

REVISED 10-21-14

**Glendale USD/La Canada USD
Potential Territory Transfer**

**Board of Education Meeting - October 21, 2014
Discussion Report No. 1**

Eva Rae Lueck, Chief Business and Financial Officer

Updated Proposal for Transfer of Sagebrush Territory

❖ LCUSD to Assume Financial Responsibility for Sagebrush's Portion of Debt Service on Bonds Issued through June 2014 (\$6.8 million)

- Projected impact to the property owners in the LCUSD is a tax increase of \$3.78 per \$100,000 of assessed valuation which would gradually decrease to \$2.03.
- The current proposal does not include the debt service on the \$70 million in Measure S Bonds (Series B) issued in August 2014.

Updated Proposal for Transfer of Sagebrush Territory

❖ LCUSD to Make Annual Payment to GUSD to Offset a Portion of the Per-Student State Funding Loss for 12 Years

- LCUSD would make payment annual payments to GUSD for 12 years equal to 50% of GUSD's lost LCFF funding per Sagebrush student who attends LCUSD (\$7,200/50%) \$3,600 per student.
- GUSD would retain the right to audit and verify LCUSD's student counts and payment calculations.

Updated Proposal for Transfer of Sagebrush Territory

❖ GUSD to Retain Ownership of Pickens Canyon Lot

- To maintain GUSD's use and avoid any impact on Mountain Avenue Elementary School or its students, the Pickens Canyon Lot would be excluded from the transfer area, and both the park and the bridge would remain under GUSD ownership and control.

Updated Proposal for Transfer of Sagebrush Territory

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❖ **LCUSD to Agree to a Phased-In Enrollment Period of Six Years**

- GUSD and LCUSD will follow the “phase-in” enrollment plan
- All GUSD legacy students residing in the Sagebrush area, as well as siblings of all current GUSD students residing in the Sagebrush area, will maintain the right in perpetuity to attend GUSD schools.
- Once a student attends GUSD, they retain the right to continue in GUSD.
- During the six year phase-in, students requesting to remain in GUSD will be granted an inter-district permit by LCUSD.

Updated Proposal for Transfer of Sagebrush Territory

❖ LCUSD to Agree to Limit “Allen Bill” Transfers

- LCUSD will limit the acceptance of “Allen Bill” students from GUSD to only those students whose parents work directly for LCUSD.

Updated Proposal for Transfer of Sagebrush Territory

❖ **LCUSD and GUSD to Share Special Education Costs and Responsibilities During Six Phase-In Period**

- Tier I: Each District will assume the cost of special education assessment, placement, and services delivered by District staff as part of their regular District program.
- Tier II: Districts will share on an equal basis 50%/50% both the revenue received and the costs of special education assessment, placements, and services that are above and beyond a regular District program delivered by District staff.

Updated Proposal for Transfer of Sagebrush Territory

❖ LCUSD to Agree to GUSD Remedies on Default

- The agreement between the parties must include a provision under which a default by LCUSD in performance of the terms of the agreement will trigger an automatic financial penalty of \$100,000 per violation, in addition to other damages as determined by a court, plus reimbursement of GUSD attorney's fees and costs to pursue legal action for breach of contract or other applicable causes of action.

Next Steps

- ❖ **November 4 – Board Action Item
Authorizing Territory Transfer Terms**
- ❖ **November 10 – Letter to LCUSD Outlining
the Territory Transfer Terms**