



Council Agenda Report

To: Mayor Farrer and the Honorable Members of the City Council

Prepared by: Elizabeth Shavelson, Assistant to the City Manager

Approved by: Reva Feldman, City Manager

Date prepared: February 24, 2020 Meeting date: March 9, 2020

Subject: Update on School District Separation (Mayor Farrer and Councilmember Mullen)

RECOMMENDED ACTION: At the request of Mayor Farrer and Councilmember Mullen: 1) Receive an update from the School District Separation Ad Hoc Committee; 2) Endorse legislation that provides for the continuation of the Measure R parcel tax after separation of the SMMUSD; and 3) Provide direction to staff.

FISCAL IMPACT: There is no fiscal impact associated with the recommended action.

WORK PLAN: This item was included as item 3.a. in the Adopted Work Plan for Fiscal Year 2019-2020.

DISCUSSION: On September 16, 2015, the Malibu City Council adopted Resolution No. 15-60 authorizing transmission of a petition for unification of a Malibu Unified School (MUSD) to the Los Angeles County Superintendent of Schools.

On November 23, 2015, the Council authorized the Mayor to send a letter to Santa Monica-Malibu Unified School District (SMMUSD) Board of Education requesting that it place an item on an upcoming agenda, as quickly as possible, in support of placing the unification of a MUSD on the ballot for the next available SMMUSD election and in support of forming a committee to settle SMMUSD separation.

In January 2016, the formation of a Malibu Unifications Negotiations Committee (MUNC) was ratified by the Malibu City Council and the SMMUSD Board of Education. The purpose of MUNC was to engage in negotiations in an effort to resolve financial concerns regarding unification of a separate MUSD.

On August 28, 2017, the Council directed the City Manager to submit the petition to the Los Angeles County Committee on School District Organization as authorized by Resolution No. 15-60.

On November 29, 2017, the Council revised the City's school district separation petition to consider a reasonable financial proposal for an orderly transition period and authorized requesting the Los Angeles County Committee on School District Organization to postpone the preliminary meeting to discuss the City's petition for unification of a MUSD until after February 15, 2018, as requested by the SMMUSD Board of Education.

On April 9, 2018, the Council directed staff to send a letter to the Los Angeles County Office of Education requesting formal acceptance of the City's petition for the unification of a MUSD and, once accepted, temporarily suspend further actions pending the outcome of negotiation efforts with SMMUSD. The Council also designated the City Manager and the City Attorney to pursue negotiations with SMMUSD under the guidance of the School District Separation Ad Hoc Committee and accepted, in principle, the framework for school district separation recommended by the SMMUSD Board of Education at its March 20, 2018 meeting.

Since that time, the School District Separation Ad Hoc Committee, the City Manager and the City Attorney have met as directed with representatives from SMMUSD to negotiate the separation.

On September 23, 2019, Council received an update on the status of the negotiations and directed the School District Separation Ad Hoc Committee, City Manager Feldman, and City Attorney Hogin to: 1) develop a plan to pursue Santa Monica-Malibu Unified School District (SMMUSD) separation with the Los Angeles County Office of Education; 2) consider any other options to facilitate separation; and 3) continue considering negotiations with SMMUSD.

At this time, the City and SMMUSD negotiating team have identified the Measure R parcel tax as a barrier to a negotiated separation. Currently, SMMUSD receives revenue from the Measure R parcel tax (Measure R). The text of the Measure R funding measure provides that Measure R revenues shall be used by SMMUSD exclusively for certain purposes. Measure R has no sunset provision. The City's bond counsel, Stradling Yocca Carlson & Rauth, has reviewed the text of the Measure R funding measure and has opined that by the terms of the measure, the Measure R parcel tax ceases to exist upon reorganization, as the former district, SMMUSD, will no longer exist. During negotiations, SMMUSD representatives have made it clear that SMMUSD will not move forward with separation until this issue is settled and the continuation of the parcel tax is secured.

As such, staff has been working to develop special legislation to amend the government code that would allow for the continuation of Measure R after SMMUSD separation so that the newly formed districts (SMUSD and MUSD) can both continue to receive Measure R revenue in perpetuity.

The Ad Hoc Committee will provide a verbal update on the status of the negotiations, parcel tax discussions and the special legislation.

ATTACHMENTS: None