

## 12/14/17 Board of Education Action Item

Timeline associated with the unification discussion:

<sup>35</sup><sub>17</sub> The Malibu City Council adopted a resolution on September 15, 2015, to transmit a petition for unification of a Malibu Unified School District to the Los Angeles County Superintendent (LACOE), but did not send the resolution to the County at that time.

<sup>35</sup><sub>17</sub> In November 2015, staff and the Financial Oversight Committee (FOC) of the Santa Monica-Malibu Unified School District (SMMUSD) raised concerns that the unification of a separate Malibu Unified School District (MUSD) would have a negative impact on the financial condition of the remaining Santa Monica Unified School District (SMUSD).

<sup>35</sup><sub>17</sub> The SMMUSD Board of Education established the Malibu Unification Negotiations Committee (MUNC) on December 17, 2015, in “unanimous desire for the co-existence of the Santa Monica Unified School District and the Malibu Unified School District as two excellent school districts serving their respective communities and providing the best educational opportunities for their respective students as long as it can be accomplished in a manner that does not have a negative impact on the financial condition of the remaining Santa Monica Unified School District.”

<sup>35</sup><sub>17</sub> MUNC held forty-nine public meetings and obtained advice from legal and education finance consultants including School Services of CA (SSC) over a period of fifteen months and prepared a final report to the Board of Education dated February 24, 2017. The MUNC concluded, “the Committee’s two teams of negotiators have unanimously approved an integrated set of terms and conditions (the “Agreement”) for addressing all topics assigned to it by the Board, including an approach to eliminate any significant adverse financial effect of reorganization on a future SMUSD.” MUNC presented its report to the community in two public meetings, one in Santa Monica on March 21, 2017, and one in Malibu on March 27, 2017. The Board of Education discussed the MUNC’s initial report on March 7, 2017, and again on May 30, 2017.

<sup>35</sup><sub>17</sub> During the May 30, 2017, special board meeting, individual board members raised questions and concerns regarding the MUNC’s report’s recommendations and the status of committee’s discussions, including but not limited to concerns about components of the proposed Revenue Neutrality Formula and about the meaning of “significant adverse financial effects,” and as a result, directed the committee to refine the proposed formula and further develop a rationale for a time frame during which payments from an MUSD to an SMUSD would cease. Also during the May 30, 2017, special board meeting, the Board of Education directed the superintendent to determine if SSC could be engaged to conduct a peer review of the MUNC’s revised calculations and projections to consider questions raised and concerns expressed, to offer its expertise in the quest for an approach to unification that would result in the elimination of significant adverse financial effects on an SMUSD.

<sup>35</sup><sub>17</sub> On July 11, 2017, the MUNC completed its report refining the proposed formula as directed by the board. The report concluded, “The Committee recommends that the structure of the Revenue Neutrality Formula included in the Original Report, with the adjustments identified above... be retained as the best approach to achieving the Board’s objectives in line with the Committee’s guiding principles.” This report was appropriately forwarded to SSC for analysis.

<sup>35</sup><sub>17</sub> On August 31, 2017, the City of Malibu sent the resolution it adopted in September 2015 to the Los Angeles County Office of Education (LACOE).

<sup>35</sup><sub>17</sub> On September 14, 2017, SSC completed its analysis of the MUNC reports to the superintendent as well as a summary of its revenue options. It concluded, “(Our analysis) both validates the reported results of the MUNC Revenue Neutrality Model as well as confirms that our independently developed model is working consistent with its intended operation.” In addition, “SSC developed an alternative revenue allocation model designed to smooth the transition of SMUSD to basic aid

status and at the same time allow both SMUSD and MUSD to become fiscally independent of one another just a few years following SMUSD's becoming a basic aid district."

35  
17

On October 30, 2017, the Board of Education held a special meeting to discuss the findings in both MUNC reports as well as the analysis from SSC. At this meeting, the Board of Education directed the superintendent to meet with representatives from the Malibu City Council, Advocates for Malibu Public Schools (AMPS), and the Malibu Schools Leadership Council (MSLC), to determine whether Malibu would be interested in having conversations with SMMUSD leadership about structural or governance solutions to Malibu's desire to have greater local control over the schools in Malibu ("Plan A"). Also, the Board of Education directed staff to communicate with SSC the board's request for further information regarding their proposed revenue-sharing formula, including extending the timeline to a yet undetermined end date. If agreed to and implemented, this would provide a pathway to local control for Malibu, coupled with a long-term fiscal agreement for both districts ("Plan B").

35  
17

The Los Angeles County Committee on School District Organization formally received the petition for unification at its meeting on November 1, 2017. The committee has not yet scheduled a hearing of the petition for unification.

35  
17

On November 16, 2017, the superintendent reported to the Board of Education at a regular meeting that the Malibu stakeholders with whom he met did not express interest in "Plan A." The Board of Education then directed the superintendent to place an action item on the February 15, 2017, agenda that proposes a revenue-sharing model between an MUSD and SMUSD for a fifty-year period. Included in this agenda item would be further analysis from SSC. The Board of Education also directed the superintendent to ask the Malibu City Council if they would request that the Los Angeles County Committee on School District Organization consider scheduling its consideration of the petition for unification until after mid-February.

35  
17

On November 27, 2017, the superintendent shared the Board of Education's request with the Malibu City Council, which took action at its meeting that evening to forward this request on to LACOE.