintendent, Business and Support Services and other relevant stakeholders, shall strive to maintain the target fiscal reserve percentage on a yearly basis. The actual reserve percentage may be higher or lower than target and shall be based on factors such as economic forecasts, expenditure patterns, and the District's financial and student outcome goals;

*BE IT FURTHER RESOLVED*, the recommended target reserve may be revised periodically to adapt to changing circumstances and align with the District's financial priorities;

*BE IT FURTHER RESOLVED*, the factors to be considered when meeting the target reserve percentage may include, but are not limited to, enrollment stability and trends, State funding projections, projected expenditure growth, facility maintenance and improvement needs, legal and contractual obligations, economic conditions and potential risks;

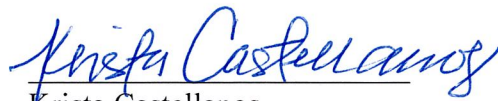
*BE IT FURTHER RESOLVED*, the District Interim reports shall provide to the Board on the status of the fiscal reserve, comparing the actual reserve percentage to the recommended target;

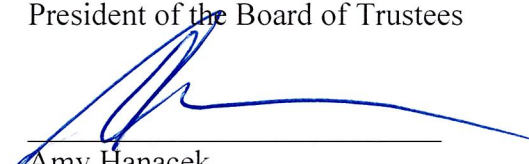
*BE IT FURTHER RESOLVED*, the Superintendent or designee shall monitor the target reserve's status and review the policy periodically to assess its effectiveness and relevance;

*BE IT FURTHER RESOLVED* the Superintendent is authorized to take all actions necessary to implement this resolution.

AYES: (5)  
NOES (0)  
ABSENT (2) *Castellanos, Davis*  
ABSTAIN (0)

I, Krista Castellanos, President of the Capistrano Unified School District Board of Trustees, hereby certify that the above and foregoing Resolution was duly and regularly adopted by the said Board at the meeting on the 12th day of June 2024, by a roll call vote.

  
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Krista Castellanos  
President of the Board of Trustees

  
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Amy Hanacek  
Clerk of the Board of Trustees