

Agenda Item:	V M: Action Item
Date:	June 22, 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 Board Resolution for a Reduction in Force at MSA-3, MSA-Santa Ana, and MSA-San Diego

Action Proposed:

I move that the Board approve the revised Resolution #20230622-01 for reduction in force with the offer of severance packages for impacted employees at MSA-3, MSA-Santa Ana, and MSA-San Diego.

Background:

The CEO and Executive team proposed draft Board Resolutions at the prior May and June 2023 Board meetings addressing concerns with overstaffing at MSA-3, MSA-San Diego, and MSA-San Diego.

The Board provided feedback on the proposed reduction in force with recommendations to include a stronger safety net for employees in impacted/eliminated job positions. The CEO and Executive team worked with legal counsel to revise the Resolution and propose the following:

- Impacted employees will be made an offer of a severance package at the time they are provided notice of the position elimination.
- As MERF cannot make a gift of public funds by law, in exchange for receiving a severance package, impacted employees will be required to sign a Settlement and Release of Claims Agreement.
- All employees in eliminated job positions will also be provided re-employment assistance and support by the HR Department.
- Employees re-hired for other positions will still be offered a severance package in acknowledgement of the employment uncertainty that exists.

The Board is presented with a revised draft Resolution that now includes the exact number of impacted job positions at each site. It further includes the offer of a severance package and increased HR Department support. The terms and conditions of the Resolution are otherwise unchanged.

Resolution #20230622-01

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, 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 needs 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. MERF will eliminate two (2) full-time job positions at MSA-3.
3. MERF will eliminate two (2) full-time job positions at MSA-San Diego.
4. MERF will eliminate three (3) full-time job positions at MSA-Santa Ana.
5. Employees in job positions eliminated by this Resolution will be offered a severance package in exchange for the employee’s execution of a General Settlement and Release of Claims Agreement to be prepared by MERF.
6. 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.
7. 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.

8. Employees who apply for and/or accept re-employment with MERF shall still be eligible for the offer of a severance package. The employee must be a current employee of MERF in the eliminated job position as of the date of this Resolution to be eligible for the offer of a severance package.

PASSED AND ADOPTED by the Board this 22nd day of June, 2023, by the following vote:

AYES:

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