



Board Agenda Item #	II.B – Action Item
Date:	March 27, 2020
To:	Magnolia Public Schools Board of Directors
From:	Alfredo Rubalcava, CEO & Superintendent
Staff Lead:	Alfredo Rubalcava, CEO & Superintendent
RE:	Approval of Resolution for Dissolution of Assets and Liabilities for Magnolia Science Academy-4

Proposed Board Motion

I move that the MPS board approve the resolution that authorizes the MPS CEO Alfredo Rubalcava to direct and oversee the fund transfer process of Magnolia Science Academy-4’s net assets to Magnolia Science Academy-6.

Introduction

The resolution brought forth is part of the material revision process for MSA-6 and specifically details MSA-4’s net assets following closure which will immediately be transferred to MSA-6. After further conversations with the Charter School Division, they requested a resolution detailing the financial obligations that will be transferred following the school’s closure, specifically net assets. Therefore, based off of LAUSD’s request we are bringing this resolution to the full board for approval.

Background

The Los Angeles Unified School District currently authorizes Magnolia Science Academy 4 and Magnolia Science Academy 6. The resolution being approved addresses what happens to MSA-4’s assets after closure and how they will be transferred to MSA-6. With the approval of this resolution, MSA-6 would receive MSA-4’s net assets remaining following closure.

Analysis (If applicable)

- NA

Budget Implications

- Budget impact will be determined by MSA-4’s 2020 financial audit report.

Exhibits (attachments):

- Resolution: Approval of Transfer MSA-4 Assets to MSA-6 Following School Closure

**Resolution of the Board of Directors No. 20200327-02**  
**of**  
**Magnolia Education and Research Foundation**

**Approval of Transfer MSA-4 Assets to MSA-6 Following School Closure**

**WHEREAS**, the Board of Directors of Magnolia Education and Research Foundation, doing business as Magnolia Public Schools (“MPS”) (the “Board”) currently operates four charter schools authorized by the Los Angeles Unified School District, including Magnolia Science Academy-4 (“MSA-4”) (grades 6-12), and Magnolia Science Academy-6 (“MSA-6”) (grades 6-8); and

**WHEREAS**, the Board has adopted a Resolution to merge MSA-4 into MSA-6, resulting in the closure of MSA-4 and the expansion of MSA-6 to serve students in grades 6-12; and

**WHEREAS**, following approval of a material revision to the MSA-6 charter petition by the Los Angeles Unified School District, MSA-4 will close, target effective date of June 30, 2020; and

**WHEREAS**, MSA-4 may have net assets remaining following school closure, satisfaction of all outstanding liabilities, and final independent financial audit; and

**WHEREAS**, MPS is fully prepared and able to accommodate a high quality 6-12 charter school at MSA-6. The budget forecast (Attachment A of the material revision) clearly demonstrates MPS’s ability to operate a 6-12 educational program while maintaining a balanced budget.

**NOW THEREFORE, BE IT RESOLVED** that should MSA-4 have net assets remaining following closure, satisfaction of all outstanding liabilities, and final independent financial audit, all such net assets will be promptly transferred to MSA-6; and

**BE IT RESOLVED FURTHER** that MPS authorizes its Chief Executive Officer, Alfredo Rubalcava, to direct and oversee the fund transfer process.

\* \* \*

IN WITNESS WHEREOF, the Board of Directors has adopted the above resolution by the following vote at a regular Board meeting this 27<sup>th</sup> day of March, 2020.

<b>Board Member</b>	<b>Vote</b>
Mr. Haim Beliak	
Dr. Umit Yapanel	
Mr. Serdar Orazov	
Dr. Salih Dikbas	
Ms. Sandra Covarrubias	
Ms. Diane Gonzalez	

AYES:

NOS:

ABSTENTIONS:

ABSENT:

By: \_\_\_\_\_

Haim Beliak, Chair