

JPA Agreement Executive Summary

What is a JPA?

A Joint Powers Agency (“JPA”) is a limited-purpose government agency formed by an agreement between two or more government agencies. JPAs have a long history in California, and have been allowed since 1949. Many school districts, for example, are already members of insurance and transportation JPAs.

What is the purpose of the JPA established by the JPA Agreement between the SMMUSD and City of Malibu?

The JPA Agreement creates a separate government agency tasked with three (3) important obligations:

1. To act as the implementing agency to direct and oversee the transfer of assets liabilities, equipment, agreements, and services from SMMUSD to a newly formed Malibu Unified School District, consistent with the terms and conditions set forth in the Operational Transfer Agreement (“OTA”) SMMUSD and the City of Malibu (the logistics of physically dividing SMMUSD into SMUSD and MUSD).
2. To implement and direct the transfer of property tax revenue from the newly formed MUSD to SMUSD consistent with the terms and conditions of the Property Tax Revenue Transfer Agreement (“PTRA”) between SMMUSD and City of Malibu.
3. To act in the role of an arbiter and/or negotiator/problem-solver in the event of any dispute between the parties arising from the OTA or PTRA and to resolve issues that may arise if any of the triggering events set forth in the PTRA occur which impairs the transfer of property tax revenue beyond a specific threshold.

How will the JPA be formed and with what resources?

The formation will occur upon the appointment of a seven (7) member board of directors, three (3) appointees from SMMUSD and three (3) appointees from the City of Malibu, with a seventh (7th) member jointly approved by SMMUSD and City of Malibu. (There is also a dispute resolution process available in the event the parties cannot agree to the seventh (7th) member).

The JPA will be funded by an initial contribution of funds in an equal amount from SMMUSD and the City of Malibu (in an amount to be determined), and thereafter with annual contributions from SMMUSD and MUSD.

How will the JPA operate and ultimately be terminated?

The board will meet monthly and be governed by the Brown Act (similar to how the current SMMUSD Board meets).

The JPA will terminate upon agreement of both member agencies (SMUSD and City of Malibu [or its successor MUSD]).