



VENTURA COUNTY OFFICE OF EDUCATION

Dr. César Morales, County Superintendent of Schools

This letter is delivered via email.

January 27, 2023

Dr. Rebecca Chandler, Governing Board President
rhandler@ojaiusd.org

Ms. Shelly Griffen, Governing Board Vice President
sgriffen@ojaiusd.org

Mr. Atticus Reyes, Governing Board Clerk
atticus.reyes@ojaiusd.org

Mr. Phil Moncharsh, Governing Board Trustee
phil.moncharsh@ojaiusd.org

Dr. Jim Halverson, Governing Board Trustee
jim.halverson@ojaiusd.org

Dear Governing Board Trustees:

The Ventura County Office of Education (VCOE) has reviewed the board approved list of reductions from the January 20, 2023, meeting as well as the subsequent multi-year projection sent on January 22, 2023. In addition, we understand there was a discussion at a special board meeting on January 23, 2023, regarding the consolidation of elementary schools.

We commend the Board and District staff for the prompt attention to the VCOE letter dated January 11, 2023. It is evident the Board and the District staff desires to take the actions required to correct the current fiscal distress. We appreciate the Board holding emergency meetings outside of its regularly scheduled meetings to address the necessary reductions and related actions. This was a good beginning to reductions and is unfortunately not yet enough to get ahead of the fiscal insolvency crisis. Further reductions are necessary.

The January 11, 2023, letter states on page 3, "the District must increase the 2023-24 reductions to \$2.3 million" and I requested a "detailed board approved reduction plan of at least \$2.3 million" to be submitted "to VCOE by January 20, 2023". In addition, I recommended "that more than \$2.3 million of reductions are identified and acted upon...". We recognize on January 20, 2023

the Board approved a list of reductions totaling \$3.8 million (\$2.6 million is unrestricted) across three fiscal years (2022-23, 2023-24 and 2024-25). This is tremendous progress in a short duration of time and I commend the Board and staff for recognizing the urgency of the fiscal condition and the connectedness to the upcoming March 15th layoff deadline.

We have provided an analysis of the list of reductions sent on Friday January 20, 2023 and the multi-year projections sent to us on Sunday January 22, 2023, to the District Superintendent.

We appreciate the request for assistance and support from VCOE and are therefore appointing a Fiscal Advisor, pursuant to Education Code section 42127.6(a)(1)(B), to advise and communicate directly with the Board, District staff and the community on my behalf. This Fiscal Advisor will work directly for VCOE and be on site at the District regularly and be available for phone calls to support the District in its own business operations, attend Board meetings, attend staff meetings, listen to community input, guide leadership to implement the reductions necessary and plan for the upcoming 2023-24 school year.

The Fiscal Advisor, as well as the Fiscal Expert, will be paid 75% by the District and 25% by VCOE. The cost of fiscal crisis is expensive and an unfortunate part of the recovery process.

I request a standing “budget update” item to be placed on the agenda for each Board meeting as an opportunity for discussion to occur between the Board of Trustees and the Fiscal Advisor. This agenda item will allow the Fiscal Advisor to provide updates and progress on the implementation of the reductions and the connectedness to the budget development for the 2023/24 budget.

The Fiscal Advisor will be meeting with staff to learn more about the programs, staffing ratios and restricted funding sources. The district staffing ratio practices and contractual language will guide how many teachers are needed per the projected student enrollment for 2023/24. The goal is to create a standardized baseline of staffing per student that the district can follow to adjust staffing in the future with the ebbs and flows of student enrollment.

We recognize and commend the Board for taking action to reduce 8.8 FTE of certificated staff and it appears more reductions might be necessary based on current student enrollment.

In addition, we highly recommend the Board reconsider the reduction of the Chief Business Official position. We understand the position is vacant; however, during a point of fiscal crisis is not the optimum time to consider the reduction of a necessary position with expertise needed to

lead the district in improving its business operations and overall fiscal health. We would be happy to support the District in recruiting and employing a qualified and experienced Chief Business Official to lead the District out of its fiscal crisis. However, until the daily business functions are operating smoothly and the signs of fiscal distress are resolved, this reduction should be reconsidered.

The voluminous duties of the District Superintendent does not allow time to also perform the full time duties of the Chief Business Official.

This situation is unfortunate and the decisions you have made thus far are commendable. The hard work is not over as there is more work to be done to avoid further deterioration of the fiscal status. The loss of student enrollment has caused the difficult decisions to reduce staff which is not a decision any Board member chooses to make unless absolutely necessary.

We look forward to the collaboration and efforts of District staff to implement the reduction plans in the second interim report, general ledger, position control and in preparation for personnel board actions and budget development for 2023-24. The Fiscal Expert and Fiscal Advisor will be providing recommendations and advise on work and entries that will need to be implemented by District staff.

As a reminder, with a negative certification, the District is subject to the following:

- Prior to entering into any collective bargaining agreement, the District must submit the proposed agreement in advance to VCOE and allow 10 days for our review and comment, in accordance with Government Code Section 3540.2(a).
- The District must obtain VCOE approval prior to the issuance of any non-voter approved debt, including a Tax Revenue Anticipation Note (TRAN) and Certificate of Participation (COP), in accordance with Education Code Section 42133(a).

Our office acknowledges the difficult financial decisions the Governing Board Trustees are facing. We will continue to collaborate and work closely with the District to strengthen its financial condition and ensure the focus of the District and community remains on the students and wonderful achievements happening at the Ojai schools. If there are any questions regarding this letter or if our office can be of further assistance, please do not hesitate to contact Misty Key, Deputy Superintendent of Fiscal and Administrative Services at mkey@vcoe.org or (805) 383-

1905, or Danni Brook, Executive Director of School Business and Advisory Services at dbrook@vcoe.org or (805) 383-1981.

Sincerely,

A handwritten signature in blue ink that reads "César Morales". The signature is written in a cursive style with a large initial "C".

Dr. César Morales
Ventura County Superintendent of Schools

cc: District Superintendent