

**CITY OF MALIBU’S PETITION FOR UNIFICATION  
OF A NEW MALIBU UNIFIED SCHOOL DISTRICT FROM  
SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT  
EDUCATION CODE § 35700 et seq**

Executive Summary

The City of Malibu (“City”) has submitted a petition for unification (“Petition”) to the Los Angeles County Committee on School District Organization (“County Committee”) because the Malibu City Council and Malibu students, parents, and residents strongly feel it is in the best interest of the entire Malibu community to separate from the Santa Monica-Malibu Unified School District (“SM-MUSD” or “District”) and form a new, independent Malibu Unified School District (“MUSD”). Malibu area students have been denied the quality of education they deserve. With separation, both future school districts - MUSD and Santa Monica Unified School District (“SMUSD”) - will achieve greater per student funding and be better suited to address the specific needs of their respective communities.

A majority of SM-MUSD students, approximately 85 percent, reside in the Santa Monica area. The SM-MUSD administration focuses on the needs and goals of those students to the detriment of Malibu area students. The rural Malibu community is very different than the urban Santa Monica community, and Malibu students’ needs are not being met under the current school district structure. Further, Malibu residents do not have local control due to the relative size of the Malibu voter base as compared to the Santa Monica voter base. Unification is the only solution that will enable Malibu-area residents to determine how to best educate our their students.

**Everyone agrees separation should occur.**

It is not practical for these two communities – Malibu and Santa Monica – to be joined together. Leaders in both Santa Monica and Malibu concur that separation should occur. The City’s Petition was submitted to initiate the process for this agreed upon separation. It is understandable that, as with any unification, details of how to implement the reorganization will need to be worked out during the reorganization process.

SM-MUSD currently operates Malibu schools on a completely separate track from Santa Monica schools. Santa Monica area students attend Santa Monica schools. Malibu area students attend Malibu area schools. There is very little intermingling between students from each community. Community-based organizations and events are not shared between these two communities. SM-MUSD even created separate facilities funding districts in 2018, when they created two separate bonding districts one

“[C]onsensus has been reached by the Santa Monica-Malibu Unified School District Board of Education to find a way to separate the district into MUSD and SMUSD with the guiding principle that no students...would be harmed financially or programmatically from the split. ...”

Dr. Ben Drati, SM-MUSD Superintendent  
Superintendent’s Message (Apr 9, 2021)

in Malibu and one in Santa Monica, to separately fund school improvements in each community. Since the communities are effectively separated already, it makes practical sense to officially separate the school districts.

The need for separation is obvious, but the path to separation is complex. For over a decade, concerned Malibu citizens have tried to initiate the separation of the Malibu area from SM-MUSD. ***Please see Exhibit A for an overview of the history of the Malibu community's attempt at separation.*** After years of studies and analyses showing the benefits of separation for both communities, separation has still not occurred. SM-MUSD staff and leadership has been disingenuous in negotiations and public statements and unreasonable in their funding demands. Representatives from the Malibu community and SM-MUSD have attempted negotiations for many years, to no avail. ***Please see Exhibit B for an overview of the history of negotiations.*** At this point, the only viable path the Malibu community can see to separation is through the Petition submitted to the County Committee for consideration at the April 17, 2021 preliminary public hearing.

However, even after years of failed negotiations, the City of Malibu recently submitted a very reasonable Best and Final Offer to SM-MUSD based on the District's public statements about what they were looking for related to reorganization. ***Please see Exhibit C for the City's Best and Final Offer.*** Not only did District staff and legal counsel wait more than thirty days to share this offer with their Board, but they also continue to make false public statements about a funding loss to Santa Monica students. One key deal point included in the offer was that there would be a true-up for ten years after unification to ensure that Santa Monica students receive at least the same amount of per student funding that they would have received if the reorganization did not occur. SM-MUSD's failure to respond and their grandstanding related to the City's actual financial offer further supports the fact that the District has no interest in developing a solution to reorganization even though they have publicly stated that they agree to reorganization. ***Provided in Exhibit D is a Fact Checker prepared by the City to demonstrate the numerous misstatements that have been made publicly by SM-MUSD staff and leadership.*** This further supports the City's position that the only path to separation is through the Petition submitted to the County Committee.

**There is great disparity in the Academics offered to Malibu and Santa Monica students.**

Ultimately, the City is seeking separation from SM-MUSD because Malibu students have been and will continue to be harmed with the current school district organization. This is occurring on many fronts. From an academic perspective, although Malibu students perform well above state averages, they are missing out on key programs to better prepare themselves for college and the workforce. Malibu schools do not have the same academic programs offered in Santa Monica schools.

To provide a few examples:

- Santa Monica High offers 5 foreign languages – Spanish, French, Mandarin, Latin, and Japanese.
  - Malibu High only offers 2 foreign languages, and sometimes only 1 – Spanish and French.

- A Dual Immersion Program is offered in elementary through high school at Santa Monica schools.
  - This program is not available at any Malibu school.
- A Young Collegians Program is offered at Santa Monica High, which provides students with an early college track at no charge for students wanting to attend Santa Monica College (“SMC”) early.
  - This program is not available at Malibu High.
- Santa Monica High offers media and computer science classes to students under the LA Hi-Tech grant to bring high school students into a higher education pathway at SMC that will lead to tech jobs.
  - This program is not available at Malibu High.
- The AVID program is offered at schools in Santa Monica.
  - This program is not available at any Malibu school.
- Each elementary school in Santa Monica has its own reading specialist.
  - All Malibu elementary schools share one reading specialist.
- At elementary schools in Santa Monica, there is a dedicated teacher for each musical instrument.
  - In Malibu, there is one teacher for all instruments.

Post-reorganization, Santa Monica USD will still have sufficient funding to be able to offer the same programs they currently offer Santa Monica students, while Malibu USD will have the opportunity to customize its programs to better fit the needs and desires of Malibu families.

Malibu families are opting for other non-SM-MUSD educational options because they do not feel as though they are being adequately served by SM-MUSD. SM-MUSD does not understand the educational program needs of Malibu residents. This is demonstrated by the steady decline in enrollment in Malibu schools. To SM-MUSD, this is only a small decline in enrollment since it is only a small part of its total student population. As such, it does not rise to a level of concern for the District, and nothing is being done to keep Malibu students in the schools nor bring those students back who have left.

In addition to the above mentioned academic programs, Malibu area students that are the most in need are not being served well by the current school district organization. For example, English Language Learners (“ELL”) in Malibu have not had an ELL teacher since that teacher retired in 2000, even though parents have repeatedly asked for that support. In fact, many parents have had to get attorneys and advocates to represent their interests against SM-MUSD through due process complaints because they find their children are funneled to special education programs instead of being provided the specialized services they once had more than twenty years ago.

**SM-MUSD has failed to respond to the Health & Safety needs of Malibu students.**

From a health and safety perspective, SM-MUSD leadership has failed to adequately respond to the needs and desires of the Malibu community. ***Please see Exhibit E for a list of the health & safety disparities suffered by Malibu families.*** Malibu is a rural community faced with fire danger, blackouts, mudslides, road closures and other hazards on an ongoing basis. As an urban community, Santa Monica faces different health and safety challenges. Each community relies on

separate first responders in the event of a crisis or emergency with County Sheriff and fire agencies serving Malibu and city police and fire serving Santa Monica. This adds a troubling layer of coordination by the school district when responding to a Malibu emergency. Reorganization will ensure that district leadership can better respond to the needs of these very unique communities.

Malibu students' health and safety are put at risk when SM-MUSD fails to properly respond to catastrophes that are unique to the Malibu terrain. For example, as the Woolsey Fire started to spread to the Santa Monica Mountains on the morning of November 9, 2018, SM-MUSD administration ignored pleas by its sole Malibu Board Member to close schools so that Malibu parents, students, and teachers could focus on the looming crisis. Additionally, when Malibu High was found to have PCBs, SM-MUSD refused to clean up an unsafe school and spent over \$10 million in legal fees fighting against spending the \$1.6 million it would have cost to remediate the harm. The SM-MUSD leadership is simply not in tune with the important health and safety issues facing the Malibu community. Malibu students would be better served by a locally elected school board and administration that is focused on and cares about Malibu.

#### Diversity and equity may be an issue for SM-MUSD, but not because of an independent MUSD.

There have been several attempts to make the City's Petition a matter of diversity, equity, race, and class. It is truly unfortunate that the District has decided to use matters of race and diversity in this way. In fact, according to a foremost expert on the topic of diversity and education, separation will improve SM-MUSD's diversity and equity issues because it will be able to concentrate on them instead of trying to manage a distant and disconnected school community. *Please see Exhibit F for Dr. Pedro Noguera's 2016 report on the state of diversity in SM-MUSD.* Dr. Noguera's report speaks directly to the issue of separation and provides a contemporaneous perspective that is not sullied by the political agenda of the District and its allies.

These are just a few of the issues driving the need for separation. Ultimately, it was once convenient for these two communities to be joined, but that is no longer the case. Malibu students deserve a high quality education that reflects the unique needs and desires of the Malibu community. A separation of Malibu from SM-MUSD is the only way to adequately serve the educational needs of this student population.

#### An independent Malibu Unified School District is financially feasible.

Although the County Committee has vast experience in school district reorganization, it is our understanding that this is the first petition received directly from a city. In 2000, the California Legislature adopted AB 2838 to allow cities a pathway to request school district unifications. This law was intended to make it easier for cities to propose changes in school district boundaries in a manner similar to the existing unification process already set forth in the Education Code. However, the legislative change added one step to the beginning of the petition process, creating an additional public hearing (or, preliminary public hearing) prior to the beginning of a typical petition review process. At the conclusion of this hearing, the County Committee will make a tentative recommendation regarding the Petition. The City believes that the true intent of this preliminary public hearing is to determine whether the Petition submitted is sufficient to move

forward to the typical reorganization process. *A more detailed discussion of the preliminary public hearing and the City's interpretation of this hearing is included in Exhibit G.* Since all parties concur that a separation of the Malibu area from SM-MUSD makes sense, the County Committee can provide a tentative recommendation to proceed with the reorganization process and allow for the details of the separation to be worked out during the traditional reorganization process.

Although the April 17 public hearing is preliminary in nature, the City has completed a preliminary analysis of the nine reorganization feasibility criteria set forth in the Education Code in order to further demonstrate that reorganization will benefit both communities. *Please see Exhibit H for a summary of the initial feasibility study.* It is expected that after the County Committee makes its tentative recommendation to proceed with the reorganization process, additional data will be obtained and reviewed, and additional analysis will be completed in order to further assess the feasibility for reorganization. However, even on a preliminary basis, it is reasonable to expect that the criteria, as set forth by the State and described in the Education Code and California Code of Regulations, can be met. It is the higher standard arbitrarily set forth by SM-MUSD that may not be feasible. In any event, the City completely agrees that Santa Monica students should not be worse off after reorganization and has included protections to ensure that per pupil funding would not be less than what funding would be if the reorganization did not take place. This concept is included not only in the City's offer to SM-MUSD, but also in the feasibility study/Petition. SM-MUSD currently ranks 3<sup>rd</sup> in LA County for per pupil funding behind only Beverly Hills and Acton-Agua Dulce. After reorganization, Malibu USD would still rank 3<sup>rd</sup> and Santa Monica USD would rank 4<sup>th</sup> in terms of per pupil funding. Clearly, both districts would remain very well-funded and over \$4,500 per student more than the average school district in LA County receives.

## Exhibit A: History of the Malibu Community's Attempt at Unification

The desire for an independent Malibu Unified School District (“MUSD”) has been a priority for the City and Malibu community for several generations. In fact, there was a push for separation as early as the 1970s, but this was an unsuccessful effort since Malibu did not become a City until 1981. Below are some of the formal actions taken more recently.

- 2011 Malibu residents formed the Advocates for Malibu Public Schools (“AMPS”).
- 2013 AMPS commissioned the West Ed Study to analyze the feasibility of unification pursuant to the nine criteria of Education Code section 35753.
- 2015 AMPS and community members collected thousands of signatures and submitted them to the Malibu City Council seeking its support of a new MUSD.
- 2015 Malibu Unification Negotiations Committee (“MUNC”) formed by the SM-MUSD Board consisting of members from Malibu and Santa Monica.
- 2017 Formal MUNC report submitted in February 2017. The two-year report was rejected by the SM-MUSD Board of Education, despite its unanimous support from the MUNC.
- 2017 Malibu City Council adopted a resolution to form a Malibu Unified School District and submitted the resolution to Los Angeles County Office of Education (“LACOE”).
- 2018 SM-MUSD commissioned a study and report from School Services of California. The initial report was rejected by the SM-MUSD Board of Education and a new scope was added to the financial reports to take the financial scenarios out fifty (50) years. The second report was also rejected by the SM-MUSD Board of Education.
- 2018 Malibu City Council formed a School Separation Ad-Hoc Committee and entered into negotiations with SM-MUSD to try to negotiate a mutual separation agreement and financial plan for both districts.
- 2020 On October 12, Malibu City Council voted to allow Staff and Consultants to pursue the City-sponsored Petition with LACOE after negotiations failed.

## Exhibit B: History of Negotiations Between SM-MUSD and the City of Malibu

The City of Malibu and the SM-MUSD enthusiastically decided to follow the suggestion of the LACOE County Committee administrative staff to meet and jointly submit a proposal to separate the two cities from one school District into two after filing a formal petition in September 2017.

The City's negotiation team consisted of:

Karen Farrer – Malibu City Councilmember

Rick Mullen – Malibu City Councilmember

Reva Feldman – City Manager

Elizabeth Shavelson – Assistant to the City Manager

Christine Wood – Deputy City Attorney

La Tanya Kirk-Carter – School Business Consultant

The SM-MUSD's negotiation team consisted of:

John Kean – SM-MUSD Board Member

Laurie Liberman – SM-MUSD Board Member

Richard Tahvildaran-Hesswein – SM-MUSD Board Member

Ben Drati – Superintendent

Melody Canaday – Assistant Superintendent – Business Services

David Soldani – School District Attorney

Shin Green – Financial Advisor

The teams met separately several times and, together, the negotiation teams met fifteen (15) times for a total of approximately 30 hours over a three-year period from 2018-2020. Key dates are as follows:

**September 2017:** City of Malibu authorized petition for unification of the MUSD. (*See Exh. B-1 attached hereto.*)

**October 2017 & February 2018:** SM-MUSD Board of Education receives and rejects a proposal and presentation prepared by School Services of California, Inc., for revenue sharing and financial models to split SM-MUSD into two separate districts.

**March 2018:** SM-MUSD Board of Education passed a motion to ask the City to withdraw its petition and to negotiate a revenue sharing agreement, but imposed the following parameters:

- A 50-year revenue sharing agreement that transferred revenue from Malibu to Santa Monica.

- A negotiating principle provision that no student in Santa Monica or Malibu would be worse off by the separation of the Districts. This was later interpreted by the District to mean that Santa Monica students shall remain equal to or better than Malibu students permanently.

The City of Malibu objected to these parameters as arbitrary and capricious, especially since neither parameter is part of the nine criteria to be considered for School District Reorganization found in Education Code section 35753.

**August 2018:** SM-MUSD submits its financial model with the above referenced parameters. It includes a permanent redistribution of the City of Malibu's property taxes to the new Santa Monica School Unified School District.

**November 2018, March 2019, May 2019, and October 2019:** City of Malibu submits four (4) counter proposals that attempt to encompass the parameters set forth by SM-MUSD, and all are rejected by SM-MUSD. Details of the differences in the proposals are detailed on the next pages.

**September 2019:** The City of Malibu acquiesced to the District's methodology (which resulted in \$40 billion of support to the District over 50 years) in exchange for the following commitments from SM-MUSD: (1) to help the City erect a district headquarters in an existing Malibu school facility (2) to provide the City with start-up costs for the new district, and (3) to agree to recalibrate the property tax ratio split at the conclusion of the 50-year revenue sharing agreement so that the Malibu property owners would be able to recapture their assessed value. *(See Exh. B-2 attached hereto.)*

**September 2019:** *Instead of celebrating the fact that the City had completely agreed to their methodology,* SM-MUSD responded to the City's offer by insisting that an agreement could not be reached until the parties had resolved the issue of how the two districts would retain the non-sunsetting parcel tax that was passed in 2009. The City began to immediately work with legislators to sponsor special legislation to address this issue. *(See Exh. B-3 attached hereto.)*

**September 2019:** On September 23, 2019, the Malibu City Council considered and adopted a declaration supporting the special legislation for the parcel tax.

**February 2020:** Sponsors were secured for the special legislation, but the SM-MUSD Board of Education began to complain that they were not ready to pursue the parcel tax special legislation because an agreement had not yet been reached. The legislative sponsors asked the parties to meet together to discuss the special legislation. SM-MUSD refused to meet, but agreed, as a show of good faith, to have its legislative bodies consider a declaration of support for the special legislation to retain the non-sunsetting parcel tax.

**March 2020:** On March 5, 2020, the SM-MUSD Board of Education considered and rejected a resolution supporting the special legislation for the parcel tax - even though they had indicated that securing the parcel tax was a prerequisite to reaching an agreement.

**March 2020:** Realizing there was no agreement in place with SM-MUSD, the City hired Cathy Dominico, Capitol Public Finance Group, and Terri Ryland, Ryland School Business Consulting, to independently evaluate the feasibility of the City's existing financial projections. Ms.

Dominico is a municipal advisor with an expertise in property tax demographics, and Ms. Ryland is a previous CBO and a current school business consultant.

**April 2020, June 2020:** The City of Malibu sends two letters to the SM-MUSD Superintendent and legal counsel on how we should proceed with negotiations, but both go unanswered. (*See Exhs. B-4 & B-5 attached hereto.*)

**October 2020:** The Malibu City Council votes to request LACOE to reinstate the September 2017 petition.

**March 4, 2021:** City of Malibu submits another counter proposal to SM-MUSD noting agreement with many of the recently stated financial parameters of an acceptable agreement made at the District's December Financial Oversight Committee ("FOC") meeting (December 3, 2020 FOC meeting transcript available on request). The City asked SM-MUSD to respond to its fifth counter proposal on or before April 1, 2021. (*See Exh. B-6 attached hereto.*)

**April 9, 2021:** SM-MUSD sends a counter proposal to the City of Malibu with deal points that are virtually the same as every other proposal from the District, including the terms the City agreed to in September 2019. This proposal did, however, offer two new components: (1) an agreement by SM-MUSD that it was time for Malibu to separate and (2) a suggestion that we look to LACOE's consultant (School Services of California) to help us identify fair and equitable financial terms for the separation. These were contingent, however, on the City withdrawing its Petition from consideration by LACOE at the April 17, 2021, Preliminary Public Hearing. After waiting over a month to respond to the City's counter offer, SM-MUSD requested a response on the next business day of April 12, 2021. (*See Exh. B-7 attached hereto.*)

**April 13-14, 2021:** On April 13, 2021, and in an effort to reach a negotiated agreement before the April 17 Preliminary Public Hearing, the City sent SM-MUSD a counter-proposal agreeing to be bound by financial terms developed by School Services of California, but refusing to withdraw its Petition. (*See Exh. B-8 attached hereto.*) The Malibu City Council ratified this counter proposal at a Special meeting on April 14, 2021, and asked SM-MUSD's Board of Education to do the same so we could appear before LACOE on April 17, 2021 with the terms of a negotiated agreement. (*See Exh. B-9 attached hereto.*) As of today, April 15, 2021, SM-MUSD has failed to respond.

## **A Tale of Two Proposals**

*Summary.* The District and the City appear to have conceptual agreement on many issues, including the disposition of real property, how to deal with potential liabilities and lawsuits related to the PCB's, and sources and uses of other local income. The biggest sticking point between the two teams is the methodology by which general property taxes that are a component of the LCFF will be split between the two new districts.

*Property Tax Allocation.* In 2018, the District proposed one set of financials and a methodology that the City found disagreeable. See explanations below of the two proposals:

City of Malibu's Proposal:

- Follows existing property tax allocation law based upon District boundaries, assessed valuation and growth as with all other California School Districts as well as other local agencies. (Note: there is currently no provision in law to allocate property taxes on an enrollment basis. All public agencies in California receive their property taxes based on prior year taxes collected and tax base growth or decline in each of their underlying Tax Rate Areas (“TRAs”).)
- Would not require legislation or re-benching.
- Allows all components of the primary school district funding mechanism (i.e. LCFF funding apportionments & local revenue) to be factored into the equalization formula.
- The County Auditor-Controller can calculate the amount of assessed value and resulting tax revenue generated from within all TRAs in each jurisdiction.
  - For 2019-20, it is estimated that approximately 35% of the assessed value within SM-MUSD is from the Malibu area of the District. Under the City’s proposed model, MUSD would receive the property tax revenue generated from that assessed value.
- Additionally, the Other Local Revenue received by the District, including redevelopment residual and pass-through funds, joint use money, sales taxes and parcel taxes would remain with the jurisdiction where the revenues were generated.
  - A majority of these Other Local Revenues, approximately 92%, would remain with SMUSD. Since their student population would decline by approximately 15%, these Other Local Revenues increase the total per pupil funding SMUSD would receive.

SM-MUSD's Proposal:

- Permanently allocates property tax revenues based on current student enrollment, and permanently redistributes property tax revenues funded by Malibu area taxpayers to SMUSD in order to achieve equal per pupil funding between the two districts.
  - Ultimately resulting the in the transfer of over **\$4 billion** of property tax revenues from Malibu taxpayers to SMUSD.
  - The proposal does not include a mechanism for adjustment and/or equalization.
- The proposal contemplates a split of the AB8 factor that would be usual to implement based on the current property tax allocation system in California.
  - AB8 factors are set on a TRA basis and assigned based on the local agency serving the TRA.
    - Each year, an agency receives the property tax revenues it received in the prior year with an adjustment based on the growth or decline within the TRAs directly serving the agency.

- Splitting the AB8 factor within the Malibu area to assign a portion of the property tax revenue to SMUSD, when they no longer serve the Malibu area would be very unusual and both legally and practically challenging to implement.
- Does not account for the significant amount of Other Local Funding, the District has received and will continue to receive, as part of the equalization calculation.

RESOLUTION NO. 15-60

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MALIBU  
AUTHORIZING TRANSMISSION OF THE PETITION FOR UNIFICATION OF  
A MALIBU UNIFIED SCHOOL DISTRICT TO THE LOS ANGELES COUNTY  
SUPERINTENDENT OF SCHOOLS

The City Council of the City of Malibu does hereby find, order and resolve as follows:

SECTION 1. Recitals.

A. The City of Malibu and the unincorporated area surrounding the City of Malibu (collectively, Greater Malibu), is currently within the territory of the Santa Monica Malibu Unified School District (SMMUSD).

B. Greater Malibu, and specifically the City of Malibu, has developed significantly since Greater Malibu was organized as part of SMMUSD.

C. Under current law, the organization of SMMUSD, including both Santa Monica and Greater Malibu, would not be permissible as California Education Code Section 35543, enacted in 1980, provides that “a school district shall not be formed or reorganized to include territory which is separated from other portions of the territory of the district by the territory of one or more other school districts.” Greater Malibu is separated from Santa Monica by the Los Angeles Unified School District.

D. The City of Malibu was incorporated in 1991 and Greater Malibu, despite significant population growth, strives to maintain its rural character, while Santa Monica has developed into a densely-populated, urban community. As those distinct communities have developed, children residing in Greater Malibu have, since 1992, attended public schools from kindergarten through 12<sup>th</sup> grade entirely within the City of Malibu.

E. The city centers of Malibu and Santa Monica are separated by several miles, and Santa Monica and Malibu have become distinct communities.

F. For several years, concerned residents and community groups within Greater Malibu have expressed the desire to organize a separate Malibu school district.

G. SMMUSD’s central office is located in Santa Monica, a significant distance from even the closest portions of Greater Malibu.

H. Residents of Malibu have expressed concern and frustration that they are not adequately represented by the SMMUSD governing board due to its at-large system of election, and that their concerns about the policies and practices of SMMUSD go largely unaddressed. At-large elections have been known to have this effect where there is a minority community distinct from the overall community, regardless of whether the minority community is a racial/ethnic minority, socio-economic minority, geographic minority, or any other minority community with interests distinct from those of the majority.

I. The City of Santa Monica adopted a city charter in 1947 that requires its city council and the governing board of SMMUSD to be elected at-large, and that charter provision prevents SMMUSD from adopting district-based elections.

J. The principle civic group that has advocated for the organization of a Malibu Unified School District, Advocates for Malibu Public Schools (AMPS), has worked cooperatively with SMMUSD staff to investigate the feasibility and desirability of organizing a Malibu Unified School District from the existing territory of SMMUSD, and in that effort retained the services of WestEd to prepare a report on the feasibility and desirability of the contemplated unification using data in a large part generated by SMMUSD.

K. The comprehensive report of WestEd, completed on July 16, 2015, confirms that unification of a Malibu Unified School District is both feasible and desirable.

L. The nine criteria for unification of a school district set forth in California Education Code Section 35753 are all satisfied by the contemplated organization of a Malibu Unified School District.

M. The unification of a Malibu Unified School District from the existing territory of SMMUSD will benefit all children in Santa Monica, as well as Greater Malibu, as each of the two resulting school districts will:

- Be better suited to utilize the unique resources, and address the particular needs, of their respective communities
- Have more funds for educating each student than the existing SMMUSD, pursuant to the State's school funding formulas
- Be capable of implementing the distinct educational philosophies of their respective communities
- Continue to promote sound educational performance with no disruption to educational programs
- Not result in a significant increase in school housing costs or otherwise have an adverse effect on the fiscal status of any district

N. Organization of a Malibu Unified School District enables all residents of Greater Malibu to have representation on their local school board through the adoption of by-trustee-area elections.

O. Unification of a school district may be initiated by a resolution of a city council that has jurisdiction over at least a portion of the affected area, pursuant to California Education Code Section 35721(c).

SECTION 2. The City Council does authorize transmission of the petition for unification of a Malibu Unified School District to the Los Angeles County Superintendent of Schools.

SECTION 3. The City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

PASSED, APPROVED, and ADOPTED this 16<sup>th</sup> day of September 2015.



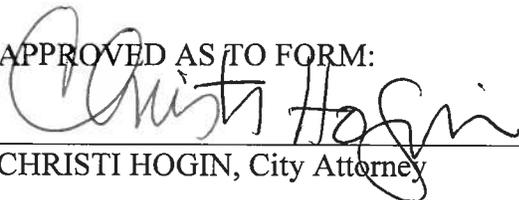
JOHN SIBERT, Mayor

ATTEST:



HEATHER GLASER, Acting City Clerk  
(seal)

APPROVED AS TO FORM:



CHRISTI HOGIN, City Attorney

I CERTIFY THAT THE FOREGOING RESOLUTION NO. 15-60 was passed and adopted by the City Council of the City of Malibu at the regular meeting thereof held on the 16<sup>th</sup> day of September 2015 by the following vote:

AYES:	5	Councilmembers:	House, La Monte, Peak, Rosenthal, Sibert
NOES:	0		
ABSTAIN:	0		
ABSENT:	0		



HEATHER GLASER, Acting City Clerk  
(seal)



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September 5, 2019

**VIA ELECTRONIC MAIL**

David A. Soldani  
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Fresno, CA 93720  
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***RE: City of Malibu SMMUSD Territory Transfer Counter Proposal***

Dear Mr. Soldani:

This letter is a response to the Santa Monica Malibu Unified School District's (SMMUSD) proposal to the City of Malibu (City) dated June 25, 2019.

The City has engaged in this 17-month negotiations with the general principle that the division of territory should not result in a reduction in opportunities on either side, despite the many inequities Malibu students face every year as constituents of the SMMUSD: limited foreign language offerings; no dual immersion program; downgraded music and arts programs; no early college track; no wellness resources; and no facilities management (until this school year). Nevertheless, the City participated in these negotiations in a good faith attempt to reach a mutually beneficial territory transfer. Instead, the City believes SMMUSD has been immovable in its approach to these negotiations and has insisted on a revenue sharing methodology that provides a significant transfer of wealth from Malibu residents to the proposed Santa Monica Unified School District (SMUSD).

Specifically, there is fundamental difference between the two pending proposals. The City has proposed a revenue sharing agreement in which property taxes are split based on assessed value with equalization payments back to the proposed SMUSD, but has been willing to negotiate the form and timing of these equalization payments. SMMUSD has proposed a revenue sharing agreement in which the property tax ratio is divided on pro rata share that results in a permanent redistribution of the Malibu property owner's assessed value, and refuses to offer or consider any other variation on this methodology. While the City still fundamentally disagrees with any proposal that results in a permanent redistribution of assessed value, the City is also encouraged by a plan that creates a school district for Malibu residents who are hungry for local control and equitable educational opportunities.



**BEST BEST & KRIEGER**  
ATTORNEYS AT LAW

September 5, 2019  
Page 2

Therefore, the City is willing to acquiesce to SMMUSD's methodology, as described in the June 25, 2019, proposal, if the parties can also agree to the following concessions.

- City requests that SMMUSD account for additional sources Local Revenue, specifically Sales & Use Tax and Site Lease, in its financial model so that the allocation of the Property Tax Ratio more accurately reflects the revenues available to SMMUSD.
- SMMUSD must agree to cover Malibu Unified School District's start-up costs, including capital build-up costs, potential land acquisition, the cost of erecting a district headquarters, the cost of procuring M&O tools and vehicles, reserves comparable to those reserves maintained by SMMUSD, as well as a separate reserve for the OPEB obligation.
- Recognizing that smaller school districts naturally have greater administrative costs, SMMUSD must agree to factor this in to its financial model so that the allocation of the Property Tax Ratio more accurately covers the Malibu Unified School District's administrative costs until the residents of Malibu pass a replacement parcel tax.
- Create a Joint Powers Authority that will cover both parties in lawsuits that may result from existing PCBs and any other liabilities stemming from this territory transfer.
- The parties will agree to recalibrate the property tax ratio split at the conclusion of the 50-year revenue sharing agreement so that the Malibu property owners are able to recapture their assessed value. The City understands this will require agreement from the LA County Assessor's Office.

With these concessions, the City believes it would be able to rescind the Petition for Unification that is before the Los Angeles County Office of Education and enter into a revenue sharing agreement that creates the Malibu Unified School District.

We look forward to your response.



**BEST BEST & KRIEGER**  
ATTORNEYS AT LAW

September 5, 2019  
Page 3

Regards,

A handwritten signature in cursive script that reads 'CWood'.

Christine N. Wood

for BEST BEST & KRIEGER LLP

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OUR FILE NUMBER

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September 11, 2019

**CONFIDENTIAL**

*VIA Email: christine.wood@bbklaw.com and U.S. Mail*

Christine N. Wood, Esq.  
Best, Best and Krieger  
30 South Grand Avenue, 25th Floor  
Los Angeles, California 90071

**Re: City of Malibu Counter Proposal for Unification.  
Confidential Settlement Communication Subject to Evidence Code § 1152**

Dear Ms. Wood:

The District appreciates the City's recent effort to bridge the gap between the two proposals that have been exchanged.

That being said, I would like to focus your attention on two important issues that arose during our discussion last Friday.

First, I was surprised that your group was under the impression that an election would *not* be required in connection with the Malibu USD formation effort. From our earliest meetings, we have talked about the election component and tying it the successful passage of a new replacement parcel tax (which is the second issue I'd like to highlight).

While it may certainly be possible to avoid an election through special legislation or a waiver, the default under the law is the requirement to conduct an election. I would advise you to seek your own legal opinion on this point and to this end, Dr. Deegan would be very helpful in pointing you in the right direction.

The second issue has to do with the parcel tax. This parcel tax is unique in that it has no built in sunset (it continues indefinitely). The financial viability of both entities, post-unification depends upon the continuation of this important revenue stream. Your group's legal opinion from attorney David Casnocha of Stradling Yocca Carlson & Rauth, makes it clear that the parcel tax ceases for both entities, post-split. As I'm sure you can appreciate, it is crucial to the financial health of both entities that the parcel tax continue and as a result, the District is loath to put the parcel tax at risk in this process.

Christine N. Wood, Esq.

September 11, 2019

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One option that *may* avoid this result and insure the parcel tax's continued existence is special legislation. Other options would involve placing the parcel tax on a ballot and risking defeat. The District does not want to jeopardize the continued existence and liability of the parcel tax.

In summary, the District will likely not be in a position to approve any proposal that puts the parcel tax at risk in any way. I wanted to be clear and unequivocal about that before both sides reconvene.

While I think there is still much to discuss regarding the other components of your counter proposal, we need to be on the same page of understanding with respect to the election and parcel tax issue if we are to make continued, meaningful progress.

The District will need more time to discuss these issues internally before reconvening with your group. I am sure your side will benefit from the additional time as well. As such, we will not be ready to have a productive meeting this Friday. Please reach out to the undersigned when you have had an opportunity to discuss these matters with your side so that we can discuss some potential next steps in this negotiation process.

We appreciate your continued efforts, patience and thoughtfulness as we collectively wrestle with these very complex issues.

Very truly yours,

ATKINSON, ANDELSON, LOYA, RUUD & ROMO



David A. Soldani

DAS:las

cc. Ben Drati, Superintendent



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April 21, 2020

**VIA ELECTRONIC MAIL**

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***re: City of Malibu & SMMUSD Territory Transfer Next Steps***

Dear Mr. Soldani:

This letter provides the City of Malibu’s (“City”) update on next steps in regards to the proposed Santa Monica Malibu Unified School District (the “District” or “SMMUSD”) territory transfer.

When we met on Tuesday, March 3, 2020, the District representatives requested that the City provide a status update and/or a timeline of when we would complete the following tasks:

- Special Legislation to Preserve the Measure R Parcel Tax
- Financial Review and Projections by City’s Experts, including the creation of a start-up budget for the [proposed] Malibu Unified School District
- Review of Financial Assumptions at the Conclusion of the 50-Year Agreement

Before the City provides a status update on these items, it is important to place these tasks in context.

On September 5, 2019, the City made a huge gesture and accepted the District’s methodology for revenue sharing after the territory transfer, despite the City’s belief that the District’s proposal is a *permanent redistribution of property tax dollars* from Malibu to Santa Monica. At that time, the City requested that the District agree to the following five concessions:

- (1) District account for the all leasing revenues, including the hotel leases, in its local revenue projections.
- (2) District fund the proposed MUSD’s start-up costs, including the erection of a district headquarters.



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Page 2

- (3) District adjust its financial model to properly account for the additional operational expenses inherent in operating a smaller school district.
- (4) District agree to creating a JPA that would cover future liabilities deriving from the non-operational SMMUSD.
- (5) District agree that the future districts will revisit the financial assumptions in the revenue sharing agreement at the conclusion of the 50-year agreement term.

In response to the City’s effort to reach an agreement in these negotiations, the District sent the City a letter on September 11, 2019, asserting that “it is crucial to the financial health of both entities that the parcel tax continue and as a result, the District is loath to put the parcel tax at risk in this process.” Furthermore, in its November 5, 2019, correspondence to the City, the District stated that the parcel tax issue could be addressed “[a]s long as it is understood that continuation of the parcel tax at existing levels is a condition which must be satisfied to facilitate a territory split.” The District additionally contended that many of the revenue and expense concessions that the City requested were already provided for in the District’s financial models.

Hence, the City’s next step was to confirm the revenue and expense concessions were, in fact, in the financial models, and to address the issue of the parcel tax. The City hired Ryland School Business Consulting (“Ryland SBC”) to review the District’s financial models and it began working with its State representatives to consider the feasibility of special legislation that would allow the City and the District to retain the Measure R parcel tax. Here are the updates to this work.

- **Special Legislation to Preserve the Measure R Parcel Tax**

The City was pleased to find that its State representatives were open to sponsoring special legislation that would allow the City and the District to retain Measure R Parcel Tax. Since we needed to move quickly in order to have any legislation presented in the 2020 Legislative Session, the City provided proposed language that amended Government Code section 50079.2.

Then, much to the surprise of the City, the District expressed consternation that special legislation was being considered in an attempt to preserve the Measure R parcel tax—the same parcel tax that the District was “loath to put at risk.” The parties met on March 3, 2020, to discuss the special legislation prior to the March 5th SMMUSD Board Meeting at which the Board of Education would consider a formal board declaration supporting the special legislation. At our March 3rd meeting, the District Board members who were present (Board President Jon Kean, School Board Vice President Laurie Lieberman, and School Board Member Richard Tahvildaran-Jesswein) assured the City that other decision makers on the Board wanted to be sure the City was working on its other deliverables before the District expended any political capital on the special legislation—a position that completely ignored



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Page 3

the fact that the City had virtually agreed to all of the District’s terms thus far. The City representatives present, including Mayor Karen Farrer and City Councilmember Rick Mullen assured them the City was still working on the other issues, but that those were minor considering that no territory transfer could proceed without preserving the parcel tax.

At the March 5th School Board meeting, the Board considered the formal declaration supporting the special legislation, understanding that “support of special legislation is not the equivalent of an approval of a unification of a new school district.” City Councilperson Rick Mullen attended the March 5th Board Meeting to reiterate the City’s commitment to preservation of the Measure R Parcel Tax. Again, to the City’s surprise, Board President Kean discouraged the Board from issuing the formal declaration in support of the special legislation to preserve the parcel tax. After discussion, the matter was set for action at the next Board Meeting scheduled for March 19, 2020. Unfortunately, due to the ongoing pandemic and Governor Newsom’s stay-at-home orders, the item was not discussed at the March 19th meeting and now the State Legislature is only considering emergency legislation for the remainder of the 2020 Legislative Session.

The City shares the District’s position that the Measure R parcel tax should be preserved and believes the District’s formal support of this effort is paramount to continued negotiations between the parties.

- **Financial Review and Projections by City’s Experts**  
Ryland SBC is continuing to conduct its review of the District’s financial models. At this point, the City is not able to confirm that the revenue and expense concessions that the City requested are, in fact, in the financial models. However and more importantly, there seem to be some fundamental assumptions and calculations within the District’s financial model that make for an overall flawed analysis. The City is awaiting a final report from Ryland SBC and expects to be able to respond to the District’s November 5, 2019, correspondence by June 1, 2020, although this timeline may need to be modified based on the availability (or lack thereof) of data from the State and the County due to the ongoing pandemic.
- **Review of Financial Assumptions at the Conclusion of the 50-Year Agreement**  
In its November 5, 2019, correspondence, the District indicated that it would be concerned about reviewing the assumptions in its financial models at the conclusion of the 50-Year Agreement because of “a potential cliff effect in which revenues are radically shifted endangering future educational programs.” The City believes this statement is evidence that the proposed revenue sharing agreement is a permanent redistribution of property tax dollars and is exactly why the review is necessary.



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The City initially disagreed with a 50-year agreement in any form because it was a substantial commitment of future MUSD resources to support the future SMUSD's educational programs. No distinct tax base, whether property owners through property tax or local businesses through sales tax, should underwrite the education of students in another jurisdiction. In order for the City to agree to the District's methodology, it must agree to review the financial assumptions at the conclusion of the agreement in order to promote both jurisdictions to make whatever operational decisions are necessary to allow for inevitable financial independence.

The City will be in contact with the District on or before June 1, 2020, regarding its Financial Review and Projections by Ryland SBC. Additionally, the City looks forward to the District's response to the City's position on the parcel tax legislation and the review of the financial assumptions at the conclusion of the revenue sharing agreement.

Sincerely,

A handwritten signature in cursive script that reads 'CWood'.

Christine N. Wood  
for BEST BEST & KRIEGER LLP



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June 1, 2020

**VIA ELECTRONIC MAIL**

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***re: City of Malibu & SMMUSD Territory Transfer Next Steps - Update***

Dear Mr. Soldani:

In accordance with our April 21, 2020, correspondence, this letter provides the City of Malibu's ("City") update on the status of its review of the financial projections proposed by the Santa Monica Malibu Unified School District's ("District") financial expert.

First, let me point out that the City still awaits a response from the District regarding its position on (1) the parcel tax legislation and (2) the review of the financial assumptions at the conclusion of the revenue sharing agreement. We asked for a response to these positions in our April 21, 2020, correspondence. Please advise as to when the District will provide a response.

Second, as you know, the City has engaged Ryland SBC to conduct a review of the District's financial projections and methodology. The City has received Ryland's review; however, the City has not yet briefed the City Council on the report and its findings due to the extraordinary circumstances of the statewide shelter in place orders. While the City Council is having virtual meetings, the Council is not considering items that require significant impact to the community since it is difficult to facilitate meaningful input from Malibu residents in this format. Therefore, we will bring the Ryland report to the City Council once in-person meetings resume.



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ATTORNEYS AT LAW

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Until that point, the City is not at liberty to discuss findings and next steps with the District. The City will be in contact with the District once the Council has been briefed on the Ryland report so we can discuss next steps. In the meantime, we look forward to hearing from the District regarding its position on the parcel tax legislation and the review of the financial assumptions at the conclusion of the proposed revenue sharing agreement.

Sincerely,

A handwritten signature in cursive script that reads 'C Wood'.

Christine N. Wood  
for BEST BEST & KRIEGER LLP



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March 12, 2021

**VIA ELECTRONIC MAIL**

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***RE: City of Malibu’s Best and Final Offer to the  
Santa Monica-Malibu Unified School District***

Dear Mr. Soldani:

This letter represents the City of Malibu’s (“City”) best and final offer to the Santa Monica-Malibu Unified School District (“SMMUSD”) as it relates to the City’s petition before the Los Angeles County Office of Education’s County Committee on School Reorganization (“County Committee”). The City continues to believe that its students, residents, and taxpayers will greatly benefit from the creation of an independent Malibu Unified School District. Accordingly, the City submitted a reorganization petition to the County Committee to separate the non-contiguous SMMUSD into two separate school districts that will distinctly serve and enhance the Malibu and Santa Monica communities.

Although negotiations between the City and SMMUSD were ongoing, the City lost confidence in a successful, reciprocal deal after SMMUSD presented a disputed funding model, rejected the parcel tax legislation, and failed to respond to the City’s last series of correspondence dated April 21, 2020, and June 1, 2020. Therefore, after nearly three years of discussions that failed to produce a solution, the City felt compelled to take unilateral action by advancing its reorganization efforts.

Recently, however, the City has renewed hope of settlement after SMMUSD presented conciliatory information supporting reorganization at SMMUSD’s Financial Oversight Committee (FOC) meeting on December 3, 2020. SMMUSD raised several agreeable terms that inspired the City’s recommitment to forging a mutually beneficial separation agreement. Consequently, the City has prepared the following deal points to relay its best and final offer in terms of separation. Statements made by SMMUSD staff and consultants at the FOC meeting are included to demonstrate harmony with the City’s objectives.

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**BEST BEST & KRIEGER**  
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**CITY'S BEST AND FINAL OFFER**

**Allocation of Operating Revenues**

According to Shin Green during the FOC meeting on December 3, 2020, his “understanding is that (revenues) would stay with their geographical territories of generation going forward...which is generally what we had suggested anyway.... If it’s originating in Santa Monica, it’s got to...stay there. If it’s originating in Malibu, it’s got to...stay there.” We completely agree and propose the following:

1. Property taxes to be allocated to the school district directly serving the Tax Rate Area (TRA) where the property taxes were generated. There are an estimated 106 TRAs within the current SMMUSD boundaries: an estimated 60 in the Santa Monica area and an estimated 46 in the Malibu area.
2. Redevelopment pass-through, redevelopment residual, City of Santa Monica sales taxes, and City of Santa Monica joint use funding sources to be distributed to Santa Monica USD.
3. Parcel tax revenues to be allocated to the school district directly serving the TRA where the parcel taxes were generated.
4. Local donations to remain in the school district where contributed.
5. Any other local revenues that remain from SMMUSD to be distributed to each district on a per student basis. New local revenues, such as interest revenue, would be generated by and remain with each new district.
6. Malibu USD to transfer property taxes to Santa Monica USD in an amount that will reduce State aid in the event of loss of basic aid status to the Minimum State Aid (MSA) amount, thereby holding the State harmless.

When discussing concerns with the City-proposed funding mode during the FOC meeting on December 3, 2020, Shin Green also stated the following: “[The City-proposed funding] would not bring the Santa Monica School District back to the levels of funding for the combined entity as it currently exists, but simply up to the minimum state LCFF amounts.” He further stated, “We have always recommended that we had a defined reopener where we could revisit the property tax ratio if the per-pupil funding amounts in total got too far out of whack because of changes in the sales tax....” Finally, he said, “If the per-pupil funding varied by more than X percent, we come back to the table and we reindex...just for a limited period of time. At some point in time, as with every school district in California that’s basic aid, you have to learn to live



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Page 3

within your revenues...and eventually these things will diverge at some point because the tax base will not grow in an identical manner.” We concur and propose the following:

7. Malibu to transfer additional property taxes for up to 10 years from the date of the school district separation IF Santa Monica per pupil funding falls below the current per pupil funding level in order to maintain the per pupil funding that Santa Monica students would have otherwise had from the combined district.
8. Per pupil funding currently estimated at \$14,197, based on 2018-19 LA County Public Schools Financial Report, including Local Control Funding Formula (“LCFF”) revenue and Other Operating Revenue and related 2018-19 California Basic Educational Data System’s (“CBED”) enrollment of 10,629.
9. For this purpose, per pupil funding is calculated by including all LCFF funding, property taxes sources, parcel taxes, Santa Monica sales taxes, Santa Monica joint use, donations, interest earnings, and other local funding.
10. Property tax sources include: secured, unsecured, unitary, utility, supplemental (if Santa Monica is no longer basic aid), Educational Revenue Augmentation Fund (“ERAF”) (if Santa Monica is no longer basic aid), redevelopment pass-through, redevelopment residual.

**Distribution of Property**

According to Shin Green during the FOC meeting on December 3, 2020, “property that is located in each of the territories stays in that territory. If we want to remove something or if there’s something missing, we may provide credit for it...” We are in accord on this point and propose the following:

11. Property owned by the SMMUSD to be allocated to each future district based on location, with each district owning the property within their boundaries.
12. Santa Monica USD to share in the start-up costs needed to create a district office facility in Malibu.

**SMMUSD Support of Reorganization Efforts**

During the FOC meeting on December 3, 2020, Shin Green said, “Santa Monica is not averse to the division...of the existing district into two discreet districts....” “[I]f there was a Malibu Unified School District and a Santa Monica Unified School District in existence today, we could not turn them into the entity they are today. That being said, that is a compelling reason to split the district and...district staff and...board are not averse to that division.”



**BEST BEST & KRIEGER**  
ATTORNEYS AT LAW

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Additionally, David Soldani stated, “the second criteria is whether there is a substantial community identity...Does Malibu see itself as one coherent community?...I think that’s pretty self-evident.”

13. SMMUSD to support resolution regarding special legislation that maintains existing parcel taxes when the school districts separate.

Additionally, David Soldani stated, “A parcel tax, we’d have to have some kind of guarantee that...would continue in order to keep both entities viable...so it’s not that we don’t support that special legislation. We...absolutely do. We’re insistent on it.”

14. SMMUSD to work with the City to seek CDE approval on how property tax sharing agreement would be viewed to meet requirements set forth in reorganization Criterion 5.
15. SMMUSD to support separation in discussions, public hearings, and all other correspondence with LACOE regarding this reorganization and will not delay reorganization proceedings.

Considering we concur on so many aspects of this school separation, we are asking the District to (1) review its position, as publicly stated, (2) identify where there are fundamental agreements between the parties, and (3) commit to joining us in a united petition before the County Committee. **We request that you complete this review and lodge your agreement on or before April 2, 2021, in order to allow us to proceed in a way that is most expeditious and productive for both the Malibu and Santa Monica communities.** We look forward to your response.

Regards,

Christine N. Wood  
for BEST BEST & KRIEGER LLP

cc: Reva Feldman, City Manager, City of Malibu  
Ben Drati, Superintendent, Santa Monica-Malibu Unified School District

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OUR FILE NUMBER  
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April 9, 2021

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**Re: District's Response to City of Malibu's Best and Final Offer dated March 12, 2021**

Dear Ms. Wood:

The undersigned has been authorized by a 6-1 vote of the District's governing board to reject the above-referenced offer ("Final Offer").

The rejection is based upon our analysis of the Final Offer. Applying our understanding of the terms of the Final Offer to projections based upon updated data indicates that a revenue "cliff effect" would occur after 10 years with funding levels well below where they would otherwise be per pupil for at least one resulting school entity.

This result appears inconsistent with the City's publically stated desire to hold the Santa Monica students "harmless" from the impacts of the separation.

Because of its negative financial and programmatic impact on the District's students, the District has no choice but to reject the Final Offer as currently posited and forcefully oppose the City's Petition.

Alternatively, the District has updated its own financial proposal and can demonstrate with mathematical precision that none of the Districts students in either territory will be significantly worse off from the separation from a per-pupil funding perspective.

As such, for your consideration, set forth below is the District's proposal on how to handle the financial aspects of the split.

- Allocation of State revenues under the LCFE Formula on a per pupil basis
- Allocation of secured property tax revenues utilizing a proportional allocation of the SMMUSD Property Tax Ratio based on the enrollment in each proposed school district

Christine Wood

April 9, 2021

Page 2

- Allocation of redevelopment property tax losses and pass-throughs to the entity serving the redevelopment territory
- Allocation of Federal and Other State Revenues on the basis of enrollment in each proposed school district
- Allocation of local revenues with geographical restrictions (e.g.: sales tax, joint use, facility lease revenues) to the entity serving the territory from where such revenues are generated
- Retention of philanthropic local revenues to the entity which raises such revenues
- Allocation of other local revenues not directly related to reimbursement of services provided to the entity conducting the activities resulting in such revenues

If this proposal is unsatisfactory to the City, the District is willing to entertain any other proposal the City can create as long as it accomplishes both parties' stated goal — to separate without materially harming either territory's students.

I understand the County Committee on School District Organization ("Committee") has retained its own financial consultant, Schools Services of California, Inc., ("SSC") to assist the Committee staff with their evaluation of the City's petition (with particular emphasis placed on the financial aspects of the Petition).

In light of this and in furtherance of the parties' desire to pursue an equitable separation, a further proposal I have been authorized to extend is to have the City's financial consultants (*sans* lawyers and electeds) meet jointly and work with the District's financial consultant (*sans* lawyers and electeds) *and* SSC in an effort to independently evaluate the parties' competing financial methodologies to assist each side assess the viability of the competing methodologies with a goal of landing on a methodology that both sides have publically and repeatedly stated they desired: a methodology that places neither territory's students in a worse financial or programmatic position than they would otherwise be in the absence of separation ("Joint Meeting").

However, in fairness to both sides that actively continue to prepare for the upcoming Committee hearing April 17<sup>th</sup>, the District is only willing to extend the Joint Meeting component of its proposal to the City if the City agrees by April 12, 2021, to request a continuance of the April 17<sup>th</sup> Committee hearing, so that both parties may devote their time and resources to pursuing a funding solution.

Regardless of the City's response to the above proposals, we invite the City to authorize its financial consultants to meet with the District's financial consultant at the earliest opportunity to enable both sides to gain a better understanding of how the competing formulas work.

ATKINSON, ANDELSON, LOYA, RUUD & ROMO

Christine Wood

April 9, 2021

Page 3

Please let me know if you would like to discuss further or have any questions about the proposals herein.

We look forward to your response.

Very truly yours,

ATKINSON, ANDELSON, LOYA, RUUD & ROMO

A handwritten signature in blue ink, appearing to read "David A. Soldani". The signature is fluid and cursive, with a prominent loop at the beginning and a trailing flourish.

David A. Soldani

DAS:las

cc: Ben Drati, Superintendent  
Santa Monica Malibu Unified School District



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April 13, 2021

**VIA ELECTRONIC MAIL**

David A. Soldani  
Atkinson, Andelson, Loya, Ruud & Romo  
10 River Park Place East, Suite 240  
Fresno, CA 93720  
Email: dsoldani@aalrr.com

***RE: City of Malibu’s Counter Proposal to the  
Santa Monica-Malibu Unified School District***

Dear Mr. Soldani:

This letter represents the City of Malibu’s (“City”) response to the Santa Monica-Malibu Unified School District’s (the “District”) counter-offer dated April 9, 2021, as both relate to the City’s petition (“Petition”) before the Los Angeles County Office of Education’s County Committee on School Reorganization (“County Committee”).

The City notes with appreciation and agreement the District’s assertion that it wants to “deliver separation of SMMUSD into SMUSD and MUSD.” This statement provides the City great hope that both parties can find common ground as we move through this County Committee’s process. However, given the District’s history of bad faith—including walking away from both the unanimously approved MUNC agreement of 2016 and from the recent efforts to sponsor special legislation to secure both districts’ parcel tax—you can understand why the City must decline any offer that requires us to withdraw our Petition from the County Committee process. The City does see opportunity in most other aspects of the District’s counter-offer and, therefore, presents the following counter-proposal for the District’s consideration.

- (1) Both parties go on record with the County Committee as supporting the City’s Petition to create an independent Malibu Unified School District, pending the financial terms of separation;
- (2) Both parties agree that the County Committee is well-suited to decide the financial terms of separation;



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- (3) Both parties agree in advance to be bound by the financial terms of the separation as developed by the County Committee and/or by the County Committee-supervised consultant, School Services of California, Inc.; and
- (4) Both parties agree that they will not engage in any ex-parte communications with any part of the County Committee, their staff, or any consultants regarding the split while the financial terms of the separation are being developed by the County Committee and/or the County Committee-supervised consultant, School Services of California, Inc.

Since the City did not receive your counter-offer until 4:47pm on Friday, April 9, 2021, the Malibu City Council was not able to consider it at its regularly scheduled meeting on Monday, April 12, 2021. However, the Malibu City Council has scheduled a special meeting on Wednesday, April 14, 2021, at which time these terms will be presented to the full City Council. Since time is of the essence, the City would request that the District, likewise, schedule a meeting of its Board of Education to consider the aforementioned terms. The goal of this counter proposal is for the District and the City to present these terms to the County Committee at the Preliminary Public Hearing as both parties' on-going effort to do what is in the best interest of both Santa Monica and Malibu students.

The City believes this addresses both our mutual desire for a locally controlled, independent Malibu School District and for financial conditions in the two successor districts that will be fair and equitable, in fact and by definition. **We request that you present these terms to your Board on or before April 16, 2021, in order to allow us to appear in a unified fashion before the County Committee.** We look forward to your response.

Regards,

Christine N. Wood  
for BEST BEST & KRIEGER LLP

cc: Reva Feldman, City Manager, City of Malibu  
Ben Drati, Superintendent, Santa Monica-Malibu Unified School District



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April 15, 2021

**VIA ELECTRONIC MAIL**

David A. Soldani  
Atkinson, Andelson, Loya, Ruud & Romo  
10 River Park Place East, Suite 240  
Fresno, CA 93720  
Email: dsoldani@aalrr.com

***RE: Malibu City Council’s Ratification of the City’s Counter Proposal to the Santa Monica-Malibu Unified School District***

Dear Mr. Soldani:

This letter informs you that the Malibu City Council met during a Special Meeting today to consider and the terms of the City of Malibu’s (“City”) counter proposal sent to you on April 13, 2021, in response to the Santa Monica-Malibu Unified School District’s (the “District”) counter-offer dated April 9, 2021, as both relate to the City’s petition (“Petition”) before the Los Angeles County Office of Education’s County Committee on School Reorganization (“County Committee”). The Council unanimously ratified the terms of the City’s counter proposal, as they are described below.

- (1) Both parties go on record with the County Committee as supporting the City’s Petition to create an independent Malibu Unified School District, pending the financial terms of separation;
- (2) Both parties agree that the County Committee is well-suited to decide the financial terms of separation;
- (3) Both parties agree in advance to be bound by the financial terms of the separation as developed by the County Committee and/or by the County Committee-supervised consultant, School Services of California, Inc.; and
- (4) Both parties agree that they will not engage in any ex-parte communications with any part of the County Committee, their staff, or any consultants regarding the split while the financial terms of the separation are being developed by the County Committee and/or the County Committee-supervised consultant, School Services of California, Inc.

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April 15, 2021  
Page 2

The City, therefore, renews its request for the District to, likewise, agree to the aforementioned terms so both parties can present these terms as a joint proposal to the County Committee at Saturday's Preliminary Public Hearing. We await the District's response.

Regards,

A handwritten signature in cursive script that reads 'CWood'.

Christine N. Wood  
for BEST BEST & KRIEGER LLP

cc: Reva Feldman, City Manager, City of Malibu  
Ben Drati, Superintendent, Santa Monica-Malibu Unified School District

**Exhibit C: City of Malibu's Best and Final Offer to SM-MUSD on March 12, 2021**



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Christine.Wood@bbklaw.com

March 12, 2021

**VIA ELECTRONIC MAIL**

David A. Soldani  
Atkinson, Andelson, Loya, Ruud & Romo  
10 River Park Place East, Suite 240  
Fresno, CA 93720  
Email: dsoldani@aalrr.com

***RE: City of Malibu’s Best and Final Offer to the  
Santa Monica-Malibu Unified School District***

Dear Mr. Soldani:

This letter represents the City of Malibu’s (“City”) best and final offer to the Santa Monica-Malibu Unified School District (“SMMUSD”) as it relates to the City’s petition before the Los Angeles County Office of Education’s County Committee on School Reorganization (“County Committee”). The City continues to believe that its students, residents, and taxpayers will greatly benefit from the creation of an independent Malibu Unified School District. Accordingly, the City submitted a reorganization petition to the County Committee to separate the non-contiguous SMMUSD into two separate school districts that will distinctly serve and enhance the Malibu and Santa Monica communities.

Although negotiations between the City and SMMUSD were ongoing, the City lost confidence in a successful, reciprocal deal after SMMUSD presented a disputed funding model, rejected the parcel tax legislation, and failed to respond to the City’s last series of correspondence dated April 21, 2020, and June 1, 2020. Therefore, after nearly three years of discussions that failed to produce a solution, the City felt compelled to take unilateral action by advancing its reorganization efforts.

Recently, however, the City has renewed hope of settlement after SMMUSD presented conciliatory information supporting reorganization at SMMUSD’s Financial Oversight Committee (FOC) meeting on December 3, 2020. SMMUSD raised several agreeable terms that inspired the City’s recommitment to forging a mutually beneficial separation agreement. Consequently, the City has prepared the following deal points to relay its best and final offer in terms of separation. Statements made by SMMUSD staff and consultants at the FOC meeting are included to demonstrate harmony with the City’s objectives.



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Page 2

**CITY'S BEST AND FINAL OFFER**

**Allocation of Operating Revenues**

According to Shin Green during the FOC meeting on December 3, 2020, his “understanding is that (revenues) would stay with their geographical territories of generation going forward...which is generally what we had suggested anyway.... If it’s originating in Santa Monica, it’s got to...stay there. If it’s originating in Malibu, it’s got to...stay there.” We completely agree and propose the following:

1. Property taxes to be allocated to the school district directly serving the Tax Rate Area (TRA) where the property taxes were generated. There are an estimated 106 TRAs within the current SMMUSD boundaries: an estimated 60 in the Santa Monica area and an estimated 46 in the Malibu area.
2. Redevelopment pass-through, redevelopment residual, City of Santa Monica sales taxes, and City of Santa Monica joint use funding sources to be distributed to Santa Monica USD.
3. Parcel tax revenues to be allocated to the school district directly serving the TRA where the parcel taxes were generated.
4. Local donations to remain in the school district where contributed.
5. Any other local revenues that remain from SMMUSD to be distributed to each district on a per student basis. New local revenues, such as interest revenue, would be generated by and remain with each new district.
6. Malibu USD to transfer property taxes to Santa Monica USD in an amount that will reduce State aid in the event of loss of basic aid status to the Minimum State Aid (MSA) amount, thereby holding the State harmless.

When discussing concerns with the City-proposed funding mode during the FOC meeting on December 3, 2020, Shin Green also stated the following: “[The City-proposed funding] would not bring the Santa Monica School District back to the levels of funding for the combined entity as it currently exists, but simply up to the minimum state LCFF amounts.” He further stated, “We have always recommended that we had a defined reopener where we could revisit the property tax ratio if the per-pupil funding amounts in total got too far out of whack because of changes in the sales tax....” Finally, he said, “If the per-pupil funding varied by more than X percent, we come back to the table and we reindex...just for a limited period of time. At some point in time, as with every school district in California that’s basic aid, you have to learn to live



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Page 3

within your revenues...and eventually these things will diverge at some point because the tax base will not grow in an identical manner.” We concur and propose the following:

7. Malibu to transfer additional property taxes for up to 10 years from the date of the school district separation IF Santa Monica per pupil funding falls below the current per pupil funding level in order to maintain the per pupil funding that Santa Monica students would have otherwise had from the combined district.
8. Per pupil funding currently estimated at \$14,197, based on 2018-19 LA County Public Schools Financial Report, including Local Control Funding Formula (“LCFF”) revenue and Other Operating Revenue and related 2018-19 California Basic Educational Data System’s (“CBED”) enrollment of 10,629.
9. For this purpose, per pupil funding is calculated by including all LCFF funding, property taxes sources, parcel taxes, Santa Monica sales taxes, Santa Monica joint use, donations, interest earnings, and other local funding.
10. Property tax sources include: secured, unsecured, unitary, utility, supplemental (if Santa Monica is no longer basic aid), Educational Revenue Augmentation Fund (“ERAF”) (if Santa Monica is no longer basic aid), redevelopment pass-through, redevelopment residual.

**Distribution of Property**

According to Shin Green during the FOC meeting on December 3, 2020, “property that is located in each of the territories stays in that territory. If we want to remove something or if there’s something missing, we may provide credit for it...” We are in accord on this point and propose the following:

11. Property owned by the SMMUSD to be allocated to each future district based on location, with each district owning the property within their boundaries.
12. Santa Monica USD to share in the start-up costs needed to create a district office facility in Malibu.

**SMMUSD Support of Reorganization Efforts**

During the FOC meeting on December 3, 2020, Shin Green said, “Santa Monica is not averse to the division...of the existing district into two discreet districts....” “[I]f there was a Malibu Unified School District and a Santa Monica Unified School District in existence today, we could not turn them into the entity they are today. That being said, that is a compelling reason to split the district and...district staff and...board are not averse to that division.”



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Additionally, David Soldani stated, “the second criteria is whether there is a substantial community identity...Does Malibu see itself as one coherent community?...I think that’s pretty self-evident.”

13. SMMUSD to support resolution regarding special legislation that maintains existing parcel taxes when the school districts separate.

Additionally, David Soldani stated, “A parcel tax, we’d have to have some kind of guarantee that...would continue in order to keep both entities viable...so it’s not that we don’t support that special legislation. We...absolutely do. We’re insistent on it.”

14. SMMUSD to work with the City to seek CDE approval on how property tax sharing agreement would be viewed to meet requirements set forth in reorganization Criterion 5.
15. SMMUSD to support separation in discussions, public hearings, and all other correspondence with LACOE regarding this reorganization and will not delay reorganization proceedings.

Considering we concur on so many aspects of this school separation, we are asking the District to (1) review its position, as publicly stated, (2) identify where there are fundamental agreements between the parties, and (3) commit to joining us in a united petition before the County Committee. **We request that you complete this review and lodge your agreement on or before April 2, 2021, in order to allow us to proceed in a way that is most expeditious and productive for both the Malibu and Santa Monica communities.** We look forward to your response.

Regards,

Christine N. Wood  
for BEST BEST & KRIEGER LLP

cc: Reva Feldman, City Manager, City of Malibu  
Ben Drati, Superintendent, Santa Monica-Malibu Unified School District

**Exhibit D: SM-MUSD Fact Checker**

**Statement:** *“The Petition...seeks adoption of a formula for funding of the new districts that would disproportionately harm the students who attend Santa Monica schools. As proposed the Petition would provide less per pupil funding for Santa Monica students who would attend a newly created SMUSD than those same students would receive if SMMUSD were to remain.”* – FAQs posted on SM-MUSD’s webpage (11/24/2020)



This statement is misleading as the Petition submitted to the LA County Committee did not include any detail related to how funding was proposed to be allocated among the reorganized districts, therefore, the School District has no idea what the proposed funding model is.

Further, the statement is incorrect. The funding model that was described to SM-MUSD in a Best and Final Offer from the City of Malibu on March 12, 2021, includes a provision to transfer funding to Santa Monica for 10 years after the reorganization in the event that the SMUSD’s total per pupil funding drops below the current funding level. Essentially, the actual funding proposal made by the City ensures that Santa Monica students will receive *at least* the same amount of funding they currently receive, if not more.

---

**Statement:** *“The district’s board of education opposes the City’s Petition.”* – November 24, 2020 Frequently Asked Questions posted on SM-MUSD’s webpage



This statement is misleading. SM-MUSD’s Board of Education has not formally considered the City’s Petition nor has it stated a position either in support of or opposition to the Petition. Some of the Board members may be opposed to the Petition, but the School Board itself has not taken a formal position.

---

**Statement:** *“The City Petition results in an inequitable division of funding and promotes the creation of a district with a significantly less diverse student population. The division as proposed would harm the most vulnerable students in both communities, jeopardizing service delivery, including programs for special education students, English learners and at-risk students.”* – FAQs posted on SM-MUSD’s webpage (11/24/2020)





This statement is inaccurate. The school attendance boundaries will not change with the proposed reorganization. The proposed Santa Monica USD would continue to operate the same programs for special education students, English learners, and at-risk students post-reorganization as it does today. Per pupil funding for the proposed Santa Monica USD is estimated to **be higher** than current funding levels allowing for additional resources to address the needs of Santa Monica students. As a Basic Aid district with relatively high per pupil funding, the proposed Malibu USD will also be able to offer specialized programs for special education students, English learners, and at-risk students not currently provided to Malibu schools by SM-MUSD. After reorganization, the Malibu community can choose to provide inclusive educational opportunities that coincide with the goals and values of the Malibu community.

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**Statement:** *“The per pupil expenditures in terms of human resources, transportation, materials, and programs are currently: \$9,856 per student in Malibu and \$7,606 per student in Santa Monica – FAQs posted on SM-MUSD’s webpage (11/24/2020)*



This statement appears to be correct. Malibu and Santa Monica are two very different communities. Malibu is rural and Santa Monica is urban. Malibu schools are more remote and have lower class sizes and fewer students than the Santa Monica schools. As such, Malibu schools cost more to operate than the Santa Monica schools. Reorganization will redirect some of that funding back to Santa Monica schools.

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**Statement:** *“In terms of academic achievement, Newsweek ranks Malibu High at 1371 and SAMOHI High at 981 in the 2020 National Rankings. Their California rankings are 193 and 139, respectively.” – FAQs posted on SM-MUSD’s webpage (11/24/2020)*



This statement is correct. Both Malibu High and Santa Monica High are highly ranked for academic achievement. Post-reorganization, it is expected that both high schools will be able to continue their rigorous academic programs and continue to demonstrate excellent academic achievement. Furthermore, Malibu schools may be able to offer enhanced education programming that, as of now, are only offered at Santa Monica schools.

**Statement:** *“The Malibu City Council abandoned our collaboration.”* – Letter from Ben Drati, SMMUSD Superintendent, to Reva Feldman, Malibu City Manager (10/28/2020)



This statement is incorrect. The City of Malibu was prepared to reach an equitable compromise, but SM-MUSD made outrageous demands that would harm Malibu students. In negotiations, SM-MUSD agreed that the reorganization would meet the California Education Code’s nine criteria for separation, even conceding that any negative impacts on diversity and equity would be minimal. SM-MUSD failed to respond to two letters sent by the City on April 21, 2020 and June 1, 2020 regarding reorganization and then refused to take action in support of special legislation that would have kept the existing parcel tax in place post-reorganization. Ultimately, the Malibu City Council felt compelled to move forward with reorganization because after years of discussions, no progress was being made to move forward.

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**Statement:** *“To further disadvantage Santa Monica students, that nominal annual growth is based on a set of assumptions for local revenues in Santa Monica that are unrealistic.”* – Letter from Ben Drati, SMMUSD Superintendent, to Reva Feldman, Malibu City Manager (10/28/2020)



This statement is incorrect. The assumptions used by the City of Malibu related to local revenues are based on the revenues that SM-MUSD has received in the past, are included in its operating budget, and are anticipated to continue into the future at least at some level. To provide Santa Monica with some level of comfort, the City has proposed to provide funding to Santa Monica in the event that their combined revenues fall below what the District would have otherwise received without reorganization. The City’s proposed funding model does not rely on future growth projections. In the event that Santa Monica USD’s revenue falls below the total per pupil funding amount that SM-MUSD would have received if the separation did not occur, Malibu has proposed to transfer additional funding to make them whole.

---

**Statement:** *“SMMUSD remains open to returning to the negotiating table in order to continue working collaboratively towards a thoughtful and strategic plan that will allow for the successful creation of two new school districts. If City Council chooses to return to the negotiating table and embraces a genuine effort at addressing serious equity concerns, they have our commitment that the Santa Monica-Malibu Unified School District delegation will be ready to work with you.”* – Letter from Ben Drati, SMMUSD Superintendent, to Reva Feldman, Malibu City Manager (10/28/2020)



This statement is incorrect. SM-MUSD is not serious about forging an equitable resolution. SM-MUSD did not return to the negotiating table after receiving the City’s March 12, 2021 Best and Final Offer until April 9, 2021, six days after the response deadline requested in the offer. What’s more, SM-MUSD’s response failed to present anything beyond what it offered in 2018, further evidencing SM-MUSD’s refusal to address, or even acknowledge, Malibu’s concerns.

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**Statement:** *“The Petition...will have a deleterious impact on all students in the District, depriving them of equal educational opportunity by increasing racial segregation and by reallocating funding between students in an inequitable and unfair manner.”* – March 8, 2021 letter from ACLU to LA County Committee on School District Reorganization



This statement is misleading as the Petition submitted to the LA County Committee did not include detail related to how funding was proposed to be allocated among the reorganized districts. Therefore, the ACLU did not review the City’s proposed funding allocation or the racial and ethnic data prior to making this statement. Further, the statement is incorrect since the reorganization will not change the school-site attendance boundaries. Students that attend Santa Monica schools will continue to attend the same schools post-reorganization unless the Santa Monica school board takes action to change attendance boundaries. The same holds true for Malibu. Students that attend Malibu schools will continue to attend the same schools. Reorganization will not change the racial and ethnic make-up of each school.

Additionally, the funding model presented by the City to SM-MUSD on March 12, 2021 proposes to allocate funding in the same way that all school districts throughout California receive their funding. The State of California considers this funding model to be equitable and fair. However, the City’s proposal goes even further and proposes to transfer funding to Santa Monica for 10 years after the reorganization in the event that the Santa Monica USD’s total per pupil funding drops below the current funding level. Essentially, the actual funding proposal made by the City ensures that Santa Monica students will receive at least the same amount of funding they currently receive, if not more.

---

**Statement:** *“According to District officials, the Malibu split would tilt the racial balance in Santa Monica schools from 51 percent white students to 51 percent minority students.”* – March 22, 2021 article on SurfSantaMonica.com



**Unclear.** This statement may be correct, but a 2% shift in the racial balance will not substantially change the demographics of the Santa Monica Unified School District.

---

**Statement:** *“With separation, students of color will have less money.”* – A SM-MUSD Talking Point



This statement is completely incorrect. With separation, the per student funding in both Santa Monica USD and Malibu USD will **increase**. Therefore, all students, including students of color, will benefit from higher per pupil funding.

---

**Statement:** *“Malibu is trying to keep an unethical share of the Prop 13 allocation that would take money away from the county pool that would normally subsidize poorer school districts, like Inglewood and Compton.”* – A SM-MUSD Talking Point



This statement is completely incorrect. This statement does not reflect how school funding in California works. All California school districts receive a calculated amount of per pupil funding based on a combination of property taxes and State aid. To the extent that property taxes are not sufficient to reach the calculated per pupil funding amount, the State will make up the difference. SM-MUSD reorganization will not affect poorer districts in Los Angeles County.

**Exhibit E: Health & Safety Disparities Suffered by Malibu Families**

### **Student Physical Health Disparities**

- Students have to pay for private sports programs that are unavailable at Malibu schools.
- The District provides both breakfast and lunch in Santa Monica schools, but lunch only in Malibu schools.
- The District covers physical exams in Santa Monica schools, but not Malibu schools.

### **Student Mental and Emotional Health Disparities**

- The District provides pre-kindergarten and kindergarten programs at Santa Monica schools, but not Malibu schools.
- The District has done nothing to help its young Malibu students (K-3<sup>rd</sup> grade, in particular) get the mental and emotional health that they need to cope with first the Woolsey Fire in 2018, and then COVID-19. With these back-to-back disasters, the young Malibu students live in fear and have no outlet for expressing their emotions in a safe school setting.

### **Conflicting Jurisdictional First Response**

- Each community relies on separate first responders in the event of a crisis or emergency with County Sheriff and fire agencies serving Malibu and city police and fire serving Santa Monica. This adds a troubling layer of coordination by the school district when responding to a Malibu emergency.

### **Mudslides, Rockslides, & Road Closures**

- The District cannot effectively respond to mudslides, rockslides, and road closures affecting students because it has no experience with these types of disasters in Santa Monica and they are far from the affected area.

### **PCBs**

- SM-MUSD refused to clean up an unsafe school and spent over \$10 million in legal fees fighting against spending the \$1.6 million it would have cost to remediate the harm.

### **Fire Danger**

- On November 8, 2018 as the Woolsey Fire was spreading toward Malibu, the District's Malibu Board member pleaded with District administration to close schools so that Malibu parents, students, and teachers could focus on the looming crisis. On the morning of November 9, Malibu families were worrying about getting their children to school as their homes were in the fire's direct path. See the following November 8, 2018 text message conversation.

iMessage with [REDACTED]  
11/8/18, 11:09 PM

Gail Pinsker

GP Ben, it's not looking good in Malibu. I'm following Hans and LA media, including my BF who is out there covering the fires tonight. It's too late to call it right now, but I can set messages to hit at 5:30 am. Thoughts?

Carey Upton

My experience from snow country is that you set a time like 6:30 and make the go/no go call at that time every time. Conditions Change and everyone gets used to a standard. It's very defensible.

Gail Pinsker

GP Okay. Thanks Carey! I hope you're getting to enjoy some of your conference. I will be ready for the decision at 6:30 am.

THIS IS NOT SNOW COUNTRY> PEOPLE RARELY BURN TO DEATH IS SNOWSTORMS.

YOU HAVE GWOT TO BE KIDDING ME>

Carey Upton

Conditions change

Gail Pinsker added Patrick Miller to the conversation.  
11/8/18, 11:23 PM

Carey Upton added Isaac Burgess to the conversation.  
11/8/18, 11:23 PM

Gail, I have been unable to reach Ben, Isaac, or Mark. I have been trying to recommend since 9:30 pm that we cancel school tonight.

I do not believe that either fire will burn through to Malibu but our three western schools are in the path, and under smoke and ash.

We have a problem w/ SCE deliberately cutting power (or having it knocked out by wind, fire, etc) and we have seen in the past month that power failures further significantly disrupt our emergency responses,

School was cancelled hours ago in every district

immediately north of the SM Mountains, from the coast to LVUSD. Most towns, cities, and communities in those school districts are under voluntary (or mandatory) evacuation.

We have many students and teachers/staff who live in those communities.

It is a long weekend anyway, and a short day for 3 of 4 Malibu schools.

And there was a horrific mass shooting in one adjacent community that directly affected our community.

There is no reason to keep schools open. Even if there would have been no problem (which I do think would be the case), the risk and worry alone make it not worth it. Cancelling is humane and sane. Our very first job is to keep our students and staff safe.

Had we cancelled tonight, parents wouldn't have gone to bed worrying (about school, at least). They could have planned. Those needing caregivers would have had nine extra hours to make arrangements. As it is now, if we do cancel school, they will find have more stress from needing to react while managing the fires, their jobs, and no our cancellation.

Gail Pinsker

GP

I've been following and know all the areas involved well. You are the boots on the ground there, Craig. Should I send a message at this late hour cancelling or set it for 5 am?

Thank you for asking! I don't think I have the authority and it is not life or death where I would just make the call. What we did is missed a chance to ease stress for our families by giving them a lot of time to adjust. I do think we should make the call at like 5 am. People are leaving for school or bus stops at 6:30 am.

Gail Pinsker

GP

I understand Craig. It's complicated. We are all on it and will be in the am. We will alert in all ways possible as early as possible.

We are not "all on it."

Some of us think it's snowing.

The rest are in bed with their phones turned off.

You and I are on it.

11/9/18, 4:30 AM

Carey Upton

City of Malibu has activated low level EOC at City Hall. Mandatory evacuations in place from Valley Circle to Westlake north and south of the 101 to Mulholland. LVUSD closed Friday. Structures lost in Oak Park and Agoura. No fire in Malibu currently. Texting with Reva. She says high winds persist, air quality bad. NWS projects high winds to 2p. Electricity out in Big Rock area. At this time, power still reportedly on at schools. All roads passable. Neal will give us a MHS site report by 5:30.

Dr. Drati's made the call. Malibu schools closed today.

I recommend that custodians go to MHS, JCES and Webster to be on standby for opening a shelter. Put FUD team on standby. If evacuations move south of Mulholland, they will need to open shelter in Malibu.

We should have Admin and or admin assistants at schools at start time to turn away people who don't get message. At least team of two including custodians.

Patrick Miller

I am headed to webster now, eta 5:45. I can handle Webster. Or if needed go up to the high school too. Do we know if clubs will be open?

Carey Upton

I've communicated with Neal. He's in route. He reports very windy and smoky. He's at Encinal Canyon. He and I are reaching out to Pam Kazee and Kris Vegas. Neal will tweet closure.

Isaac Burgess

Thanks. Let me check on the clubs status.

Carey Upton

Neal reports very smoky at MHS. Power still on.

Neal reports Webster does have power but just like Malibu high smell smoke very windy no visibility issues

Patrick Miller

3 of my 13 teachers have been evacuated from their homes, my staff has been notified. Do we know when the blackboard to families will go out?

PM

Power just went out at Webster

Carey Upton

Thanks. SCE has not announced a power shut off.

Power is out at my house too.

Gail Pinsker

GP Sending messages momentarily.

MANDATORY EVACUATION - all of City of Malibu, all areas S of 101 Fwy, Ventura County line to Malibu Cyn

Gail Pinsker

All of City of Malibu?

GP I see the City alert. Really all of Malibu?

West of Malibu Cyn. So not Webster area or me. But JCE, PDMSS, and MHS surrounding areas.

Carey Upton

I've spoke to Neal. No drivers in Malibu. Told him to be on standby. I recommend opening the EOC. Dennis should be operations in my absence. Terance logistics in Roosevelt's absence.

Ben Drati

BD EOC is at 8:00am in my office. Sarah sent out a message to all asked to be a part of it already

In meeting, after emergency stuff, pls briefly consider how we can help community in the aftermath. This has the potential to be devastating.

Mark Kelly

MK Yes. I have already given Tara Brown a heads up to that possibility.



The leading edge of the fire seen from my house looking NW.

Thank you!

Gail Pinsker

GP Be safe Craig. My sister-in-law in Calabasas came to West LA at 1 am with her three dogs. Other family and friends in harms way too. Hoping for calmer conditions.

Yes. Let's pray from the wind to break. NWS said maybe around noon.

Mark Kelly

MK I can see it from my office.

Richard Tahvildaran



11/9/18, 9:52 AM

Per Reva right now, evac is still only western malibu despite messages to the contrary.

11/9/18, 11:45 AM

Patrick Miller

PM From the news, one front edge coming down near broad beach/trancas to pch

Yes, that's what I understand. Seems to be maybe north of the biggest west Malibu concentrations. Trancas to Encinal. Far from positive but just trying to tie pieces of data together.

This from Trancas Market:



Gail Pinsker

Current: All Malibu evac now.

GP

vcemergency.com



Patrick Miller

PM

The current live shot on abc 7 is right near MHS

Richard Tahvildaran

Are there fire crews on the ready near MHS



Do we have any word on percent of containment?

Last I heard fire was in preserve life mode, not save structures. 0 percent. Fire is doing what it does.

Patrick Miller

PM

Going to be a lot of devastation for our community

Richard Tahvildaran



This is heartbreaking

Yes.

Patrick Miller

PM

Fire up to new lot and football field just shown on channel 4

11/9/18, 2:51 PM

I'm told this is the view from the Morningview turn looking a Bldg E.



I'm also hearing of a number of lost houses.

Ben Drati

BD

We're looking at the same picture right now. We're meeting at 4:00 to discuss this. Stay tuned

Ok.

Gail Pinsker

GP That's very upsetting.

Starting to hear about many home losses near MHS and even PD.

Read

Isaac Burgess

IB I am hearing the same information.

**Exhibit F: “The Current State of Equity and Opportunities to Learn in the Santa Monica-  
Malibu Unified School District: Findings and Recommendations”  
A Report by Pedro A. Noguera, Ph.D., Isis Delgado and Joaquin Noguera**

**The Current State of Equity and Opportunities to Learn in the Santa Monica-  
Malibu Unified School District: Findings and Recommendations**

Pedro A. Noguera, Ph.D., Isis Delgado and Joaquin Noguera

April 7, 2016

## **Introduction**

Schools in the Santa Monica-Malibu Unified School District (SMMUSD) are widely regarded as being among the best public schools in the state of California. With high scores on standardized tests, excellent graduation and college attendance rates, and high Academic Performance Index at most of its schools, SMMUSD is widely perceived as among the most successful public school districts in the state. Its stellar reputation is well known throughout southern California, and for this reason, its schools attract students from many surrounding school districts.

Yet, despite its excellent track record, SMMUSD schools are characterized by wide and persistent disparities in academic achievement and long-term academic outcomes. Specifically, while White and Asian American students have on average performed at relatively high levels, African American and Latino students have historically performed at much lower levels. The persistence and pervasive nature of these disparities suggests that schools in SMMUSD are unclear about how to meet the educational needs of minority and socioeconomically disadvantaged (SED) students. Finding ways to reduce and hopefully eliminate these persistent disparities, and providing clear guidance on what can be done, is the purpose of this report.

Efforts to close gaps in achievement in SMMUSD are not new. For over twenty years, SMMUSD has undertaken a number of initiatives to address and reduce racial and socio-economic disparities in student achievement.<sup>1</sup> However, for a variety of reasons, none of these efforts have reduced disparities in student achievement or produced significant or sustainable improvements in academic outcomes for African American and Latino students, English language learners, children with learning disabilities and low-income students generally, in the school district.

As this report will show, several factors have contributed to the lack of progress. A high rate of turnover in leadership at both the district and site level, a failure to implement and

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<sup>1</sup> We base this assertion on interviews conducted with stakeholders who have described several past initiatives in great detail.

evaluate new initiatives to ensure fidelity, political distractions and a wide variety of institutional obstacles are just some of the major factors cited in this report. As we will show in the following pages, lack of progress may also be attributed to a lack of clear and consistent focus on how to deliver high quality instructional support to *all* students.

To assist the school district in identifying the school-based factors that may be contributing to the persistence of gaps in academic achievement, PAN Ltd. (Pedro A. Noguera and Associates) was contracted by the Santa Monica-Malibu Unified School District (SMMUSD) to conduct an equity-based review of its schools, with the expectation that once the review was complete, strategies for addressing areas where improvements and interventions were needed would be undertaken with the support of PAN Ltd.

Though our review was extensive, carried out in all sixteen schools in the district, this is by no means an exhaustive study. We undertook this investigation recognizing at the outset that many factors influence student achievement, including: parents (their education levels, the resources at their disposal to support their children, etc.), peers, and what might broadly be described as community factors.<sup>2</sup> We also knew that understanding teacher beliefs and expectations and how these influenced student learning outcomes, as well as student attitudes toward school and learning generally, were highly relevant to the topic as well.<sup>3</sup> We deliberately limited the scope of our investigation to an examination of classroom practices and how effectively schools engaged students and supported their learning needs, as well as a cursory analysis of the learning environment within classrooms, and the

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<sup>2</sup> For a review of the various factors known to influence student achievement see Equity and Excellence by R. Ferguson and Balfanz, R., & Byrnes, V. (2006). Closing the achievement gap in high-poverty middle schools: Enablers and constraints. *Journal of Education for Students Placed At Risk*, 11, 143-159.

<sup>3</sup> For studies on how teacher beliefs and expectations influence student learning outcomes see Baker, J. A. (1999). "Teacher-student interaction in urban at-risk classrooms: Differential behavior, relationship, quality, and student satisfaction with school." in *The Elementary School Journal*, 100(1), 57-70.

For examples of studies similar but more extensive than this one see *Unfinished Business: Closing the Achievement Gap in Our Nation's Schools* (Wiley and Sons 2006); "Integrated Schools, Integrated Futures? A case study of school desegregation in Jefferson County, Kentucky" by K. Phillips, et. al. in *From the Courtroom to the Classroom: The Shifting Landscape of School Desegregation* (Claire Smrekar and Ellen Goulding, eds. 2009) *Despite the Best of Intentions: How Racial Inequality Thrives in Good Schools* by Lewis and Diamond (Oxford University Press 2015).

culture/climate of schools overall, because these factors were the ones we deemed to be most readily susceptible to intervention.

We acknowledge from the outset that our observations provide at best a “snapshot” of instructional practice and school culture. If we had spent more time we would have undoubtedly learned more that could prove helpful. However, this is not primarily a research project, and it was our desire to avoid “over studying” the issues. We knew from the outset that there was danger of paralysis in the district due to a prevailing tendency to debate and process equity issues and to avoid taking concrete actions to address them. Just nine years ago, a similar study on racial and SED academic disparities in SMMUSD was carried out by faculty at UCLA with the support of district administrators, teachers, students and parents, and despite the clarity of the report, relatively little progress in furthering equity and reducing academic disparities was achieved.<sup>4</sup> Our goal, therefore, was to build upon prior work by investigating how schools and classrooms may have changed since the previous study was undertaken. We also sought to identify areas where changes in policy and practice could be adopted that would lead to tangible progress in reducing academic disparities. Having read past reports, and become familiar with past efforts to address these issues, we undertook our work recognizing the need to maintain a focus on practical solutions.

Although we are trained as researchers, we do not believe that research alone will provide answers, much less a solution to the achievement gap in SMMUSD. Previous reports have generated findings and recommendations that could have proven helpful in spurring progress in the effort to reduce and disrupt the predictable patterns of student achievement. Our assumption has been that while it is important and necessary to ascertain the character of learning conditions in classrooms and schools, sustainable solutions are most likely to come from deliberate actions in terms of policy (adopted by the SMMUSD School Board), the implementation of concrete steps in terms of classroom practices that are focused on improving teaching and learning, and sustaining practices and interventions that prove to be effective.

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<sup>4</sup> Oakes study, 2006-2007 “Task force on the Achievement of Students of Color”.

## **II. Methodology**

Beginning in August of 2015, the PAN LTD research group conducted an “Equity Review” to better understand the factors that contribute to academic disparities among students in Santa Monica-Malibu Unified School District (SMMUSD). We accomplished this task by analyzing documents provided by the school district that related to the current state of the district’s efforts to address academic disparities, as well as past efforts to do the same. We also conducted an equity review at each of the sixteen schools, and visited six classrooms at four preschool sites in the district, to gather and examine relevant data pertaining to teaching and learning and school culture in the district. The Equity Review was designed to provide context for the district’s current efforts to address inequity and academic disparities in SMMUSD.

Our methodology for the Equity Review consisted of: 1) an analysis of previous district and school-based equity initiatives; 2) an analysis of the mechanisms used to initiate and support change processes; and 3) interviews with a variety of stakeholders to ascertain their perceptions of past, current and future efforts aimed at furthering equity in SMMUSD.

### **Document Scrutiny and Data Analysis**

Quantitative data on educational achievement and acquisition was gathered and reviewed to understand trends across the district and at each school related to race, gender, socioeconomically disadvantaged (SED), English learners, and students with special needs. (See Section III – Academic Data Analysis)

In addition to student achievement/acquisition data, the Equity Review analyzed reports related to past attempts to address educational inequities.<sup>5</sup> Much of what was learned about SMMUSD’s history of addressing disparities in student achievement was gained through stakeholder interviews. However, documents from past initiatives were also analyzed in an attempt to understand why past efforts had yielded so little measureable progress.

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<sup>5</sup> Some of the reports reviewed include: “Unthinking Housing and School Integration Policy: What Federal, State and Local Governments Can Do” by P. Tegler, *Poverty and Race Research Action Council* (PRRAC), Issue Brief No. 5, 2014; Desegregation and Integration Committee Report to the Board of Education, July 1988; Equity and Access: Student Gap Analysis and System Response, Dr. Sandra Lyon, May 2015

The document review included: 1) an examination of the 2006-2007 “Task Force on the Achievement of Students of Color” (TFASC) report, carried out to improve race relations and determine ways to diminish the achievement gap in the district; 2) meeting minutes from SMMUSD school board meetings; 3) records from the Intercultural Equity and Excellence District Advisory Committee (IEEDAC), which was created to support the district’s efforts to close the achievement gap and to advise the Board of Education on how to address the problems and educational needs of the diverse student and parent populations in SMMUSD; and related published articles and reports.

### **Stakeholder Interviews**

After consulting with the district administration, 40 interviews were conducted with current and former district employees, educators, students, parents and community members, as well as all current SMMUSD school board members. The purpose of the interviews was to better understand perceptions of the district’s past efforts to address educational inequities in opportunities and outcomes, as well as to ascertain perceptions of inequity within district schools. We also sought to understand why past change efforts had not yielded greater progress, and the rationale behind current policies and practices that are utilized to address student needs.

After an initial round of interviews with stakeholders, additional interviews were scheduled as we gained a better understanding of individuals and organizations that possessed knowledge of institutional history, district initiatives, and the district’s professional learning culture. This was by no means an exhaustive process. There are several key stakeholders whose perceptions are important for understanding the current state of equity efforts in SMMUSD. However, we do believe that we were able to engage a significant sample of stakeholders throughout the district and community.

### **Site Reviews**

School site reviews were intended to serve as a method for understanding the systems, structures, practices and processes currently used by schools to support student learning. We also used our observations and interviews at the sites to identify strengths and areas for growth. All schools were reviewed for 2 days, with the exception of district preschools (where a sample of four sites were visited) and Santa Monica High School, where a team of seven researchers spent three days. The number of reviewers at each site varied according to the size and student population of each school. A team of two to four reviewers carried out most reviews in order to maximize the number of classrooms observed, and persons interviewed. Reviews were organized with the support of site principals who used a sample schedule as a model for developing the Equity Review schedule (See Appendix, Figure. 1).

All reviews involved an initial meeting with site principals, followed by focus groups with a sample of teachers, classified staff, and students. Classified staff included classroom/school aids, coaches, advisors, counselors, community liaisons, school safety officers, school nurse, school psychologists, clerical staff and other directors/coordinators for special programs. When possible, meetings with assistant principals were included and planning meetings, special programs or activities, recess, transitions, and dismissals were observed.

Classroom learning observations ranged from 10 to 30 minutes. Each interview and focus group was approximately 45 minutes long however, interviews with principals ranged from 1 to 1.5 hours in length. Teacher participation rates varied at each school site due to scheduling constraints and the voluntary nature of the interviews. The site principal selected student participants for focus groups. Our goal was to interview a sample of students that was representative of the school population.<sup>6</sup> A total of 545 classrooms were observed during the course of the review, which lasted from October 2015 - February 2016.

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<sup>6</sup> Principals were asked to select a sample of students who would be representative of the student population at the school.

Additionally, interviews were conducted with some central office leaders, including: Assistant Superintendent of Educational Services, Assistant Superintendent of Human Resources, Director of Curriculum and Instruction TK-5, Director of Curriculum and Instruction 6-12, Director of Assessment, Research and Evaluation, Director of Special Education, and the Director of Student Services.

### **III. Achievement Data Analysis: The Scope and Extent of the Problem**<sup>7</sup>

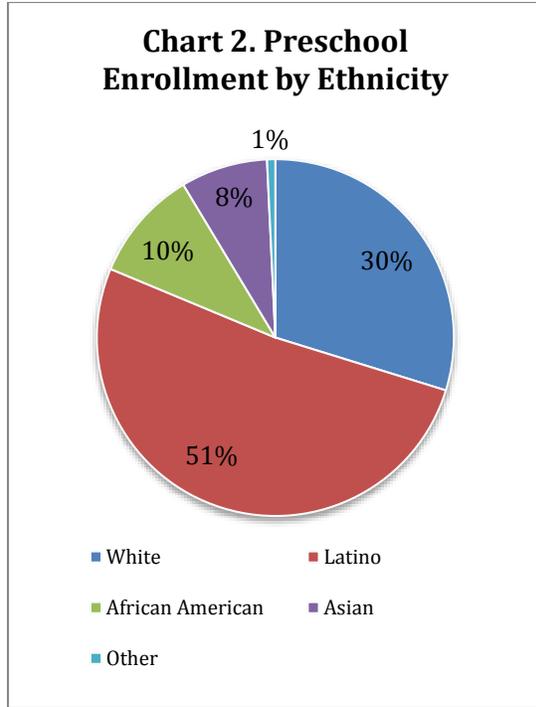
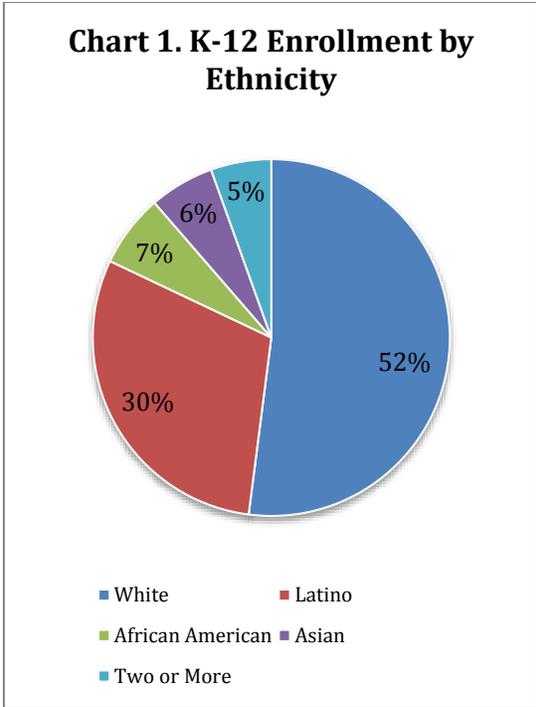
#### **Description**

Santa Monica-Malibu Unified School District (SMMUSD) serves approximately 11,000 students at its 10 elementary schools, two middle schools, one K-8 alternative school, one 6-12 secondary school, one high school, and one alternative (continuation) high school. 800 children participate in preschool programs. Additional educational services provided by the district include: an adult education program, independent studies, and the off-campus learning center.

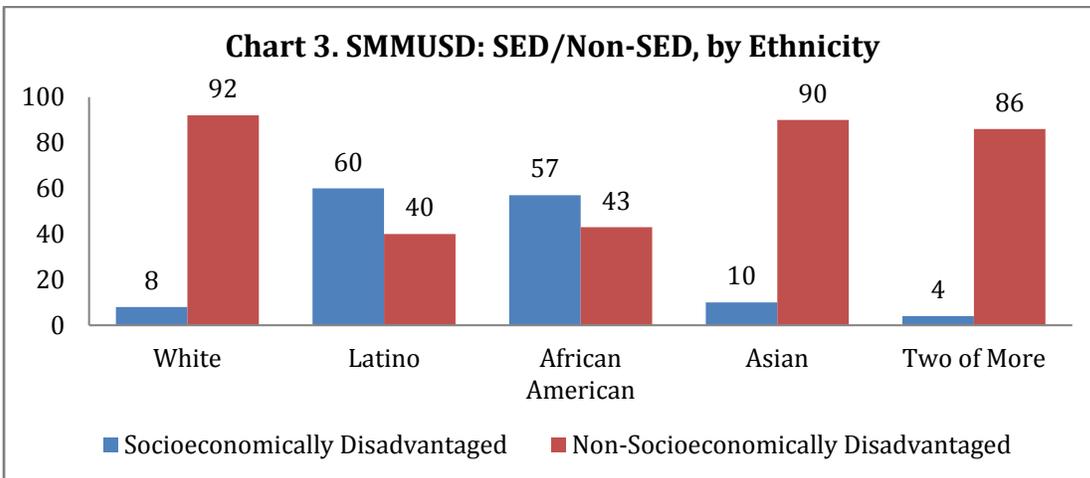
In grades K-12, the ethnicity/race distribution has been fairly consistent for the past 6 years. Currently it is: 51.3% White, 29.6% Latino, 6.5% African American, 5.8% Asian. 5.4% of children identify with two or more racial/ethnic groups. At 51%, Latino students make up a much higher percentage of the preschool population than their percentage of the K-12 population. White children make up only 29% of the preschool population.

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<sup>7</sup> Sources: ed-data.org, cde.ca.gov, caaspp.cde.ca.gov, smmusd.org, and select presentations to the SMMUSD Board



Twenty-nine percent of SMMUSD students are classified as socioeconomically disadvantaged (SED). The differences in the percentage of SED classification between ethnic groups is large: 60% of Latino students and 57% of African American students are SED while only 10% of Asians and 8% of Whites are identified. Latinos make up 30% of the district-wide population. However, they represent between 40 and 76% of the student population at the four schools with the highest rates of socioeconomically disadvantaged students. While Whites represent 51% of the district population, they represent between 60 and 88% of the populations of the four schools with the lowest poverty rates.



There are significant concentrations of students of color in some schools, while White students constitute the overwhelming majority in other schools, at both the K-12 and preschool levels. Across all preschool sites, 51% of students are Latino, 29% are White, 10% are African American, 8% are Asian, and 1% are Native American, Native Hawaiian, Alaskan or Pacific Islander. Preschool sites with concentrations of students of color include: Woods, which serves 90% Latino children; Will Rogers, where Latinos make up 70% of the preschool population and African Americans make up another 12%; and John Muir, where African American and Latino children represent 86% of the site enrollment. The most diverse preschool programs are Pine Street, Grant, and Washington West. Some of the least racially diverse schools include: Point Dume Elementary (88% White), Malibu High (79% White), Webster Elementary (78% White), Edison Elementary (76% Latino), Franklin Elementary (73% White), Olympic Continuation (61% Latino, 10% African American), John Adams Middle School (JAMS) (49% Latino, 10% African American), Lincoln (58% White).

*The concentration of low-income students of color at particular schools is an issue that should be of concern to the district given the higher levels of social and academic support such students typically require to be successful. Additionally, research has shown that concentrating the neediest students into particular schools also significantly increases the likelihood that students and the schools they attend will perform at lower levels academically.<sup>8</sup>*

### **Academic Performance Index**

A 3-year average API was produced in May 2014 before the change in testing took effect. All but one of the SMMUSD schools with valid scores exceeded the statewide target API of 800 on their school-wide score. Over the past decade, the schools have performed well, and progressively better, according to their API. In 2006, six of 16 schools with valid scores, performed below 800. By 2008, 15 schools with valid scores performed above 800,

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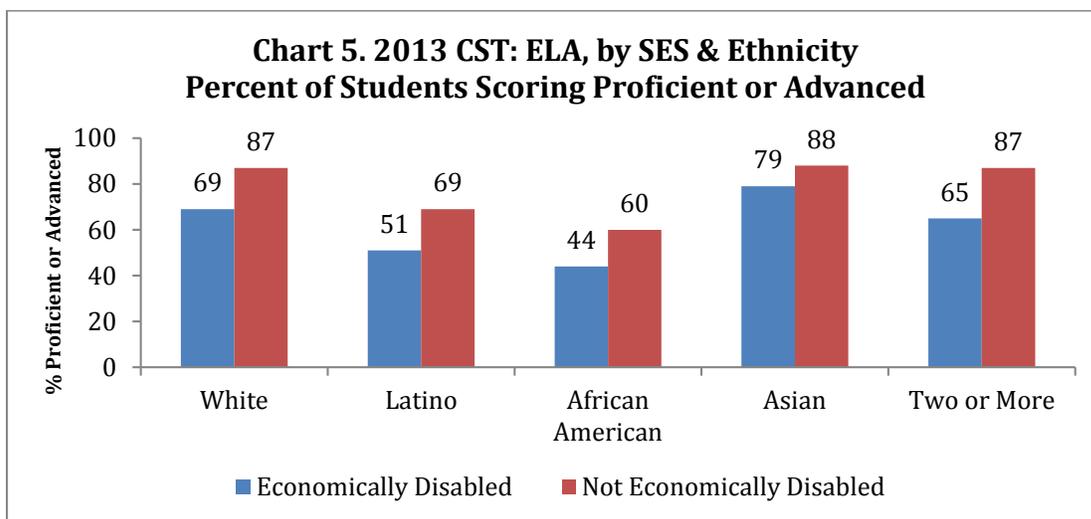
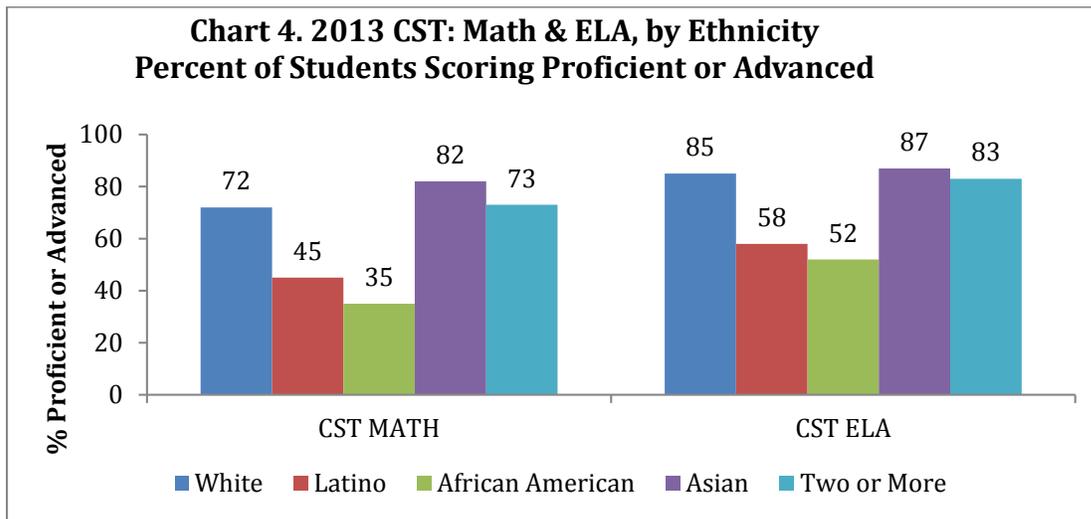
<sup>8</sup> “Why Segregation Matters: Poverty and Educational Inequality.” By G. Orfield and C. Lee, Civil Rights Project, January 2005.

only Samohi performed below 800 (Olympic was not rated that year). Since then, Samohi floated above and below the line, Olympic stayed in the low 500/high 400 range when it received scores, SMASH was not scored except in 2010 (when it scored 780), and all other schools exceeded 800, many far above county and state averages. *While the rate of academic performance is noteworthy and significant, it is also important to recognize that during this period most schools had at least one subgroup with an average API below 800. Even schools where all subgroups averaged above 800 had large differences between the highest and lowest scoring subgroups.* (See Appendix, Charts 7-20).

Examining the 3-year weighted average API produced in 2014, the average API for socioeconomically disadvantaged (SED) students was lower than the school-wide average in all schools with a SED subgroup. Three schools where the achievement gap between SED API and non-SED API was the greatest were Franklin Elementary (121-point difference), Lincoln Middle School (107-point difference), and Grant Elementary (102-point difference). It is important to note that 6% of the Franklin population are SED, while Lincoln serves 18%, and Grant serves 30% SED. At Grant, all ethnic subgroups performed above 800. However, EL, SED, and SWD subgroups did not reach the 800 target score and represent one example of the large divide between highest and lowest scoring groups that exists at most schools across the district. Notably, two schools with high concentrations of SED students that performed well above 800 were McKinley (41% SED, 827 for the SED API) and Edison (53% SED, 835 for the SED API). The average API for Students with Disabilities (SWD) was lower than the school average in all schools. The difference ranged from as much as 304 points at Samohi to as little as 42 points at Franklin. The average API for Students with Disabilities was more than 100 points lower than the school-wide API at all schools except Franklin (See Appendix, Charts 7-20 for similar information about all 14 schools with 3-year average API scores available).

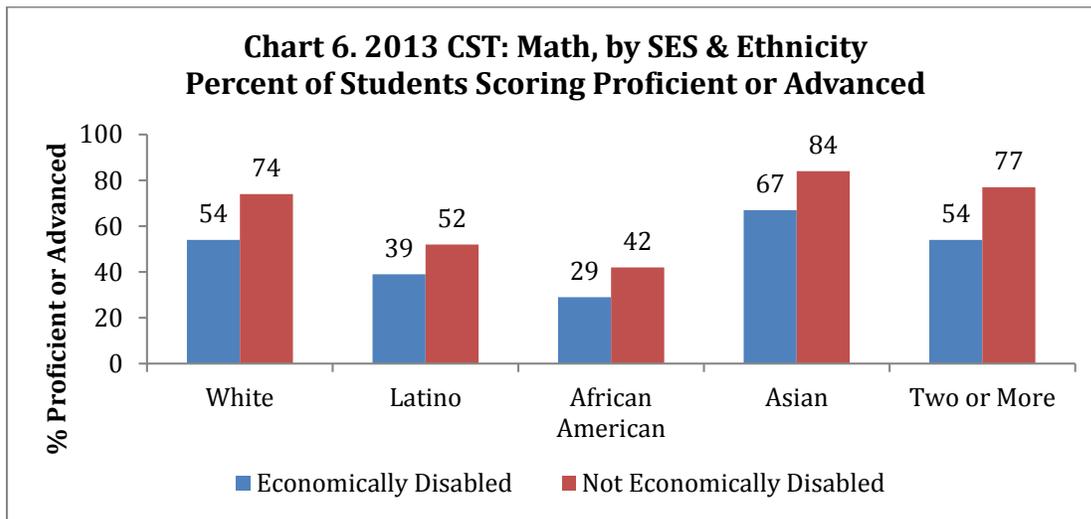
### **2013 California State Test: English Language Arts and Math**

Across the district, 75% of students scored at proficient or advanced on the ELA CST (See Appendix, Chart 21). Disparities by ethnicity/race are exemplified by the 52% proficiency rate for African American students and 58% proficiency rate for Latino students (See Chart 4). Further disparities within the ethnicity groups exist between SED and non-SED students (See Chart 5). Girls outperform boys in both groups; African American girls outperform boys 56% to 46%, and Latino girls outperform boys 60% to 55%. Only 55% of students identified as SED demonstrated ELA proficiency. The outcomes in math were lower across the district, and high school scores were significantly lower than elementary scores.



On the Math CST, 62% of students scored proficient or advanced (See Appendix, Chart 22). As with ELA, disparities between students of different ethnic groups are observable.

Whereas the district average proficiency is 62%, the proficiency rates for African Americans (35%) and Latinos (45%) are far below that of their White (72%), and Asian (82%) peers. The subgroup with the lowest rate of proficiency is Students with Disabilities (36%), followed by Socioeconomically Disadvantaged students (42%). Within ethnic groups, females outperform males in most groups by as many as 9 points (African American), and non-SED students outperform SED students in all groups by as many as 23 points for students who identify with two of more races to a 13-point difference for African American and Latino subgroups (See Chart 6).



**2015 CAASPP (SBAC)<sup>9</sup>**

While the stated expectation that CAASPP tests are too different from the previous tests to compare scores, the results of the baseline CAASPP indicate that achievement gaps exist for African American, Latino, English Learners, SED, and SWD remain. Across the district, 68% of students met or exceeded standards in ELA. However, an examination of performance by ethnicity/race reveals a 35-point achievement gap between African American and White students and a 30-point gap between Latino and White student groups. Only 44% of African American and 49% of Latino students met or exceeded standards, while 83% of Asian and 79% of White students met or exceeded the ELA standards. The differences by socio-economic status are also striking: 71% of non-SED students met or

<sup>9</sup> Refer to SMMUSD Board Presentation “CAASPP Results 2014-15 Board of Education, September 17, 2015” for additional information.

exceeded standard, while only 50% of SED students met or exceeded the ELA standard. Latino students who are also poor (SED) fared even worse: only 40% met or exceeded the ELA standard. Meanwhile, 60% percent of socioeconomically disadvantaged White students met/exceeded standards in ELA. This group outperformed both non-SED African American and non-SED Latino student groups by 10 and 14 points, respectively.

Fifty-seven percent of all tested students met or exceeded math standards on the *CAASPP*. The differences by socio-economic status in math are slightly larger than those in ELA: while 60% of non-SED students met or exceeded standard, only 36% of SED students did so, representing a socio-economic gap of 24 points. The 38-point math achievement gap between African American and White students was slightly larger than the ELA gap and also larger than the 34-point gap between Latino and White student performance in math. Overall, only 31% of African American and 35% of Latino students met or exceeded math standards, while 78% of Asian and 69% of White students did so. Non-SED African Americans outperformed their socioeconomically disadvantaged African American peers by 9 points in math.

### **High School Outcomes<sup>10</sup>**

The cumulative high school GPA for Hispanic high school students is a 2.6 (C/C+). On average, Hispanic females complete their studies with higher GPA than males in this group (2.7 vs. 2.5). The cumulative high school GPA for African American students is a 2.5 (C/C+). And again, African American females complete their studies with higher average GPAs than males in this group (2.6 vs. 2.3). Comparatively, White students average 3.2 GPA and Asian students average 3.5 GPA. Like the other subgroups, White and Asian females earn higher GPAs than their male counterparts.

In a report issued in May of 2015 entitled, *Equity and Access: Student Gap Analysis and System Response*, Ms. Sandra Lyon and her staff presented a comprehensive analysis of what might broadly be termed “equity issues” to the SMMUSD Board of Education. The

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<sup>10</sup> Refer to Presentation to the SMMUSD Board Presentation, “Equity and Access: Student Gap Analysis and System Response. May 21, 2015” for additional details.

report presented a detailed analysis of achievement patterns and related issues for the purpose of sharing with the Board and the broader public the challenges facing schools throughout the district. We summarize some of the major findings from that report here to reinforce the widely shared notion that SMMUSD are not serving certain populations of students, namely African American, Latino, English language learners, and in some cases, students identified as needed special education, as well as it should and could.

Disparities in student achievement are evident throughout the school district, at all sixteen schools in SMMUSD. According to the report, gaps in achievement are evident in course grades, Advanced Placement course enrollment and passing rates,<sup>11</sup> and the A – G completion rate.<sup>12</sup>

White students are both more likely to enroll and more likely to pass Advanced Placement courses than their African American and Latino peers. While 78% of White students completed an A-G program, only 65% of Latinos, and 45% of African Americans in the 2013-14 cohort left high school prepared for college. The percent of Hispanic students enrolled in A-G programs increased by 10 points between 2009-10 and 2013-14. Over the same period, the percentage of African American students enrolled in A-G programs has declined by 5 points, and the number of White students enrolled in A-G programs has decreased from 82% to 78%.

Drop out rates for African American students decreased from 9.6% in the 2011-12 cohort to 5.2% in the 2013-14 cohort, while drop out rates for White students increased from 3.6% on 2011-12 to 5.5% in 2013-14. In the 2013-14 cohort, Latino male students had the highest drop out rate (8.4%), followed by African American males (6.1%), and White males

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<sup>11</sup> When compared to their representation in the district, White students were over represented in AP courses (57% compared to 51%), while Latino and African American students were under represented - 21% of students in AP courses are Latino while they comprise 30% of the students in the district, and 4% of the students are African American while they comprise 6% of students in the district. Similar patterns are reflected in AP scores. 78% of White students receive a score of 3, 4 or 5 (3 is the minimum needed to obtain college credit) while 57% of Latinos and 53% of African Americans receive scores of 3, 4 or 5.

<sup>12</sup> In the 2013 – 14 academic year 45% of African American students, 65% of Latino students and 78% of White students had completed the A – G course requirements that are used by the State of California to determine college readiness.

(5.9%). However, at the high school level, 15% of African Americans, 12% of Latinos, and 10% of Whites had chronic or very chronic rates of truancy in 2013-14.

#### **IV. District-wide Findings**

Our equity review of SMMUSD revealed that the central leadership of the district is knowledgeable and aware of district-wide needs. The leadership has set equity and access as a clear priority, and it has a clear vision for how this can be achieved. It has also attempted to implement well-regarded, research-based programs and initiatives to improve the quality of learning and teaching.

However, many of the promising initiatives that have been undertaken have not been well implemented, nor have they been systematically evaluated. In our reviews at the sites we learned that most new initiatives, including Professional Learning Communities (PLCs), Response to Intervention (RTI), the use of literacy coaches, etc., are not clearly understood, and in many cases, are being implemented unevenly. As a result, the impact of these initiatives on the effort to reduce disparities and improve student learning generally, have largely not been realized.

To a large degree, frequent changes in leadership at both the district and site level, has contributed to a lack of follow-through and incomplete implementation of promising initiatives. Importantly, the fact that most of these initiatives have not been subject to rigorous evaluation, and in many cases, have not been sustained, has led to a high degree of cynicism among staff. Lack of follow through and cynicism among staff has in fact become a major obstacle to ongoing improvement efforts.

This combination of factors has resulted in the following:

- Lack of consistent implementation of systems, structures, processes and practices aimed at eliminating academic disparities, contributing to inconsistent and varied expectations for teaching and learning.

- Failure of previous initiatives to build capacity in support of equity because they have typically been abandoned when leadership has changed.
- Isolation and fragmentation across and within school sites, fostering divergent approaches to the implementation of key initiatives, and contributing to a lack of buy-in.
- The district lacks a coherent and cohesive focus related teaching and learning and its desire to advance equity at all schools.
- At many of the sites there is a culture of opposition among staff toward district-led change and improvement efforts.

The lack of focus and coherence throughout the district has undermined many of the strategies aimed at improving teaching and learning. Additionally, lack of progress can also be attributed to the frequent distractions experienced by district leaders, board members, central office directors and site leaders. As measured by the time and attention devoted to improving teaching and learning, it is clear that other issues, often unrelated to education, frequently become priorities that distract those in leadership from maintaining a clear focus on improving the quality of student learning. At many of the schools, classroom observations are rare because site leaders are preoccupied with managing the demands of parents and other constituencies. *While engaging parents is clearly important for improving school performance and student outcomes, a proper balance must be struck with maintaining a clear and consistent focus on teaching and learning.* At most of the sites, professional development is not tailored to address the specific needs of teachers, and in many of the classrooms we observed, students were well-behaved but insufficiently engaged.

As a result of the distractions and the lack of coherence with respect to district strategies, we observed the following:

1. A lack of “buy-in” and understanding of district strategies and goals, and little agreement related to the process of implementation. Not all school administrators and few teachers are clear about which of the initiatives are “must-do” essentials (and why), and which are “may-do” and therefore optional.
2. There is not a shared understanding of the meaning of equity or how an equity agenda should be implemented. Many educators indicated that the equity efforts are intended to benefit minority, English language learners and special education students. Such perceptions reinforce the notion that a zero-sum scenario is in play: more attention to the needs of some students will come at the expense of serving the needs of others (i.e.

affluent, advanced students). *To the degree that this perception persists, it is unlikely that greater progress will be achieved.*

3. There is a perception that equity is only an issue of concern to schools serving low-income, minority students. Given the relatively concentration on low-income and minority students at a relatively small number of schools, many of the schools in SMMUSD regard equity as an issue that should not be their primary concern.
4. There is a perception that efforts to further equity will undermine efforts to serve the needs of advanced (typically more affluent) students. Given that affluent parents are more likely to demand the time and attention of district staff, this perception is likely to serve as a major obstacle to change.
5. There is a perception that school and professional autonomy are highly valued, and mean that individual schools and staff can choose *not to comply* with district strategies.
6. Malibu-Santa Monica tension – the ongoing debate over separation, the intense debates that have unfolded over equity in funding and resources, have served as a major source of distraction from district equity efforts.
7. History of racial tensions in the district and the fact that several issues related to bias and discrimination were not fully resolved, has contributed to distrust and feelings of marginalization among many students, parents and staff of color, and others.

### **Site Findings**

During the course of our site equity reviews we observed and interviewed several teachers who were passionate, deeply committed to equity, and extremely talented. We interviewed many teachers who embrace the district’s goal of furthering equity and who are willing to do their part to achieve the district’s goals. However, we also observed a surprisingly high percentage of classrooms where lecture and direct instruction were the exclusive mode of teaching relied upon. With respect to our classroom observations, our central finding is that *efforts to advance equity will not gain traction unless there is a willingness to systematically improve learning and teaching across the district, and utilize pedagogical practices that research has shown are more likely to produce equitable student outcomes.*<sup>13</sup>

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<sup>13</sup> For examples of studies that document some of the practices that have been shown to reduce disparities in student learning outcomes see: *Creating the Opportunity to Learn: Moving From Research to Practice to Close the Achievement Gap* by A. W. Boykin and P. Noguera (ASCD 2011); Barbarin, O. (2002). The Black-White achievement gap in early reading skills: Familial and sociocultural context. In B. Bowman (Ed.), *Love to read: Essays in developing and enhancing early literacy skills of African American children* (pp. 1-15). Washington, DC: National Black Child Development Institute; Blackwell, L. A., Trzesniewski, K. H., &

These findings listed below reflect common needs across and within schools throughout SMMUSD.

### **Learning, Teaching and Assessment**

1. At most school sites, although not all, the practice of communicating learning objectives to students is inconsistent. Where such practices are used they do not always indicate the new knowledge and skills to be learned.
2. In our 545 classroom observations, instruction was predominantly teacher-centered and a wide variety of strategies for engaging students were not utilized. As a result, opportunities to develop and utilize higher order thinking skills are not consistently available to students.
3. Students have insufficient opportunities to assess their own work or the work of their peers. In many cases, they are unaware of the standards they are expected to meet, and lack a clear sense of how rubrics are used to assess their progress or determine what they need to improve.
4. Few examples of differentiated instruction were observed across schools. Many teachers do not have a plan to meet the different learning need of students in their classrooms. This is particularly true for students with special needs and English language learners.
5. In some schools there is excessive reliance on “pull outs” for students who require additional support (e.g. students with special needs, English language learners, etc.). This suggests that efforts to develop the professional capacity of teachers are not very well developed or advanced.
6. Most students are generally on task and are moderately engaged in their own learning. Engagement in lessons is, in some cases, limited by a lack of effort or capacity in how to integrate linguistic and culturally responsive pedagogical strategies.
7. In elementary schools, literacy coaches examine outcomes and look for trends in assessment data. They are beginning to have conversations with teachers and PLCs about how to create lessons or intervention plans that respond to the identified needs of students in a timely manner. However, assessment data is not consistently utilized to address under-achievement, plan next steps in learning, and ensure that all students are making progress across the district. More work is required to ensure that literacy coaches are understood and accepted by teachers as instructional leaders whose focus

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Dweck, C. S. (2007). Theories of intelligence and achievement across the junior high school transition: A longitudinal study and an intervention. *Child Development*, 78, 246-263.

is to build capacity so that teachers can better meet the needs of all students in the classroom. Still, the use of data initiated by literacy coaches in elementary schools are some of the strongest examples in the district. Utilization of data to determine and revise learning plans, guide intervention, group students, and differentiate is a significant area for growth across the middle and high schools.

8. While many teachers hold themselves accountable for their impact on student learning outcomes, many do not. This reflects a problematic “disconnect” between teaching and learning that is common in many schools. While there are teachers who are focused and reflective about the need to employ strategies to improve student learning, many others do not demonstrate such awareness, and therefore are less able to improve the outcomes of students who are falling behind or effectively encourage students who are capable, ready and willing to perform at higher levels.
9. Co-planning among teachers is often dependent on informal relationships, which results in uneven implementation of district initiatives and lack of cohesion among staff related to school and district goals. *Many teachers are unclear about how to utilize the time allocated for professional learning communities.*
10. Technology is not utilized creatively and consistently in classrooms.
11. The curriculum generally provides opportunities for students to participate in a range of learning experiences. At most sites, a number of enrichment programs are embedded in the curriculum for each grade and most core subjects. The arts, music, and physical education are included and are given priority in the school’s schedule.

### **Leadership, Management and Accountability**

1. Central administrators and site leaders are consistently dedicated and hard working. They take their work seriously and value the importance of pursuing equity in the district. However, they are not present in schools on a regular and consistent basis, nor are they widely seen as a resource by school staff for addressing the challenges they face.
2. Most site leaders have a vision for school improvement, but in many cases it has not been clearly communicated to the staff, nor is there sufficient buy-in related to the vision. As a result, the schools lack a vibrant sense of collaboration on how to achieve district or school goals.
3. With the exception of the sites where the school’s vision and mission are understood by all stakeholders, priorities and procedures within the schools are not clear for all school staff, and in many cases, they are not consistently applied. At some schools, there are no clear agreements on school norm and rules (e.g. eating in class, punctuality, revising student work, etc.), therefore, students, and in some cases teachers, do not always know what is expected of them. This is particularly important for teachers who

are expected to understand how to effectively address the diverse learning needs of their students.

4. School leaders provide learning and achievement gap information to faculty and staff. Equity principles are articulated. However, important gaps in the understanding of staff members with respect to effective strategies and use of data are apparent. This suggests that current efforts have not gone far enough to achieve school and district-wide “buy-in” for the goals and priorities set by the Board.
5. Culturally responsive teaching practices are limited and inconsistently utilized across and within schools.
6. School leaders have established school-wide and departmental/grade level plans to monitor the school’s progress toward meeting goals in the SPSA. While the plans do contain clear goals and time-bound action steps, not all schools have established benchmarks, nor do they monitor progress or measure success in time to inform instruction or respond to the needs of individual or groups of students.
7. Most school leaders have not been able to prioritize being present in classrooms on a regular basis to assess the quality of learning and teaching, provide useful feedback to teachers, and share findings to improve planning. It should be noted that some site leaders are doing this very well. However, in many cases, site leaders create few opportunities for teachers to observe their colleagues.
8. At the elementary level, school leaders are more likely to collect and review data that provides a comprehensive picture of student and the school’s performance. However, in many cases, teachers were not aware of the gaps in achievement that exist in their schools, nor do they have a clear sense of how to make use of disaggregated data to monitor their efforts and student performance.
9. At the middle and high school levels, student level data is not regularly utilized to inform collaboration or instruction, to monitor student progress, or to apply interventions in a timely manner.
10. Not all schools are making efficient use of professional learning and collaborative planning times established by the district.

### **School Culture**

1. School learning environments are positive in most respects, with a few instances of insensitive behavior toward students, and relatively few instances of problematic behavior by students toward staff.
2. Learning environments are inconsistent in the ways they promote high expectations and engage students. Few of the classrooms we observed utilize rubrics to set success

criteria, assign grades, and provide clear guidance on how to meet high standards for student work.

3. At many school sites, well-established routines are evident; however, some schools do not have routines and disciplinary procedures that are either fully known or accepted by staff. As a result, at these schools, school routines are not implemented consistently resulting in patterns of behavior that vary widely among classrooms.
4. There is a widely shared perception that underperformance, particularly among SED and English Learners, is due to their families not valuing education or being unable to support their learning. The tendency to blame parents and students is a major obstacle to the effort to eliminate and reduce academic disparities.

## **V. Recommendations**

### **District-Wide**

The effort to further equity and reduce academic disparities must be led by a clear and unequivocal commitment of the School Board. As such, the Board must establish clear priorities and goals related to equity and stick to them. This means it must not allow other concerns to distract the central administration and site leaders from implementing strategies to improve learning and teaching. The Board must be willing to hold itself accountable for following through and maintaining the focus on its own goals.

1. There must be a clear directive from the Board enabling the district's central staff to carry out their plans without distraction. This should include a specific requirement that *principals devote a significant portion of their time to being present in classrooms and to the development and implementation of strategies to improve learning and teaching.*
2. Central leadership must devise mechanisms to improve communication, support, and accountability for district priorities, and they must be present in schools on a consistent basis to assess and support the implementation of district initiatives.
3. Initiate trainings for all central office and site leaders on how to implement equity-based strategies and obtain commitment and buy-in from staff throughout the district.

Although this will take time and concerted effort, there must be a cultural shift, throughout the district in the following areas:

- From focus on adults to clear focus on students and student needs

- From reactive planning to a vision-driven cycle of development and improvement with clear focus on priorities, strengths and needs
- From professional isolation and a distorted sense of professional autonomy, to cohesion, collaboration and accountability
- From leaders as managers to collaborative problem solvers focused on improving learning and teaching

**Initiate a continuous cycle of development and improvement:**

Establish norms and routines that support staff at all levels in improving their practice. There must be an emphasis on utilizing data to make decisions, on learning from evidence to improve teaching, and evaluating practices and interventions at all levels of the system. Greater priority must be placed on prioritizing professional collaboration and sharing knowledge, particularly related to equity efforts.

A continuous cycle of development and improvement should contain the following components:

- Clear understanding of current challenges related to student achievement;
- Clear understanding of how to meet the needs of diverse learners and how to pursue academic excellence through equity;
- Implementation of plans that provide value-added support to students and schools and that generate a sense of internal accountability to established processes;
- An ongoing review and evaluation of established goals, and a willingness to revise goals based on new information and an understanding of context and needs.

In order to implement a cycle of continuous improvement, the district must be committed to building the professional capacity of its teachers and administrators so that they are aligned with the needs of students. It must develop broad the adaptive and technical knowledge of its leaders so that they can use evidence of student learning to guide all decisions aimed at improving student learning.

**Key Points of Change**

The following principles should guide the leadership as they carry out these change efforts:

1. Adopt a developmental approach to change. Rather than expecting change to occur quickly, research shows that sustainable change generally occurs incrementally.<sup>14</sup> District leaders should identify a few complementary initiatives and maintain a sustained focus on them, building on them over time with multiple opportunities for learning from trainings and colleagues and a clear and shared understanding of the expected outcomes of these initiatives. Each of the chosen initiatives should invest in the knowledge and skills of site leadership, and maintain a clear focus on student learning needs. Student learning should serve as the basis of prioritization and decision-making.
2. Balance mandates and be clear about the areas where flexibility in implementation is desired and expected. The central office must provide support in implementing and refining district initiatives. It must engage in collaborative problem solving with site leaders and staff, and be willing to revise district initiatives when information obtained from school sites suggests that the strategies and plans do not meet the needs of the sites or the students.
3. Build commitments, improve communication and develop relationships to support and sustain vision-driven change. Prioritize building trust, buy-in and relationships to support capacity building and higher motivation for change.
4. Implement early intervention strategies by strengthening the understanding of and efficacy in implementing staged interventions (RTI) at all schools. Continue to expose teachers and site leaders to research-based practices that support the learning needs of students both within the regular classroom and also during instructional interventions. Once the instructional supports are well established, introduce a parallel system of behavior interventions that support the instructional interventions.
5. Engage school administrators in the decision-making process and model how to initiate a deliberative process with their staff that will build their engagement and support for key initiatives. Ensure that supports to staff are differentiated sufficiently such that all leaders have their learning needs met while developing or deepening their understanding of each initiative and how they work together to increase student learning.
6. Set an example of highly effective and differentiated support by reorganizing the structure of Principal meetings. Introduce Principal PLCs that focus on developing instructional capacity, that are driven by the collaboratively identified needs of principals, supported by highly structured protocols, and connected to measures of success.
7. Work toward shifting the culture of the district from top-down mandates that are intended to generate compliance to reciprocal accountability. Accountability should be reframed from a focus on meeting external demands (e.g. as set by the state of

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<sup>14</sup> See Bryk, A. S., Sebring, P. B., Allensworth, E., Easton, J. Q., & Luppescu, S. (2010). *Organizing schools for improvement: Lessons from Chicago*. University of Chicago Press.

California) to meeting shared and agreed district expectations for work so that all schools feel a sense of *shared accountability*.

8. Engage teachers in developing and setting grade and subject level performance benchmarks so that there is greater clarity regarding what all students should be able to do.
9. Increase intentionality and frequency of learning walks at schools and include teachers in this practice.
10. Differentiate support for teachers and site leaders in order to build professional capacity.
11. Initiate an annual public forum for principals to present their student performance data, at which they can share and identify areas for improvement, and commit to strategies and plans for improvement.

#### **Need for District/Chain of command to support site level decisions**

*"Refusing parents is death for principals. It's been proven time and again."* This is a paraphrasing of a quote heard from several principals when discussing the power and influence of parents. It is one reason why so many Principals dedicate significant amounts of time responding to parent's inquiries, even regarding matters that could be easily handled by a teacher or an alternate staff member. Some principals reported that there have been instances when the central administration or Board Members have overridden decisions they made. This encourages parents go up the ladder of the district to seek redress, and to circumvent their authority. As a result of this practice, the ability of principals to lead has been consistently eroded. The alternative of such an approach is not to ignore the concerns of parents. Rather, it is essential for the district to establish protocols for providing all parents with an opportunity to express their concerns at the site and district level. It is also essential that all parties in the district adhere to these protocols.

#### **Clearly define Equity (vs. Equality)**

Many staff do not grasp or full understand the difference between Equity and Equality in policy and practice. For example, an elementary school classified staff person asserted, "Here everyone gets equal opportunity. Parents & students need to take advantage [of what is offered]." This suggests that some staff do not understand that equity compels us to recognize the different needs of students and parents. On the topic of what specific process

existed to identify and address the needs of students who were not demonstrating growth based on the standard curriculum and the instructional strategies utilized, one elementary Principal explained, “I only implement programs that are good for all students.”

### **Lack of staff diversity impacts curriculum and school-level communication**

Although a significant number of classified staff are people of color, there are few teachers or administrators of color. Many of the staff of color report feeling silenced by the views held by their colleagues. They also report feeling unable to speak up on issues of race and culture due to a concern that they will alienate and estrange themselves from their colleagues.

It was telling that many staff of color asked to speak to the reviewers in private after group meetings. In these meetings they frequently raised issues related to the treatment of special education and minority students across the district. They also cited examples of cultural biases reflected in curricula and discipline practices. Finally, staff of color in SMMUSD cited several examples of favoritism for the children of affluent parents, unequal participation in special or accelerated programs by ethnic minorities and low-income groups, and uneven use of the cafeteria (particularly at the high school). These examples were cited as evidence of disparate treatment throughout SMMUSD.

It is important to note that the lack of diversity in the curriculum and the teaching staff was not raised at schools that have deliberately built strong relationships between the staff and the diverse communities they serve.

### **VI. Conclusion**

This report is not intended to cast blame on particular constituents or schools for the presence and persistence of the achievement gap in SMMUSD. All stakeholders in the district – students, parents, teachers, administrators, and Board Members - bear some degree of responsibility for addressing the issue, and the only way progress will be made is if each party accepts responsibility for their role in the educational process. However, it must be emphasized that *there is no reason why a district with the resources of talents of*

*SMMUSD should not be able to make more progress than it has.* We firmly believe that if the recommendations contained in this report are acted upon, steady, incremental progress in reducing disparities in academic performance can be realized. The fact that there are school districts with similar demographics that are making more progress in reducing the predictable ways in which race, SED and language are implicated in patterns of student achievement is the clearest indication that it can be done in SMMUSD as well.

**Appendix**

**Figure 1. - Equity Review Sample Schedule**

**Equity Review Elements**

<b>Meetings</b>	<b>Allotted Time</b>
Principal Meeting (may include AP, if applicable)	60 minutes, Day 1 & 30 minutes, Day 2
Student Focus Group	45 minutes
Teacher Focus Group	45 minutes
Classified Focus Group (Include Instructional Assistants)	45 minutes
Literacy Coach, Math Coach, AP, Counselors	45-60 minutes. Optional, as needed

**Sample Elementary Schedule**

<b>Time</b>	<b>Day One</b>	<b>Day Two</b>
8:00 – 9:00	Meet with Principal (60)	Meet with Principal (30) Meet with Literacy Coach/ELD Coach (30)
9:00 – 10:30	Classroom visits	Classroom visits
10:30 – 11:15	Classroom visits	Classified focus group (45)
11:15 – 12:00	Classroom visits	Reviewer lunch & reflection
12:00 – 12:45	Reviewer lunch & reflection	Teacher focus group (45)
12:45 – 2:15	Classroom visits	Classroom visits
2:15 – 3:00	Student focus group (45)	Classroom visits
3:00 – 3:30	Observe any after school activities	Reviewer reflection

**Sample Middle & High School Schedule**

<b>Time</b>	<b>Day One</b>	<b>Day Two</b>	<b>Day Three (Large School Only)</b>
8:00 – 9:00	Meet with Principal (60)	Meet with Department Chairs, APs, Instructional Leaders or Observe Faculty Professional Development/PLC	Classroom visits
9:00 – 10:00	Classroom visits	Classroom visits	Meet Principal, APs
10:00 – 11:00	Classroom visits	Classroom visits	Classroom visits
11:00 – 12:00	Classroom visits	Classroom visits	Classroom visits
12:00-12:45	Teacher focus group (45)	Meet with Counselor/Advisor (45) ~concurrently~ Meet with special program coordinator, if applicable	Additional focus group or Meet with Instructional Leaders, as needed
12:45 – 1:30	Reviewer lunch & reflection	Reviewer lunch & reflection	Reviewer lunch & reflection
1:30 – 2:00	Classroom visits	Classroom visits	Classroom visits
2:00 – 2:45	Classroom visits	Student focus group (45) ~concurrently~ Classified focus group (45)	Meet with special program coordinator, if applicable ~concurrently~ Classroom visits

2:45 – 3:15	Meet with Principal	Reviewer reflection	Reviewer reflection
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## Site Reviews

### **Santa Monica High School**

**Dates of Review:** November 2, 4 and 6, 2015

**Reviewers:** 7

**Stakeholder interviews/focus groups:** principal meeting, (4x) house principal meetings, (4x) classified staff focus group, teacher focus group, (4x) student focus group, PLC meeting observations

**Co-administrator meeting:** 4 house principals

**Student sample:** 20

**Teacher sample:** 10

**Classified sample:** 10

**Counselor/Advisor sample:** 10

**Classroom observations:** 76

### **Malibu Middle and High School**

**Dates of Review:** January 11 and 13, 2016

**Reviewers:** 3

**Stakeholder interviews/focus groups:** principal meeting, leadership meeting observation, teacher focus group, (2x) classified staff focus group, (2x) student focus group

**Teacher sample:** 7

**Student sample:** 14

**Classified sample:** 6

**Classroom observations:** 51

### **Olympic Continuation High School**

**Dates of Review:** January 25 and 27, 2016

**Reviewers:** 2

**Stakeholder interviews/focus groups:** principal meeting, teacher focus group, classified staff focus group, student focus group, adult learning center (ALC) focus group, off-campus learning center (OCLC) focus group, senior student advisory meeting observation

**Teacher sample:** 9

**Student sample:** 11

**Classified sample:** 4

**ADL and OCLC sample:** 5

**Classroom observations:** 16

### **Lincoln Middle School**

**Dates of Review:** November 30 and December 2, 2015

**Reviewers:** 3

**Stakeholder interviews/focus groups:** principal and assistant principal (combined) meeting, teacher focus group, (2x) classified staff focus group, student focus group, PLC meeting observation

**Teacher sample:** 12

**Student sample:** 15

**Classified sample:** 7

**Classroom observations:** 36

**John Adams Middle School (JAMS)**

**Dates of Review:** December 4 and 7, 2015

**Reviewers:** 3

**Stakeholder interviews/focus groups:** principal meeting, assistant principal meeting, teacher focus group, (2) classified staff focus group, student focus group

**Teacher sample:** 12

**Student sample:** 30

**Classified sample:** 8

**Classroom observations:** 30

**McKinley Elementary School**

**Dates of Review:** February 3 and 5, 2016

**Reviewers:** 2

**Stakeholder interviews/focus groups:** principal meeting, assistant principal meeting, (2x) teacher focus group, coaches meeting, classified staff focus group, student focus group

**Teacher sample:** 13

**Student sample:** 7

**Classified sample:** 10

**Coaches sample:** 4

**Classroom observations:** 21

**Webster Elementary School**

**Dates of Review:** November 12 & 13, 2015

**Reviewers:** 2

**Stakeholder interviews/focus groups:** principal meeting, teacher focus group, coach meeting, student focus group

**Teacher sample:** 14

**Student sample:** 14

**Classified sample:** NA

**Coach sample:** Literacy Coach, PD Leader

**Classroom observations:** 35

**Santa Monica Alternative School House (SMASH) Elementary & Middle School**

**Dates of Review:** November 16 & 17, 2015

**Reviewers:** 3

**Stakeholder interviews/focus groups:** principal meeting, teacher focus group, classified staff focus group, student focus group, observation of mindfulness training for parents & students

**Teacher sample:** 11

**Student sample:** 15

**Classified sample:** 6

**Classroom observations:** 21

### **Franklin Elementary School**

**Dates of Review:** November 19 & 20, 2015

**Reviewers:** 2

**Stakeholder interviews/focus groups:** principal meeting, assistant principal meeting, teacher focus group (x2), classified staff focus group, student focus group, BCL

**Teacher sample:** 31

**Student sample:** 19

**Classified sample:** 6

**Classroom observations:** 40

### **Point Dume Marine Science Elementary School**

**Dates of Review:** November 23 & 24, 2015

**Reviewers:** 2

**Stakeholder interviews/focus groups:** principal meeting, teacher focus group, coach meeting, classified staff focus group, student focus group

**Teacher sample:** 8

**Student sample:** 3

**Classified sample:** 5

**Coach sample:** Literacy Coach, Math Coach/PD Leader

**Classroom observations:** 25

### **Edison Elementary School**

**Dates of Review:** December 9 & 10, 2015

**Reviewers:** 2

**Stakeholder interviews/focus groups:** principal meeting, teacher focus group, coach meeting, classified staff focus group, student focus group, observation of parent “cafecito” and bilingual book sale.

**Teacher sample:** 19

**Student sample:** 20

**Classified sample:** 8

**Coach sample:** Literacy Coach, ELD Coach

**Classroom observations:** 38

### **Grant Elementary School**

**Dates of Review:** December 14 & 15, 2015

**Reviewers:** 2

**Stakeholder interviews/focus groups:** principal meeting, assistant principal meeting, teacher focus group (x2), coach meeting, classified staff focus group, student focus group, classroom visits with coaches

**Teacher sample:** 31 (including psychologist, SAI, speech, SPED)

**Student sample:** 34

**Classified sample:** 7

**Coach sample:** 2 Literacy Coaches

**Classroom observations:** 37

### **Roosevelt Elementary School**

**Dates of Review:** December 17 & 18, 2015

**Reviewers:** 3

**Stakeholder interviews/focus groups:** principal meeting, teacher focus group, coach meeting, classified staff focus group, student focus group

**Teacher sample:** 9

**Student sample:** 14

**Classified sample:** 11

**Coach sample:** 2 Literacy Coaches

**Classroom observations:** 33

### **Cabrillo Elementary School**

**Dates of Review:** January 14 & 15, 2016

**Reviewers:** 2

**Stakeholder interviews/focus groups:** principal meeting, teacher focus group, math coach meeting, and literacy coach meetings, ELD & BCL meeting, classified staff focus group, student focus group, PLC Observation

**Teacher sample:** 9

**Student sample:** 13

**Classified sample:** 10

**Coach sample:** 1 Literacy Coach, 3 Math Coaches, ELD & BCL

**Classroom observations:** 23

### **Will Rogers Elementary School**

**Dates of Review:** January 20 & 21, 2016

**Reviewers:** 3

**Stakeholder interviews/focus groups:** principal meeting, teacher focus group (x2), literacy coach and ELD coach meeting, STEM coach meeting, classified staff focus group, student focus group

**Teacher sample:** 33 (19 Day 1, 14 Day 2. Some repeat participants.)

**Student sample:** 10

**Classified sample:** 11

**Coach sample:** 1 Literacy Coach, 1 ELD Coach/Reading Specialist, STEM Coach

**Classroom observations:** 29

**Muir Elementary School**

**Dates of Review:** January 28 & 29, 2016

**Reviewers:** 2

**Stakeholder interviews/focus groups:** principal meeting, teacher focus group, literacy coach and ELD coach meeting, classified staff focus group, student focus group, Observation of PLC

**Teacher sample:** 13

**Student sample:** 12

**Classified sample:** 7

**Coach sample:** 1 Literacy Coach, 1 ELD Coach

**Classroom observations:** 29

**Pre School Program**

**Dates of Review:** February 4 (meeting with administrator), January 29 & February 19 (site visits), 2016

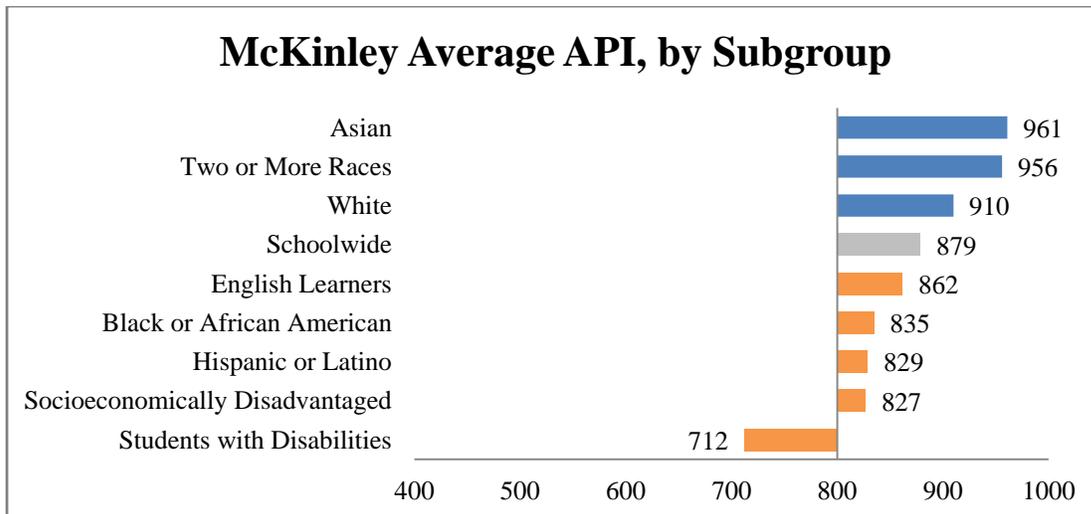
**Reviewers:** 1

**Review activity:** Document/Data scrutiny--Enrollment and professional development plans

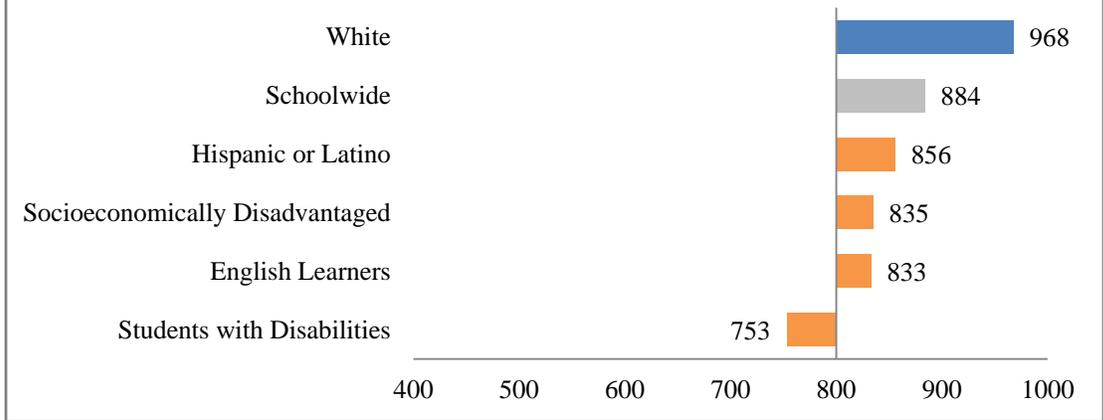
**Classroom observations:** 6

**Achievement Data**

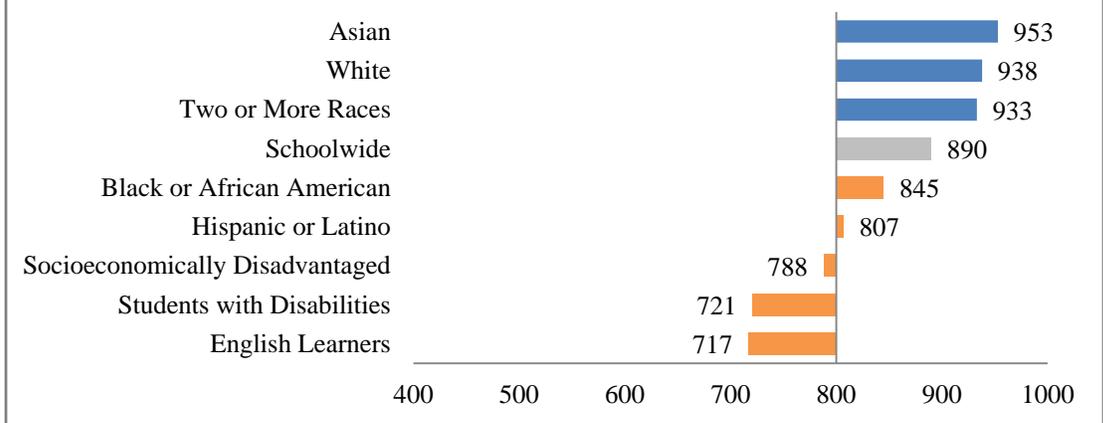
Charts 7-20. 2014 3-Year Weighted Average API, by Subgroup. The horizontal axis is marked at 800, the statewide target score. Colored bars are utilized to demonstrate the differences above and below the schoolwide average; Subgroups scoring above schoolwide average are blue, schoolwide average is grey, subgroups scoring below the school average are orange.



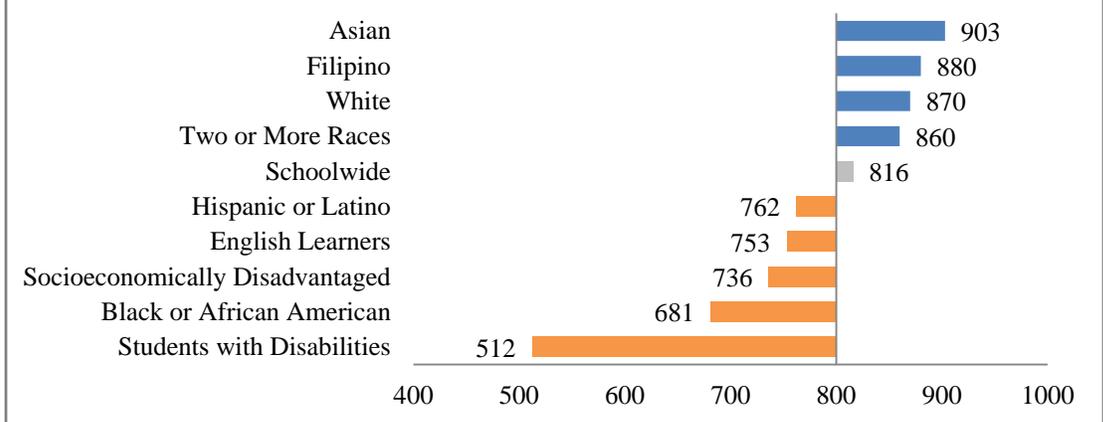
### Edison Average API, by Subgroup



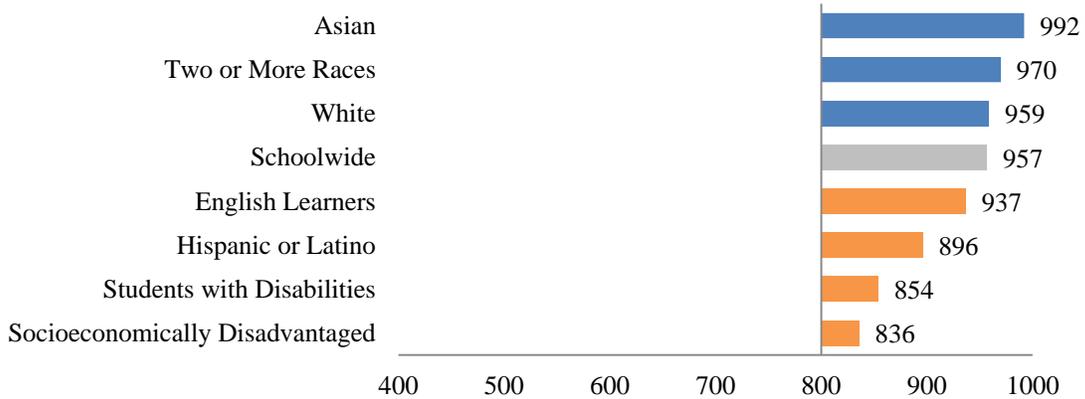
### Grant Average API, by Subgroup



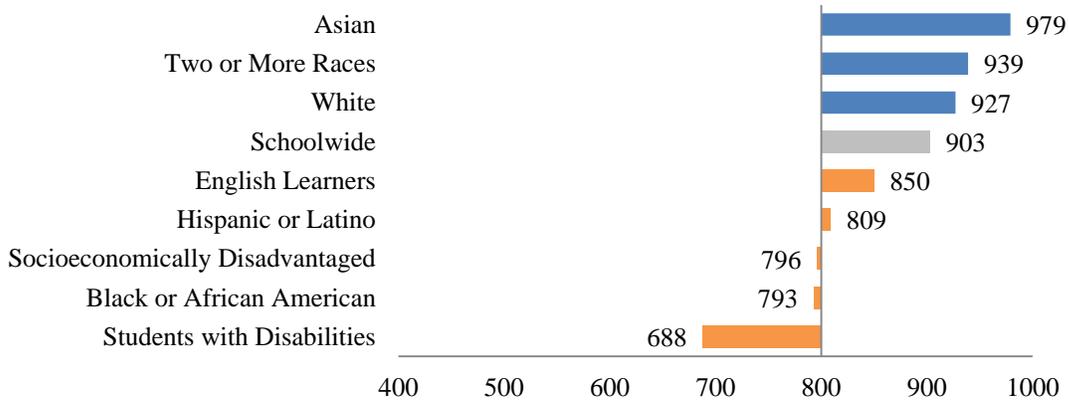
### Samohi Average API, by Subgroup



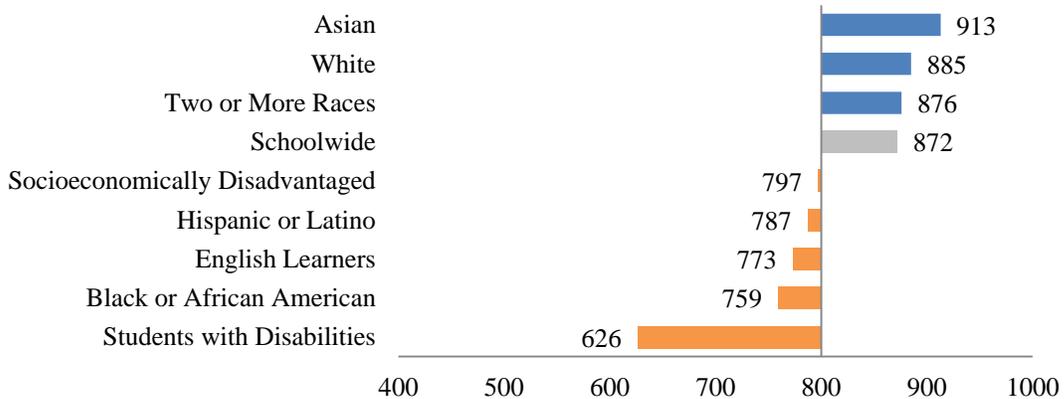
### Franklin Average API, by Subgroup



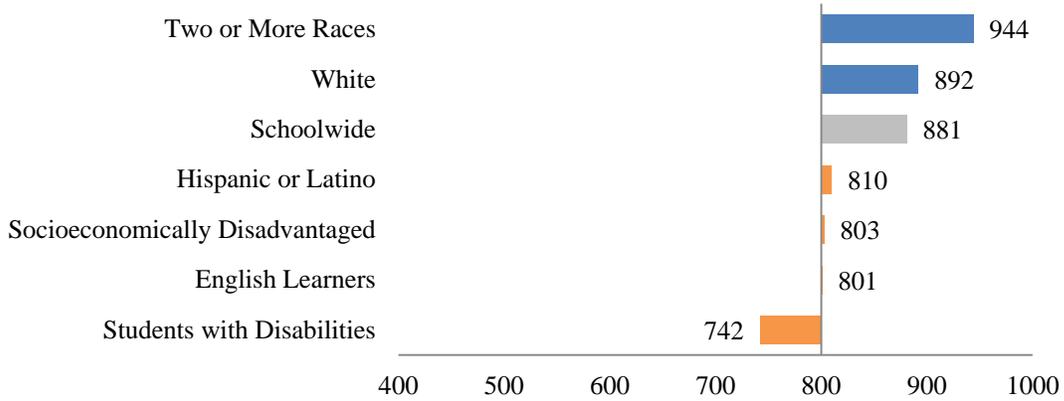
### Lincoln Average API, by Subgroup



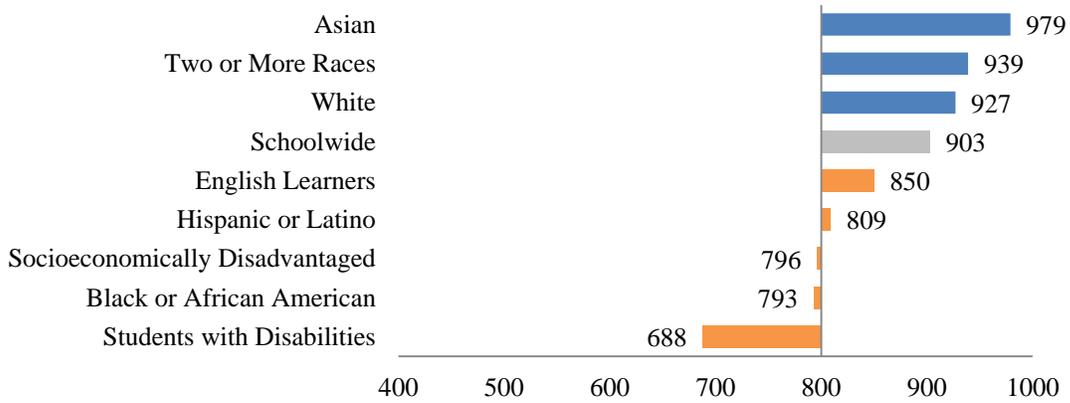
### Malibu MSHS Average API, by Subgroup



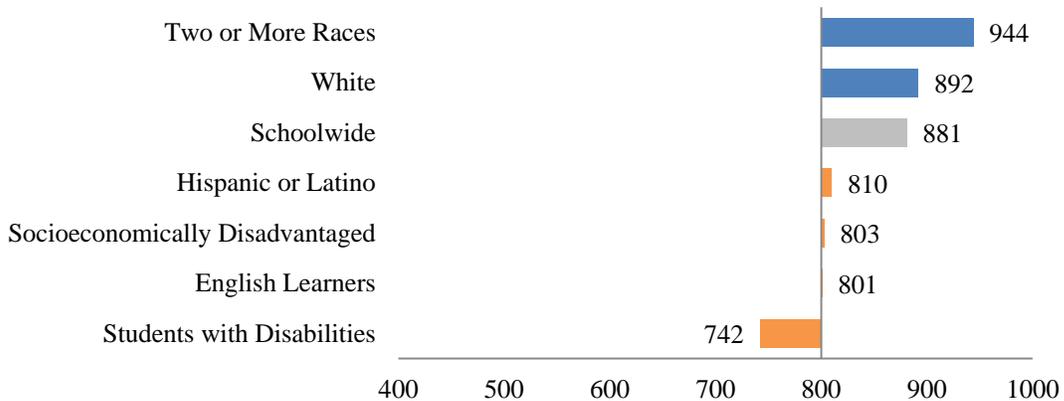
### Cabrillo Average API, by Subgroup



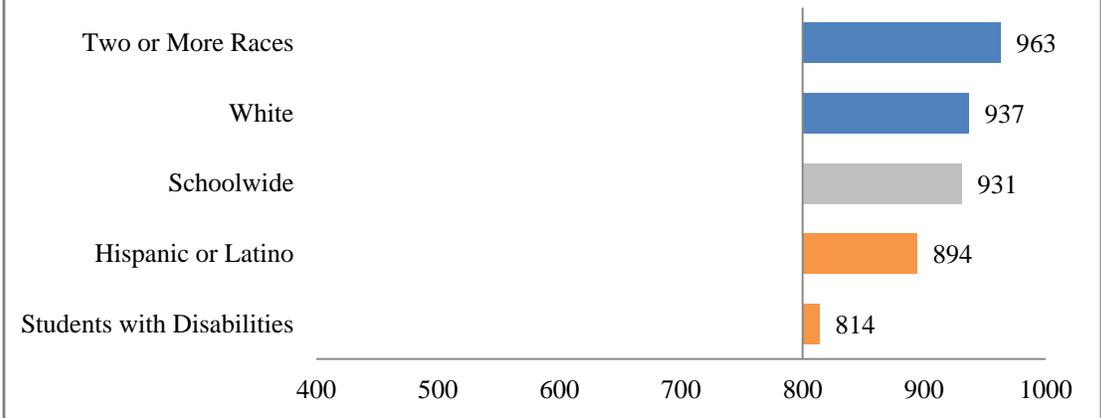
### John Adams Average API, by Subgroup



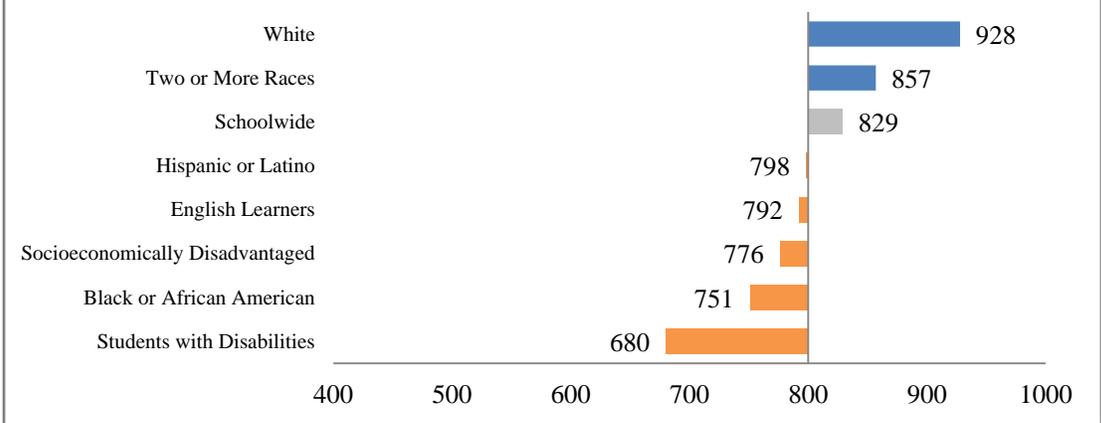
### Muir Average API, by Subgroup



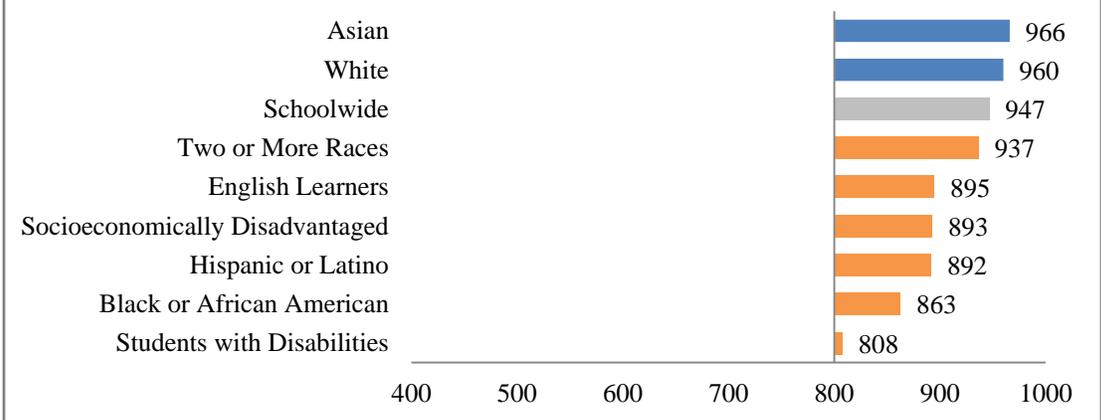
### Point Dume Average API, by Subgroup



### Rogers Average API, by Subgroup



### Roosevelt Average API, by Subgroup



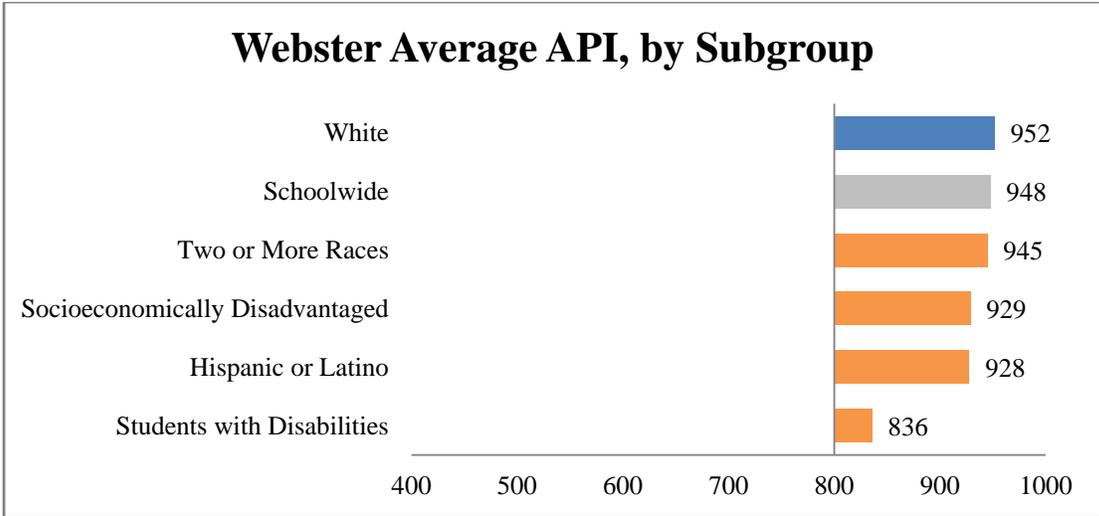


Chart 21. SMMUSD CST: English Language Arts. 2009-10 through 2011-13

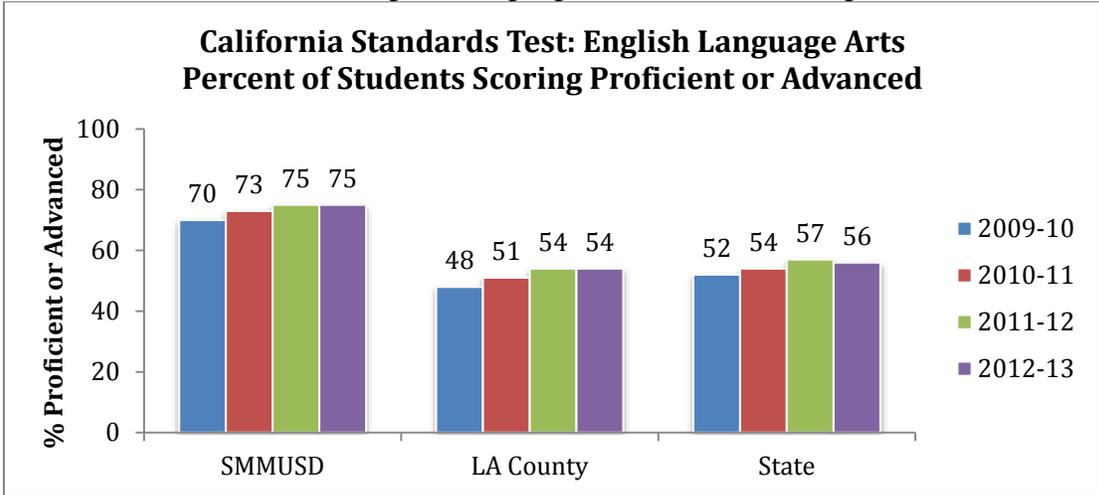
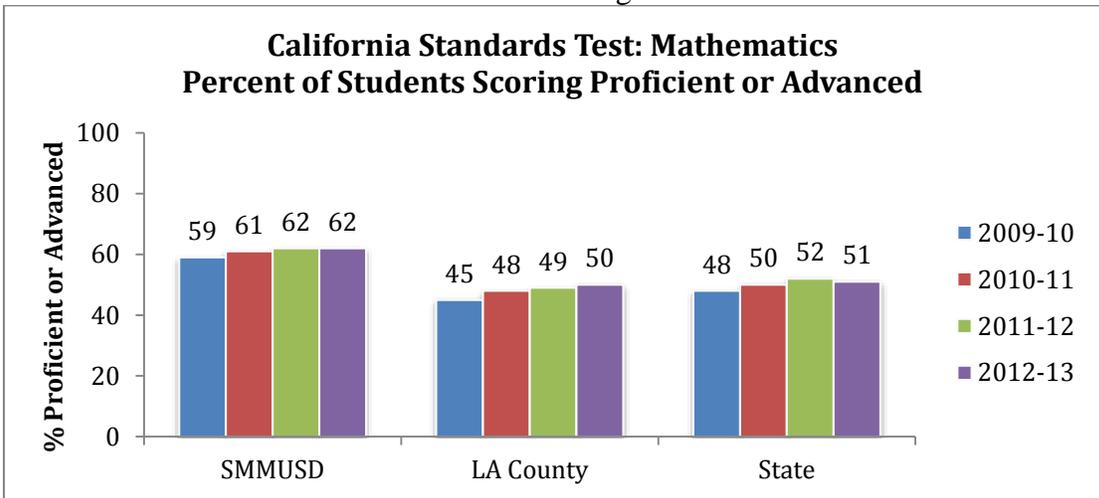


Chart 22. SMMUSD CST: Math. 2009-10 through 2011-13



### **Author Biographies**

Pedro Noguera is the Distinguished Professor of Education at the Graduate School of Education and Information Studies at UCLA. He is the author of twelve books and over 200 articles and monographs on a broad variety of topics related to education, race and ethnicity in American society, and social policy and. Prior to joining the faculty at UCLA he served as a tenured professor and holder of endowed chairs at New York University (2003 – 2015) Harvard University (2000 – 2003) and the University of California, Berkeley (1990 – 2000). From 2009 - 2012 he served as a Trustee for the State University of New York (SUNY) as an appointee of the Governor. In 2014 he was elected to the National Academy of Education. Noguera has received awards from the Center for the Advanced Study of the Behavioral Sciences at Stanford University, from the National Association of Secondary Principals, and from the McSilver Institute at NYU for his research and advocacy efforts aimed at fighting poverty.

Isis Delgado is a consultant to schools, after-school programs, and non-profit organizations in the areas of program design, management, evaluation and policy. Delgado served as Chief of Staff for the Division of Teaching and Learning and the Division of Community Engagement at NYC Department of Education where she oversaw the development of the Empowering Boys of Color initiative and managed the revision of the Promotion Policy, which ended social promotion in NYC. Previously, Delgado served as Program/Policy Director for the Quality Review, one of three major accountability initiatives for NYC DOE, and was the Founding Director of an afterschool program in Pasadena, CA. She holds a bachelor's degree in Social Welfare from University of California, Berkeley.

Joaquin Noguera is currently a PhD student in the Graduate School of Education and Information Studies at UCLA and a member of the education faculty at Bard College's Masters in Teaching program. Prior to beginning his doctoral studies, Joaquin worked as a K-12 teacher and school leader in New York City, and as an education consultant where he coached and mentored teachers and school leaders, supported developmental evaluation and strategic planning for schools and district, and provided training in lesson and curriculum design, culturally responsive learning and teaching strategies, and improving collaborative processes.

**Exhibit G: Letter to Dr. Alison Deegan re:  
Procedures & Scope of April 17, 2021, Preliminary Public Hearing**

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Manhattan Beach  
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Ontario  
(909) 989-8584



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**Christine N. Wood**  
(213) 542-3861  
Christine.Wood@bbklaw.com

March 12, 2021

**VIA U.S. and ELECTRONIC MAIL**

Dr. Allison Deegan  
Los Angeles County Office of Education  
9300 Imperial Highway  
Downey, California 90242  
Email: deegan\_allison@lacoed.edu

Re: Procedures & Scope of April 17 2021, Preliminary Public Hearing in Support of  
City of Malibu's Petition for Unification of a Malibu Unified School District

Dear Dr. Deegan:

This letter is meant to memorialize the procedures and scope of the April 17, 2021, Preliminary Public Hearing in Support of City of Malibu's ("City") Petition for Unification of a Malibu Unified School District ("Petition") pursuant to Education Code section 35721(c).<sup>1</sup>

The City understands that the procedures and scope of this hearing are solely within the discretion of the Los Angeles County Office of Education's County Committee on School Reorganization ("County Committee") since this particular provision in the Education Code has never been utilized by a city to seek unification of a new school district. Below is a summary of what the City understands you have decided about the scope of the Preliminary Public Hearing, based on your February 17, 2021, conversation with Cathy Dominico, Managing Partner at Capitol Public Finance Group and consultant for the City.

- In general, at the Preliminary Public Hearing, the City will be afforded the opportunity to present the merits of its reorganization petition. The City is, therefore, strongly encouraged to present its entire case for reorganization.
- Specifically, the City should present the feasibility of school district separation using the nine reorganization criteria established in Section 35753. While the

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<sup>1</sup> Unless otherwise noted, all statutes referenced herein are found in the California Education Code.

March 12, 2021  
Page 2

County Committee understands that the full analysis may not be complete, it is suggested that we demonstrate that reorganization is feasible.

- Structurally, the County Committee staff will open the Preliminary Public Hearing with introductory remarks, followed by separate, 20-minute presentations by the City and the Santa Monica-Malibu Unified School District (“District”). After these presentations, County Committee staff will then present their own study and make a recommendation to the County Committee, followed by public comment.<sup>2</sup> Then, the County Committee will discuss the item and make a tentative recommendation.
- Based on the discussion during the March 3, 2021, County Committee meeting, the entire Preliminary Public Hearing may take longer than the one-day hearing scheduled for April 17, 2021. However, if the hearing is continued, the County Committee will make its tentative recommendation at the final conclusion of the multi-day Preliminary Public Hearing.

The City is grateful that the County Committee staff has given the process such consideration and respectfully requests a few additions to the aforementioned structure. The City hopes the County Committee staff is amenable to these requests.

- First, the City, as the moving party, requests a brief 10-minute period after the County Committee staff presentation, but before the public comment period, to address any outstanding questions or misunderstandings in the other presentations.
- Second, the City asks that the public comment period be coordinated to allow for a rotation of comments between public speakers “for” and “against” the petition in an effort to afford the County Committee a balanced presentation of the communities’ concerns.
- Finally, the City appreciates being able to have the virtual hearing and asks for written instructions for participating in virtual platform so it can take full advantage of the technology provided by the County Committee.

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<sup>2</sup> Although the public comment period in a public hearing is typically limited to 45 minutes for each side of the argument, the County Committee may decide to hear from everyone who wishes to speak, allow all those who wish to speak with an opportunity to speak, so the actual public hearing often extends beyond the originally established timeframe.

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In closing, the City would like to make an additional record as to the expectations during the Preliminary Public Hearing. Understanding there is no precedent for this sort of hearing, the City has some additional questions regarding the process provided for in Section 35721 and the accompanying guidance from the California Department of Education (“CDE”).

**Legislative Intent of Section 35721.** Section 35721 was adopted by the California Legislature in 2000 through AB 2838 to allow cities a pathway to request school district unification.<sup>3</sup> At that time, school district reorganization was recognized as one of the most significant type of boundary issues that was not coordinated with other local government planning.<sup>4</sup> “Moreover, under provisions of the Education Code, local governments do not have the authority to propose changes in school district boundaries, even when their service capabilities are affected.”<sup>5</sup> Therefore, Section 35721 was enacted to allow cities to propose changes in school district boundaries, *in a manner similar to the existing petition process in the Education Code*, recognizing that school district boundaries that do not correspond to city and county boundaries lead to confusion and disappointment for residents.<sup>6</sup> In other words, Section 35721 was meant to make it easier for cities to propose changes in school district boundaries in a manner similar to the existing unification processes already delineated in the Education Code. The legislative change added one step to the beginning of the petition process, creating a preliminary public hearing prior to beginning the typical petition review process.

To be clear, notwithstanding the unique preliminary hearing, the existing petition process now involves six basic steps: (1) Review of Petition Sufficiency; (2) Review by County Committee for Tentative Recommendation; (3) Noticed Public Hearings in Localities; (4) Notice to Local Agency Formation Commission; (5) County Committee Study of Unification or Reorganization (including CEQA study); and (6) Review by County Committee for Final Recommendation.

**Sufficiency of Petition.** Section 35704 states that once the petition is received by the county superintendent of schools, it is to be examined by the superintendent and transmitted to the county committee, provided that the petition is found by the superintendent “to be sufficient

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<sup>3</sup> AB 2838 was an omnibus bill drafted with the support and guidance of the Commission on Local Governance for the 21st Century. The Commission was convened with the belief that California’s current institutions of government required rehabilitation because they were designed when the population was much smaller and our society was less complex. The Commission drafted AB 2838 to empower neighborhoods and individuals and to reengage them in determining the shape of their communities. (*Growth Within Bounds: California Governance in the 21st Century*, Commission on Local Governance for the 21st Century (Jan. 2000), pgs. ES-1 - ES-2.)

<sup>4</sup> *Id.*, pg. 31.

<sup>5</sup> *Id.*

<sup>6</sup> *Id.* at 32 [emphasis added].  
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and signed and required by law.” The CDE School District Organization Handbook<sup>7</sup> states that this step can be reasonably interpreted as the superintendent reviewing the procedural requirements of the petition in order to determine sufficiency. (CDE’s Handbook, p. 68.) At this point, the City asks the County Committee to confirm whether its Petition has been reviewed and approved for sufficiency, or whether the County Committee has determined that this step does not apply to petitions submitted by a city pursuant to Section 35721.

**Scope of Preliminary Public Hearing.** Alternatively, the City respectfully asks the County Committee to consider whether the Preliminary Public Hearing is actually a hearing on the petition’s sufficiency—*instead of a hearing on the merits of the petition*—since sufficiency is typically the one decision point that precedes a county committee’s tentative recommendation.

For example, any reorganization pursuant to Section 35700<sup>8</sup> only has a sufficiency determination before the county committee begins the other steps of the petition process. Public hearing held pursuant to Section 35705 happen after the tentative recommendation and before the county committee reviews the merits of the petition, including the nine criteria pursuant to Section 35753. Only those reorganizations provided for in Section 35721 require this preliminary public hearing. However, given the fact that these provisions were enacted in 2000 to make it *easier* for cities to participate in school reorganization, it is hardly reasonable to believe that a local agency, such as a city, would be uniquely required to present a petition’s full merits at the preliminary public hearing.

Furthermore, it seems a bit impractical to prepare a petition on the merits at this early juncture of the process since the fiscal analysis that is required by Section 35753 is sure to change drastically before the County Committee’s final recommendation. Even in a best case scenario, reorganizations can take 4 to 6 years, especially considering the different studies that are required—including a CEQA study. It seems a bit wasteful to expect the City, as the petitioner, and the County Committee staff to prepare a full analysis of numbers and data that are sure to be remarkably different by the time the County Committee makes its final recommendation, possibly 5 years later.

Therefore, the City asks the County Committee to reconsider its expectation to hear a full presentation on the merits and requests that the Preliminary Public Hearing be limited to the sufficiency of the City’s Petition. However, please note, the City will defer to the discretion of

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<sup>7</sup> *School District Organization Handbook* (hereinafter “CDE’s Handbook”), California Department of Education, Sep. 2016.

<sup>8</sup> Section 35700 governs (1) a territory transfer initiated by owners, 25% petition, or the district’s governing board and (2) a unification initiated by owners, 25% petition, or district’s governing board.

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the County Committee, whatever that may be, and, under protest, will present a petition on the merits, if that is the pleasure of the County Committee.

**Public Description of the Petition.** If the County Committee determines that the City must make a full presentation on the merits at the Preliminary Public Hearing, please confirm what type of information should be presented to the public before April 17, 2021. For example, ten days prior to holding public hearings, the county committee must make available a public description of the petition that includes nine specific components of reorganization. (Ed. Code § 35705.5(b).)

Does the County Committee expect the City to prepare that public description of the Petition? If not this, what should the City prepare and provide to the public in order to provide the public—and the District, for that matter—with enough information to inform their comments and presentation, respectively? As we have discussed, the City is preparing materials to be reviewed/considered by the County Committee and its staff. Should those materials be prepared for viewing by the public and the District as well. Since the City shares the County Committee’s concern for transparency and meaningful community engagement, we are just trying to ascertain the best way to accomplish this. Your guidance in this regard would be appreciated.

The City appreciates the opportunity to present these questions and concerns to the County Committee and is willing to schedule some time to discuss these and other issues with the County Committee staff as soon as possible. Please feel free to contact me directly to discuss next steps, or to correct any misunderstandings the City might have about the procedures and scope of the upcoming Preliminary Public Hearing.

Very truly yours,



Christine N. Wood  
Deputy City Attorney  
City of Malibu

cc: Reva Feldman, City Manager (*via email only*)

**Exhibit H: Summary of City of Malibu's Preliminary Analysis of the  
Nine Criteria for School District Reorganization**



# Feasibility Analysis of the Proposed Reorganization of Santa Monica-Malibu Unified School District into Two Separate Districts

A Summary of Preliminary Analysis of Nine  
Criteria for Reorganization

Prepared By:

Ryland | SCHOOL BUSINESS  
CONSULTING

  
Capitol | PFG

  
KIRK CARTER  
&  
ASSOCIATES  
SCHOOL BUSINESS  
CONSULTING

# Introduction

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This summary report was prepared to provide the Los Angeles County Committee on School District Organization (County Committee) with an overview of the data analyzed and preliminary findings related to the State's nine criteria for reorganization. Once the County Committee deems the City of Malibu's petition for reorganization sufficient to progress through the standard reorganization process, a more complete and formal reorganization feasibility report will be prepared to assist in analyzing the viability of the proposed reorganization, as typically required.

The reasons for the desired reorganization reach well beyond the scope of this feasibility analysis. However, this document was prepared to specifically address the data to be analyzed under the nine criteria set forth in the Education Code. This summary report identifies the approach and preliminary conclusions, following the guidance of the Education Code and California Code of Regulations, that lead to a successful reorganization. Before the final Feasibility Study is completed, numbers and assumptions will be updated to reflect the then-current data and trends.

Here are some highlights the County Committee should consider as it reviews the submissions from both the City of Malibu and Santa Monica-Malibu Unified School District (SM-MUSD):

- The sole purpose of the preliminary hearing is to certify that the City of Malibu's petition for reorganization ("Petition") meets the nine criteria under the CDE Guidelines for separation. A much more detailed feasibility study, including mandated public engagement opportunities, needs to follow. This is just a step in a process; not the final decision. The law is clear on this.
- Merging these two distinct and different communities into a single school district would never be allowed under current state law because they do not share a community of interest or even a contiguous boundary. The cities are physically divided by 22 miles of highway. If you couldn't merge them now, why should you insist that they stay together?
- Virtually everyone agrees that these two communities should have separate school districts. The only question is how to make the separation work so that no student is harmed. The dispute centers on money. If that is the case, the County Committee needs to be convinced that it has accurate, reliable calculations on which it can base its decision.
- There is a fundamental difference of opinion on the methodology, assumptions, formulas, data points, and specifics that should be used to calculate the financial impact of separation. After preliminary approval is granted to move forward with the process, the County Committee should require that the financial plans be submitted to an impartial fact-finding panel of school finance experts to determine the veracity of the numbers.
- The Santa Monica centric nature of school district leadership is clearly evident. There is only one resident from Malibu on the seven-person board of education and for a six-year period recently there was no one

from Malibu. Malibu is in a permanent minority status under SM-MUSD. Frequently, that results in being out of sight and out of mind.

- Malibu students are being severely disadvantaged under SM-MUSD in terms of academic offerings, quality of facilities, and convenient access to district personnel, activities, or services. Engaging with the district office requires commuting to Santa Monica. This is especially true for special education students and families.

## Criterion #1: Adequate Number of Pupils

### Education Code Section 35753(a)(1):

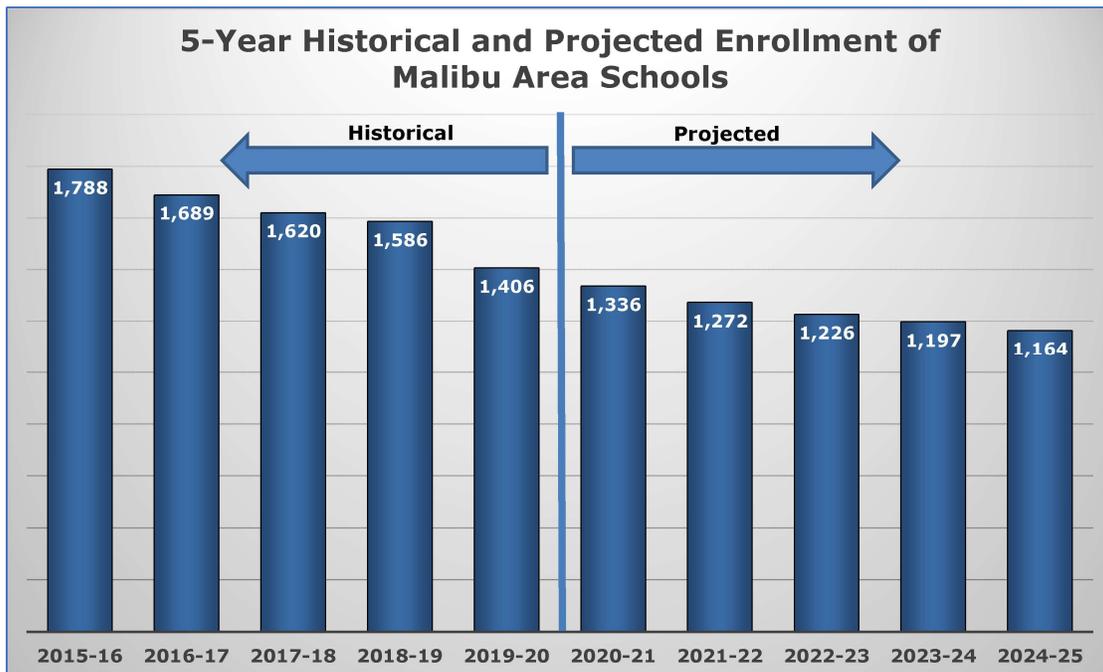
The new district will be adequate in terms of number of pupils enrolled.

### California Code of Regulations, Title 5, Section 18573(a)(1):

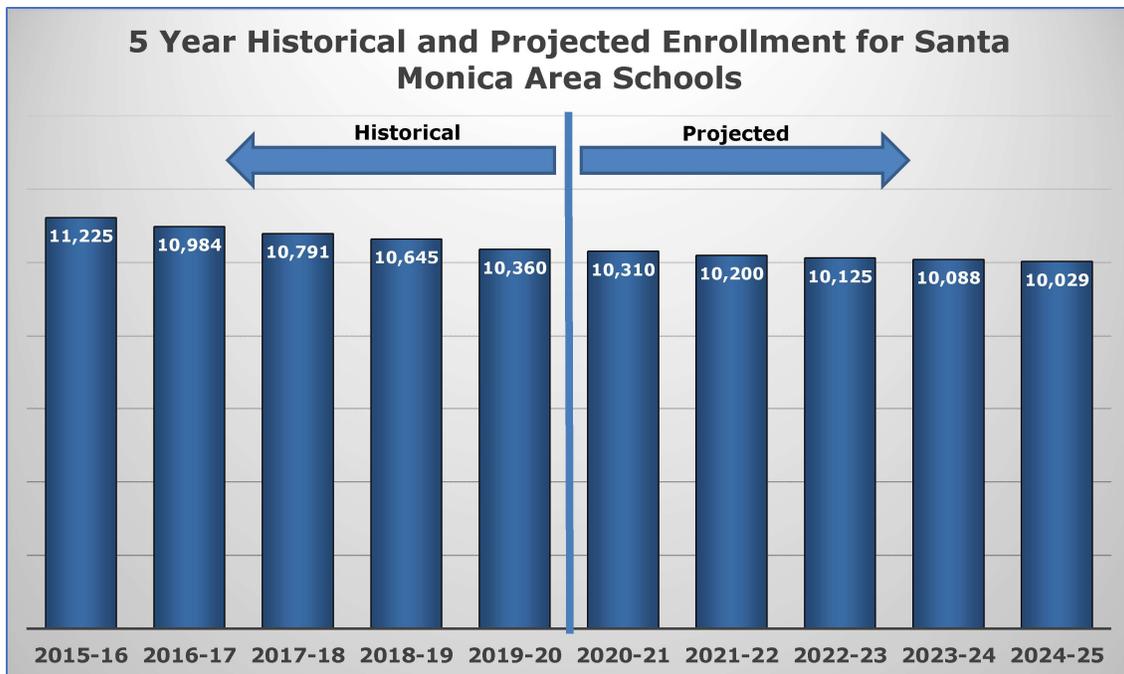
It is the intent of the State Board that direct service districts not be created that will become more dependent upon county office of education and state support unless unusual circumstances exist. Therefore, each district affected must be adequate in terms of number of pupils, in that:

- (A) Each such district should have the following projected enrollment on the date that the proposal becomes effective or any new district becomes effective for all purposes:
  - Elementary District 901
  - High School District 301
  - Unified District 1,501
- (B) The analysis shall state whether the projected enrollment of each affected district will increase or decline and the extent thereof.

### Preliminary Findings



- The proposed Malibu USD’s enrollment is currently below 1,501 students and using the standard cohort survival enrollment projection methodology, it will decline over time.
  - There was a relatively large decline in enrollment from 2018-19 to 2019-20.
    - This can be partially attributed to the Woolsey Fire.
    - Some of those students could return as homes are rebuilt.
  - Additionally, many families have chosen alternative education options and are not sending students to schools within SM-MUSD.
    - It is expected that some of those students would return if the Malibu community had local control of the schools.
- Although enrollment is projected to be below the figure set forth in CCR Section 18573(a)(1), the legislative intent clearly states that the enrollment threshold is provided to ensure that direct service districts are not created that will become more dependent on county office of education and state support. Although “direct service districts” were eliminated with LCFF, the intent that the school districts will not be more dependent on the county office of education or the state can still be applied.
  - As described in Section 5 and 9 of this summary, the proposed Malibu USD would not become a direct service district as it will be Basic Aid with sufficient funding to hire central administrative staff to perform all necessary activities to operate the District.



- The proposed Santa Monica USD’s enrollment is expected to exceed 1,501 students.
  - Enrollment is projected to decline over the next five years.

## Ability to Meet Feasibility Criterion #1

The proposed Santa Monica USD's enrollment is projected to be significantly above the 1,501 student threshold. Although the proposed Malibu USD would not specifically meet the enrollment threshold set forth in Criterion #1, with its anticipated high per pupil funding amount, the lower enrollment will not result in a dependence on the county office of education or the state. Therefore, it is reasonable to expect that criterion #1 can be met based on the legislative intent.

## Criterion #2: Community Identity

### **Education Code Section 35753(a)(2):**

The districts are each organized on the basis of a substantial community identity.

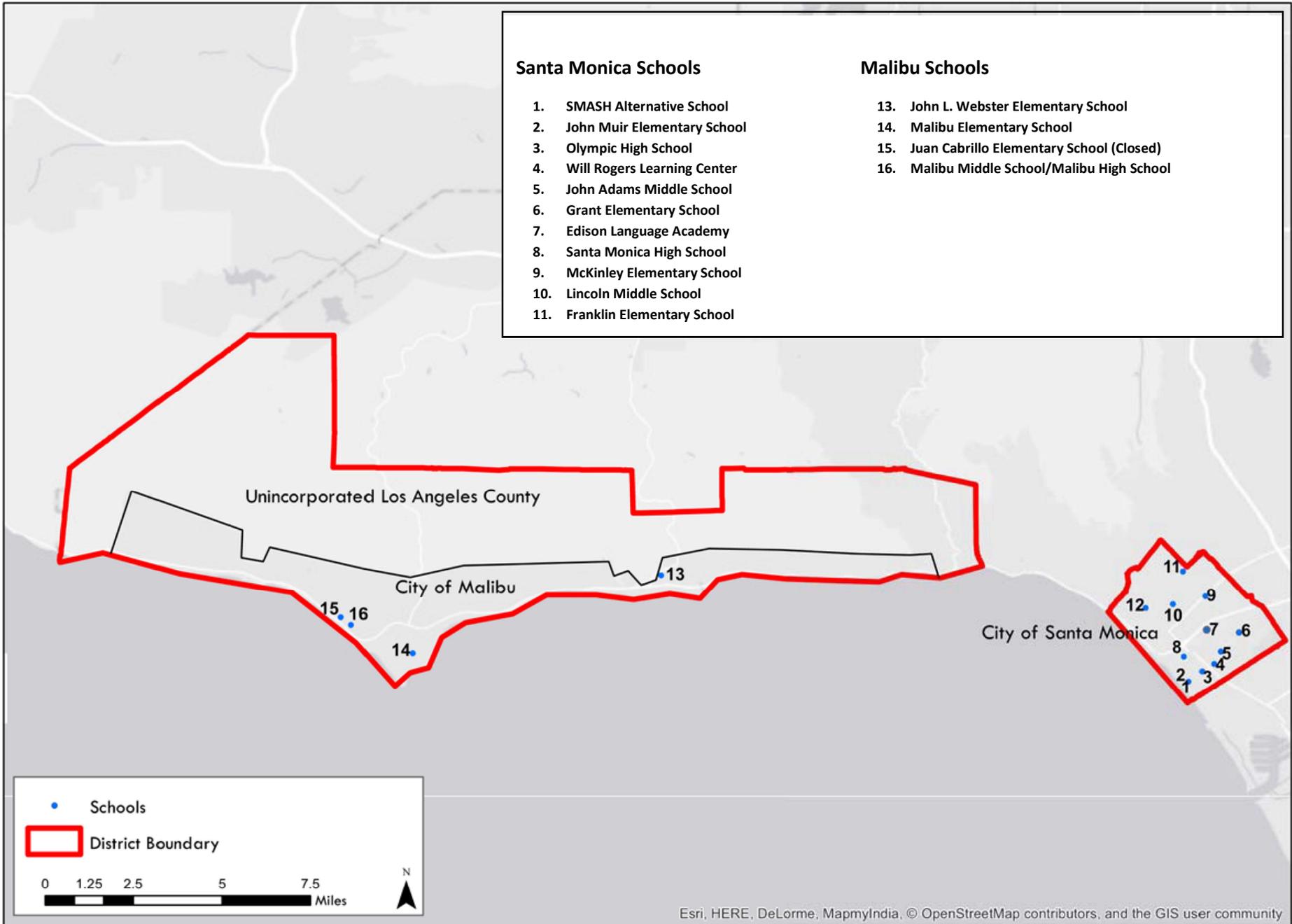
### **California Code of Regulations, Title 5, Section 18573(a)(2):**

To determine whether the new district is organized on the basis of substantial community identity, the State Board of Education will consider the following criteria:

- Isolation
- Geography
- Distance between social centers
- Distance between school centers
- Topography
- Weather
- Community, school, and social ties, and other circumstances distinctive about the area.

### Preliminary Findings

- Santa Monica and Malibu are two geographically distinct communities with their own character and identity.
- Approximately eighty five percent (85%) of the student population is located in the Santa Monica area of the District, with fifteen percent (15%) located in the Malibu area of the District.
- Approximately eighty five percent (85%) of the registered voters within the District are located in the Santa Monica area of the District, with fifteen percent (15%) located within the Malibu area of the District.
- School site attendance boundaries would not change as a result of this proposed reorganization.
  - Students currently attending schools located within the Santa Monica area would continue to do so, and students currently attending schools located within the Malibu area would continue to do so.
- The two communities operate separately.
  - In addition to local governance by two separate city councils and different emergency services providers for both police and fire, the communities have separate Chambers of Commerce, youth sports leagues, service clubs, and other organizations.
    - Other than the school district, the two communities do not share other community-based groups or organizations.
    - Even within the school district, the sports leagues are separate.
      - Malibu High is in the CIF Southern Section Tri County Athletic League and Santa Monica is in the Ocean League.



# Santa Monica-Malibu Unified School District

Date: 2/21/2017

Esri, HERE, DeLorme, MapmyIndia, © OpenStreetMap contributors, and the GIS user community

- With the proposed reorganization, the new Santa Monica USD’s boundaries would encompass the entire City of Santa Monica.
  - The City of Santa Monica is a densely populated urban area that is approximately 8.5 square miles of land located on the western edge of the County of Los Angeles.
  - Residents of Santa Monica are within a few miles of schools, shopping, parks and major transportation routes.

**Santa Monica USD Proposed Boundaries**



- With the proposed reorganization, the new Malibu USD’s boundaries would encompass the entire city of Malibu as well as some neighboring portions of unincorporated Los Angeles County.
  - The City of Malibu is a rural community located on the edge of Los Angeles County on the coastline, bordered by the Cities of Los Angeles and Pacific Palisades and unincorporated land within the County of Los Angeles.
  - Malibu is approximately 20 square miles and has a low population density; residents are within several miles of schools, shopping, parks and major transportation routes.

### Malibu USD Proposed Boundaries



### Ability to Meet Feasibility Criterion #2

The two communities are non-contiguous and distinctly separate communities where students and community members typically attend schools and participate in activities within their own geographic area. It is anticipated that Criterion #2 would be substantially met.

## Criterion #3: Equitable Division of Property & Facilities

### **Education Code Section 35753(a)(3):**

The proposal will result in an equitable division of property and facilities of the original district or districts.

### **California Code of Regulations, Title 5, Section 18573(a)(3):**

To determine whether an equitable division of property and facilities will occur, the Department will determine which of the criteria authorized in Education Code Section 35736 shall be applied. It shall also ascertain whether the affected school districts and the county office of education are prepared to appoint the committee described in Education Code Section 35565 to settle disputes arising from such division of property.

Further guidance on this criterion is provided in Education Code Sections 35560, 35736, 35561, and 35565. Based on Education Code Section 35560, the real property and personal property and fixtures normally situated in the school sites within the new school district boundaries would belong to the resulting districts. All other property, funds, and obligations (except bonded indebtedness) must be divided pro rata between the impacted districts. Education Code Section 35736 allows for a variety of methods to equitably divide the remaining property and funds, including assessed valuation, average daily attendance (ADA), value and location of property, or other equitable means.

### Preliminary Findings

- It is anticipated that the real property, personal property and fixtures would be allocated to the reorganized districts based on the location of such property, as described in the Education Code.
  - The property would be allocated based on the following table.

Parcels Owned by Santa Monica-Malibu Unified School District			
APN	Use	Location	Lot Acres
<b>Malibu Parcels</b>			
4458-023-903	Vacant	Malibu Crest Drive	21.624
4458-027-903	Webster Elementary	3602 Winter Canyon Road	6.379
4458-027-904	Vacant	Winter Canyon Road	1.536
4466-012-900	Point Dume Elementary	6955 Fernihill Drive	6.243
4469-017-900	Malibu Elementary, Malibu Middle, Malibu High	30215 Morning View Drive	40.056
4469-018-900	Trancas Riders and Ropers	6225 Merritt Drive	2.488
4469-018-901	Vacant	Merritt Drive	2.438
4469-018-902	Vacant	Merritt Drive	2.665
4469-018-903	Vacant/Parking Lot	Morning View Drive	9.396
4469-018-904	Vacant/Parking Lot	Merritt Drive	2.573
4469-019-900	Vacant	Merritt Drive	4.054
4469-019-901	Vacant	Merritt Drive	5.544
4469-019-902	Vacant	Merritt Drive	17.474
<b>Santa Monica Parcels</b>			
4273-009-900	Grant Elementary	2368 Pearl Street	6.011
4273-021-901	Parking Lot	Pearl Street	0.967
4273-024-900	John Adams Middle	2425 16th Street	16.401
4274-005-901	Edison Language Academy	2508 Virginia Avenue	0.289
4274-005-902	Edison Language Academy	2512 Virginia Avenue	0.305
4274-005-903	Edison Language Academy	2402 Virginia Avenue	4.855
4276-023-900	McKinley Elementary	2401 Santa Monica Boulevard	6.487
4277-002-900	Franklin Elementary	2400 Montana Avenue	0.367
4277-002-901	Franklin Elementary	2400 Montana Avenue	5.236
4280-022-900	Roosevelt Elementary	801 Montana Avenue	5.992
4281-005-901	Lincoln Child Development Center	1520 California Avenue	0.344
4281-006-900	Lincoln Middle	1501 California Avenue	9.917
4282-012-900	Santa Monica College Performing Arts Center	1310 11th Street	4.407
4283-001-901	Parking Lot	Colorado Avenue	0.233
4283-002-900	Industrial/Office Building	902 Colorado Avenue	1.831
4283-010-900	Santa Monica Malibu Unified Administration	1651 16th Street	3.702
4284-038-900	Will Rogers Learning Community	2401 14th Street	6.103
4284-038-901	Church	1515 Maple Street	0.58
4287-002-900	Olympic High	721 Ocean Park Boulevard	4.307
4287-006-900	John Muir Elementary	2526 6th Street	5.588
4287-020-902	The Growing Place	401 Ashland Avenue	1.099
4287-022-900	Child Development Services	2802 4th Street	1.714
4290-003-901	Santa Monica High	601 Pico Boulevard	1.259
4290-005-900	Santa Monica High	601 Pico Boulevard	15.49
4290-006-904	Santa Monica High	601 Pico Boulevard	1.79
4290-006-905	District Headquarters and Hotel	1707 4th Street	2.255
4290-007-902	Santa Monica High	601 Pico Boulevard	3.929
4290-008-901	Santa Monica High	601 Pico Boulevard	3.416

- Each school district would retain the equipment and personal property housed on each school site, but it is likely that the proposed Malibu USD would need to acquire additional equipment related to the central administrative and support facilities.
- For other assets and liabilities, except for bonded indebtedness, a common and reasonable approach would be to allocate based on ADA or Full Time Equivalent Employees (FTEs) based on the nature of the asset or liability.
  - Although employment-related costs may be better allocated based on FTEs, for this preliminary version of the analysis, ADA has been used as the basis for allocation.
    - FTE information was requested from SM-MUSD through a public information request, but not provided.
  - Bonded indebtedness for District-wide bonds would be allocated based on the assessed value of property within each territory (see explanation below).
    - Bond proceeds from the 2018 elections would be transferred to the respective territories benefitting from and repaying the bonds.
  - The recently issued Certificates of Participation (COPs) would be allocated to Santa Monica USD, as it was used to fund the administrative office building that will be used exclusively by Santa Monica USD.
    - The revenue source committed for COP repayment is redevelopment pass-through funds, which will also be retained in their entirety by Santa Monica USD.

Asset and Liability Distribution						
2019-20 Estimated Actuals	Basis of Division	Total	% Applied	Malibu Unified	% Applied	Santa Monica Unified
Unrestricted General Fund	ADA	\$14,678,938	15.0%	\$2,197,885	85.0%	\$12,481,053
Restricted General Fund	ADA	\$4,740,385	15.0%	\$709,780	85.0%	\$4,030,605
Adult Education	ADA	\$643,830	15.0%	\$96,401	85.0%	\$547,429
Child Development	ADA	\$661,854	15.0%	\$99,100	85.0%	\$562,754
Cafeteria Special	ADA	\$24,544	15.0%	\$3,675	85.0%	\$20,869
Deferred Maintenance	ADA	\$937,738	15.0%	\$140,408	85.0%	\$797,330
Building Fund	ADA	\$169,964,444	15.0%	\$25,448,859	85.0%	\$144,515,585
Capital Facilities	ADA	\$5,441,372	15.0%	\$814,739	85.0%	\$4,626,633
Special Reserve for Capital Outlay	ADA	\$16,046,387	15.0%	\$2,402,633	85.0%	\$13,643,754
Bond Interest and Redemption	(See Below)		32.9%		67.1%	
Retiree Benefit	ADA	\$8,297,070	15.0%	\$1,244,561	85.0%	\$7,052,510
<b>Total Assets</b>		<b>\$221,436,562</b>		<b>\$33,158,040</b>		<b>\$188,278,522</b>
General Obligation Bonds	Assessed Valuation	\$516,363,424	34.0%	\$175,563,564	66.0%	\$340,799,860
COP Payable	SMUSD	\$11,354,169	0.0%	\$0	100.0%	\$11,354,169
Net Pension Liability	ADA	\$176,004,582	15.0%	\$26,400,687	85.0%	\$149,603,895
OPEB Liability	ADA	\$45,874,674	15.0%	\$6,881,201	85.0%	\$38,993,473
Compensated Absences Payable	ADA	\$917,512	15.0%	\$137,627	85.0%	\$779,885
<b>Total Liabilities</b>		<b>\$750,514,361</b>		<b>\$208,983,079</b>		<b>\$541,531,282</b>

- Ongoing property tax revenues generated by the territory within each new district's boundaries would be received by the district serving that territory.
  - As described in Section 99 of the Revenue and Taxation Code, the county assessor would notify the county auditor of the assessed valuation of the territories.



- The repayment obligation can be allocated based on assessed value in each community.
- Unspent bond proceeds and authorized but unissued bonds from the two 2018 measures would transfer to the school district serving each SFID.

### Ability to Meet Feasibility Criterion #3

It is reasonable to expect that property will be divided in an equitable manner should the reorganization be approved. Transferring physical property to the school district where the property is located seems reasonable and appropriate. Also, using ADA and FTEs as the basis for dividing other assets and liabilities seems reasonable and appropriate. Since assessed value is the basis for taxation related to the outstanding general obligation bonds, dividing such indebtedness using assessed value also appears reasonable. Finally, allocating the COP debt to Santa Monica USD based on the use of such funds and intended repayment source would likely make the most sense. Overall, it is anticipated that Criterion #3 would be substantially met.

## Criterion #4: Discrimination/Segregation

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### **Education Code Section 35753(a)(4):**

The reorganization of the districts will preserve each affected district's ability to educate students in an integrated environment and will not promote racial or ethnic discrimination or segregation.

### **California Code of Regulations, Title 5, Section 18573(a)(4):**

To determine whether the new districts will promote racial or ethnic discrimination or segregation, the State Board of Education will consider the effects of the following factors:

- The current number and percentage of pupils in each racial and ethnic group in the affected districts and schools in the affected districts, compared with the number and percentage of pupils in each racial and ethnic group in the affected districts and school if the proposal or petition were approved.
- The trends and rates of present and possible future growth or change in the total population in the districts affected, in each racial and ethnic group within the entire school district, and in each school of the affected districts.
- The school board policies regarding methods of preventing racial and ethnic segregation in the affected districts and the effect of the proposal or petition on any desegregation plan or program of the affected districts, whether voluntary or court ordered, designed to prevent or to alleviate racial or ethnic discrimination or segregation.
- The effect of factors such as distance between schools and attendance centers, terrain and geographic features that may involve safety hazards to pupils, capacity of schools, and related conditions or circumstances that may have an effect on the feasibility of integration of the affected schools.
- The effect of the proposal on the duty of the governing board of each of the affected districts to take steps, insofar as reasonably feasible, to alleviate segregation of minority pupils in schools regardless of its cause.

The California Department of Education School District Reorganization Handbook (CDE Handbook) offers detailed instructions for how to analyze this criterion in its Appendix M. In addition to the analysis described in the CDE Handbook, Malibu area schools have a unique diversity that is further described in this Summary.

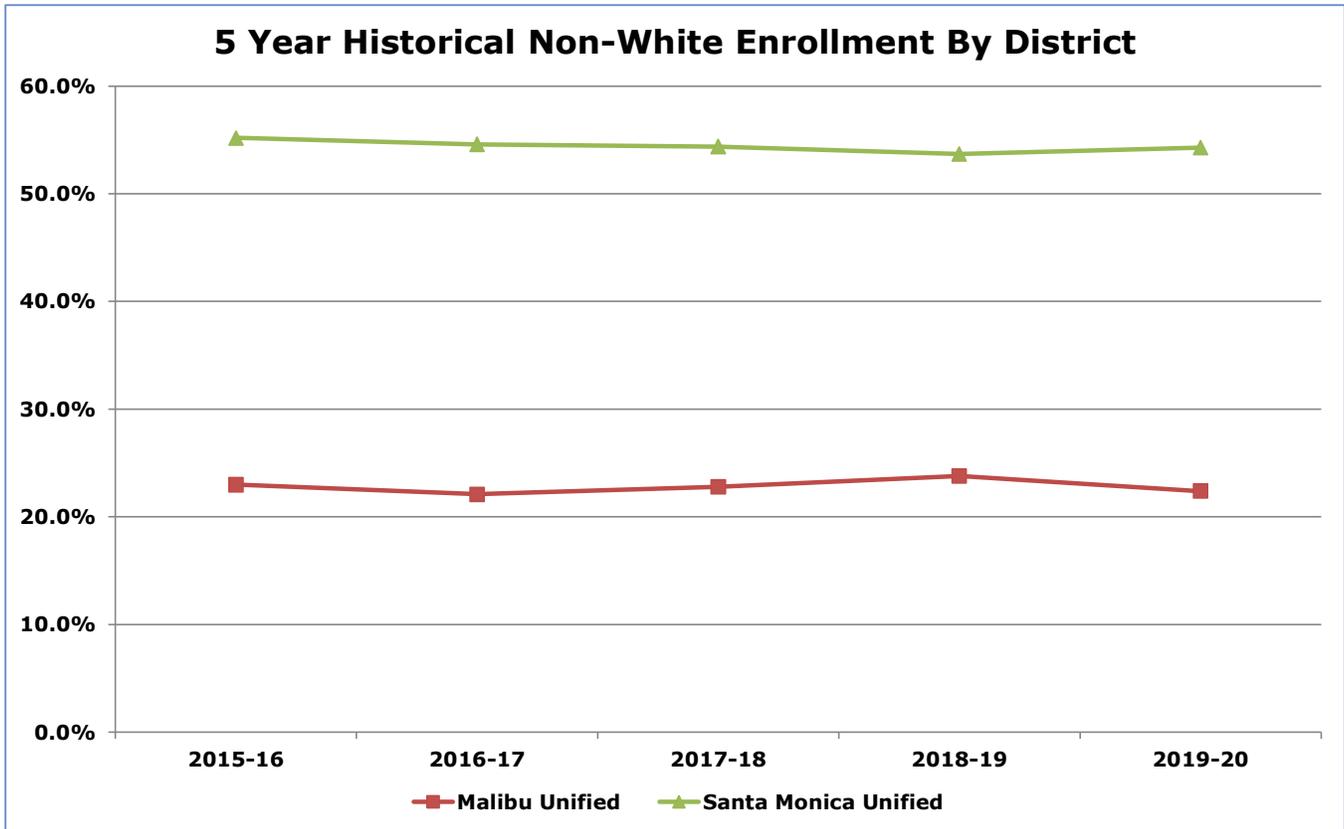
### Preliminary Findings

- The proposed reorganization will not alter the attendance boundaries of any school sites and, therefore, will not change the racial and ethnic composition of any schools.
- The enrollment and demographic data available for school districts in California is obtained through CDE's Dataquest reporting system.

- Student ethnicity is categorized into seven categories – African American, Native American, Asian, Filipino, Hispanic or Latino, Pacific Islander, and White.
  - Many ethnicities currently represented in SM-MUSD are not individually identified and are simply categorized in the “White” category.
- For the purposes of this analysis, the data, as gathered and reported to CDE, has been categorized into two categories – White and Non-White.
  - All ethnicities other than White, as reported by CDE, are categorized as Non-White.

<b>2019-20 Student Enrollment by Ethnicity</b>		
<b>Name</b>	<b>% Non-White Students</b>	<b>% White Students</b>
Edison Elementary	70%	30%
Franklin Elementary	32%	68%
Grant Elementary	52%	48%
John Adams Middle	69%	31%
John Muir Elementary	61%	39%
Lincoln Middle	49%	51%
Malibu Elementary School	24%	76%
Malibu High	23%	77%
Malibu Middle	25%	75%
McKinley Elementary	57%	43%
Olympic High (Continuation)	70%	30%
Roosevelt Elementary	29%	71%
Santa Monica Alternative (K-8)	44%	56%
Santa Monica High	59%	41%
Webster Elementary	16%	84%
Will Rogers Elementary	61%	39%
Malibu Area Schools	22%	78%
Santa Monica Area Schools	54%	46%

- The non-white enrollment has remained relatively steady in the current and proposed districts over the last 5 years.



- The enrollment of non-white students at the proposed Santa Monica and Malibu Unified School Districts are significantly different.
  - The relevant Education Code sections, regulations and steps outlined in the CDE Handbook permit differences within and between districts.
  - Based on the standards and conditions outlined in the CDE Handbook, it does not appear that the non-white population of the proposed Santa Monica Unified School District would exceed the 75% mark within the next five years.
    - The population of non-white students, especially Hispanics, is projected to increase, but it will not grow to such a level as to merit a concern about segregation.
  
- Although the Malibu area of the District has a lower percentage of what is categorized as “Non-White students” based on the data as collected by CDE, there are several ethnicities prevalent in the community that simply are not accounted for given the constraints of the CDE data gathering process.
  - The Malibu community includes a significant number of students from Middle Eastern and Eastern European countries that are not specifically accounted for in the CDE data.
    - These students are seamlessly integrated into the Malibu area schools sites and will continue to be after reorganization.
  
- Each reorganized district would only have one high school site.
  - As such, options to integrate students within district boundaries are limited.
    - Should integration be required, the Santa Monica and Malibu Unified School Districts could adopt an open enrollment policy, or such policies could be implemented with other nearby districts.

- SM-MUSD has not received any court orders to desegregate.
  - Any current policies were adopted voluntarily.
- Over the past twenty-plus years, SM-MUSD has undertaken a number of initiatives to address and reduce racial and socioeconomic disparities in student achievement.
  - In 2016, SM-MUSD contracted with Pedro A. Noguera and Associates to conduct an equity-based review of its schools (the Study).
    - Dr. Noguera is a renowned education expert and Dean of the USC Rossier School of Education.
  - The Study provides observations regarding how the District is currently operating and how modifications can improve the racial and socioeconomic disparities.
    - One observation of Noguera and Associates was specifically related to reorganization:

*“Malibu-Santa Monica tension – the ongoing debate over separation, the intense debates that have unfolded over equity in funding and resources, have served as a major source of distraction from district equity efforts.”*

- Based on the data, minority enrollment in the resulting school districts would not exceed the standards used by the State Board of Education to determine when segregation occurs.
  - However, the school districts could pursue open enrollment agreements to address any perceived racial imbalance.

#### Ability to Meet Feasibility Criterion #4

Since school site attendance boundaries will not change post-reorganization, the racial and ethnic make-up of each school site will remain status quo. It is reasonable to expect that the reorganization will preserve each district’s ability to educate students in an integrated environment and will not promote racial or ethnic discrimination or segregation. The reorganization will further eliminate the distraction the district is currently facing in trying to improve student equity. As such, it is reasonable to expect that this criterion will be substantially met.

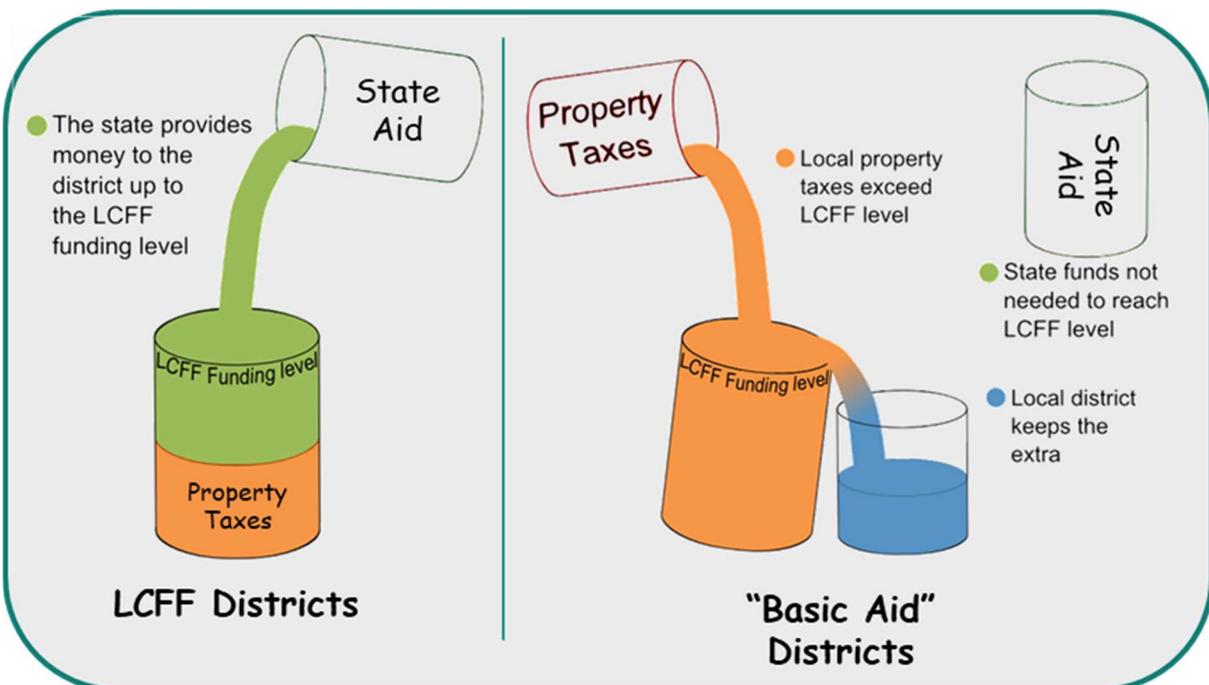
## Criterion #5: No Increase in State Costs

### Education Code Section 35753(a)(5):

Any increase in costs to the state as a result of the proposed reorganization will be insignificant and otherwise incidental to the reorganization.

### Preliminary Findings

- School primary operational funding comes from two sources: property taxes and State Aid.
  - The amount of money a district receives is based on a funding formula called the Local Control Funding Formula (“LCFF”).
  - Usually, only a portion of the entitlement comes from taxes, with the remaining amount to balance to the entitlement coming from the State.
  - However, when property taxes exceed the calculated entitlement, the district gets to keep the excess taxes and is classified as Community Funded, or Basic Aid. A minimal level of state funding, “Minimum State Aid” or MSA, is still provided.
    - For a LCFF district, ERAF and Supplemental property taxes are included in the property tax portion of the bucket. These two property tax sources are not included for a basic aid district.
    - A district does not choose nor strive toward basic aid status; a district is funded as either Basic Aid or State Funded based on whether its property taxes exceed the LCFF entitlement.



- SM-MUSD is currently Basic Aid
  - The District became Basic Aid in 2018-19 and in 2019-20 received about \$3.8 million in excess taxes over the calculated LCFF funding amount. This represents only \$360 per student in excess taxes.
  
- With the proposed reorganization, property taxes can be allocated to the school district serving the territory where the tax revenues are generated.
  - To do so, the districts can follow the calculation set forth in Revenue and Taxation Code Section 99, which applies to jurisdictional boundary changes for other local agencies.
    - Specifically, request that the LA County Assessor provide the County Auditor with “a report that identifies the assessed valuations for the territory subject to the jurisdictional change and the tax rate area or areas in which the territory exists.”
    - Then, the LA County Auditor can “estimate the amount of property tax revenue generated within the territory that is subject of the jurisdictional change during the current fiscal year.”
    - Finally, the LA County Auditor can “estimate what proportion of the property tax revenue is attributable to each local agency.”
  - The amount of property tax revenue attributable to each of the proposed school districts would become the basis for the property tax allocation.
  
- Post-reorganization, the proposed Malibu USD would continue to be Basic Aid, but the proposed Santa Monica USD may not be, at least initially.
  - As such, the loss of community funded status would have a financial impact on the State which would be required to backfill the shortfall of taxes.
  - As part of the proposed reorganization, a property tax sharing agreement may be needed to allocate a portion of the proposed Malibu USD’s property taxes to the proposed Santa Monica USD for the purpose of eliminating additional State Aid beyond the MSA amount.
    - As an alternative, a JPA model could potentially be considered to transfer property tax revenues from Malibu USD to Santa Monica USD for a period of time.
  
- Using 2019-20 as a base-year and utilizing the LCFF Calculator used by school districts throughout California to determine their funding level, the amount that the proposed Malibu USD would need to transfer to the proposed Santa Monica USD would decline over time as Santa Monica USD approaches Basic Aid status.
  - Once the proposed Santa Monica USD reaches Basic Aid status, the property tax transfers from Malibu USD would stop.
  
- It is not anticipated that this reorganization will have a significant impact on facilities’ needs.
  - As such, it is not anticipated that State funding would be needed for facilities improvements for either of the proposed future school districts.

Per LCFF Calculator, Assumptions as of Spring 2020						
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
<b>Santa Monica USD New</b>						
State Aid (fill property tax shortfall)	17,043,124	17,402,739	17,099,013	16,815,875	13,586,094	10,481,403
EPA	1,771,696	1,779,555	1,779,555	1,776,861	1,766,414	1,764,275
Property Taxes	63,216,785	65,314,360	67,874,623	70,553,790	73,357,624	76,292,173
<b>Total Funding</b>	<b>82,031,605</b>	<b>84,496,655</b>	<b>86,753,192</b>	<b>89,146,526</b>	<b>88,710,133</b>	<b>88,537,850</b>
<i>Excess Taxes</i>	-	-	-	-	-	-
<b>Malibu USD New</b>						
State Aid	1,257,431	1,217,645	1,179,374	1,145,431	1,138,796	1,132,433
EPA	302,351	292,785	283,369	273,543	270,118	268,055
Property Taxes	29,697,455	31,182,328	32,741,445	34,378,517	36,097,443	37,902,315
<b>Total Funding</b>	<b>31,257,238</b>	<b>32,692,758</b>	<b>34,204,187</b>	<b>35,797,491</b>	<b>37,506,357</b>	<b>39,302,803</b>
<i>Excess Taxes</i>	<i>16,212,180</i>	<i>17,795,852</i>	<i>19,419,263</i>	<i>21,126,009</i>	<i>22,989,385</i>	<i>24,888,345</i>
<b>Per Student Funding per LCFF Calcs</b>						
SMMUSD Prior District (per SMMUSD analysis)	\$9,745	\$10,189	\$10,695	\$11,245	\$11,835	\$12,399
SMUSD New Funded per Student	\$9,260	\$9,496	\$9,750	\$10,034	\$10,044	\$10,037
Malibu USD New Funded per Student, per calculation	<del>\$20,676</del>	<del>\$22,332</del>	<del>\$24,141</del>	<del>\$26,173</del>	<del>\$27,770</del>	<del>\$29,324</del>
Malibu USD Revised Funding After Tax Transfer	\$14,250	\$15,472	\$17,300	\$19,318	\$23,225	\$27,065
SMUSD ADA (per SMMUSD analysis)	8,858	8,898	8,898	8,884	8,832	8,821
Malibu USD ADA (per SMMUSD analysis)	1,512	1,464	1,417	1,368	1,351	1,340
<b>Proposal -</b>						
Malibu Excess Taxes per LCFF calculation (from above)	\$16,212,180	\$17,795,852	\$19,419,263	\$21,126,009	\$22,989,385	\$24,888,345
<b>Payment for Add'l State Aid pd by CDE (treat as taxes by SMUSD)</b>	<b>(\$9,714,712)</b>	<b>(\$10,042,401)</b>	<b>(\$9,692,544)</b>	<b>(\$9,375,463)</b>	<b>(\$6,139,047)</b>	<b>(\$3,027,993)</b>
Remaining Malibu Excess Taxes after transfers above	\$6,497,468	\$7,753,451	\$9,726,719	\$11,750,546	\$16,850,338	\$21,860,352

## Ability to Meet Feasibility Criterion #5

Post-reorganization, the proposed Santa Monica USD may no longer be Basic Aid, which would require additional State funding. In order to eliminate this additional cost to the State, the proposed Malibu USD could transfer property taxes through a tax sharing agreement to offset the additional State cost until such time as the proposed Santa Monica USD is community funded.

As such, it is reasonable to expect that criterion #5 could be substantially met.

## Criterion #6: Promoting Educational Performance

### **Education Code Section 35753(a)(6):**

The proposed reorganization will continue to promote sound education performance and will not significantly disrupt the educational programs in the districts affected by the proposed reorganization.

### **California Code of Regulations, Title 5, Section 18573(a)(5):**

The proposal or petition shall not significantly adversely affect the educational program of districts affected by the proposal or petition. In analyzing the proposal or petition, the California Department of Education shall describe the districtwide programs and the school site programs in schools not a part of the proposal or petition that will be adversely affected by the proposal or petition.

### Preliminary Findings

- Since students within SM-MUSD generally attend neighborhood schools, the proposed reorganization would have limited impact on the general education support provided to students as it is assumed that current staff and curriculum remain similar to what is currently in place.
- The proposed Malibu USD will be able to continue to offer existing programs and may be able to expand programmatic offerings with higher per pupil funding.
- Inter-district transfers could be utilized by students currently attending schools outside of the territory of the proposed reorganized districts.
  - Additional options for inter-district transfers could be considered for families that reside in one community, but are employed in the other community.
- The reorganization could have an impact on centralized programs such as special education, English Language Learner (ELL) services, and alternative education, especially in the proposed Malibu USD.
  - The proposed Santa Monica USD is only anticipated to lose approximately 15% of its student population.
    - Therefore, the impact on these programs will be manageable.
  - However, the proposed Malibu USD will need to create new programs for these students.
    - Comparable programs can continued to be offered by Malibu USD with smaller subsets of students, but there will be a financial impact based on the loss of program scale.

- The proposed budget includes continuation of all programs and staffing levels that are currently in place in Malibu, and additionally offers a similar level of centralized services to complement site level services.

**Programs Currently Offered:**

The full list of programs currently offered by the School District was not provided to the City of Malibu even after a public information request. As such, the following list is preliminary based on information provided by Malibu community members and information obtained in publicly available documents.

- Dual Immersion Program (Spanish and English) – offered at Edison Elementary, John Adams Middle and Santa Monica High School
- 5 foreign languages offered in Santa Monica (Spanish, Mandarin, French, Japanese and Latin), 2 foreign languages offered in Malibu (Spanish and French)
- Advanced Placement – 20 courses offered at Santa Monica High and 16 courses offered at Malibu High
- Young Collegians Program – Santa Monica High
- AVID – John Adams MS and Santa Monica HS
- Instrumental Music Program at Elementary Schools – dedicated teacher for each instrument in Santa Monica area, one teacher for all instruments in Malibu
- Reading Specialist –at each elementary school in Santa Monica, and shared among Malibu schools

**Academic Performance:**

<b>2019 English Language Arts Performance Levels</b>			
<b>Status Level Color</b>			
<b>School</b>	<b>All Students</b>	<b>English Learners</b>	<b>Students with Disabilities</b>
<b>Malibu Unified School District</b>			
Malibu Elementary School	Blue	None	None
Malibu High	Green	Orange	Red
Webster Elementary	Blue	None	None
<b>Santa Monica Unified School District</b>			
Edison Elementary	Blue	Green	Orange
Franklin Elementary	Blue	None	Blue
Grant Elementary	Green	None	Orange
John Adams Middle	Green	Orange	Red
John Muir Elementary	Green	None	None
Lincoln Middle	Blue	Yellow	Yellow
McKinley Elementary	Blue	Green	None
Roosevelt Elementary	Blue	Green	Orange
Santa Monica Alternative (K-8)	Blue	None	None
Santa Monica High	Blue	Orange	Red
Will Rogers Elementary	Green	Orange	Orange

2019 Mathematics Performance Levels			
Status Level Color			
School	All Students	English Learners	Students with Disabilities
<b>Malibu Unified School District</b>			
Malibu Elementary School	Green	None	None
Malibu High	Green	None	Red
Webster Elementary	Green	None	None
<b>Santa Monica Unified School District</b>			
Edison Elementary	Green	Yellow	Orange
Franklin Elementary	Blue	None	Blue
Grant Elementary	Green	None	Orange
John Adams Middle	Orange	Orange	Red
John Muir Elementary	Green	None	None
Lincoln Middle	Blue	Green	Orange
McKinley Elementary	Green	Yellow	None
Roosevelt Elementary	Blue	Green	Green
Santa Monica Alternative (K-8)	Blue	None	None
Santa Monica High	Blue	Orange	Red
Will Rogers Elementary	Green	Yellow	Yellow

Source: California Department of Education, California School Dashboard



<b>Percentage of Students Meeting Scholastic Aptitude Test Benchmarks</b>				
<b>Year</b>	<b>Subject</b>	<b>Malibu High</b>	<b>Santa Monica High</b>	<b>CA</b>
2018-19	Reading and Writing	93.5%	89.1%	69.2%
	Mathematics	83.7%	75.3%	50.4%
2017-18	Reading and Writing	89.7%	78.2%	71.0%
	Mathematics	73.8%	61.6%	50.6%
2016-17	Reading and Writing	94.6%	84.2%	72.3%
	Mathematics	75.0%	67.1%	50.8%

Source: California Department of Education, DataQuest.

<b>3 Year Historical Graduation Rates</b>			
<b>Year</b>	<b>Malibu High</b>	<b>Santa Monica High</b>	<b>CA</b>
2018-19	96.8%	95.3%	88.1%
2017-18	91.1%	92.6%	87.3%
2016-17	96.3%	95.0%	86.7%

Source: California Department of Education, DataQuest.

- Both Malibu High School and Santa Monica High School offer honors and Advanced Placement (“AP”) courses in English, math, science, social science, foreign language and the arts.
  - Santa Monica High School had 861 students enrolled in 20 AP courses in 2018-19.
  - Malibu High School had 242 students enrolled in 16 AP courses in 2018-19
  - The proposed reorganization is not anticipated to impact the availability of AP courses as both of the proposed new districts will be able to continue to offer such courses.

<b>2018-19 Advanced Placement Test Participants</b>		
	<b>Malibu High</b>	<b>Santa Monica High</b>
Number of Exams Taken	498	1,650
Passage Rate (Score of 3,4 or 5)	73.69%	73.94%

Source: California Department of Education, DataQuest.

- The achievement and outcomes results are fairly comparable between the two areas.
  - For this reason, it is expected that reorganization will not negatively impact students’ educational performance presuming that programs remain comparable.

**English Language Learners:**

<b>2019-20 English Language Learner Enrollment</b>			
	<b>Total Students Enrolled</b>	<b>Enrolled English Learners</b>	<b>English Learners % of Enrollment</b>
Santa Monica-Malibu Unified	10,350	889	8.6%
Malibu Unified	1,406	85	6.0%
Santa Monica Unified	8,944	804	9.0%

*Source: California Department of Education, DataQuest.*

- Malibu area students that are the most in need are not being served well by the current school district organization.
  - English Language Learners in Malibu have not had an ELL teacher since that teacher retired in 2000, even though parents have repeatedly for that support. I
  - In fact, many parents have had to get attorneys and advocates to represent their interests against SM-MUSD through due process complaints because they find their children are funneled to special education programs instead of being provided the specialized services they once had more than twenty years ago.
- Reorganization will have little to no impact on the distribution of ELL students, but there could be some impact on the approach taken to address the needs of such students.
- Under SM-MUSD’s current model of support, there a centralized supports, such as a Bilingual Community Liaison Program and ELL professional development, which benefit all schools.
  - These supports are included in the proposed budget for Malibu USD.
  - Alternative models could be used by Malibu USD as well.

**Special Education:**

The School District did not provide specific information related to how special education student needs are handled in each community even after a Public Information Request. The following information is preliminary, based on conversations with Malibu community members, information previously obtained through previous reorganization studies, and publicly available information.

- The District is currently a member of the Tri-City Special Education Local Planning Area (SELPA), which also includes Culver City and Beverly Hills Unified School Districts.
- With the proposed reorganization, Malibu USD would be presented with the option to either remain a member of the existing SELPA or seek membership in another SELPA
  - Malibu USD will need to address how it will provide services to students who currently attend a school that post-reorganization would be in the Santa Monica USD.
    - An alternative placement or an inter-district transfer option would likely be necessary.

- For the financial analysis related to this reorganization, special education revenue and costs are split based on overall enrollment.
  - An additional budgetary allocation has been added to the budget for Malibu USD to cover the cost of a new Special Education Director position.

### **Alternative Schools**

- The District currently operates one continuation high school (Olympic) and one alternative K-8 school (Santa Monica Alternative).
  - Both programs are on campuses within the area that would become Santa Monica USD attendance area.
- It will be necessary for Malibu USD to create options for students requiring alternative education placements.
  - To accommodate these students, Malibu USD will need to identify space within existing facilities where programs can be offered in a self-contained manner with cost-effective staffing, and selecting and implementing an effective program of support.
  - Alternatively, Malibu USD could develop an inter-district agreement with Santa Monica USD or another neighboring school district to provide such support.

## Ability to Meet Feasibility Criterion #6

The proposed unification will not alter the school attendance boundaries and each future reorganized district will have sufficient per pupil funding to continue to offer the educational programs currently offered at existing school sites. It is reasonable to expect that the proposed reorganization will not significantly disrupt the educational programs in the affected districts and will continue to promote sound educational performance. Further, the reorganization will provide the proposed Malibu USD with an opportunity to enhance programs offered as well as provide programs specifically desired by the Malibu community. Therefore, it is reasonable to expect that this criterion can be substantially met.

## Criterion #7: School Housing Costs

### Education Code Section 35753(a)(7):

Any increase in school facilities costs as a result of the proposed reorganization will be insignificant and otherwise incidental to the reorganization.

### Preliminary Findings

- The proposed reorganization will not alter the school attendance boundaries.
  - SM-MUSD currently has the capacity to accommodate all students in its existing facilities.
- The table below shows the 2019-20 enrollment at each school site and the estimated school site capacities.
  - The capacity of each site was determined based on the State loading standards of 25 students per classroom for Kindergarten through 6<sup>th</sup> grade and 27 students per classroom for 7<sup>th</sup> through 12<sup>th</sup> grade.
  - The proposed Malibu USD would have an estimated capacity for 2,345 students.
  - The proposed Santa Monica USD would have an estimated capacity for 10,076 students.

<b>School Site Enrollment and Estimated Capacity</b>		
<b>School Site</b>	<b>2019-20 Enrollment</b>	<b>Estimated Capacity</b>
<b>Malibu Unified School District</b>		
Malibu Elementary	272	425
Webster Elementary	272	300
Malibu Middle	334	621
Malibu High	528	999
<b>Total Malibu Unified School District</b>	<b>1,406</b>	<b>2,345</b>
<b>Santa Monica Unified School District</b>		
Edison Language Academy	439	475
Franklin Elementary	727	700
Grant Elementary	582	600
John Muir Elementary	270	400
McKinley Elementary	450	475
Roosevelt Elementary	755	850
Santa Monica Alternative School House	227	275
Will Rogers Elementary	491	550
John Adams Middle	1,006	1,080
Lincoln Middle	1,116	1,296
Olympic High	47	189
Santa Monica High	2,816	3,186
<b>Total Santa Monica Unified School District</b>	<b>8,926</b>	<b>10,076</b>

- The proposed Malibu USD does not have any alternative schools within their boundaries.
  - To accommodate those students, there may be a need to reconfigure some classrooms on the existing high school site in order to accommodate alternative education programs in the future.

### Ability to Meet Feasibility Criterion #7

Reorganization will not impact the school attendance boundaries of the existing District and school site capacity at each site is currently sufficient to house existing students. With declining enrollment at both reorganized districts, it is not anticipated that additional school capacity will be needed. Further, although the proposed Malibu USD will need to create classroom space to accommodate alternative education students, it is expected that this can be accomplished on existing campuses. Therefore, it is reasonable to expect that this criterion can be substantially met.

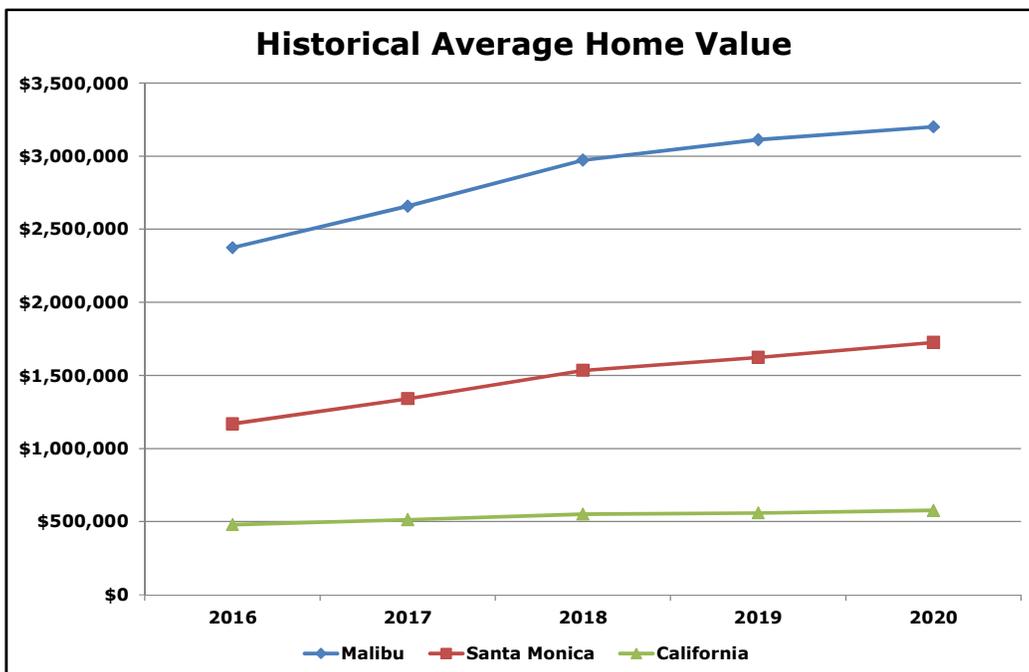
## Criterion #8: Property Values

### Education Code Section 35753(a)(8):

The proposed reorganization is primarily designed for purposes other than to significantly increase property values.

### Preliminary Analysis

- There is no indication that a significant increase in property values will result as a product of the reorganization.
  - Although property values in the Malibu area are high, the reorganization itself will not drive further increases in property values as the Malibu area has other independent factors driving the high property values.
  - Further, property values in Santa Monica are high as well compared to the State average and are not dependent on the Malibu area for these high property values.
- While there are certainly areas of contrast between the two cities, because the attendance areas for the proposed districts are not changing from those currently in place, it is unlikely that property values will experience any significant changes as a result of the reorganization.
  - Additionally, since school quality is consistent across both attendance areas, concerns regarding this criterion are minimal.



- The average residential assessed value in both Malibu and Santa Monica are relatively high, with Single Family assessed value at almost \$3 million per home in Malibu and approximately \$1.5 million per home in Santa Monica.
  - Average Single Family assessed value in Los Angeles County is approximately \$515,000.

<b>Malibu Unified School District Residential Parcels</b>			
<b>Type</b>	<b># of Parcels</b>	<b>% of Total Residential Parcels</b>	<b>Average Assessed Value</b>
Single Family	5,527	75.4%	\$2,929,133
Condominium	1,318	18.0%	\$887,819
Mobile/Manufactured Homes	276	3.8%	\$121,038
Apartments	32	0.4%	\$3,771,784
Multi-Family	173	2.4%	\$2,731,177
Retirement Home	1	0.0%	\$3,370,676
<b>Total</b>	<b>7,327</b>	<b>100.0%</b>	

<b>Santa Monica Unified School District Residential Parcels</b>			
<b>Type</b>	<b># of Parcels</b>	<b>% of Total Residential Parcels</b>	<b>Average Assessed Value</b>
Single Family	7,740	37.4%	\$1,569,633
Condominium	8,822	42.6%	\$752,737
Mobile/Manufactured Homes	49	0.2%	\$65,938
Apartments	2,364	11.4%	\$2,408,157
Multi-Family	1,702	8.2%	\$917,779
Retirement Home	27	0.1%	\$7,621,584
<b>Total</b>	<b>20,704</b>	<b>100.0%</b>	

### Ability to Meet Criterion #8

With property values already high in both areas of the District, there is no evidence to suggest that property values would further increase as a result of the proposed reorganization. Further, there is no indication that the City of Malibu, as the petitioners, aims to increase property values through this proposal. Therefore, it is reasonable to expect that this criterion will be substantially met.

## Criterion #9: Sound Fiscal Management

### Education Code Section 35753(a)(9):

The proposed reorganization will continue to promote sound fiscal management and not cause a substantial negative effect on the fiscal status of the proposed district or any existing district affected by the proposed reorganization.

### Preliminary Findings

- SM-MUSD operates with an approximate \$162 million General Fund adopted budget.
  - LCFF entitlement is approximately \$102 million
    - SM-MUSD is currently a basic aid school district that receives approximately \$3.8 million of property taxes in excess of its base LCFF funding level.
  - The budget is further augmented by over \$50 million of ongoing Other Local Revenues comprised of a voter approved parcel tax, redevelopment pass-through and residual funds, joint use payments agreed to by the City of Santa Monica, lease revenue, and a 50% share of sales taxes generated in Santa Monica.

Type of Revenue	Notes	2020-21 SMMUSD Est	Santa Monica 2020-21 Split	Malibu 2020-21 Split
Santa Monica Ed Foundation		\$2,068,000	\$2,068,000	
Malibu Fundraising (zero to new SMUSD)		\$165,000		\$165,000
Lease & Rental (Remains with SMUSD)		\$2,450,000	\$2,450,000	\$0
Interest Earned (Prorated 50%)		\$200,000	\$100,000	\$100,000
All Other Local Revenue (Prorated 85/15)		\$945,000	\$803,250	\$141,750
Property Taxes from Santa Monica TRAs	(A)	\$45,132,522	\$45,132,522	
Property Taxes from Malibu TRAs	(A)	\$31,182,328		\$31,182,328
Parcel Tax from Santa Monica TRAs		\$9,666,783	\$9,666,783	
Parcel Tax from Malibu TRAs		\$3,477,938		\$3,477,938
City of Santa Monica Sales Tax (50% of \$ to SD)		\$15,200,000	\$15,200,000	
City of Santa Monica Joint Use		\$9,300,000	\$9,300,000	
RDA Pass-Through Facilities Santa Monica only		\$4,639,058	\$4,639,058	
RDA Pass-Through Property Tax Santa Monica only	(A)	\$3,542,704	\$3,542,704	
RDA Residual	(A)	\$11,639,135	\$11,639,135	
		\$139,608,468	\$104,541,452	\$35,067,016
Back Out LCFF-related taxes		(\$91,496,689)	(\$60,314,360)	(\$31,182,328)
Remaining Other Local Revenue		\$48,111,779	\$44,227,091	\$3,884,688

(A) Property Taxes subject to LCFF funding calculation. Once district is in basic aid status, excess property taxes are retained by district above the LCFF entitlement amount.

- Post-reorganization, the proposed Malibu USD would continue to be Basic Aid, but the proposed Santa Monica USD may not be initially.
  - In order to meet Criterion #5, Malibu USD would need to transfer property tax money to Santa Monica USD through a tax sharing agreement to ensure no increase in cost to the State due to this reorganization.
    - The proposed Malibu USD would still have sufficient funding to remain Basic Aid after the property tax transfer.
- Additionally, since SM-MUSD has significant funding from Other Local Revenues sources, the City of Malibu has proposed that for a not-to-exceed 10-year period post reorganization, Malibu USD would transfer additional funds in the event that the combined Other Local Revenues received by Santa Monica USD decline and overall operational per pupil funding is lower than per pupil funding at the time of reorganization.
  - This transfer would ensure that the students in Santa Monica USD are educated with at least the same per pupil funding amount after reorganization as they have now, if not more funding per pupil.
- Currently, SM-MUSD is ranked 3<sup>rd</sup> in overall operational per pupil funding in Los Angeles County, as shown in the 2018-19 LA County Public Schools Financial Report.
  - After reorganization, it is anticipated that Malibu USD would be ranked 3<sup>rd</sup> and Santa Monica USD would be ranked 4<sup>th</sup> in terms of per pupil funding, with both ahead of the current per pupil funding of SM-MUSD.

**LA County Unified School Districts Ranking of 2018-19 Funding <sup>(1)</sup>**  
**Current Districts and Proposed Two New Districts Ranked by Total Operating Revenue per Student**

District	Total LCFF Revenue	Sum of Other Local Rev	Enrollment	LCFF		All Operating	
				Funding per Student	Rank LCFF Funding	Revenue per Student	Rank Overall
Beverly Hills	54,237,235	15,202,576	3,774	\$14,371	1	\$18,400	1
Acton-Agua Dulce(2)	9,808,103	8,481,392	1,084	\$9,048	31	\$16,872	2
<b>Malibu USD pro forma (19-20)</b>	<b>21,542,525</b>	<b>3,799,860</b>	<b>1,512</b>	<b>\$14,248</b>		<b>\$16,761</b>	
<b>Santa Monica USD pro forma (19-20)</b>	<b>82,031,605</b>	<b>44,199,490</b>	<b>8,858</b>	<b>\$9,261</b>		<b>\$14,251</b>	
Santa Monica-Malibu	96,068,254	54,827,726	10,629	\$9,038	32	\$14,197	3
San Marino	26,167,093	13,995,148	2,973	\$8,802	37	\$13,509	4
Los Angeles(2)	5,649,654,239	218,022,666	446,996	\$12,639	2	\$13,127	5
Inglewood(2)	96,948,479	3,640,701	8,006	\$12,109	3	\$12,564	6
Baldwin Park(2)	140,345,160	13,050,308	12,515	\$11,214	8	\$12,257	7
Compton(2)	240,585,944	14,916,743	20,946	\$11,486	4	\$12,198	8
Azusa	88,916,986	8,605,470	8,022	\$11,084	9	\$12,157	9
Bassett	39,226,996	2,639,562	3,473	\$11,295	6	\$12,055	10
West Covina(2)	89,655,245	13,208,851	8,616	\$10,406	15	\$11,939	11
Paramount	170,981,269	6,822,629	14,903	\$11,473	5	\$11,931	12
Montebello	281,122,137	14,138,067	25,387	\$11,073	10	\$11,630	13
Lynwood	156,271,567	3,935,279	13,880	\$11,259	7	\$11,542	14
Duarte(2)	35,143,159	5,580,985	3,551	\$9,897	23	\$11,468	15
Pomona(2)	245,591,043	11,735,117	22,488	\$10,921	11	\$11,443	16
Alhambra	170,277,256	18,395,104	16,561	\$10,282	17	\$11,393	17
San Gabriel(2)	49,654,699	6,215,232	4,985	\$9,961	22	\$11,208	18
Rowland(2)	139,604,601	5,703,399	13,151	\$10,616	12	\$11,049	19
Manhattan Beach	54,712,115	17,609,184	6,588	\$8,305	48	\$10,978	20
El Rancho	88,153,834	3,942,988	8,420	\$10,470	13	\$10,938	21
Covina-Valley	118,835,237	6,050,487	11,570	\$10,271	18	\$10,794	22
Charter Oak	44,469,562	5,028,256	4,591	\$9,686	25	\$10,781	23
Arcadia	82,978,574	16,741,774	9,363	\$8,862	36	\$10,650	24
Downey	220,117,178	14,057,091	22,027	\$9,993	21	\$10,631	25
La Canada	34,848,333	8,971,714	4,126	\$8,446	45	\$10,620	26
Hacienda La Puente	186,218,522	5,485,269	18,071	\$10,305	16	\$10,608	27
Norwalk-La Mirada	182,198,428	2,111,712	17,413	\$10,463	14	\$10,585	28
Temple City	53,258,249	5,933,587	5,640	\$9,443	26	\$10,495	29
Long Beach(2)	730,129,243	30,687,536	72,758	\$10,035	20	\$10,457	30
Claremont	62,390,007	10,053,308	6,944	\$8,985	33	\$10,433	31
Pasadena(2)	160,730,975	9,295,326	16,378	\$9,814	24	\$10,381	32
Monrovia	50,889,895	5,260,013	5,431	\$9,370	27	\$10,339	33
Bellflower	119,019,910	1,439,416	11,677	\$10,193	19	\$10,316	34
Bonita	89,740,390	12,786,574	10,077	\$8,905	35	\$10,174	35
Walnut Valley	126,138,342	13,566,652	13,894	\$9,079	29	\$10,055	36
El Segundo	29,293,281	5,348,274	3,453	\$8,483	43	\$10,032	37
Palos Verdes Peninsula	94,490,327	17,830,050	11,217	\$8,424	46	\$10,013	38
South Pasadena	40,650,673	7,121,323	4,785	\$8,495	42	\$9,984	39
Wiseburn(2)	21,017,672	3,816,498	2,525	\$8,324	47	\$9,835	40
Glendale	234,321,859	17,230,663	25,812	\$9,078	30	\$9,746	41
Glendora	64,715,002	4,853,704	7,209	\$8,977	34	\$9,650	42
Las Virgenes	95,622,948	11,514,642	11,148	\$8,578	41	\$9,610	43
ABC	186,740,477	7,918,875	20,488	\$9,115	28	\$9,501	44
Torrance	205,222,302	12,717,223	23,398	\$8,771	38	\$9,314	45
Culver City	61,703,238	3,441,782	7,146	\$8,635	40	\$9,116	46
Burbank	132,510,686	4,941,527	15,194	\$8,721	39	\$9,046	47
Redondo Beach	84,834,942	3,100,604	10,042	\$8,448	44	\$8,757	48
Grand Total	11,436,211,665	707,973,004					

(1) Source: 2018-19 LA County Public Schools Financial Report (Tables 2, 6)

(2) includes charter schools

- Below is a summary of the initial proposed operating budgets for both reorganized districts.

<b>Malibu Unified School District</b>				
	<b>Unrestricted 2020-21</b>	<b>Restricted 2020-21</b>	<b>Combined</b>	<b>Notes</b>
LCFF Revenue	\$32,692,758	\$0	\$32,692,758	(A)
Transfer of Property Taxes	(\$10,042,401)	\$0	(\$10,042,401)	(B)
Federal Revenue	\$14,973	\$608,150	\$623,123	(C)
State Revenue	\$274,347	\$185,707	\$460,054	(C)
Parcel Tax	\$3,477,938		\$3,477,938	(D)
Other Local Revenue	\$406,750	\$1,178,771	\$1,585,521	(G)
<b>Total Revenue</b>	<b>\$26,824,365</b>	<b>\$1,972,627</b>	<b>\$28,796,992</b>	
Certificated	\$7,873,197	\$2,065,014	\$9,938,211	(E)
Classified	\$3,008,534	\$1,852,324	\$4,860,858	(E)
Benefits	\$4,697,445	\$1,866,003	\$6,563,448	(E)
Books & Supplies	\$833,574	\$232,249	\$1,065,823	(E)
Professional Services	\$1,405,000	\$855,638	\$2,260,638	(E)
Capital Outlay	\$385,000	\$6,745	\$391,745	(E)
Indirect/Direct Costs	(\$93,356)	\$93,356	\$0	(E)
<b>Total Expenditures</b>	<b>\$18,109,394</b>	<b>\$6,971,329</b>	<b>\$25,080,723</b>	
Transfers			\$0	
Contribution	-\$4,998,702	\$4,998,702	\$0	(F)
<b>Surplus/(Deficit)</b>	<b>\$3,716,269</b>	<b>\$0</b>	<b>\$3,716,269</b>	
Beginning Fund Balance	\$2,197,885	\$709,780	\$2,907,665	(C)
Ending Fund Balance	\$5,914,153	\$709,780	\$6,623,933	

**Budget Assumptions:**

Enrollment MUSD	1,500
Enrollment SMUSD	8,518

(A) LCFF Revenue calculated uniquely for each district. See separate analysis.

(B) Calculated amount to maintain flat funding by the State to both new districts combined. See separate analysis.

(C) Allocated current SMMUSD 2020-21 Adopted Budget on a per-student basis, assuming MUSD enrollment of 1,500 and SMUSD enrollment of 8,518.

(D) Portion of SMMUSD parcel tax generated by property within the new Malibu USD district boundaries.

(E) Unrestricted budget developed on a department basis for district office and operations functions, and site budgets for school sites within the new MUSD boundaries are per the SMMUSD 2020-21 Adopted Budget. Restricted budgets are based on a pro rata share of current SMMUSD 2020-21 restricted budget, adjusted for increased staffing for new Malibu USD to cover central office SELPA functions.

(F) Contribution amount reflects contribution needed to balance restricted spending versus restricted revenues.

(G) Based on schedule of Other Local Revenue excluding property taxes subject to the LCFF calculation

**Santa Monica Unified School District**

	<b>Unrestricted 2020-21</b>	<b>Restricted 2020-21</b>	<b>Combined</b>	<b>Notes</b>
LCFF Revenue	\$84,496,655	\$0	\$84,496,655	(A) (B)
Federal Revenue	\$85,027	\$3,453,481	\$3,538,508	(C)
State Revenue	\$1,557,925	\$1,054,565	\$2,612,490	(C)
Parcel Tax	\$9,666,783		\$9,666,783	(D)
City of Santa Monica Sales Tax (50% of \$ to SD)	\$15,200,000		\$15,200,000	(G)
City of Santa Monica Joint Use	\$9,300,000		\$9,300,000	(G)
Other Local Revenue	\$5,421,250	\$6,693,846	\$12,115,096	(H)
RDA Pass-Through Facilities	\$4,639,058		\$4,639,058	(G)
<b>Total Revenue</b>	<b>\$130,366,698</b>	<b>\$11,201,893</b>	<b>\$141,568,591</b>	
Certificated	\$43,027,590	\$10,152,649	\$53,180,239	(E)
Classified	\$16,059,896	\$10,126,036	\$26,185,932	(E)
Benefits	\$26,636,095	\$10,340,870	\$36,976,965	(E)
Books & Supplies	\$712,216	\$1,318,867	\$2,031,083	(E)
Professional Services	\$9,008,617	\$4,858,883	\$13,867,500	(E)
Capital Outlay	\$191,311	\$38,305	\$229,615	(E)
Indirect/Direct Costs	-\$989,289	\$530,136	-\$459,153	(E)
<b>Total Expenditures</b>	<b>\$94,646,434</b>	<b>\$37,365,746</b>	<b>\$132,012,180</b>	
Transfers In/ (Out)	-\$2,550,000		-\$2,550,000	
Contribution	-\$26,163,853	\$26,163,853	\$0	(F)
<b>Surplus/(Deficit)</b>	<b>\$7,006,411</b>	<b>\$0</b>	<b>\$7,006,411</b>	
Beginning Fund Balance	\$12,481,053	\$4,030,605	\$16,511,658	(C)
Ending Fund Balance	\$19,487,464	\$4,030,605	\$23,518,069	

**Budget Assumptions:**

Enrollment MUSD	1,500
Enrollment SMUSD	8,518

- (A) LCFF Revenue calculated uniquely for each district. See separate analysis.
- (B) Calculated amount to maintain flat funding by the State to both new districts combined is part of the LCFF funding for SMUSD; it is not additional funding. See separate analysis.
- (C) Allocated current SMMUSD 2020-21 Adopted Budget on a per-student basis, assuming MUSD enrollment of 1,500 and SMUSD enrollment of 8,518.
- (D) Portion of SMMUSD parcel tax generated by property within the new Malibu USD district boundaries.
- (E) Unrestricted budget based on a per-student per the SMMUSD 2020-21 Adopted Budget, reduced for a proportionate share of budget reductions identified in the Fiscal Stabilization Plan. Restricted budgets are based on a pro rata share of current SMMUSD 2020-21 restricted budget, adjusted for increased staffing for new Malibu USD to cover central office SELPA functions.
- (F) Contribution amount reflects contribution needed to balance restricted spending versus restricted revenues.
- (G) Current SMMUSD tax revenue assumed to go 100% to new SMUSD
- (H) Based on schedule of Other Local Revenue excluding property taxes subject to the LCFF calculation
- (I) Restricted budgets on a pro rata basis, adjusted for board adopted budget reductions.

- There are anticipated expenditure increases in Malibu USD related to the proposed reorganization that include costs for establishing centralized administration, creating programs to meet the needs of English Language Learners, students with disabilities, alternative education options, and establishing facilities for a district office and support services facilities.
- It is anticipated that at least initially, salary schedules for Malibu USD will remain the same as the current SM-MUSD.
  - There could be an additional cost, at least initially, for contract negotiations. Any additional costs are affordable for Malibu USD.
- The financial viability of the proposed Malibu and Santa Monica Unified School Districts following reorganization will be largely dependent upon management decisions and negotiations with labor groups.

## Ability to Meet Criterion #9

Post-reorganization, both school districts are projected to have higher per pupil funding levels than all but two districts in Los Angeles County. Preliminary initial budgets for each school district demonstrate the financial viability post-reorganization. As such, it is reasonable to conclude that both districts will maintain fiscal solvency post reorganization.