

Agenda Item:	V C: Action Item
Date:	June 8, 2023
To:	Magnolia Educational & Research Foundation dba Magnolia Public Schools (“MPS”) Board of Directors (the “Board”)
From:	Alfredo Rubalcava, CEO & Superintendent
Staff Lead(s):	Suat Acar, Chief Operations Officer
RE:	Proposed Approval of Board Resolution for a Reduction in Force at Magnolia Science Academy (“MSA”) MSA-3, MSA-Santa Ana, and MSA-San Diego

1. **Action Proposed:**

I move that the Board approve Resolution #20230608-01 for Reduction in Force at MSA-3, MSA-Santa Ana, and MSA-San Diego.

2. **Background**

As the Board is aware, major migrations of school age children out of the state have caused current and future anticipated declines in enrollment for California schools, including MERF schools. California schools are anticipating declines in funding and revenue from the state over the next five (5) years. Declining enrollment created a risk of closure at MSA-4 this school year, which was prevented through the receipt of one-time funds. Temporary funding may not always be available to divert closure concerns. As such, MERF must be critical and diligent in examining its staffing when compared to its budget and student population.

The CEO and Executive team have held regular working sessions to scrutinize school programs at underfunded and appropriately funded schools alike to determine whether operational improvements or cost-saving measures can be applied to help the schools gain or maintain financial stabilization at present and during the projected period of relatively lower funding and enrollment expected over the next five (5) years.

3. **Analysis:**

The Board is presented with a proposed Resolution to eliminate seven (7) full-time job positions across three schools – MSA-3, MSA-Santa Ana, and MSA-San Diego. This is intended as a cost-saving measure and to align staffing with the student enrollment numbers. The decision would be appropriately timed to the upcoming end of the work year, fiscal year, and school year. It is also in alignment with the Fiscal Stabilization Plan.

4. **Budget Implications:** Based on the 2022-23 salary information, below is the saving amount for each school:

MSA-3: \$182,934

MSA-Santa Ana: \$212,498

MSA-San Diego: \$158,688

5. **Exhibits:**

- ☐ Board Resolution #20230608-01

MAGNOLIA EDUCATIONAL & RESEARCH FOUNDATION

RESOLUTION

REDUCTION IN FORCE

WHEREAS, Magnolia Educational & Research Foundation (“MERF”) is a non-profit organization operating public charter schools in Southern California; and

WHEREAS, Magnolia Science Academy (“MSA”) MSA-3, MSA-Santa Ana, and MSA-San Diego (the “impacted schools”) have experienced ongoing serious declines in student enrollment and related funding for several consecutive school years; and

WHEREAS, MERF is charged with the responsible management and successful operation of all its charter schools, including the impacted schools; and

WHEREAS, MERF has determined that the impacted schools are operating with a staff size that is in excess of what is required to operate the programs and deliver the curriculum of the impacted schools, resulting in an over expenditure of funds on staffing; and

WHEREAS, MERF has made the difficult decision to reduce staffing at the impacted schools to reduce costs and to better align the size of the staff with the size of the student body.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of MERF (the “Board”) that:

1. An emphasis will be placed on retaining job positions that provide direct instruction and support to students in the classroom.
2. MSA - 3 will eliminate 2 full-time job positions.
3. MSA - San Diego will eliminate 2 full-time job positions.
4. MSA - Santa Ana will eliminate 3 full-time job positions.
5. Employees in eliminated job positions will be provided re-employment support by the Human Resources Department of MERF, including information on open and available job positions the individual may apply for at a MERF-operated charter school in the network.
6. Employees in eliminated job positions will be assisted in applying for employment with another MERF-operated charter school, but they will not be transferred to a new role, nor will they have hiring preferences or re-employment rights with MERF.

PASSED AND ADOPTED by the Board this 8 day of June, 2023, by the following vote:

AYES:

Resolution #**20230608-01**

Reduction in Force

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NOES:

RECUSE:

ABSENT:

The undersigned Board Chair does hereby certify that the foregoing is a full, true, and correct copy of a resolution adopted by the said Board at its meeting on the above date and by the vote above stated, which resolution is on file in the office of MERF.

Board Chair