

San Gabriel Valley ROP  
RESOLUTION #2021-20

Resolution to Confirm San Gabriel Valley ROP's Joint Board of Management's  
Commitment to Fiscal Solvency

**WHEREAS**, the Joint Board of Management of the San Gabriel Valley ROP (SGVROP) has a fiduciary duty to meet its financial obligations in the current fiscal year and two subsequent fiscal years pursuant to Education Code 42127;

**WHEREAS**, the SGVROP recognizes that the 2020-21 end of year financials (Unaudited Actuals) resulted in unrestricted reserves significantly less than projected;

**WHEREAS**, the SGVROP recognizes that receiving \$5.5 Million in one-time COVID funding will allow the ROP to move some current expenditures to this restricted funding amount. The SGVROP will use \$4.1 Million of COVID funds in 2021-22 and \$1.4 Million in 2022-23. The unassigned reserve will increase to \$2.6 Million at the close of 2021-22.

**WHEREAS**, the SGVROP recognizes that without one-time COVID funding, the 2021-22 operational budget projects that current year expenditures exceed current year income by \$1.6 Million, and this pattern of deficit spending is not sustainable in the future.

**WHEREAS**, the SGVROP recognizes that the LEA has a significant structural deficit that must be resolved in 2021-22 and fully implemented by the end of 2023-24.

**WHEREAS**, Education Code section 42127(c) provides, in relevant part, that the County Superintendent of Schools shall:

“Determine whether the adopted budget will allow the **“LEA”** (school district) to meet its financial obligations during the fiscal year and is consistent with a financial plan that will enable the school district to satisfy its multiyear financial commitments . . . [and] shall either conditionally approve or disapprove a budget that does not provide adequate assurance that the school district will meet its current and future obligations and resolve any problems identified in studies, reports, evaluations, or audits described in this paragraph.”

**WHEREAS**, the SGVROP confirms that it will be necessary to either increase revenue and make appropriate expenditure reductions for the LEA to maintain ongoing positive certification status and to meet the LEA's fiscal obligations in the next fiscal year and two subsequent fiscal years as mandated by California State law;

**NOW THEREFORE BE IT RESOLVED**, based on the above recitals and to ensure that the SGVROP remains fiscally solvent, the Joint Board of Management is committed to reducing expenditures

in all budget areas including, salaries, employee benefits, services, and operating expenses, capital outlay, other outgoing and other financing sources; increasing income through agreements with partner districts; utilizing grant opportunities and indirect cost allocations to pay for existing operating expenditures.

**BE IT FURTHER RESOLVED** that SGVROP will be required to implement budget reductions estimated to be \$1.9 Million in the Fiscal Year 2023-24. The SGVOP will adopt a Fiscal Stabilization Plan (FSP) by the 2021-22 2<sup>nd</sup> Interim Report for the 2022-23 Budget that will have \$1 Million in new revenue increases or expenditure reductions to reach this budget reduction requirement. The 2023-24 Budget will have another \$1 Million in revenue increases or expenditure reductions in the FSP.

**PASSED AND ADOPTED** by the Joint Board of Management of the SGVROP on December 15, 2021, by the following vote:

Ayes: 5 Noes: 0 Abstain: 0 Absent: 2

\_\_\_\_\_ Date: December 15, 2021  
Clerk of the Governing Board