

## **Operational Transfer Agreement Executive Summary**

The purpose of the OTA is to generally provide the framework for how Malibu and SMMUSD will work together during the timeframe immediately preceding the formation of the future MUSD and how they allocate certain assets and liabilities between each district.

The OTA defines how Malibu and SMMUSD will work together to manage the transition of confidential data; educational services; other student related services; staffing assignments; human resources; maintenance, operations, and facilities; allocation of real property; allocation of other assets and liabilities; fiscal implications; and communications.

The OTA provides a way for continuing the existing educational services offered by SMMUSD for all students in MUSD and SMUSD without disruption or delay.

With respect to employee rights upon separation, the Education Code ensures that such rights are protected. Current employees of SMMUSD will become either MUSD or SMUSD employees. Generally, those employees currently working at school sites in Malibu will become employees of MUSD. Likewise, employees currently working at school sites in Santa Monica will become employees of SMUSD. Those employees that are not located in a specific territory will be able to choose their employer.

The OTA also provides guidance on how all assets and liabilities will be allocated between the successor entities. Real property in the Santa Monica territory shall remain with SMUSD, while real property in the Malibu territory shall be transferred to MUSD. Similarly, non-real property assets that pertain to specific school sites in Santa Monica will remain in Santa Monica. Assets that pertain to specific school sites in Malibu will remain in Malibu. All other assets that are not assigned a location and/or are shared between the territories will be divided proportionally between the two districts.

The OTA also establishes a division of liabilities between MUSD and SMUSD in a proportional amount.

The OTA also address the division of the reserve fund balance at the time of separation such that 78% shall remain with SMUSD with 22% going to MUSD, subject to potential adjustments more specifically described in the OTA.

Similar to the PTRSA, the OTA provides that the JPA will play a role in overseeing the division of certain assets and liabilities and shall act as the arbiter of any dispute over the implementation of the provisions of the OTA.