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**Christine N. Wood**  
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September 14, 2021

**VIA ELECTRONIC MAIL**

Dr. Cherise Moore, President  
Los Angeles County Committee on School District Organization  
c/o Dr. Allison Deegan  
Los Angeles County Office of Education  
9300 Imperial Highway  
Downey, California 90242  
Email: deegan\_allison@lacoedu.edu

Dr. Moore,

I am writing on behalf of the City of Malibu (“City”) to provide the City’s response to the “Preliminary Report to the Los Angeles County Committee on School District Organization Concerning a Proposal to Form the Malibu Unified School District from Territory in the Santa Monica-Malibu Unified School District” (the “Staff Report”).

The City is delighted that the Staff Report includes a recommendation to move our petition forward into the standard reorganization process, and we hope the County Committee adopts that recommendation. Even so, the City is moderately concerned about the Staff Report’s focus on the nine criteria and the assertion that the City’s preliminary petition does not substantially meet eight of the nine criteria. To be clear, the City’s petition addresses many of the areas identified as missing or insufficient in the Staff Report, even though the City hopes to complete a feasibility study that fully addresses all nine of the criteria. Nevertheless, in an effort to be thorough, the City has provided the attached table highlighting with clarification which criteria the City has already addressed in its preliminary petition.

Additionally, if the County Committee adopts the recommendation to move the City’s petition forward into the standard reorganization process, the City requests that the County Committee advise the District—including its Board, executive staff, and school-site administrators and teachers—to work with the City as it develops its conduct its feasibility study. Admittedly, much of the information the City will need should be accessible through public records requests, but the District has not been timely with City requests submitted to date. Furthermore, the City should be able to tour Malibu facilities and talk to Malibu teachers and administrators without



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fearing retaliation by the District, which has been the overriding concern by District personnel thus far. **Therefore, if the County Committee adopts the recommendation to move the City's petition forward, the City asks that you advise the District of their responsibility to work with us and provide the data and information necessary to complete our feasibility study.**

Thank you, again, for your ongoing leadership in organizing and holding this unprecedented preliminary public hearing to test the sufficiency of the City's petition.

Regards,

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

Christine N. Wood

CNW:MR

**City of Malibu’s Clarifications to LACOE Staff’s Analysis of the Nine Criteria**

**TABLE 1. SUMMARY OF CONDITIONS, FINDINGS, AND RATIONALE**

#	Condition	LACOE Staff’s Preliminary Finding	LACOE Staff’s Rationale	City of Malibu’s Clarification
1	Adequacy in number of students.	May Not Be Substantially Met	The resulting Malibu USD may not have, nor may be able to maintain, enrollment of at least 1,501 students.	<ul style="list-style-type: none"> <li>• The Ed Code’s enrollment threshold is meant to ensure that newly created direct service districts do not become more dependent on county office of education and state support. The proposed Malibu USD would not become a direct service district as it will be basic aid with sufficient funding to hire staff to perform all necessary activities to operate the District. (City’s Petition, p. 107.)</li> <li>• School Services states, “...local tax revenues that are the primary support for basic aid school districts are insensitive to student enrollment.” (LACOE Staff Report, p. 18.)</li> <li>• Additionally, the District does not have any incentive to address the decline in enrollment in Malibu schools because it will continue to receive the same amount of property taxes from Malibu regardless of enrollment. Hence, unless we separate, enrollment will continue to suffer.</li> </ul>
2	Community identity.	May Not Be Substantially Met	Because the area proposed for a Malibu USD has been a part of the SM-MUSD for 70+ years, and has sent students to Santa Monica area schools for more than 100 years, they have longstanding inclusion in SM-MUSD and do not need to start a new school district to establish community identity.	<ul style="list-style-type: none"> <li>• Santa Monica and Malibu are two geographically distinct communities with their own character and identity and have separate local governance and different emergency service providers (police and fire). (City’s Petition, p. 109.)</li> <li>• The communities have separate Chambers of Commerce, youth groups, and organizations. (City’s Petition, p. 109.)</li> <li>• Even within the school district, the sports leagues are separate. Malibu is in the CIF Southern Section Tri County Athletic League and Santa Monica is in the Ocean League. (City’s Petition, p. 109.)</li> </ul>

#	Condition	LACOE Staff's Preliminary Finding	LACOE Staff's Rationale	City of Malibu's Clarification
3	Equitable division of assets and liabilities.	May Not Be Substantially Met	Reorganization would require a division of assets or liabilities; it is not possible to determine the financial impact at this time, but significant questions have been raised.	<ul style="list-style-type: none"> <li>• There will be an equitable division of assets and liabilities as evidenced by the fact that this criteria was the only one upon which the City and the District agreed.</li> <li>• All real property would be allocated based on geographic location, financial resources would be allocated based on ADA, and the debt (i.e. the COP) will be allocated to the Santa Monica USD as it was used to pay for its administrative headquarters. (City's Petition, p. 113.)</li> </ul>
4	Will not promote ethnic discrimination or segregation.	May Not Be Substantially Met	Reorganization would affect student enrollment or attendance significantly in both a new Malibu USD, to a degree that there would likely be dramatic shifts in racial/ethnic demographics of enrolled students.	<ul style="list-style-type: none"> <li>• 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. (City's Petition, p. 118.)</li> <li>• If additional integration is required, the districts could adopt an open enrollment policy, or such policies could be implemented with other nearby districts. (City's Petition, p. 120.)</li> </ul>
5	Will not substantially increase costs to the state.	May Not Be Substantially Met	Reorganization is likely to impact state funding significantly in terms of current and potential new buildings and other fiscal obligations.	<ul style="list-style-type: none"> <li>• It is projected that both districts would be basic aid post-reorganization; however, if the future Santa Monica USD loses its community funded status, the City has committed to backfill the shortfall of taxes until they become basic aid. (City's Petition, p. 123.)</li> <li>• Additionally, the City's proposal does not recommend any new facilities but, instead, uses an existing school structure to house the administrative headquarters for the proposed Malibu USD. (City's Petition, p.123.)</li> </ul>

#	Condition	LACOE Staff's Preliminary Finding	LACOE Staff's Rationale	City of Malibu's Clarification
6	Will not significantly disrupt educational programs in either district.	May Not Be Substantially Met	It is not clear how any reorganization would impact the educational program of both a new Malibu USD and the resulting Santa Monica USD.	<ul style="list-style-type: none"> <li>• Each reorganized district will have sufficient per pupil funding to continue to offer the current educational programs at existing school sites. (City's Petition, p. 131.)</li> <li>• Additionally, the reorganization will provide the proposed Malibu USD with an opportunity to provide programs specifically desired by the Malibu community. Hence, a full education program for Malibu USD will be developed and provided in the full feasibility study (i.e. after the preliminary public hearing), assuming cooperation from the District as the City attempts to gather data regarding the existing educational programs. (City's Petition, p. 127.)</li> <li>• Initially, the City's 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. (City's Petition, p. 127.)</li> </ul>
7	Will not result in a significant increase in school housing costs.	May Not Be Substantially Met	Reorganization would likely impact school housing costs substantially in terms of new school and administrative facilities needed, as well as potential remediation of existing facilities for a Malibu USD.	<ul style="list-style-type: none"> <li>• There are no projected increases in school housing costs. Reorganization will not impact the school attendance boundaries, and school site capacity at each site is currently sufficient to house existing students. (City's Petition, p. 133.)</li> <li>• 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. (City's Petition, p. 133.)</li> </ul>
8	Proposal is not primarily designed to substantially increase property values.	Substantially Met	While property values may increase in Malibu as a result of the creation of a Malibu USD, there is no evidence that a desire to increase property values is the <i>primary</i> motive for the reorganization request.	<ul style="list-style-type: none"> <li>• The City has no motive—primary or otherwise—to increase property values through the submission of this Petition. The City's only goal is to gain local control over its schools so it can provide the same quality academic programs currently offered in Santa Monica. (City's Petition, p. 135.)</li> </ul>

#	Condition	LACOE Staff's Preliminary Finding	LACOE Staff's Rationale	City of Malibu's Clarification
9	Will not affect the fiscal management or status of the affected districts.	May Not Be Substantially Met	Reorganization is likely to lead a significant impact to the fiscal management of both a new Malibu USD and the resulting Santa Monica USD.	<p>Since both parties agree that separation is the only way forward, the City believes separation is achievable with the raw data in the SSC report. However, the parties differ in the interpretation of that data as described below.</p> <ul style="list-style-type: none"> <li>• Firstly, the City's offer addresses Santa Monica USD's per student revenue short-falls through true-up payments to the District for 10 years. (City's Petition, p. 142p.)</li> <li>• Secondly, a portion of the projected additional short-falls reflected in SSC's report are a result of the District's structural budget deficit and the omission of the significant budget reductions scheduled for 2020-21SY. (SSC Report, p. 27.) These short-falls cannot be attributed solely to the proposed reorganization. By contrast, the City's financial analysis includes the multi-year budgets cuts identified in SM-MUSD's Fiscal Stabilization Plan, as required by LACOE. (City's Petition, p. 142.)</li> <li>• Thirdly, SSC failed to include the \$44 million of Other Local Funding in the per pupil revenue snapshot that was highlighted. A new Malibu USD would have an approx 95% LCFF and 5% Other Local Funding, while a new Santa Monica USD would have an approx 70% LCFF and 30% Other Local Funding. To omit Other Local Funding as a source of revenue in the per pupil snapshot is not only derelict, but a biased comparison against the City of Malibu. (City's Petition, p. 142.)</li> <li>• Fourthly, the SSC report makes two discordant assumptions: (1) that the enrollment base in Santa Monica will grow exponentially to the point that they will fall out of basic aid; and (2) that the State's growth in LCFF COLA will outpace the growth in Santa Monica's assessed valuation and force them out of basic aid. However, even with those assumptions, they assert that Santa Monica will most likely remain basic aid in its conclusions.</li> </ul>



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File No. 65273.00303

August 30, 2021

**VIA E-MAIL**

Dr. Cherise Moore, Chair  
Los Angeles County Committee on School District Organization  
c/o Dr. Allison Deegan  
Los Angeles County Office of Educations  
9300 Imperial Highway  
Downey, California 90242

Dr. Moore,

Thank you for your letter dated August 4, 2021, in response to the City of Malibu's ("City") correspondence asking for clarification on the scope of the preliminary hearing for the City's petition for unification. The City appreciates the attention that you gave our request, and I look forward to working with the LACOE County Committee staff on the hearing logistics and preparation.

The City also would like to take this opportunity to address your hope that the parties would reach a settlement in advance of the September 18, 2021, hearing. Attached you will find a letter that the City sent to the Santa Monica-Malibu Unified School District ("District") on May 27, 2021, asking the District to return to the negotiation table once again through a binding arbitration. To date, the City has not received a reply to this request to arbitrate. As always, the City remains open and willing to negotiate this matter in a way that potentially brings forth a resolution. We join you in hoping that such a settlement is possible.

It is unfortunate that the parties have yet to receive the LACOE staff report. However, since it remains the City's position that the preliminary public hearing is designed to review the sufficiency of the City's Petition, the City believes the hearing should proceed—regardless of when the staff report is released.

**BBK**  
**BEST BEST & KRIEGER**  
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August 30, 2021  
Page 2

Thank you, again, for your timely response. We look forward to presenting the sufficiency of our petition at the September 18, 2021, hearing.

Regards,

Christine Wood



for BEST BEST & KRIEGER LLP  
Deputy City Attorney  
City of Malibu

CNW:MR

# ATTACHMENT

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May 27, 2021

**VIA E-MAIL**

Dear Mr. Soldani,

On May 13, 2021, the financial consultants for the City of Malibu (“City”) met with Shin Green, the financial consultant for the Santa Monica-Malibu Unified School District (“SM-MUSD”) regarding the City’s Petition for Unification (“Petition”) and its accompanying financial proposal. Present for the City was La Tanya Kirk-Carter from Kirk Carter & Associates, Terry Ryland from the Ryland School Business Consulting, and Cathy Dominico from Capital Public Finance Group.

When we spoke on May 5, 2021, in preparation for this meeting, we agreed the financial consultants would meet without any other parties present and that we would have a written deliverable that would document what was accomplished in the meeting. Although the City’s consultant team thought the meeting time would be spent reviewing both financial proposals, the group in fact focused mostly on the City’s proposal. Attached is the City’s deliverable from that meeting, including a review of where the parties agree and disagree, from the perspective of the City’s consultants team.

As documented in the attached memo, it has become even more obvious to the City that there are some basic differences in how the parties view school funding fundamentals. Therefore, the City renews its request for the parties to participate in a binding arbitration that would lead to a negotiated agreement on how the school district should separate. The City hopes binding arbitration—*as opposed to any further non-binding negotiation*—would accomplish a few things. First, the City believes a third-party arbiter could help establish basic guidelines for what is possible and practical in a revenue sharing agreement between the parties. Second, the City believes that both parties need to have a vested interest in what happens during the arbitration in order for there to be a reasonable return on the investment that would be required to prepare and participate in any future negotiations. Finally, since SM-MUSD’s proposal has not changed since it was originally presented in 2018, the City believes it unwise to make any new offers unless and until SM-MUSD is willing to also engage in compromise.

To this end, the City offers the following three names as potential arbiters for any upcoming negotiation.

**BBK**  
**BEST BEST & KRIEGER**  
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May 27, 2021

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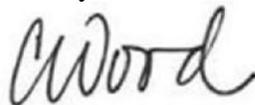
1. Nick Schweizer, Deputy Director, Sacramento County Office of Education
2. Joel Montero, Former Executive Director, Fiscal Crisis and Management Assistance Team (FCMAT)
3. Terena Mares, Deputy Director, Marin County Office of Education

The City has not contacted any of the three listed, but does ask SM-MUSD to either consider one of these or, likewise, offer three names for the City's consideration. In the alternative, the City is also open to picking an arbiter from one of the traditional dispute resolution services, such as JAMS or Judicate West.

The City looks forward to SM-MUSD's response after careful and sincere consideration of its offer to continue negotiations. Until that time, the City will continue proceed with its Petition before the Los Angeles County Office of Education's County Committee on School District Organization.

cc: Steve McClary, Interim City Manager, City of Malibu  
Ben Drati, Superintendent, Santa Monica-Malibu Unified School District

Sincerely,



Christine N. Wood  
for BEST BEST & KRIEGER LLP

CNW:MR

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MEMORANDUM

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**TO:** SCHOOL SEPARATION AD HOC COMMITTEE

Councilmember Karen Farrer  
Councilmember Mikke Pierson

**FROM:** SCHOOL SEPARATION FINANCE CONSULTING TEAM

Terri Ryland, Ryland School Business Consulting  
LaTanya Kirk-Carter, KirkCarter & Associates  
Cathy Dominico, Capitol PFG

**SUBJECT:** OVERVIEW OF CONSULTANT TEAM MEETING WITH SANTA MONICA-  
MALIBU UNIFIED SCHOOL DISTRICT'S CONSULTANT, SHIN GREEN

**DATE:** MAY 21, 2021

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Councilmembers Farrer and Pierson,

On May 13, 2021, the three finance experts on the City's school separation consulting team met with Santa Monica-Malibu Unified School District's (SM-MUSD) financial consultant for school separation, Shin Green, at the request of the SM-MUSD. The purpose of the meeting was for Mr. Green to better understand the financial component of the City's most recent proposal to SM-MUSD.

Mr. Green's *interpretation* of the City's proposal resulted in a financial contribution from the future Malibu Unified School District (Malibu USD) that was quite significant and appeared to be unaffordable to Malibu USD. As such, SM-MUSD questioned their understanding of the proposal since it resulted in such an unfavorable situation for Malibu USD and felt that a meeting could provide some clarity. The consultant meeting did not address SM-MUSD's financial proposal in significant detail. A general comment related to SM-MUSD's proposal confirmed that the District's proposal has not changed over the course of three years of negotiations.

Meeting participants included Mr. Green as well as Terri Ryland, LaTanya Kirk-Carter and Cathy Dominico, of the City's consulting team. Several financial concerns were discussed during the almost two and a half hour consultant meeting. This memorandum will provide an overview of the discussion and identify areas of agreement and disagreement on the issues discussed during the meeting.

**Discussion of City's Financial Model**

The City's consulting team described our approach to developing the financial model for school separation. The City's model is intended to demonstrate a *methodology* for allocating all school district revenue sources to the future Malibu USD and Santa Monica Unified School District (Santa Monica USD). Comparatively, the SM-MUSD model of the City's proposal is based on District *projections* of future revenue and the allocation of such revenues.

The City's team walked-through the analysis that was the basis for the City's proposal, using the spreadsheets developed by Ms. Ryland. The description of the analysis demonstrated how the Local Control Funding Formula (LCFF) was completed and applied to each district, the estimated property taxes, and the backfill from Malibu USD that may be required to make the State whole in the event that Santa Monica USD is no longer basic aid after separation. Next, Ms. Ryland showed how the Other Local funding sources were allocated between Malibu USD and Santa Monica USD based on where such revenues were generated, resulting in almost all of the funding being allocated to Santa Monica USD, thus increasing their per pupil funding with approximately 15% less students to serve. This analysis resulted in a higher per pupil funding amount for Santa Monica USD than they currently receive, as such no additional transfer from Malibu USD to Santa Monica USD was needed. However, the team explained that in the event that one or more of the Other Local funding sources declined on a per pupil basis, for example sales tax revenues, then Malibu USD would provide additional funding to Santa Monica USD to bring them back up to current per pupil funding levels. The team further discussed a reasonable cost of living adjustment on the funding sources, so they were not stagnant over the 10-year period that Malibu proposed to keep Santa Monica USD funding at least as high as they are currently.

Mr. Green then described how he had completed his calculations interpreting the City's proposal. His analysis converted existing SM-MUSD revenues to a per pupil funding figure. The sum of State aid, property taxes, redevelopment funding and other LCFF sources were totaled to determine the total LCFF sources of funds. Then, Other State, Federal and Local Funding sources were added in to calculate the per pupil funding of the combined district. These revenues sources were projected over time while student enrollment declined over time, resulting in increasing per pupil funding amounts. A secondary model was created to calculate the revenue sources on a per pupil basis for Santa Monica USD post-separation. In Mr. Green's model, projected property taxes per pupil decreased by approximately \$3,000 per pupil for Santa Monica USD post-separation due to the projected loss of property tax revenues from Malibu. This resulted in a commensurate per pupil transfer from Malibu USD to Santa Monica USD.

The City's team identified two main concerns with this approach to the analysis. First of all, it is necessary to calculate each district's LCFF entitlement, which will change each year, then calculate the combination of State aid and property taxes needed to reach the LCFF amount. This equates to the amount that Malibu USD would need to transfer in property taxes to keep the State whole. The separate LCFF calculation was not completed by Mr. Green. He lowered the property tax amount but forgot to include the offsetting State Aid increase that would hold the LCFF entitlement fairly constant. The group agreed that both Supplemental Property taxes and Educational Revenue Augmentation Fund (ERAF) funding should both be included as property tax funding sources for a non-basic aid school district. Second of all, the manner in which property taxes were allocated to the two districts in Mr. Green's analysis was different from how the City team was proposing to allocate property taxes.

### *Areas of Agreement*

The consultants representing both agencies agreed that there were different approaches to calculating the amount that Malibu USD would transfer to Santa Monica USD based on the terms of the City's proposal. Additionally, the consultants agreed that how the City proposed to allocate property taxes to the future school districts was not how the School District's consultant had allocated the property taxes in his interpretation of the City's proposal. Finally, the consultants agreed that both Supplemental Taxes and ERAF should be included in Santa Monica USD's property tax revenues to the extent that the District was not basic aid.

### ***Areas of Disagreement***

The consulting teams were not aligned with how to calculate LCFF funding entitlement for the future school districts, and how the Malibu USD transfer to Santa Monica USD would be determined. Additionally, the consultants did not come to any agreement related to how property taxes could be allocated between the two districts. A further discussion of the disagreement related to property taxes is described in more detail below.

### **Property Tax Allocation**

Both the City's consulting team and SM-MUSD's consultant agreed that the allocation of property taxes was a source of significant disagreement between the two parties and that each party was calculating the property tax funding differently. Even in SM-MUSD's consultant's interpretation of the City's proposal, property taxes were being calculated in a different way than what was actually proposed by the City.

The City proposed to allocate property taxes to each school district based on the geographic location of where the property taxes were generated. The property taxes generated in the Tax Rate Areas (TRAs) that would be served by Malibu USD would be allocated to Malibu USD and the property taxes generated in the TRAs that would be served by Santa Monica USD would be allocated to Santa Monica USD. Any transfers from Malibu USD to Santa Monica USD required to make the State whole would be handled through a property tax sharing agreement or another type of agreement to be worked out with guidance from the County and the California Department of Education. Other transfers to maintain Santa Monica's per student funding level would be funding from any legally available funding source of Malibu USD, not necessarily property taxes.

SM-MUSD's consultant did not believe that property taxes could simply be allocated geographically. Mr. Green's interpretation of the City's proposal used an allocation based on the percentage of assessed value in each future district, which resulted in a different property tax amount for each district than what the City had included in its analysis. Mr. Green's property tax amount used to project future per pupil funding was based on an estimate of future property tax revenue if the school districts remained together. Further, Mr. Green did not think that the County Auditor would be able to retroactively calculate how much in property taxes came from each TRA, even though he acknowledged that the share of tax revenue within each TRA likely did not change much since Proposition 13 was approved in 1978. Additionally, Mr. Green expressed concern that the original property tax allocation from the late 1970's, when Proposition 13 and all related trailer bills went into effect, was based on the District's budget at the time. He did not believe there would be a way to fairly allocate those late-1970s revenues between the two districts.

The City's consulting team clarified our understanding of his concerns and referred Mr. Green to a manual used by county property tax managers throughout the State that demonstrated the calculation for allocating property taxes by TRA. The City team also referred Mr. Green to Revenue and Taxation Code Section 99 which specifically calls for the county auditor to calculate property taxes by geography for a jurisdictional change.

### ***Areas of Agreement***

The consultants agreed that the way in which Mr. Green had allocated property taxes in his interpretation of the City's proposal was not what was intended by the City. There was also agreement that coordination would be needed with both the County and California

Department of Education related to how property tax transfers would be handled in order to offset additional State Aid if Santa Monica USD was not basic aid after reorganization.

### ***Areas of Disagreement***

Mr. Green did not agree that property taxes could be calculated and then allocated on a geographic basis. He further believed that such an allocation would be a financial detriment to Santa Monica USD due to the pre-Proposition 13 share of property taxes in each community. The City's consulting team disagrees with the fact that property taxes cannot be calculated and allocated geographically and does not think that Mr. Green's concerns related to the pre-Proposition 13 allocation is material, especially since the Revenue Limit was already in effect at that time and the District's budget was likely funded from both property taxes and State aid, just as it was until 2018 when SM-MUSD first became basic aid.

### **Redevelopment Funding**

A brief discussion occurred during the meeting regarding redevelopment funding. The City's consulting team asked a clarifying question related to SM-MUSD's application of redevelopment funding. There is a redevelopment project area in the Santa Monica portion of SM-MUSD. Both consulting teams agree that with reorganization, redevelopment funding would be allocated to Santa Monica USD. However, the City's team had understood from a previous presentation that SM-MUSD believed that redevelopment funding would simply go away when the debts and obligations of the former redevelopment agency were repaid, resulting in a loss of funding for Santa Monica USD.

Mr. Green clarified his understanding of redevelopment funding, explaining that currently SM-MUSD receives some funding from the local redevelopment agency. After the redevelopment funding goes away, the property taxes the District receives will actually increase since funds will no longer be diverted to the debts and obligations of the former redevelopment agency. The future Santa Monica USD would no longer receive redevelopment pass-through payments nor residual property tax funding, but general property tax revenues would increase.

The group did not specifically review how redevelopment dollars were accounted for in Mr. Green's analysis of the City's proposal. The City's consultants included a portion of the redevelopment pass-through payments and the redevelopment residual funding as part of property taxes for Santa Monica USD. The other portion of redevelopment pass-through payments are accounted for as part of Other Local funding.

### ***Areas of Agreement***

The consultants generally agreed on how redevelopment funding worked and that it would be allocated to Santa Monica USD after separation.

### **Serrano v. Priest**

During the meeting, the City consulting team asked Mr. Green to clarify comments that District staff and leadership have made publicly related to Serrano v. Priest, a court case from 1968 that preceded the creation of the school district Revenue Limit funding model which equalized per student funding throughout the State. Specifically, the SM-MUSD Superintendent stated that the City's proposed school separation would go against Serrano-Priest by shifting property taxes from school districts like Inglewood and Compton to a new Malibu School District.

Mr. Green explained SM-MUSD's position that this separation could set a precedent for wealthy communities, or a specific high property tax value segment of a community, to separate from their school district in order to form a wealthy school district with high property tax revenues and low student enrollment. This would then harm the remaining school district populations in less wealthy areas.

The City's consulting team was adamant that this is not the case in this situation and that creating a school district with high property tax revenues and low student enrollment is absolutely not the driving factor behind the desire to separate. Both the City's school separation team and the Malibu community have clearly demonstrated the desire to separate is due to the lack of local control over school district decisions, the lack of attention by school district leadership in several areas as well as the separate and distinct community identity of Malibu as compared to Santa Monica. Further, the City's team adamantly stated that there would be no revenue loss to any other school district in the County due to this school district reorganization. There is only one other basic aid school district in Los Angeles County, all other school districts are funded up to their LCFF funding amount by a combination of property taxes and State aid. ***If*** there was a loss of property tax funding, which there would not be from this reorganization, those districts would simply receive additional State aid to offset any property tax loss.

### ***Areas of Agreement***

Both the City and School District's consultants agreed that this argument was based on a hypothetical scenario, not the specific basis for the City's actual petition to separate from SM-MUSD.

### ***Areas of Disagreement***

It is not clear whether Mr. Green supported the City's consultants assertions that this reorganization was not in violation of Serrano v. Priest. The City's consultants requested that Mr. Green show the math for the Serrano Priest assertion, if in fact something like that could happen.

### **Program Cuts Resulting from School Separation**

Also during the meeting, the City's consulting team asked Mr. Green to clarify public comments and a newspaper ad that identified \$19 million of program cuts that Santa Monica USD would be forced to make as a result of school district separation. Mr. Green was not able to show where the \$19 million figure was derived. At first, he directed the City's team to the SM-MUSD fiscal recovery plan. Then, he explained that the cuts may not be just program cuts, but general cuts that the District will need to make if separation occurs.

The City's consulting team argued that cuts identified in the fiscal recovery plan have nothing to do with reorganization and concurred that general administrative cuts would occur, but the District would be educating 15% less students, so cuts should be expected. Those administrative positions would be available at the new Malibu USD, so that the people in those positions would just be relocated to the new district, not terminated.

Further, the City's team pressed Mr. Green on the \$19 million figure because it was not clear how that figure was calculated given the fact that SM-MUSD was only \$4 million into basic aid for 2020-21. In other words, SM-MUSD only received about \$4 million more than its minimum LCFF funding amount for 2020-21. That equates to under \$400 per student. Applying the \$400 per student to the estimated 8,800 students in Santa Monica USD, equates to

approximately \$3.5 million. Therefore, **at most**, the District would only lose \$3.5 million after separation and that did not account for the fact that Malibu's proposal specifically includes a provision to transfer funding to Santa Monica USD to make up for this type of funding loss. This figure is nowhere near the \$19 million figure that has been publicly communicated by SM-MUSD. The City's consulting team further verified the amount of excess property taxes by showing the California Department of Education's *LCFF Summary Data, FY 2020-21 P-1 Principal Apportionment* schedule to document for Mr. Green the official source of the City's information.

### ***Areas of Agreement***

The consultants from both the City and SM-MUSD agreed that the excess tax figure of just under \$4 million was accurate for 2020-21.

### ***Areas of Disagreement***

The origin of the \$19 million in program cuts was not identified. The City's consulting team does not agree that there would be a decline in funding at all on a per student basis, so program cuts should not be necessary except for existing cuts due to a structural budget deficit. Additionally, the City's team does not agree with the characterization of the cuts. Administrative cuts from one district that is losing a percentage of its student population are expected in any separation and those should not be called program cuts. Those positions are not eliminated, however, as they will be moved to the new district.

### **Summary**

The discussion between the City's consulting team and Mr. Green provided our team with a better understanding of how SM-MUSD interpreted the City's proposal and where such discrepancies occurred. It also provided the team with an understanding of the areas of agreement and disagreement on the financial analysis. Many of the areas of disagreement do not have an obvious middle ground or solution. Based on the areas of disagreement, assistance from an independent third party may be needed in order to develop a reasonable financial solution to meet the common goal of school separation.

Please let us know if you have any questions or would like additional information on any of this information.

cmd

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July 30, 2021

**VIA ELECTRONIC MAIL**

Dr. Cherise Moore, President  
Los Angeles County Committee on School District Organization  
c/o Dr. Allison Deegan  
Los Angeles County Office of Education  
9300 Imperial Highway  
Downey, California 90242  
Email: deegan\_allison@lacoedu.edu

Dr. Moore,

I am writing on behalf of the City of Malibu (“City”) to seek clarification about the upcoming preliminary public hearing before the Los Angeles County Committee on School District Organization (“County Committee”) in regards to the City’s Petition for Unification of a Malibu Unified School District (“Petition”) pursuant to Education Code section 35721(c).

During the County Committee meeting on June 2, 2021, there was quite a bit of discussion about significance of the preliminary public hearing, which demonstrated that there is a clear disagreement between the parties about the hearing’s scope. This disagreement greatly concerns the City because its Petition could suffer if the County Committee is unclear about the scope of preliminary public hearing and the subsequent vote it must take after the hearing.

This is not the first time the City has expressed concerns about the scope of the preliminary public hearing. On March 12, 2021, the City sent correspondence to Dr. Allison Deegan more than a month before the preliminary public hearing commenced in which the City detailed its concerns. Dr. Deegan did not respond to that correspondence and the City’s concerns have yet to be addressed. For your convenient reference, I have attached a copy of that correspondence. Therefore, this letter is meant to reiterate those concerns and ask the County Committee to seek independent counsel regarding the scope of the hearing.



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As you know, the City submitted its Petition to the County Committee in 2017, pursuant to Education Code section 35721(c). Generally, this provision of the Education Code allows a city to petition its county committee for unification, but requires that the city's petition be considered, first, at preliminary public hearing.<sup>1</sup> At the conclusion of the public hearing, the governing county committee will either deny the petition or issue a tentative recommendation to proceed with the petition.<sup>2</sup> With a tentative recommendation to proceed, the governing county committee would hold its normal public hearings in the effected jurisdictions<sup>3</sup> and the petitioning city would then complete a full feasibility study for consideration by the governing county committee<sup>4,5</sup> Once the full feasibility study is complete, the governing county committee would grant or deny the petition on its merits.<sup>6</sup> The City contends that the County Committee is not currently adhering to this process as it considers the City's Petition, at great expense to all parties and at even greater risk to the City.

As detailed in the attached letter, the City asserts the Legislature intended for this to be a *preliminary* public hearing because it gives the governing county committee the opportunity to test the sufficiency of the petition before offering the full feasibility study to the public at the public hearings held within each effected jurisdiction. There is neither express nor implied language in the statute that would indicate that the Legislature intended for this preliminary public hearing to be one at which the governing committee would evaluate the petition on its merits. It is expressly preliminary.

More importantly, Education Code section 35721(c) was added to the statutory framework in 2000 specifically to make it easier for cities to participate in school reorganization. Therefore, it is hardly reasonable to believe that a city would be uniquely required to have its petition evaluated on the merits—ahead of any sufficiency finding—at the preliminary public hearing when the full plethora of public hearings is still yet to be held in the effected jurisdictions. Determining the standard for how the City's Petition will be evaluated is paramount to the validity of the County Committee's decision after the preliminary public hearing.

However, during the June 2, 2021, County Committee meeting and at moments before and since, the parties have been told that the City's Petition should be evaluated on its merits at the preliminary hearing. The County Committee has not been told of the standard by which the City's

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<sup>1</sup> Ed. Code §35721(c); see also CDE School District Organization Handbook, Chapter 5: “*Reorganization of School Districts in California*,” (Sep. 2016), pg. 42 (hereinafter “CDE Handbook”).

<sup>2</sup> Ed. Code § 35721(d).

<sup>3</sup> Ed. Code §§ 35720.5, 35721(d).

<sup>4</sup> Ed. Code §§ 35722, 35709, 35710

<sup>5</sup> CDE Handbook, pgs. 42-43.

<sup>6</sup> Ed. Code §§ 35709, 35710, 35710.1, 35722.



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Petition will be evaluated, or that its vote is on a tentative recommendation to grant the Petition. In fact, the record of the June 2, 2021, meeting will show that the exact opposite was told to the County Committee. More importantly, the County Committee is being led to believe that its vote following the preliminary public hearing is similar to other votes its issued after public hearings, which is normally a vote on the full merits of any petition before it. Since this is the first time the County Committee has held a preliminary public hearing, it is imperative that it understand the level of analysis and scrutiny that should be applied to the City's existing Petition. To evaluate the City's Petition on a standard beyond that which the Legislature intended is unfair to the City and could be an incredible waste of resources for every party involved.

Although the City has complied with each decision made by the County Committee and the Los Angeles County Office of Education ("LACOE") staff, the City hopes to avoid any confusion at the conclusion of the public hearing on September 18, 2021. With that in mind, the City humbly and urgently requests that the County Committee seek independent analysis from County Counsel as to the scope of the preliminary public hearing and the standard to be applied to the vote following the hearing. If the County Committee has already received such counsel, the City requests the opportunity to discuss the matter with the attorney who has provided the advice.

Additionally, the City would like to ask for clarification about the procedure for the September 18, 2021, hearing. Please advise whether the public will be allowed to address the County Committee again once the LACOE staff has presented its findings.

As you consider the procedure for the September 18, 2021, meeting, the City would like to also bring something to your attention. The City hopes the County Committee will find a remedy for its Spanish-speaking stakeholders that attended the April 17, 2021, public hearing. Specifically, since the Spanish-language instructions for signing up for the City's public comment period were provided through the translator **after** the sign-up mechanism was open, not one the 40+ members of Malibu's Spanish-speaking community that were present were able to sign up for public comment before the maximum number of speakers were signed up. This was discouraging for our community—*especially since this timing of the translation was corrected before Santa Monica's public comment period commenced*, and the City would like an opportunity for its Spanish-speaking community to be heard. At this point, a vital portion of the Malibu community has, unfortunately, been left out of the evidence before the County Committee, and this is especially important if the County Committee will be evaluating the Petition on its merits following the conclusion of the preliminary public hearing on September 18, 2021.

As always, the City appreciates the time and consideration the County Committee has given its Petition and hopes to have some resolution to these questions as we prepare for the September 18, 2021, public hearing. To that end, the City asks to receive a response about the



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overall scope of the preliminary hearing, as well as the procedure for the September 18, 2021, meeting on or before August 17, 2021.

The City continues to share the County Committee's concern for transparency and meaningful community engagement and appreciates everything the County Committee is doing to clarify the procedures and scope of the final phase of the preliminary public hearing. Please feel free to contact me directly with any questions or concerns.

Regards,

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

Christine Wood  
Deputy City Attorney  
City of Malibu

cc: Octavio Castelo, Business Advisory Services Director, LACOE  
Dr. Allison Deegan, Regionalized Business Services Coordinator, LACOE  
Steve McClary, Interim City Manager, City of Malibu  
Dr. Ben Drati, Superintendent, Santa Monica-Malibu Unified School District

Enclosure

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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.

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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*)

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September 14, 2021

***VIA ELECTRONIC MAIL***

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Dr. Moore,

I am writing on behalf of the City of Malibu (“City”) to address the questions of diversity that were raised by the advocates of the Santa Monica-Malibu Unified School District (“District”) during the April 17th preliminary public hearing to consider the City’s Petition to Form the Malibu Unified School District (“Petition”). Obviously, the City cannot nor should address all of the individuals that oppose its Petition. However, because the questions raised were so salacious and divisive and because diversity is at the core of one of the nine criteria, the City has chosen to formally respond to this particular issue.

During the April 17th hearing, there were accusations that the creation of a Malibu Unified School District (1) violates the principles of equity that undergird school financing in California and (2) creates racial disparities and harms Santa Monica students by concentrating school funding in Malibu. Following are the City’s responses to these concerns.

1. The City’s Petition Does Not Violate the Principles of School Financing in California.

Prior to reforms of the 1970s, the property tax bases of school districts differed widely producing large variations among districts in revenue per pupil.

*Serrano v. Priest* was the first step in addressing the inequities among school districts due to their varied financing. The court found that California’s system of local finance was unconstitutional—it violated the equal protection clause of the Fourteenth Amendment—and instructed the legislature to design a new system. In *Serrano II*, the court rejected the

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Legislature’s first attempt at creating a new approach, saying that differences across districts in spending per pupil could not be significantly related to differences in property wealth.

Before the Legislature could act again, California voters passed Proposition 13, which set a 1 percent uniform property tax rate and took control of the property tax money from school districts and gave it to the state to allocate. This provision essentially turned the local property tax into a statewide tax. To offset the decline in property tax revenue, the state legislature increased state aid to each local government.

After Prop. 13, the district’s property tax revenue was determined by formula, and the revenue limit determined state aid. The proposition also eliminated voter overrides, thereby closing an important loophole in the revenue limit system.

The transformation from local to state finance was accomplished in three steps. In *Serrano v. Priest*, the California Supreme Court ruled that the existing system of local finance was unconstitutional. The second step was Senate Bill 90, which initiated revenue limits, giving the state some control over the operational funding sources of school districts. The final step was Proposition 13, which authorized the state to allocate property tax revenue and tightened the state’s control over school finance. By the early 1980s, the state had gained direct control of 90 percent of school district revenue.

The constitutional basis for this takeover was to correct for historic acts of geographic segregation: siloing the poor to neighborhoods that had underfunded schools. The *Serrano* court reasoned that the quality of a child’s education should not be determined by a seemingly arbitrary event, a “geographical accident.”

Despite the attempts to correct for segregation, the fix has left open the issue that while there could be little discrimination across school districts, there may be considerable discrimination *within* districts.

2. Arguments arguing that separating the district *creates* racial disparities and harms Santa Monica students are not compelling.

Separating Malibu and Santa Monica appreciates physical limitations of the district. Since its inception, the areas have only grown more distinct from each other as traveling between the two cities is increasingly difficult due to distance, traffic, and environmental factors.

Accordingly, the Petition will not exacerbate racial segregation, to the detriment of students in either school district. While the ratio of the district may change, the ratio of the

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schools will not be fundamentally affected because one of the reasons for the need to separate the districts is the insurmountable geographical separation of the schools. Malibu-located students are not interchangeable with Santa Monica-located students. Traveling between the two areas requires traversing one of the most high-trafficked areas in the country. This is why the imbalance favoring facilities and programs in Santa Monica creates a district that is detrimental to Malibu students, regardless of race. Moreover, Malibu schools individually will not become more racially imbalanced as a result of the district's division.

It's unreasonable to believe that the Petition would harm Santa Monica students by concentrating funding in Malibu. First, revenues are not resources, and it is the resources provided to students that ought to concern us. The purpose of the district separation is to allow the two very different proposed districts to provide resources to their students based on local issues.

In the complaint filed against the Sausalito Marin City School District, the Attorney General stated the basis for its action against the District and included the following relevant points, which Malibu should be cognizant of:

- The District has an obligation to maintain schools that are not *intentionally* segregated by race.
- Evidence showed that the District knowingly and intentionally maintained and exacerbated existing racial segregation and established an intentionally segregated school.
- That despite the District's awareness that it was operating a racially segregated school, it chose to exacerbate the segregation by placing a new school in a majority-minority community. The AG focused on the intentional action of the District to create a separate school for the African-American community.
- The creation of the Sausalito Marin City School District was a result of findings that the District was operating racially segregated schools before the 1970s.
- The segregation in Sausalito Marin City School District was evidenced by the fact that nearly half of the students segregated into the disadvantaged school lived in the same public housing complex.

The Sausalito Marin City School District case dealt with schools that were one mile apart. It also dealt with the fact that the district was diverting resources from a racially diverse school to a majority white school. The facts do not align with the effort to separate Malibu and Santa Monica. The impetus for the separation is the complaint that Malibu schools are not receiving sufficient funds, and their resources are being diverted to Santa Monica. This isn't just happening down the road from each other, but in vastly different geographic locations that may take several hours to traverse, depending on various travel and environmental factors. There is no evidence that students served by Malibu or Santa Monica schools are being fed from a single

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public housing complex. Also, centering resources in Santa Monica and acting as if Malibu are privy to those resources is inapposite to unequal schools located within one mile of each other. Additionally, the AG criticized the separation because it was accomplished by opening a new school. In contrast, the Malibu separation is not a guise to create new, non-diverse schools.

By separating the districts, each stands on its own feet to distribute resources within the newly defined district. The division does not “concentrate school funding” in Malibu and intentionally “serve more white students.” The division respects the differences in access to facilities and programs due to substantial geographical and travel barriers beyond those compared to side-by-side neighborhoods that are arbitrarily separated. Malibu students must literally move mountains to get access to programs and resources readily available to students in Santa Monica.

Out of California's nearly 1,000 elementary, high school, and unified school districts, approximately 80 are basic aid districts, meaning their revenue from local property taxes exceeds what they would receive under the Local Control Funding Formula. Over time, some districts fall in and out of basic aid status for a variety of reasons including local tax collection procedures.

As the majority of schools are not basic aid districts. The fact that the separation may result in Santa Monica schools no longer being a basic aid district is not akin to segregation. It is, in fact, putting Santa Monica in the majority of school districts. And returning the district to its prior designation as not a basic aid district, a status it only attained in the 2017-2018 school year, and which resulted in 8.8 million in lost revenue from the state. (See <https://www.smdp.com/basic-aid-designation-costs-district-8-8-million/173187>).

District advocates also argued that the City’s Petition would increase racial segregation by directing more funding towards white students. There is no evidence that separating the districts will “cause many students to attend less racially diverse schools” or that the diversity in any of the individual schools would change. The status quo of the population per school will remain the same. It may be true that Malibu’s district numbers will no longer artificially appear to be more diverse as a result of the separation. But by giving Malibu the ability to make decisions for its district, it can better work to fulfill its constitutional obligation to “undertake reasonably feasible steps to alleviate such racial segregation in the public schools, regardless of the cause of such segregation.” Malibu is so geographically distinct from Santa Monica that treating the two as one district is creating the actual harm and preventing the District from taking steps that might alleviate racial disparities.

In conclusion, simply separating Santa Monica and Malibu is not motivated by any racial animus. In fact, it provides Malibu and Santa Monica more agency to feasibly address any segregation issues within its distinct area. Likewise, this point was made to the District by a



**BEST BEST & KRIEGER**  
ATTORNEYS AT LAW

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neutral, third-party, Dr. Pedro Noguero, in his 2016 report on the state of diversity in the District.  
(See City's Petition, Exh. F.)

Thank you, again, for your ongoing leadership and commitment to providing the City  
with this unprecedented preliminary public hearing.

Regards,

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

Christine N. Wood

CNW:MR

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**MEMORANDUM**

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**TO:** SCHOOL SEPARATION AD HOC COMMITTEE  
Councilmember Karen Farrer  
Councilmember Mikke Pierson

**FROM:** SCHOOL SEPARATION FINANCE CONSULTING TEAM  
Terri Ryland, Ryland School Business Consulting  
LaTanya Kirk-Carter, KirkCarter & Associates  
Cathy Dominico, Capitol PFG

**SUBJECT:** OVERVIEW OF CONSULTANT TEAM MEETING WITH SANTA MONICA-MALIBU  
UNIFIED SCHOOL DISTRICT'S CONSULTANT, SHIN GREEN

**DATE:** MAY 21, 2021

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Councilmembers Farrer and Pierson,

On May 13, 2021, the three finance experts on the City's school separation consulting team met with Santa Monica-Malibu Unified School District's (SM-MUSD) financial consultant for school separation, Shin Green, at the request of the SM-MUSD. The purpose of the meeting was for Mr. Green to better understand the financial component of the City's most recent proposal to SM-MUSD.

Mr. Green's *interpretation* of the City's proposal resulted in a financial contribution from the future Malibu Unified School District (Malibu USD) that was quite significant and appeared to be unaffordable to Malibu USD. As such, SM-MUSD questioned their understanding of the proposal since it resulted in such an unfavorable situation for Malibu USD and felt that a meeting could provide some clarity. The consultant meeting did not address SM-MUSD's financial proposal in significant detail. A general comment related to SM-MUSD's proposal confirmed that the District's proposal has not changed over the course of three years of negotiations.

Meeting participants included Mr. Green as well as Terri Ryland, LaTanya Kirk-Carter and Cathy Dominico, of the City's consulting team. Several financial concerns were discussed during the almost two and a half hour consultant meeting. This memorandum will provide an overview of the discussion and identify areas of agreement and disagreement on the issues discussed during the meeting.

**Discussion of City's Financial Model**

The City's consulting team described our approach to developing the financial model for school separation. The City's model is intended to demonstrate a *methodology* for allocating all school district revenue sources to the future Malibu USD and Santa Monica Unified School District (Santa Monica USD). Comparatively, the SM-MUSD model of the City's proposal is based on District *projections* of future revenue and the allocation of such revenues.

The City's team walked-through the analysis that was the basis for the City's proposal, using the spreadsheets developed by Ms. Ryland. [The description of the analysis demonstrated how the Local Control Funding Formula \(LCFF\) was completed and applied to each district, the estimated property taxes, and the backfill from Malibu USD that may be required to make the State whole in the event that Santa Monica USD is no longer basic aid after separation.](#)

Next, Ms. Ryland showed how the Other Local funding sources were allocated between Malibu USD and Santa Monica USD based on where such revenues were generated, resulting in almost all of the funding being allocated to Santa Monica USD, thus increasing their per pupil funding with approximately 15% less students to serve. This analysis resulted in a higher per pupil funding amount for Santa Monica USD than they currently receive, as such no additional transfer from Malibu USD to Santa Monica USD was needed. However, the team explained that in the event that one or more of the Other Local funding sources declined on a per pupil basis, for example sales tax revenues, then Malibu USD would provide additional funding to Santa Monica USD to bring them back up to current per pupil funding levels. The team further discussed a reasonable cost of living adjustment on the funding sources, so they were not stagnant over the 10-year period that Malibu proposed to keep Santa Monica USD funding at least as high as they are currently.

Mr. Green then described how he had completed his calculations interpreting the City's proposal. His analysis converted existing SM-MUSD revenues to a per pupil funding figure. The sum of State aid, property taxes, redevelopment funding and other LCFF sources were totaled to determine the total LCFF sources of funds. Then, Other State, Federal and Local Funding sources were added in to calculate the per pupil funding of the combined district. These revenues sources were projected over time while student enrollment declined over time, resulting in increasing per pupil funding amounts. A secondary model was created to calculate the revenue sources on a per pupil basis for Santa Monica USD post-separation. In Mr. Green's model, projected property taxes per pupil decreased by approximately \$3,000 per pupil for Santa Monica USD post-separation due to the projected loss of property tax revenues from Malibu. This resulted in a commensurate per pupil transfer from Malibu USD to Santa Monica USD.

The City's team identified two main concerns with this approach to the analysis. First of all, it is necessary to calculate each district's LCFF entitlement, which will change each year, then calculate the combination of State aid and property taxes needed to reach the LCFF amount. This equates to the amount that Malibu USD would need to transfer in property taxes to keep the State whole. The separate LCFF calculation was not completed by Mr. Green. He lowered the property tax amount but forgot to include the offsetting State Aid increase that would hold the LCFF entitlement fairly constant. The group agreed that both Supplemental Property taxes and Educational Revenue Augmentation Fund (ERAF) funding should both be included as property tax funding sources for a non-basic aid school district. Second of all, the manner in which property taxes were allocated to the two districts in Mr. Green's analysis was different from how the City team was proposing to allocate property taxes.

### ***Areas of Agreement***

The consultants representing both agencies agreed that there were different approaches to calculating the amount that Malibu USD would transfer to Santa Monica USD based on the terms of the City's proposal. Additionally, the consultants agreed that how the City proposed to allocate property taxes to the future school districts was not how the School District's consultant had allocated the property taxes in his interpretation of the City's proposal. Finally, the consultants agreed that both Supplemental Taxes and ERAF should be included in Santa Monica USD's property tax revenues to the extent that the District was not basic aid.

## ***Areas of Disagreement***

The consulting teams were not aligned with how to calculate LCFF funding entitlement for the future school districts, and how the Malibu USD transfer to Santa Monica USD would be determined. Additionally, the consultants did not come to any agreement related to how property taxes could be allocated between the two districts. A further discussion of the disagreement related to property taxes is described in more detail below.

## **Property Tax Allocation**

Both the City's consulting team and SM-MUSD's consultant agreed that the allocation of property taxes was a source of significant disagreement between the two parties and that each party was calculating the property tax funding differently. Even in SM-MUSD's consultant's interpretation of the City's proposal, property taxes were being calculated in a different way than what was actually proposed by the City.

The City proposed to allocate property taxes to each school district based on the geographic location of where the property taxes were generated. [The property taxes generated in the Tax Rate Areas \(TRAs\) that would be served by Malibu USD would be allocated to Malibu USD and the property taxes generated in the TRAs that would be served by Santa Monica USD would be allocated to Santa Monica USD.](#) Any transfers from Malibu USD to Santa Monica USD required to make the State whole would be handled through a property tax sharing agreement or another type of agreement to be worked out with guidance from the County and the California Department of Education. Other transfers to maintain Santa Monica's per student funding level would be funding from any legally available funding source of Malibu USD, not necessarily property taxes.

[SM-MUSD's consultant did not believe that property taxes could simply be allocated geographically.](#) Mr. Green's interpretation of the City's proposal used an allocation based on the percentage of assessed value in each future district, which resulted in a different property tax amount for each district than what the City had included in its analysis. Mr. Green's property tax amount used to project future per pupil funding was based on an estimate of future property tax revenue if the school districts remained together. Further, [Mr. Green did not think that the County Auditor would be able to retroactively calculate how much in property taxes came from each TRA,](#) even though he acknowledged that the share of tax revenue within each TRA likely did not change much since Proposition 13 was approved in 1978. [Additionally, Mr. Green expressed concern that the original property tax allocation from the late 1970's, when Proposition. 13 and all related trailer bills went into effect, was based on the District's budget at the time. He did not believe there would be a way to fairly allocate those late-1970s revenues between the two districts.](#)

[The City's consulting team clarified our understanding of his concerns and referred Mr. Green to a manual used by county property tax managers throughout the State that demonstrated the calculation for allocating property taxes by TRA.](#) The City team also referred Mr. Green to Revenue and Taxation Code Section 99 which specifically calls for the county auditor to calculate property taxes by geography for a jurisdictional change.

## ***Areas of Agreement***

The consultants agreed that the way in which Mr. Green had allocated property taxes in his interpretation of the City's proposal was not what was intended by the City. There was also agreement that coordination would be needed with both the County and California

Department of Education related to how property tax transfers would be handled in order to offset additional State Aid if Santa Monica USD was not basic aid after reorganization.

### ***Areas of Disagreement***

Mr. Green did not agree that property taxes could be calculated and then allocated on a geographic basis. He further believed that such an allocation would be a financial detriment to Santa Monica USD due to the pre-Proposition 13 share of property taxes in each community. [The City's consulting team disagrees with the fact that property taxes cannot be calculated and allocated geographically and does not think that Mr. Green's concerns related to the pre-Proposition 13 allocation is material, especially since the Revenue Limit was already in effect at that time and the District's budget was likely funded from both property taxes and State aid, just as it was until 2018 when SM-MUSD first became basic aid.](#)

### **Redevelopment Funding**

A brief discussion occurred during the meeting regarding redevelopment funding. The City's consulting team asked a clarifying question related to SM-MUSD's application of redevelopment funding. There is a redevelopment project area in the Santa Monica portion of SM-MUSD. Both consulting teams agree that with reorganization, redevelopment funding would be allocated to Santa Monica USD. However, the City's team had understood from a previous presentation that SM-MUSD believed that redevelopment funding would simply go away when the debts and obligations of the former redevelopment agency were repaid, resulting in a loss of funding for Santa Monica USD.

Mr. Green clarified his understanding of redevelopment funding, explaining that currently SM-MUSD receives some funding from the local redevelopment agency. [After the redevelopment funding goes away, the property taxes the District receives will actually increase since funds will no longer be diverted to the debts and obligations of the former redevelopment agency. The future Santa Monica USD would no longer receive redevelopment pass-through payments nor residual property tax funding, but general property tax revenues would increase.](#)

The group did not specifically review how redevelopment dollars were accounted for in Mr. Green's analysis of the City's proposal. The City's consultants included a portion of the redevelopment pass-through payments and the redevelopment residual funding as part of property taxes for Santa Monica USD. The other portion of redevelopment pass-through payments are accounted for as part of Other Local funding.

### ***Areas of Agreement***

The consultants generally agreed on how redevelopment funding worked and that it would be allocated to Santa Monica USD after separation.

### **Serrano v. Priest**

During the meeting, the City consulting team asked Mr. Green to clarify comments that District staff and leadership have made publicly related to Serrano v. Priest, a court case from 1968 that preceded the creation of the school district Revenue Limit funding model which equalized per student funding throughout the State. Specifically, the SM-MUSD Superintendent stated that the City's proposed school separation would go against Serrano-Priest by shifting property taxes from school districts like Inglewood and Compton to a new Malibu School District.

Mr. Green explained SM-MUSD's position that this separation could set a precedent for wealthy communities, or a specific high property tax value segment of a community, to separate from their school district in order to form a wealthy school district with high property tax revenues and low student enrollment. This would then harm the remaining school district populations in less wealthy areas.

The City's consulting team was adamant that this is not the case in this situation and that creating a school district with high property tax revenues and low student enrollment is absolutely not the driving factor behind the desire to separate. Both the City's school separation team and the Malibu community have clearly demonstrated the desire to separate is due to the lack of local control over school district decisions, the lack of attention by school district leadership in several areas as well as the separate and distinct community identity of Malibu as compared to Santa Monica. Further, the City's team adamantly stated that there would be no revenue loss to any other school district in the County due to this school district reorganization. There is only one other basic aid school district in Los Angeles County, all other school districts are funded up to their LCFF funding amount by a combination of property taxes and State aid. ***If*** there was a loss of property tax funding, which there would not be from this reorganization, those districts would simply receive additional State aid to offset any property tax loss.

### ***Areas of Agreement***

Both the City and School District's consultants agreed that this argument was based on a hypothetical scenario, not the specific basis for the City's actual petition to separate from SM-MUSD.

### ***Areas of Disagreement***

It is not clear whether Mr. Green supported the City's consultants assertions that this reorganization was not in violation of Serrano v. Priest. The City's consultants requested that Mr. Green show the math for the Serrano Priest assertion, if in fact something like that could happen.

### **Program Cuts Resulting from School Separation**

Also during the meeting, [the City's consulting team asked Mr. Green to clarify public comments and a newspaper ad that identified \\$19 million of program cuts that Santa Monica USD would be forced to make as a result of school district separation.](#) Mr. Green was not able to show where the \$19 million figure was derived. At first, he directed the City's team to the SM-MUSD fiscal recovery plan. Then, he explained that the cuts may not be just program cuts, but general cuts that the District will need to make if separation occurs.

The City's consulting team argued that cuts identified in the fiscal recovery plan have nothing to do with reorganization and concurred that general administrative cuts would occur, but the District would be educating 15% less students, so cuts should be expected. Those administrative positions would be available at the new Malibu USD, so that the people in those positions would just be relocated to the new district, not terminated.

[Further, the City's team pressed Mr. Green on the \\$19 million figure because it was not clear how that figure was calculated given the fact that SM-MUSD was only \\$4 million into basic aid for 2020-21.](#) In other words, SM-MUSD only received about \$4 million more than its minimum LCFF funding amount for 2020-21. That equates to under \$400 per student. Applying the \$400 per student to the estimated 8,800 students in Santa Monica USD, equates to

approximately \$3.5 million. Therefore, **at most**, the District would only lose \$3.5 million after separation and that did not account for the fact that Malibu's proposal specifically includes a provision to transfer funding to Santa Monica USD to make up for this type of funding loss. This figure is nowhere near the \$19 million figure that has been publicly communicated by SM-MUSD. The City's consulting team further verified the amount of excess property taxes by showing the California Department of Education's *LCFF Summary Data, FY 2020-21 P-1 Principal Apportionment* schedule to document for Mr. Green the official source of the City's information.

### ***Areas of Agreement***

The consultants from both the City and SM-MUSD agreed that the excess tax figure of just under \$4 million was accurate for 2020-21.

### ***Areas of Disagreement***

The origin of the \$19 million in program cuts was not identified. The City's consulting team does not agree that there would be a decline in funding at all on a per student basis, so program cuts should not be necessary except for existing cuts due to a structural budget deficit. Additionally, the City's team does not agree with the characterization of the cuts. Administrative cuts from one district that is losing a percentage of its student population are expected in any separation and those should not be called program cuts. Those positions are not eliminated, however, as they will be moved to the new district.

### **Summary**

The discussion between the City's consulting team and Mr. Green provided our team with a better understanding of how SM-MUSD interpreted the City's proposal and where such discrepancies occurred. It also provided the team with an understanding of the areas of agreement and disagreement on the financial analysis. Many of the areas of disagreement do not have an obvious middle ground or solution. Based on the areas of disagreement, assistance from an independent third party may be needed in order to develop a reasonable financial solution to meet the common goal of school separation.

Please let us know if you have any questions or would like additional information on any of this information.

cmd



# City of Malibu

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September 14, 2021

Sent via Email to [Heredia\\_Anna@lacoedu](mailto:Heredia_Anna@lacoedu)

Los Angeles County Committee on School District Organization  
c/o Los Angeles County Office of Education  
9300 Imperial Highway  
Downey CA 90242-2890

RE: City of Malibu Petition for an Independent Malibu Unified School District – SUPPORT  
(County Committee Hearing of September 18, 2021)

Dear Chair Moore and Honorable Members of the County Committee:

At its Special meeting on April 15, 2021, and reaffirmed at the Regular meeting on September 2, 2021, the City of Malibu's Harry Barovsky Youth Commission authorized its Chair to submit written and oral communication in support of the City's petition to form an independent Malibu Unified School District. I write to you today as both the Chair of the Youth Commission and a student at Malibu High School to urge you to approve the City's preliminary petition on September 18.

I strongly support the efforts made by the Malibu community to separate from the Santa Monica-Malibu Unified School District having experienced first-hand how Malibu students are harmed under the administration of the current district. You can observe this harm in the different academic programs and classes offered in Malibu versus Santa Monica. As students in Malibu, we are well aware of the fact that we have fewer classes available to us than in Santa Monica. We already feel separated from Santa Monica physically, but it is more obvious when our needs and priorities are overlooked by the District. A Malibu school district would be able to better attend to needs of Malibu students. This was also apparent during the Woolsey Fire when hundreds of students were displaced and no information was coming from Santa Monica.

Gaining independence is also important for the day-to-day functioning of Malibu schools. At a recent Youth Commission meeting, several of my fellow Commissioners shared their frustrations about the maintenance issues that continue to exist in their Malibu classrooms, causing unnecessary distractions. Basic maintenance issues go unaddressed because school maintenance is headquartered in Santa Monica, and maintenance workers never seem to find the time to come out to Malibu. Others voiced concerns with the lack of basic school facilities, such as lockers for students at Malibu Middle and High School. When they asked why they didn't have lockers, even at the new Malibu High School building, they were told by District representatives there wasn't money in the budget for lockers.

*LA County Committee Hearing 9/18/2021  
Harry Barovsky Memorial Youth Commission  
City of Malibu Petition – SUPPORT  
September 14, 2021  
Page 2 of 2*

Malibu students just want what our fellow Santa Monica students already have. We hope that the County Committee will help us move forward with the petition to form an independent Malibu Unified School District that will truly serve the students of Malibu.

We thank you for your consideration of the City's petition to form an independent Malibu Unified School District.

Sincerely,

*Nicole Reynaga*

Nicole Reynaga, Chair  
City of Malibu Harry Barovsky Memorial Youth Commission

Cc: Members of the Harry Barovsky Memorial Youth Commission  
Honorable Members of the Malibu City Council School Separation Ad Hoc Committee  
Kate Gallo, Recreation Supervisor



## NEWS COVERAGE OF MALIBU SEPARATION EFFORTS APRIL 17, 2021 – SEPTEMBER 14, 2021

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### **Malibu community rips SMMUSD mismanagement in arguing for own school district**

Scott Steepleton, Editor - Malibu Surfside News - April 18, 2021

<https://www.malibusurfsideneews.com/f/news-school/malibu-community-rips-smmusd-mismanagement-arguing-own-school-district>

Having been called racist, elitist and the left's latest trope — rich people — proponents of a stand-alone Malibu school district got the chance this weekend to share what actually motivates them to seek a split from a school district based in and seemingly focused on Santa Monica.

They want to make decisions on behalf of and be accountable to the children and families in the city and surrounding area, and are convinced going their own way is the best way to achieve those goals.

Speaking during a rare Saturday meeting of the Los Angeles County Office of Education's Committee on School District Organization, parents, teachers and city leaders past and present defended their position, decried fiscal mismanagement in the Santa Monica-Malibu Unified District and wondered how officials who wouldn't even open campus bathrooms during the Woolsey Fire can believably argue they have Malibu's interests at heart.

The Zoom meeting was a preliminary hearing on a petition brought forward by the city to form a district by and for Malibu — and do it in a way that ensures the Santa Monica district is not harmed in the process.

To that end, the city proposed a binding agreement to let the county and its approved consultant determine the financial terms of a split.

Santa Monica's seven-member Board of Education balked at the idea by a 5-2 vote, the majority claiming before even knowing what the county might come up with that it surely would hurt those most in need. (One of the dissenters was Malibu's lone representative on the board, Craig Foster.)

In the process, the district kicked off its presentation arguing the impropriety of a petition brought forward by the city.

That's a disingenuous position, according to Malibu resident and finance professional Manel Sweetmore, who served on a committee that came up with a separation plan equitable to both sides only to have it rebuffed by the board.

"Today (the district) opened the session trying to say that the petition was not legitimate because it was brought by the city," Sweetmore said. "They know full well (the city) had the required number of petitions from residents."

Saturday's hearing started with a presentation by the city, followed by the district. Members of the public for and against the proposal had an hour for each side, and then it went to the committee for questions.

Additional briefings by the two sides will take place in June.



Malibu High 1985 graduate Carl Randall used his 90 seconds of speaking time to tell the committee about some of the inequities in place right now.

“My Malibu High 10th grade daughter has been playing the violin since she was 5,” he said. “Each year the district puts on orchestra and vocal concerts called ‘Stairway of the Stars.’ It’s a big deal. Students from both cities gather to sing or play their instruments in Barnum Hall on the Samohi campus. It is truly the only time kids from Santa Monica and Malibu mix.”

Several years ago, Randall continued, a decision was made by officials in Santa Monica to move the usual rehearsals from after school to during Samohi orchestra class hours.

“Malibu was not consulted,” he said. “To be able to make rehearsals, Malibu students would need to miss their entire school day due to travel. Santa Monica students wouldn’t be affected.”

Malibu kids unanimously decided they could not afford to miss that much school. Santa Monica’s response was, said Randall, “We understand.”

“Not ‘We understand. Let’s go back to long standing policy’ ... Not ‘What sort of solution can we find so Malibu kids can join us.’”

“It is time for Malibu students to stop being an afterthought,” Randall said. “We ask that you grant us the right to govern the educational opportunities of our children, the same opportunities granted to children of Santa Monica.”

Malibu City Council member Bruce Silverstein said, “It’s time for a no-fault divorce based on irreconcilable differences.”

“Please use your authority to set our community free to pursue a path that is right for the students who live in this rural enclave with very different interests and needs from that of Santa Monica,” Silverstein said.

Jennifer Paras Pappas attacked the district’s ability to serve Malibu in times of crisis as well as recent anti-separation material from the district painting Malibu as racist.

“I am a Filipino American, moved to Malibu 11 years ago. I have never felt discrimination or felt unequal or felt I was being crushed by the white population here in Malibu,” she said. “It’s offensive that I received documents from my school district saying that that is what’s going to happen.”

As for her other concern, the mom of three said her kids suffered learning loss because the district did not provide adequate help to Malibu residents affected by the Woolsey Fire.

“My poor second grader still can’t read,” she said, adding tutoring costs her several thousand a month.

“This district has mismanaged and constantly ignores the needs of the Malibu community and what we need to help our kids through crisis situations.”

It’s not only Malibu residents who favor the split. Kat Blandino of Santa Monica said the district “has long failed our students and they’ve long failed Malibu students. And now under the guise of student equity, SMMUSD continues to hold Malibu students and families hostage for their money.”



“This is what it’s really about,” Blandino continued. “SMMUSD is trying to cover up years of gross fiscal mismanagement. SMMUSD has been pushing propaganda, using their power to inflate and create fear among Santa Monica families that they will get less.”

Former Malibu Mayor Ken Kearsley summed up Santa Monica's position as tyranny of the majority.

“The city of Santa Monica views Malibu as a cow on a grass hill to be milked occasionally, probably annually for their benefit,” he said.

“We need separation, we need local control and we need equity.”

Paul Grisanti, a 48-year Malibu resident who sent three kids through local schools and is a first term City Council member, addressed declining enrollment in Malibu.

“We started to see families move away when the district started by crushing PTA fundraising and made it clear that they did not want additional programs in Malibu,” he said. “Later, PCBs were discovered and the school district’s lack of response and legal battle (which it lost) resulted in other families and students leaving.”

“The coup de grâce,” said Grisanti, “has been the Woolsey Fire (2018) which destroyed over 700 homes in the proposed Malibu school district.”

Families that had to temporarily move out of the district because they lost their home, he added, were told they couldn’t keep their kids in the district.

He urged the committee to accept the Malibu proposal.

Laura Rosenthal, who served as Malibu mayor in 2016 and who also served on the six-member Malibu Unified Negotiations Committee — three from each city recounted the tireless hours put in by the committee.

“We were only supposed to meet for a couple months, but we ended up meeting 49 times,” she said. “We came to a unanimous decision, all six of us. And then what happened? The (board) just threw it away. It didn’t fit into their narrative.”

The district, she added, repeatedly negotiated in bad faith and ignored repeated requests to hand over the financial information necessary for negotiations.

Now, the board says no to be bound by whatever the county says is an equitable split.

“There’s clearly enough money to go around,” Rosenthal said. “This loss argument is disingenuous.”

Speakers on the other side included union representatives who claimed, without providing evidence how, a split would hurt the kids in greatest need.

Manny Rangel of SEIU Local 99, the union representing 50,000 teachers assistants, playground workers, bus drivers, maintenance workers and others working in schools, told the committee that a Malibu district “would make education worse for the most vulnerable students.”



He also tried convincing the committee that a decision in Malibu’s favor would affect districts across the state “with regional income disparities like the ones within the district boundaries of Santa Monica-Malibu Unified.”

“The decision to allow Malibu to secede has greater repercussions and would undoubtedly exacerbate educational inequalities on many levels.”

Sarah Braff, president of the Santa Monica-Malibu Classroom Teachers Association, said her union opposes the split as it was presented to the committee.

“I think we need to separate the two issues of secession and fairness and equity in money,” she said. “I don’t think that anyone’s fighting the concept of separation. But the (Education Code) says it will be an equitable division and that it would not promote racial or ethnic discrimination or segregation.”

“We disagree as to how this proposal will create a large imbalance, which creates additional favor for our more privileged students,” Braff said.

The ACLU of Southern California also opposes Malibu unification.

“One of our core missions is to fight for students who are traditionally marginalized and under-resourced and to advocate for educational equity for all,” said Victor Leung, director of education.

“The current plan will increase racial segregation and amplify existing inequities that reallocate funding between students in an unfair manner.”

Malibu’s petition, Leung said, would create “a new school district that comprises more white students and more higher income students and it will provide those students with a greater share of funding.”

The ACLU recommends changing the proposal to ensure “higher needs” students get their fair share.

Malibu resident Heather Anderson, the mother of two MHS grads, turned a newspaper ad purchased by the district listing a variety of programs that supposedly would be cut if Malibu gets its way back on the district.

“This entire bullet point list should be Exhibit A in Malibu’s argument about inequity,” she said.

“The funny thing is — well, it’s actually the unjust thing — is that many of these programs have not, are not and will never be on our end of Pacific Coast Highway. Malibu does not enjoy a grade 1 through 4 summer language academy. What family engagement programs are they talking about? Malibu enjoys no (Career Technical Education) programs ... no career lab, no academy. If kids need credit recovery they have to travel to Samohi.”

Anderson said the list got her imagining a new scene in the Cinderella fairytale: “The three talented and wealthy Santa Monica step-sisters complain that if Cinderella moves from their mansion, who will wash their ball gowns and who will polish their jewels for the ball?”

“Malibu’s contributions have provided the means for Santa Monica to create a fabulous program. But Malibu is tired of carrying the water for Santa Monica-Malibu Unified School District without equity or accountability,” Anderson said.



"It is time for those three wealthy beautiful and talented step-sisters in Santa Monica to get real and figure out how to wash their own dang clothes."

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### **Santa Monica-Malibu Disunified: 2 Sides Face Off At Hearing**

Michael Wittner, Patch Staff – April 20, 2021

<https://patch.com/california/malibu/santa-monica-malibu-disunified-2-sides-go-lacoe>

Over 300 people turned in to an emotionally charged LA County Office of Education hearing Saturday to determine the future of Malibu schools

MALIBU, CA — "Fairytale" isn't often a term that comes to mind when describing the Malibu school separation saga, but Malibu parent Heather Anderson drew a comparison to one during Saturday's Los Angeles County Office of Education hearing.

"The list gets me imagining a new scene in the Cinderella fairytale," Anderson said, referring to a list tweeted by SMMUSD of programs they say would be cut should Malibu's "best, final offer" be accepted. Anderson said that these programs - like a grade 1-4 summer language academy, computer technical education, or career lab - "have not, are not, and will never be enjoyed at our end of Pacific Coast Highway."

"It's a scene where the three talented and wealthy Santa Monica stepsisters complain that if Cinderella moves from their mansion, who will wash their ball gowns, and who will polish their jewels for the ball?" said Anderson, a parent of two Malibu High School graduates. "Malibu's contributions have provided the means for Santa Monica to create a fabulous program. But Malibu is tired of carrying the water for Santa Monica-Malibu Unified School District without equity or accountability. It is time for the three wealthy, talented, and beautiful stepsisters in Santa Monica to get real, and figure out how to wash their own dang clothes."

A little while later, during the section of the hearing devoted to opponents of Malibu's separation proposal, Santa Monica Democratic Club President Jon Katz spoke of the "petty ulterior motives and axes to grind" of many of the Malibu speakers who made many "classist, and frankly racist comments," including, "It's time for Santa Monicans to wash their own clothes."

"Someone even said 'Malibu Lives Matter' - think about what that means and why those white speakers might have made those remarks in this context," Katz said.

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And on and on it went.

For three hours on Saturday, hundreds of callers provided two starkly different views of what to do about the Santa Monica-Malibu Disunified School District. For callers from Malibu (and a few from Santa Monica), Malibu is the "ignored, ugly stepchild" that is "out of sight, out of mind" for a Santa Monica-centric district that denies Malibu the programming and opportunities offered in Santa Monica. Malibu attorney Kevin Shenkman referred to a "school district at war with a large group of its constituents."



"It's been very difficult for me to hear the comments that the president of this school board Jon Kean made today, the person who's supposed to represent me and my children, and Superintendent Dr. Ben Drati, who's supposed to represent me here today, to have him speak here today in opposition to the entire Malibu community," said Roui Israel, a Malibu parent who has been active in the PTA and many other local school organizations. "Santa Monica-Malibu School District does not treat each school equally, not with education, and certainly not with physical safety. They are Santa Monica residents who serve voters of Santa Monica."

Malibu speakers - ranging from parents, teachers, to current and past councilmembers and mayors - spoke emotionally about what they felt was a general lack of representation, and inadequate responses to the Woolsey Fire and the discovery of PCBs in Malibu schools.

"There's a lot of talk about severe disruption in quality of programs in Santa Monica and Malibu, yet we are the one who don't get the programs, so I don't understand how that would negatively impact Santa Monica - there's enough resources there for Santa Monica even when we split," said Malibu parent Karen Lee. "Our schools don't have equality, so if we're part of one school district and we're not getting equality, it doesn't make any sense for Santa Monica to support Malibu's schools."

Pro-Malibu speakers also pushed back against an idea raised by SMMUSD Board President Jon Keane that a Malibu school district would not have enough students because the city itself is shrinking.

"Starting with the PCB issue, we brought to [the district] a list of 100 names, including my family's, that let because of the PCBs - there's also a laundry list that left due to the fires, the ones that had to move out of town," said Jennifer DeNicola, a former Malibu parent who helped bring the PCB issue to light.

"We started to see families move away when the school district started by crushing PTA fundraising and made it clear that they did not want additional programs in Malibu, but they did want our money," said Malibu Mayor Pro Tem Paul Grisanti. "Later, the PCBs were discovered and the school district's lack of response and the legal battle resulted in other families and students leaving. The coup de grâce has been the Woolsey Fire in [2018] which destroyed over 700 homes in the proposed Malibu school district. We were distressed to learn that those people who had had to relocate outside the district would not be allowed to enroll on permits."

The district has disputed the claims about PCBs and the Woolsey Fire. A December 2018 letter from Superintendent Drati said that Malibu schools were professionally cleaned, and each was found to be healthy. District spokesperson Gail Pinsker said that the district spent \$5 million on cleaning and testing after the fire, and followed EPA guidelines to remove PCBs by fall 2021. However, most of these efforts came after a five-year battle and court order in response to a 2016 lawsuit.

The district also disputed the claim that Malibu students whose homes were destroyed in the Woolsey Fire were unable to re-enroll in the district. A November 2018 letter to Malibu parents said: "If you are displaced and unable to inhabit your home, you may stay enrolled and continue to attend your home school of residence, even if you temporarily relocated outside of SMMUSD district boundaries."

Ralph Mechur, a former SMMUSD board member, said in a letter to the Santa Monica Lookout that the district immediately mobilized its Emergency Operations Center during the Woolsey Fire, and later organized a "Friendsgiving" event around Thanksgiving 2018 providing food, donations, and support for affected Malibu residents.



At the beginning of the meeting, during a section reserved for official city comment, Councilmember Karen Farrer said that even if a Malibu Unified School District does not meet the 1,500 student threshold, it would raise enough in property taxes to be self-sufficient.

Some Santa Monica residents also called in to express support for Malibu, although no speakers from Malibu supported the SMMUSD position.

"SMMUSD says Malibu's prior offer wasn't fair or equitable, but it's difficult to trust anything the district says about its finances," said Santa Monica parent Nikki Kolhoff. "The district's objection to the separation really has nothing to do with Malibu and really everything to do with covering the fiscal incompetence of the school board."

But most of the calls from Santa Monica expressed some version of the official position of SMMUSD: while Malibu is entitled to its own school district, its latest proposal is not fair and equitable, and would result in a reported loss of 21 percent in funding over 10 years and up to \$30 million in cuts. Santa Monica has also argued that a Malibu Unified School District would be racially homogenous, and draw resources away from students of color. Malibu has pushed back against these claims, arguing that the school makeup will remain unchanged, and both districts will get more money after unification.

"[Malibu's] current plan would increase racial segregation and amplify existing inequities by reallocating funding in an unfair manner," said Victor Leon, director of education equity for the ACLU of Southern California. "Specifically, the petition will create a new district that includes more white students and more higher-income students, and it will provide those students with a greater share of funding. It would create a dual-track system of education, drawing resources away from the students who need it most."

"The goal should be to improve education, not make it worse," said Manny Rangel of SEIU Local 99, the union representing 50,000 education workers. "The decision to allow Malibu to secede has greater repercussions and would undoubtedly exacerbate educational inequalities on many levels."

"I think we need to separate the two issues of secession, and fairness, and equity, and money," said Sarah Braff, president of the Santa Monica-Malibu Classroom Teachers Association. "I don't think anybody is fighting the concept of separation, but the ed code says it will be an equitable and that it would not promote racial or ethnic discrimination, or segregation. What Malibu has proposed would disenfranchise the most vulnerable students in both our communities."

"While our board supports Malibu's efforts to create its own district, we feel the current financial proposal is grossly inequitable," said Alison Havel, president of the board of directors for the Santa Monica Education Foundation, which unanimously turned down Malibu's proposal. "Our board's mission is to invest in a vibrant educational experience for all students in the Santa Monica public schools. This proposal is the antithesis of our mission, because it will result in programmatic and staff reductions that will negatively impact the education of Santa Monica students...in year 11 of Malibu's proposal, the per pupil revenue will be \$21,000 for Santa Monica, and \$98,000 for Malibu. How can it be equitable to separate into two districts with a financial result that is devastating to one and a windfall to the other?"

At the end of the hearing, the two sides seem further apart than ever. A statement from SMMUSD claimed that unification would create "irreparable harm to both Santa Monica and Malibu, specifically in the areas of diversity, equity, educational programs and finances."



SMMUSD's statement also reiterated the claim that a Malibu district would take a "disproportionate share of funding resources," while not attracting enough students to be viable. The statement also accused Malibu of not providing current data or statistics, or a plan to address diversity.

The city of Malibu issued a shorter statement noting that almost everyone agreed Malibu should have its own school district.

"The City hopes the County Committee issues a tentative recommendation in support of the City's petition, allowing the City to continue through the unification process," it said. "While the City does not exclude any path to unification, it is not optimistic about returning to the negotiating table given SM-MUSD's history of negotiating in bad faith."

The LACOE Committee on School District Organization will choose to accept or reject Malibu's proposal around June. If LACOE accepts, it would enter the committee's review process, which includes multiple local public hearings, a staff feasibility study, and an environmental analysis. If approved, the finalized proposal will go to voters. However, an appeal to the state board of education could significantly delay proceedings.

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## **SMMUSD Misinterprets Malibu on School Separation**

Scott Steepleton, Editor - Malibu Surfside News - May 25, 2021

<https://www.malibusurfsidenews.com/f/news/smmusd-misinterprets-malibu-school-separation>

Malibu's latest proposal to split from the Santa Monica-Malibu Unified School District was the focus of a recent meeting involving financial experts on both sides.

The May 13 get together, Christine Wood, assistant city attorney, told the Malibu City Council on Monday, "wasn't really an attempt to negotiate."

"But seeing that it felt like we were talking past each other with some of our negotiations and some of our public comments, this was an opportunity, with no attorneys or staff present, for the financial consultants to get together and talk."

Officials stressed that Santa Monica's position was not up for discussion. Rather, this was a chance to let district officials know Malibu's intent.

Spreadsheets were used to show how funds would be allocated between the future two districts, Cathy Dominico of Capital Finance Group, one of Malibu's consultants, told the council.

The basis for the proposal, she said, is splitting property taxes based on geography and ensuring the state was made whole in the event it had to give a little more to the new Santa Monica District.

"The third layer," said Dominico, "is that we would make Santa Monica USD whole in the event one of their other local funding sources drops below current funding levels."

While a split is still way down the road — if it happens at all — one thing became clear in the meeting, said Dominico.



# CITY OF MALIBU

“We did agree that the way that the school district was actually interpreting our proposal was not what the city had intended.”

Santa Monica’s expert, for example, interpreted property taxes would be split based on the percentage of assessed value within each territory.

That was contrary to what the city proposed, splitting it by geography, with the tax rate areas serving each future district being the ones that contributed property taxes to that district.

Because of this, district officials made some public comments about the Malibu proposal “that raised a lot of concerns on their part with some pretty large numbers.”

In their appeal to the public against separation, SMMUSD officials have said Malibu’s petition for unification “will create irreparable damage to children in Santa Monica and Malibu” and force both communities off a “fiscal cliff.”

But a misinterpretation on the property tax split, added Dominico, resulted in “a significant discrepancy in the funding.”

“We agreed that we were not projecting things in the same way,” she said. “But there was a significant disagreement as to, number one, whether property taxes could even be allocated the way the city was proposing. The school district’s consultant does not feel that it can be.”

The county committee hearing the matter has hired a consultant to provide a feasibility study on a Malibu school district completely independent of the proposals from the city or the district.

That assessment could help guide the committee’s next move.

Council member Karen Farrer said a third-party arbitrator is what Malibu has pushed for — over district objections.

“It’s not (the consultant’s) job to help us come to an agreement,” said Wood, adding there’s a statutory process for erecting a school district.

“It’s their job just to make sure we’re following the rules and meeting the feasibility standards.”

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## County Committee To Consider Malibu School Unification

Michael Wittner, Patch Staff - June 1, 2021

<https://patch.com/california/malibu/lcoe-consider-malibu-school-unification>

The Los Angeles County Committee To Consider Malibu School Unification

The Los Angeles County Commission on School District Organization will meet Wednesday to review Malibu's request to form its own district. The Commission on School District Organization will meet Wednesday to review Malibu's request to form its own district.



MALIBU, CA — The Los Angeles County Committee on School District Organization will meet Wednesday to discuss Malibu's proposal to form an independent school district. Representatives from Malibu and the Santa Monica-Malibu Unified School District will have the opportunity to address the committee, according to their agenda.

The commission will consider the nuts and bolts of Malibu's tax-sharing proposal, as well as SMMUSD's rejection of it. It will also consider the three hours of testimony given at an April 17 hearing, when official representatives from SMMUSD, Malibu, and hundreds of callers presented two opposing cases.

Malibu parents, alumni, and teachers gave testimony about how they felt neglected by the district, which they criticize as Santa Monica-centric. "Santa Monica-Malibu School District does not treat each school equally: not with education, and certainly not with physical safety," one Malibu parent said during the meeting. "They are Santa Monica residents who serve voters of Santa Monica."

In April, SMMUSD finally conceded that Malibu should have its own district, but rejected the city's "best, final offer" to transfer additional property taxes for up to 10 years from the date of school separation, if Santa Monica per-pupil funding falls below current levels, claiming that it would result in \$30 million in cuts to Santa Monica schools, a claim Malibu disputes.

The day before the April 17 meeting, the SMMUSD board voted down another proposal to let the Committee on School District Organization and its consultant School Services of California hammer out a settlement, and be bound by its terms.

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Many Santa Monica residents have claimed that a Malibu district would be overwhelmingly white, and hurt students of color. "[Malibu's] current plan would increase racial segregation and amplify existing inequities by reallocating funding in an unfair manner," Victor Leon, director of education equity for the ACLU of Southern California, said during the April 17 meeting. "Specifically, the petition will create a new district that includes more white students and more higher-income students, and it will provide those students with a greater share of funding. It would create a dual-track system of education, drawing resources away from the students who need it most."

Representatives from SEIU Local 99, the union representing 50,000 education workers, the Santa Monica-Malibu Teachers Association, and other progressive groups also spoke out against Malibu's proposal.

Wednesday's meeting will begin a process where the committee will decide whether to accept or reject Malibu's petition. If the committee accepts, it would enter the committee's review process, which includes multiple local public hearings, a staff feasibility study, and an environmental analysis. If approved, the finalized proposal will go to voters. However, an appeal to the state board of education could significantly delay proceedings.

The meeting will take place over Zoom Wednesday at 9:30 a.m. The meeting ID is 861 9810 0117, passcode 028856.



## City Encourages Public Comment at School Board Meeting Thursday

By Emily Sawicki / Managing Editor

Malibu Times - August 19, 2021

[https://www.malibutimes.com/news/article\\_ca0e044e-012c-11ec-9a15-f349da28c431.html](https://www.malibutimes.com/news/article_ca0e044e-012c-11ec-9a15-f349da28c431.html)

The City of Malibu issued a statement on Thursday afternoon, Aug. 19, urging community members to weigh in on a video circulated by the Santa Monica-Malibu Unified School District (SMMUSD) earlier this week.

The video, which the city called "a highly produced ... piece of political propaganda" urges district parents to oppose Malibu's decades-long effort for an independent school district. According to the city's statement, the video is "filled with numerous distorted facts and numbers, half-truths, and highly debatable projections about school district funding, all paid for with school district taxpayer money, a portion of which comes from Malibu families."

The video claims that, should separation occur, "the proposed division would negatively affect the most vulnerable students in the district," including cuts to programs for "special education students, English learners, at-risk students and more." The SMMUSD video—ostensibly paid for with taxpayer funds from both Malibu and Santa Monica—calls the division "inequitable and unjust."

Malibu's statement countered those arguments, writing, "The truth is that federal law requires that a school district provide services to vulnerable populations and the federal government provides dedicated funding for them. SM-MUSD will not see any reduction in the amount of funding for these programs on a per-student basis as a result of the proposed separation." (The City of Malibu began stylizing "SMMUSD" as "SM-MUSD" earlier this year.)

Community members were encouraged to tune in for the meeting and/or voice their opposition to the video. The SMMUSD meeting was scheduled for 5 p.m. on Thursday, Aug. 19, with public comments accepted beginning at 4:30 p.m. The video can be viewed at: <https://www.youtube.com/watch?v=XNdDuFSCx38>

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## Response to SMMUSD Attack Video

Santa Monica Daily Press - August 26, 2021

<https://www.smdp.com/response-to-smmusd-attack-video/207898>

I am saddened and outraged about the political propaganda video that SM-MUSD sent to parents, teachers, staff and community members attacking Malibu's effort to form its own school district.

This highly produced video, filled with falsehoods, was paid for with School District taxpayer money, a portion of which comes from Malibu families.

Among other distortions, the SM-MUSD projected a loss of revenue without accounting for the loss of Malibu students. The video also falsely states that school separation would force SM-MUSD to cut funding for English learners and at-risk students, as well as special education programs. The truth is that the federal government requires school districts to provide services to vulnerable populations and provides dedicated funding for them. SM-MUSD would not see any reduction in funding for these programs on a per-student basis.



The City and SM-MUSD both agree that we should have separate school districts; the only question is how to separate in a way that is fair and equitable for both and will not harm any students.

After years spent negotiating with SM-MUSD on the financial terms of separation, the City petitioned the County to form an independent school district, based on California's school finance principles, and in a way that would not harm students in either district.

In May 2021, the City again asked SM-MUSD to return to the negotiation table with an independent, third-party mediator, and the District has still not responded to the City's offer. Instead, they attack the City and misrepresent its petition.

Malibu is a small, rural, residential community 20 miles from Santa Monica, separated by the City of Los Angeles, with its own values and needs. We have only sought to have local control over the education of our children and to address the inequities in the programs that the District offers in Santa Monica and Malibu.

As a parent of students who attended SM-MUSD schools and a founding member of Malibu's school separation effort, I have seen firsthand how our students' educations have suffered because they did not have access to programs and resources including art, music, afterschool programs, and tutoring that were offered exclusively in Santa Monica.

This video is yet another example of SM-MUSD using taxpayer dollars against the best interest of its Malibu students and parents.

Get the real facts at [MalibuCity.org/MUSD](http://MalibuCity.org/MUSD).

Karen Farrer, Councilmember, City of Malibu

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## **Open letter to the SM-MUSD**

Santa Monica Daily Press – August 27, 2021

<https://www.smdp.com/open-letter-to-the-sm-musd/207927>

As a lifelong Malibu resident and parent of students who attended SM-MUSD schools who has advocated for an independent Malibu school district for many years, I am saddened, confused and outraged at the video you released recently. Why would you do this and what do you hope to gain?

We've been asking you to come back and negotiate with us and had not heard back from you in months until this highly inappropriate and inflammatory attack. Is this what the leadership of SM-MUSD looks like? Do you believe that this is the way to treat members of the community that feel they have legitimate reasons to form their own independent school district to serve their children's educational needs?

Your actions, at all times, define you. You can't walk this back. And your actions will always be part of your legacy. And in my opinion, this is a horrible look for your School Board and for each of the Board Members personally, except Craig Foster, the only representative on the Board from Malibu. From my perspective, it seems you've lost your way and all the video did was galvanize people against you.



You've said publicly that you agree that Malibu and SM-MUSD need to separate and that we just need to come to equitable terms. Your actions do not reflect this. Instead, you do not reply when we reach out. Instead, you attack. Instead, you waste more time and taxpayer money and resources, including that of Malibu parents, which should be spent educating our children and improving our facilities.

I've had brief talks in the past with several of you and a couple of you said you would contact me so that we could talk. But to this day, the only time I've heard from any of you is when you were seeking an endorsement for your election campaign. My offer still stands to talk, but I suspect it will be a more difficult conversation now. True leaders would continue to work together. You have my phone number. The next move is up to you.

Mikke Pierson is a Malibu Councilman

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## **SMMUSD Sends Anti-Malibu 'Propaganda' to District Families**

The one-sided video, full of misinformation on school district separation, was apparently paid for with taxpayer money.

By Jimmy Tallal

Malibu Times – August 27, 2021

[https://www.malibutimes.com/news/article\\_6a3c2ef8-06fc-11ec-b88c-4b81b67d2a53.html](https://www.malibutimes.com/news/article_6a3c2ef8-06fc-11ec-b88c-4b81b67d2a53.html)

Malibu residents on the Santa Monica-Malibu Unified School District (SMMUSD) email list were in for a shock last week when they received a school district-created video full of alleged misinformation about the negative consequences the district says would occur if Malibu created its own separate school district.

The video's release is just the latest chapter in a protracted separation negotiation—one in which Malibu representatives have previously decried Santa Monica's side as acting in bad faith. The negotiations began in earnest in 2015, but since then Santa Monica has stonewalled numerous attempts by Malibu representatives to come to a solution that does not involve billions of dollars flowing from Malibu into Santa Monica.

The video, which runs about a minute-and-a-half, is professionally produced and slick enough to run as a television ad. Described as a "snapshot into this issue" by district spokesperson Gail Pinsker, the video was an obvious attempt to sway Santa Monica residents to vote against school district separation in the future.

Malibu schools were depicted in beautiful drone shots including beaches, mountains and mansions, while Santa Monica classrooms were made to look crowded and outdated by comparison. The video didn't include any shots of the Barnum Hall and Memorial Greek Amphitheatre or various other multi-million-dollar structures of Samohi. The video obviously cost time and money—taxpayer money.

The video stated, "We owe it to our children to say no to Malibu's unjust and inequitable proposal. Please oppose the Malibu petition to prevent the programs we love from harm."

In response to the video, the City of Malibu filed a complaint with the state's Fair Political Practices Commission (FPPC), a nonpartisan independent body of five members that administers the Political Reform Act. The FPPC Enforcement Division investigates and administratively prosecutes violations of the act with a team of attorneys, investigators,



auditors and political reform consultants “who work vigorously to ensure that cases are handled swiftly and fairly,” according to their website.

An email to Malibu City Council Member Karen Farrer said, “Although the date of the unification election has not been called, the process has begun and the process concludes with an election. So it appears the FPPC will find that [SMMUSD] knows that, and that they were attempting to influence the outcome of the election, and therefore are in violation of the law.”

Farrer and the City of Malibu issued statements refuting misinformation in the video, calling it obvious propaganda, and gave a call to action for Malibu residents to make public comments at last week’s SMMUSD special school board meeting.

At the meeting, Malibu resident Wade Major gave a blistering rebuttal to the video after introducing himself as both a former SMMUSD student and now a parent:

“Malibu has always been treated shabbily and uncivilly by Santa Monica—and you know our grievances.

advertisement

“The video sent to district families this week, just in time to ruin our return to school, in which you wasted money to attack us, slandering us with lies regarding our efforts to form our own district, is a new low.

“You have hopelessly alienated an entire community that you ostensibly want to either keep in the district or lure back to the negotiating table.

“Who thought this was a good idea? Who drafted the language and approved this video? If this were a relationship, it would be deemed so abusive Malibu would have to get a restraining order. It’s not just that the video is a nasty pack of lies, which it is, but why are you lying? At whose behest?

“You’re gaslighting Santa Monica residents with threats of cuts that will never happen. The only kernel of truth is that Santa Monica gets a disproportionate amount of money—about one-third of the budget—from only 12 percent of the district population.

“And we’re supposed to be OK with a district and a board that will always be dominated by Santa Monica residents having uncontrolled sway over our money and our children’s educations? That isn’t democracy; it’s serfdom.

“But what I want Santa Monica residents to consider is there’s only one explanation for a video this malicious—this is a political hit. There are special interests in Santa Monica that want to keep Malibu’s money in the school system so that Santa Monica doesn’t have to make up the difference in a separation. But Santa Monica will always fund its schools, even if they have to make up the money elsewhere, and that elsewhere is Santa Monica’s problem, not Malibu’s. But there clearly are some powerful interests that have some sway on this board, with political aims.”

Another resident, Jo Drummond, in her public comment pointed out the discrepancies in educational quality between the two cities, with Malibu getting the short end of the stick. In Malibu, only two foreign languages are available, while in Santa Monica there’s a choice of six. There are no ethnic studies classes available in Malibu, which are given in Santa Monica. Samohi has a state-of-the-art auditorium while Malibu’s auditorium is “decrepit and inferior.”



The video falsely states that school separation will force SMMUSD to cut program funding for English learners, at-risk students and special education. The truth, according to the City of Malibu’s statement, is that federal law requires a school district to provide these services and also provides the dedicated funding for them.

Members of the public are invited to also file an online complaint with the FPPC at [fppc.ca.gov/enforcement/electronic-complaint-system.html](http://fppc.ca.gov/enforcement/electronic-complaint-system.html). The complaint type is a sworn complaint. The respondent is SMMUSD. Fill out violation info: “type” is mass mailing sent at public expense. Violation Code is 89001. Comments—“See Attached.”

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### **Letter: Reinforcing Our Commitment to Leave**

Malibu Times - August 29, 2021

[https://www.malibutimes.com/opinion/article\\_4b3e0610-08e7-11ec-abe7-33513a1a011d.html](https://www.malibutimes.com/opinion/article_4b3e0610-08e7-11ec-abe7-33513a1a011d.html)

In response to a video emailed to the Malibu community from the SMMUSD on Tuesday, Aug. 17

I was disheartened and very disappointed to read of the email which was sent from the SMMUSD district office on Aug. 17, 2021.

The video presentation was inaccurate and loaded with propaganda. I feel that the SMMUSD overstepped its authority, and possibly their SMMUSD board policy, by using their database of parent/student contact information for the purposes of sending such propaganda to “parents, guardians, staff and community members.” I am even more disappointed if the SMMUSD paid for the production of the video with public funds. The video reinforces my commitment to the separation of Malibu schools from Santa Monica schools. As a resident of Malibu since 1981 and taxpayer in Malibu, I emphatically support separation creating the two separate school districts of Malibu and Santa Monica.

Steven Ravaglioli

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### **Santa Monica Vs. Malibu: A Messy School District Divorce Over Money And Who Gets The Kids**

By Maria L. La Gangastaff Writer

Los Angeles Times - September 1, 2021

<https://www.latimes.com/california/story/2021-09-01/malibu-vs-santa-monica-messy-school-district-split>

The accusations are ugly and public. The differences, textbook irreconcilable.

The two cities that make up the Santa Monica-Malibu Unified School District want a divorce — and the points of contention are similar to those that plague most messy breakups. Money. Power. Fairness. And most volatile of all: what is in the best interests of the children.



These sun-kissed cities don't share a boundary, or much of anything else, but for nearly 70 years they have been joined by their school system. For more than half that time, Malibu has been trying to leave.

"It has come to the point where everybody feels it is best to be separate, because there is just so much history," said Santa Monica-Malibu Supt. Ben Drati. "The marriage is not working well. We just need to be able to divide the funding so no one's harmed. ... But what [Malibu] is proposing right now, it's unconscionable."

Malibu's latest secession plan heads to a key public hearing in mid-September. If it is approved, the city would use its own property taxes to pay for its schools, would share some of those riches with Santa Monica for a decade and then cut off its former partner.

Malibu wants control over how money is spent on education programs and teachers and over what courses Malibu high school students are offered. And it wants the ability to create a safety plan that accounts for the community's particular disasters of fire, mudslide and flood.

Officials with the unified school district, who support secession but oppose Malibu's current offer, warn the proposal would leave a standalone Santa Monica district in the financial lurch and prompt deep cutbacks to programs for its diverse student body.

And what does Malibu say about the district's objections to its plan for divvying up community property?

"Let's stop pretending that this is about what's fair," said Christine Wood, Malibu deputy city attorney. "Santa Monica just wants the status quo — and that's to keep Malibu in its grips."

This is what life in Malibu schools is like.

According to City Council member Mikke Pierson, students in his town are being left behind those in Santa Monica in terms of academics, facilities, activities and services. The fight, in part, is over whether it's fair to have 17 Advanced Placement classes instead of 20.

"The only category we are ahead is in the amount of property taxes we disproportionately pay to SMMUSD to enhance programs that are mostly in Santa Monica," he said during a spring hearing on the breakup. Members of the "Santa Monica-centric" school board "clearly don't understand the unique challenges we face as a rural community."

And what exactly does "rural" mean in Malibu?

To council member Karen Farrer, it means the town will never have a Trader Joe's — "we don't have enough people." And there's no "real car wash," she said. (The hand-wash place doesn't count.)

Malibu — a city where the median household income is twice that of Los Angeles County, \$150,747 versus \$75,235 — tends to invoke the language of social justice and educational equity when talking about the split.

The wrangling over dividing up plenty is happening at a time when other school districts are struggling just to get enough. When the Los Angeles Unified School District can't hire teachers and counselors and librarians and nurses and



mental health specialists to fill thousands of vacancies, and children have just returned to school confronting deep learning losses.

Yet Malibu perseveres in what residents see as a righteous campaign on behalf of its children. Proponents of secession argue that Malibu has less than 15% of the students in the district, but the city’s property taxes make up around 30% to 35% of the SMMUSD revenues.

They note that only two foreign languages are taught at Malibu High (Spanish and French), while five are taught at Santa Monica High (Spanish, French, Mandarin, Japanese, Latin). That there’s a dual-immersion language program in Santa Monica, where students are taught in Spanish and English, but no such thing in Malibu.

District officials say schools with large enrollments have more money available for a wider range of programs. Santa Monica High, for example, had 2,816 students in the 2019-20 school year, about twice the population of Malibu’s four schools combined. Malibu High? Five hundred and twenty-eight students.

And despite Malibu’s complaints, schools in both cities top the charts in student achievement. Santa Monica High and Malibu High both had graduation rates of 95.3% in the 2019-20 school year, nearly 10 points higher than the statewide rate.

Still, said Wood, “I don’t know why there would be a feeling that, ‘well, there’s fewer students so then we can cut back foreign languages to two versus five, or we don’t have to provide project-based learning.’ Why would Malibu students need to suffer those kind of inequities?”

And that, Pierson chimed in, “drives students to other places.”

“If you’re going to say how horrible the district is, you can’t say how shocked you are when people leave.”

JON KEAN, SCHOOL BOARD PRESIDENT

Which raises yet another issue: Malibu schools have been losing students at a dramatic rate.

Between the 2014-15 school year and 2019-20, the combined student population of the city’s two elementary schools, one middle school and one high school dropped 25%, from 1,871 to 1,406 students.

Malibu officials cite the Woolsey fire, which destroyed hundreds of homes in the area. They also blame school quality for driving students to private schools or other districts.

Not so fast, says school board President Jon Kean; census data and housing stock tell a different story. The population of Malibu is getting older and grayer. Between 2010 and 2019, the school-age population dropped 37%. The number of children younger than 5 — a school district’s future — dropped 49%.

Perhaps a third of Malibu’s housing stock is second homes for the rich and famous; more than three-quarters of Santa Monica residents are renters.

And then there are the intangibles. As Kean noted: “If you’re going to say how horrible the district is, you can’t say how shocked you are when people leave.”



Malibu officials wonder why they should pony up so much money for what they view as an inferior education. It's a matter of equity and local control, they say. They want Malibu property taxes to go to Malibu children.

But the complicated calculus of educational funding in California doesn't work that way. Malibu, district officials say, can't just take its money and run.

The state determines how much money school districts need through a mechanism called the Local Control Funding Formula. For the vast majority of districts, property tax allocations aren't enough to reach that threshold, so the state provides the balance.

Then there are so-called basic aid districts — usually wealthy ones with expensive homes.

Basic aid districts bring in enough revenue through property taxes that they exceed what they would receive through state funding formulas. This generally means California doesn't have to kick in any additional money, and the district gets to keep any excess property taxes.

Los Angeles County has two basic aid districts: Beverly Hills and Santa Monica-Malibu.

If the divorce becomes final, the proposed Malibu Unified School District would retain basic aid status. But Santa Monica's future status is unclear. Malibu has agreed to kick back money to the resulting Santa Monica Unified School District for 10 years to offset revenue loss.

It's the 11th year where the two sides can't agree on how to assess the financial impact.

If Malibu's funding plan were ever enacted, SMMUSD officials said, it would strip programs and services from the district's more diverse and often less wealthy students.

Right now, per-pupil spending in the combined district is roughly \$18,400, said Shin Green, a financial consultant for the unified district. By the time the 10-year deal Malibu is proposing ends, Santa Monica students would get about \$21,000, Green said. And property tax money possibly available to Malibu students? About \$98,000 per student.

Asked about that figure, Wood, the Malibu attorney, just laughed; their calculations are too ridiculous to ponder. Malibu Councilwoman Farrer called the number "inflammatory." City officials say they have no idea where the district's numbers even come from.

The state Department of Education does not require those wanting to create a new school district to project per-pupil spending out 10 years, so Malibu does not have comparable numbers, said Cathy Dominico, a financial consultant for the city.

But for Malibu to reach \$98,000 per student, Dominico said, either the tax base in the notoriously slow-growth city would have to triple in the next decade, or the student population would have to drop to around 300 to 400. Neither is feasible, she said.



If the Malibu plan were to be approved, SMMUSD officials say, just look at who would get the short end of the stick. A quarter of the students in the combined district qualify for free or reduced-price lunch, said David Soldani, the district's legal counsel on the secession issue. They largely live in Santa Monica.

"It's one thing to separate the two [cities]," he said. "But when you take the lion's share of those resources, you do that to the detriment of where the greatest need is, which is in the Santa Monica area."

If the Malibu proposal is approved, Kean said, the new Santa Monica district would have to start making cuts in the first year to prepare for what he called the financial "cliff" the district would fall off in year 11.

The first impact, he said, is that the district would have to lay off teachers at Santa Monica's Title I schools — in which 40% or more of the student body receives free or reduced-price lunch — and class sizes would increase. Currently, those schools have smaller classes.

Then, some instructional aides at elementary schools would be cut. Next to face the chopping block would be elementary school music programs; secondary school music programs also would be reduced, he said.

"To take this away would irreparably damage what makes us a high-achieving district," Kean said. "History has taught us that the cuts are going to be borne by the ones who can least afford it."

What brought these two communities together to educate the region's children in the first place? An accident of history and geography.

The Chumash were in Malibu first. Then the Spaniards. Frederick Hastings Rindge and his wife, May, bought Rancho Topanga Malibu Sequit, a 13,300-acre Spanish land grant, for \$10 an acre in 1892.

By the time the Great Depression ended, May Rindge owed millions in back taxes, and the family began selling off land. Subdivision followed.

By 1953, Malibu Township had a population of just over 2,300 and two elementary schools and decided to join a school district. Santa Monica was the closest.

And it's not that close. Until Malibu High School opened in 1992, teenagers who lived in the neighborhoods of the city that were farthest north would drive more than 30 miles each way to get to Santa Monica High School. Malibu High and Santa Monica High aren't even in the same league for school-based competition.

When it comes to "common community interests," council member Farrer said, "whether it's places of worship, commerce, shopping, Malibu and Santa Monica don't mix."

The cities' differences were in high relief at high school graduation.

Santa Monica High School seniors filed into Memorial Greek Theater, the school's outdoor amphitheater, during two socially distanced ceremonies for the nearly 700 graduates, including 60 candidates for valedictorian.



One day later and 21 miles west on Pacific Coast Highway, Malibu High seniors and their families were scattered across a small segment of the football field.

There were so few seniors — 148, 10 valedictorian candidates — that each had time to pose for professionally shot photographs, one while receiving a diploma, one with Principal Patrick Miller. Instead of warnings to obey COVID-19 restrictions, there were back flips off the open-air stage.

At Santa Monica’s graduation, questions about the proposed school district split were met with shrugs. In Malibu, passions ran high.

“I think Malibu should leave,” said Felix de Raspide Ross, a rising sophomore. “Santa Monica is taking a lot of resources. Students over here are getting a more degraded education than Santa Monica.”

The future of the district is in the hands of the Los Angeles County Committee on School District Organization — and ultimately even the California Department of Education. In April, more than 300 people gave up a Saturday to publicly voice decades-old complaints — as well as discuss the latest demographics.

Malibu held tight to its main point of outrage: Santa Monica just wants it for its money. Santa Monica dug hard into diversity issues and alleged that its smaller neighbor wanted to set up what amounted to a mostly white private school district paid for with public funding.

Malibu schools, on average, are 76% white. Santa Monica’s are around 54% Black, Latino and Asian.

Heather Anderson, whose two children graduated from Malibu High, likens the conflict to something out of the Brothers Grimm, with Santa Monica as the wealthy, pampered stepsisters and Malibu as Cinderella, forced to “wash their ball gowns.”

Jon Katz, president of the Santa Monica Democratic Club, charged that the Malibu petition would “create one of the whitest districts in the country.” And he bristled at what he described as “multiple classist” comments made by supporters of the current proposal, assertions that Malibu has a “diversity of heart.”

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School board President Kean, who supports the divorce, described the April hearing as “an airing of personal grievance.” Which is fine, he said, “but airing personal grievances is not a reason to split.”

The second half of the committee hearing is scheduled for Sept. 18. After that, the panel will give the petition either a tentative OK or the thumbs-down.

The committee will consider nine criteria, laid out in the state education code. Among them: The districts affected should have at least 1,501 students, barring extenuating circumstances. The proposal should not disrupt educational programs. Reorganization must not promote racial or ethnic discrimination or segregation. It should not increase costs to the state.



In the first scenario, there would be public hearings in Santa Monica and Malibu and further study of the split's feasibility. Then the state Department of Education would make a final decision. In the second, the county committee would rule that the district should remain intact. No appeal to the county is allowed.

Still, another group could put together another petition.

And divorce proceedings could begin anew, moving toward yet another decade of discord.

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## **After 70 years, Malibu Wants to Separate Itself from Santa Monica in School District Scuffle**

Press Play with Madeleine Brand, KCRW 89.9 FM – September 1, 2021

<https://www.kcrw.com/news/shows/press-play-with-madeleine-brand/refugees-governor-edu-health-al-capone/santa-monica-malibu-unified-school-district>

Citing an unequal education and distribution of resources, Malibu is trying to call it quits from its school district union with Santa Monica. The Santa Monica-Malibu Unified School District could be headed for a long and expensive separation. Malibu has long complained that its students aren't getting an equal education — that resources, classes, and programs aren't equally distributed. But the split could deal a financial blow to Santa Monica, where the median household income is a lot lower than in Malibu.

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## **County says school split proposal fails eight of nine conditions**

By Matthew Hall, Santa Monica Daily Press - September 7, 2021

<https://www.smdp.com/county-says-school-split-proposal-fails-eight-of-nine-conditions/208254>

County regulators are recommending a proposal to split the Santa Monica Malibu Unified School District advance to the next stage of analysis following a preliminary report that concluded eight of nine conditions for a split were unmet.

According to staff, many of the unmet conditions were the result of poor or lacking data and further study is needed to make final determinations.

The Los Angeles County Committee on School District Organization heard initial arguments on the split earlier this year and a report from the Committee's staff issued last week said the proposal failed to meet eight of nine standards as it stands today.

### Minimum enrollment standards

A new district should have at least 1,501 students and the report cites a shrinking population as a primary factor Malibu fails to meet the rule. However, the report states more study may be necessary to evaluate the impact of temporary population loss due to wildfires and the impacts of remote learning on school enrollment.

"Because there is a strong indication that current enrollment in Malibu area schools would be fewer than 1,501 students, staff finds this condition, at this time, not substantially met," said the report.



## Community Identity

Districts should be organized on the basis of “substantial community identity” and regulators said that while Malibu is a distinct city, its educational history has always been entwined with Santa Monica making it impossible to justify a new district on identity grounds.

“Proposals to form unified school districts are requests for changes to permanent boundaries. They should only be undertaken based on evidence of a compelling reason to make such changes related to educational concerns and guided by the mandated nine conditions of review. No such compelling reason has been presented in this case to date that cannot be mitigated by the current collaborative practices of the Santa Monica-Malibu USD,” said the report. “The implication that this proposal should be approved simply because the City of Malibu wants it, because they feel more a part of their city than their school district, should not be remedied by a process as serious and with such significant consequences as forming a new USD and taking territory from a high-performing current USD, especially given the potential fiscal impacts. Therefore, it is recommended that the County Committee deem this condition to not be substantially met at this time.”

## Equitable division of property

The proposal must result in an equitable division of property and facilities for the two newly split districts and officials said too few details were available to meet these criteria at this point. Regulators cited an independent report that concluded the two sides would not agree on a split and an arbitrator or board of arbitrators would be needed to determine an equitable split.

## Racial equity

Education of students in an integrated environment and will not promote racial or ethnic discrimination or segregation. The Committee said that regardless of enrollment numbers, it was clear a Malibu district would be vastly more White than a Santa Monica district and that splitting the district would likely violate the requirement.

“Indicators are that, given the ethnic/racial shift in student population should a Malibu USD be created, there may be discriminatory impacts on students. Therefore, it is recommended that the County Committee deem this condition to not be substantially met at this time,” said the report.

## Costs to the State

Splitting the district should not create a situation that requires additional funding from the State for either party. In this case, the analysis questions if both districts would remain “basic aid” meaning they derive their funding from local taxes, rather than State sources.

Regulators referenced the previous uncertainty over terms of a financial split as the reason this condition was not met at this time.

“Absent another negotiated settlement, it is not clear if both resulting districts could maintain basic aid status or if a resulting Santa Monica USD would need additional support from the state. Therefore, it is recommended that the County Committee deem this condition to be not substantially met at this time,” said the report.



### Continued quality of education

The terms of the condition require 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.

The report said it lacked enough data to say the proposal met the condition.

“At this time, it cannot be determined whether the creation of a Malibu USD would negatively impact the ability of the resulting Santa Monica USD to promote sound education (in terms of its ability to finance current programs and educational offerings). Until it is clear how this reorganization would be worked out on a fiscal basis, the impact on educational programs is not known,” it said. “Therefore, it is recommended that the County Committee deem this condition to be not substantially met at this time.”

### Insignificant school facilities costs

Facility costs cover infrastructure like buildings and equipment necessary to run a district. The report again references poor data on future enrollment as a block to determining if the proposal can meet these criteria.

“Given yet another layer of uncertainty about what a Malibu USD would need, how many students it is likely to have, and what the workout cost would be for the facilities it seeks to acquire from the Santa Monica-Malibu USD, it is not possible to know if additional school facilities costs would be indicated by this reorganization. Further, it is not possible to know at this time if the resulting Santa Monica USD would have school facilities costs based on its loss of enrollment or other fiscal losses,” it said.

### Proposal is not designed to increase property values

While a proposal to create a new district can increase property values, property values cannot be the primary motivating factor. Regulators said as Malibu already has higher property values than Santa Monica, it met the condition.

“It can be reasonably projected that most residents of the City of Malibu already have higher property values than most residents in Santa Monica, but there is no evidence that a significant increase in property values represents the primary motive for the proposal. Therefore, it is preliminarily recommended that the County Committee deem this condition to be substantially met at this time.”

### Continued sound fiscal management

According to the report, the County Committee should consider financial trends of the affected districts and revenue gains and/or losses that may result from the proposed reorganization. This information will be used to evaluate the proposal’s effect on the viability of the reorganized districts to operate educational programs and to assess any negative impact to the fiscal management or status of the reorganized district(s).

“It is preliminarily concluded that this reorganization would negatively affect the fiscal management or status of the resulting Santa Monica USD, should it be approved. Therefore, it is recommended that the County Committee deem this condition to be not substantially met at this time.”



While staff concludes the proposal does not meet eight of the nine criteria, the report still recommends the proposal advance to the next stage of analysis as many of the failed criteria require additional information and study to make a final decision. The report also states the staff analysis is not the final determination.

“The County Committee may find all, a majority or some of the conditions met and still vote to deny the proposal. Similarly, the County Committee may find that none, few or some of the conditions are met, yet still has authority to vote to approve the proposal. The County Committee’s authority lies in its assessment of what is best for this specific situation and proposal, both in regard to individual Conditions and in the totality of the proposal, and its overall assessment that the Nine Conditions are substantially met.”

Staff said a negotiated settlement is still the preferred resolution.

“It is clear that additional information is needed for the County Committee to complete a full analysis of this proposal to form a Malibu USD, should it approve moving this proposal into the regular review process. It is also clear that, though they have hit roadblocks numerous times, the City of Malibu and the Santa Monica-Malibu USD still have the opportunity to negotiate and to come to the County Committee with a joint solution,” said the report. “A negotiated solution that honors the needs and concerns of both parties remains the best recommendation.”

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## **Report Urges Against Splitting Santa Monica-Malibu School District**

**LA County Office of Education Division of Business Advisory Services releases report ahead of September 18 meeting**

By Sam Catanzaro, Santa Monica Mirror - September 9, 2021

<https://smmirror.com/2021/09/report-urges-against-splitting-santa-monica-malibu-school-district/>

A recent report recommends Los Angeles County education officials deny moving forward with a proposal to split the public school district serving Santa Monica and Malibu.

On September 2, the LA County Office of Education Division of Business Advisory Services released a report on a proposal to form a Malibu Unified School District (USD) from territory currently within the Santa Monica-Malibu Unified School District (Santa Monica-Malibu USD).

The analysis, prepared for the LA County Committee on School District Organization (County Committee), concluded that this split would negatively affect the financial status of the resulting Santa Monica USD, should it be approved, recommending that the County Committee deny moving the proposal forward.

The Committee convened a first public hearing on April 17 and a second hearing is scheduled for September 18 where a decision will be made.

The analysis found that eight of nine conditions required under the County’s education code were not substantially met.

The primary reason given was that a resulting Malibu USD may not have, or be able to maintain, enrollment of at least 1,501 students, a number required under California law.

“Staff has been informed anecdotally that wildfires (which occurred before the COVID-19 pandemic) have driven the population of students enrolled in Malibu area schools below 1501 because families who lost their homes have not yet



been able to return. It is not clear if those families returned to Malibu area schools' enrollment lists during the pandemic, nor is it clear what overall enrollment was in the district while it moved to online classes," reads the report.

In addition, the report cites recently-released U.S. Census data indicating a drop in the overall population in the City of Malibu.

The analysis then goes on to dispute the argument made by supporters of the split that Malibu students are excluded from the community.

"It is unrealistic to believe that Malibu residents (and thus Malibu students) never leave Malibu (notwithstanding COVID-19 pandemic restrictions), and vice versa, that residents and students of Santa Monica never partake of recreational, civic, commercial and other offerings in Malibu," the report states.

Another factor cited in the report as a reason behind the recommendation to deny the split is the likelihood that a Malibu USD would lack diversity.

"Malibu USD, if created, will be an entity that is vastly more White than the resulting Santa Monica USD or the current Santa Monica-Malibu USD," reads the report, which projects that a Malibu USD would be 77.1 percent White and a Santa Monica USD would be 45.4 percent White. Santa Monica-Malibu USD is currently 49.5 percent White.

Other reasons given behind the recommendation to deny the split were potential increased costs to the state, disruption of education programs, increased school housing costs and impacts to the fiscal management of the resulting two districts.

The effort to split the school district began officially in 2015 with a resolution from the City of Malibu to form a separate Malibu USD from territory within the boundaries of the existing Santa Monica-Malibu USD. Santa Monica-Malibu USD, headquartered in Santa Monica, serves 10,625 students with an annual general fund budget of \$150 million.

The City of Malibu has 10,654 residents, and the City of Santa Monica has 93,076 residents, according to the 2020 U.S. Census. The supporters of the split argue that the city centers of Malibu and Santa Monica are separated by several miles, and Santa Monica and Malibu have become distinct communities.

"Residents of Malibu have expressed concern and frustration that they are not adequately represented by the Santa Monica-Malibu USD governing board due to its at-large system of election, and that their concerns about the policies and practices of Santa Monica-Malibu USD go largely unaddressed. The unification of a Malibu USD from the existing territory of Santa Monica-Malibu USD will benefit all children in Santa Monica, as well as Greater Malibu. Organization of a Malibu USD enables all residents of Greater Malibu to have representation on their local school board through adoption of by-trustee-area elections," the petitioners argued in their resolution.

Santa Monica-Malibu USD, has expressed support for the creation of a Malibu USD, but not under the current proposal which it argues would negatively impact the district and students.

The implication that the Santa Monica-Malibu USD is some sort of rogue or illegal composition is false," Santa Monica-Malibu USD writes. "We are guided by state mandated metrics of sufficiency and performance, not public opinion polls. Santa Monica-Malibu USD is a high-performing district according to the most recent assessments (which have been



suspended during the COVID-19 pandemic), noting that the district has a graduation rate of 94.6% out of all students, compared to a statewide graduation rate of 86.6%, according to the CDE. It is also a district that serves both students of high academic achievement and those of significant need (including English Language Learners (ELL) (8.2%), foster youth (.2%), homeless youth (.5%), students with disabilities (12.5%) and youth from families categorized as low socioeconomic status (SES) (27.5%).”

In addition, Santa Monica-Malibu USD, argues it is not clear what kind of school district the City of Malibu intends to support in the form of a Malibu USD.

“The City of Malibu, in its proposal, merely lists a series of complaints about the Santa Monica-Malibu USD,” Santa Monica-Malibu USD writes.

It should be noted the County does not require that petitioners such as the City of Malibu submit an educational plan before submitting a proposal.

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## **Malibu confident going into Sept. 18 hearing on splitting SMMUSD**

By Matthew Hall, Santa Monica Daily Press - September 9, 2021

<https://www.smdp.com/malibu-confident-going-into-sept-18-hearing-on-splitting-smmusd/208297>

Advocates for a standalone Malibu school district believe they can still win approval for their proposal despite a recent report concluding efforts to split SMMUSD do not meet eight of nine conditions.

County regulators issued a report last week stating the current proposal only meets a requirement to avoid a split for the sole purpose of raising property values. For eight other criteria, the report stated Malibu’s proposal either did not meet requirements or that more information was needed to determine if they could meet the condition.

The process for splitting a district is confusingly known as a “unification” proposal and plans are judged on a nine-condition basis. While meeting the conditions is not an automatic requirement for approval, the evaluation is part of the decision-making process.

Proposals must meet standards for enrollment, community identity, division of property, racial equity, cost to the State, educational outcomes, infrastructure costs, property values and ongoing fiscal health.

The report states Malibu’s proposal fails to meet enrollment, identity, racial and fiscal health requirements. It states the proposal does not meet the other conditions but stipulates those failures are based on a lack of information and additional study is needed to make a final determination.

The City of Malibu is leading the effort to establish a new district and their team said it’s encouraged by the recommendation to further study its proposal.

“Malibu is a small, residential community with its own identity and needs. We are 20 miles from Santa Monica, and the two cities don’t even share a border,” said Malibu Councilwoman Karen Farrer. “For the past 30 years, students in Santa Monica and Malibu have attended schools in their own cities, and no students will have to change schools if we separate



districts. Our families have worked for decades for local control over the education of our children and to make sure they have access here in Malibu to the same programs and resources that the District offers in Santa Monica. The District agrees that we should separate, and the only question is how we can do it fairly and without harming students. Malibu’s proposal is fair, and remaining with the District is harming Malibu’s students.”

In a statement, the City said the terms of its most recent offer to the District should satisfy many of the fiscal questions raised in the report and that with some additional study, it felt the proposal could eventually pass eight of the nine conditions. The statement said Malibu would not meet the enrollment requirements of 1,501 students but the number itself was not actually a problem.

“While enrollment is not a concern for the feasibility of reorganization, it is a concern for the community,” said the statement. “There is an argument to be made how an independent Malibu Unified School District could attract additional students and stop enrollment decline by giving Malibu families local control of their children’s education and addressing the specific needs and priorities of the community. Other factors such as the community’s continuing rebuild effort from the Woolsey Fire and the student voucher program could address this as well.”

Malibu officials said they remain open to a negotiated settlement under the right conditions.

“Yes, if the District would agree to binding arbitration by a neutral third party. The District has rejected that proposal, even though the County Committee’s consultant supported a third-party arbitration. The City is leery of any further non-binding negotiations because, in the City’s opinion, the District had negotiated these past few years in bad faith,” said the statement.

The report will be discussed in detail at an upcoming Sept. 18 hearing.

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## **School District Urges County Committee to Oppose Malibu Split**

By Jorge Casuso, Santa Monica Lookout - September 13, 2021

[https://www.surfsantamonica.com/ssm\\_site/the\\_lookout/news/News-2021/September-2021/09\\_13\\_2021\\_School\\_District\\_Urges\\_County\\_Committee\\_to\\_Oppose\\_Malibu\\_Split.html](https://www.surfsantamonica.com/ssm_site/the_lookout/news/News-2021/September-2021/09_13_2021_School_District_Urges_County_Committee_to_Oppose_Malibu_Split.html)

September 13, 2021 -- School District officials last week mounted a campaign urging the County Committee on School District Organization to end the "protracted battle" over Malibu's split on Saturday.

In an email Friday to parents, staff and community members, Superintendent Ben Drati cited "an independent third-party analysis" that found Malibu's departure would have "dire consequences" for Santa Monica students.

The email asks recipients to join the District in its opposition to the Malibu City Council's petition by weighing in on the key decision Saturday in what has been a decade-long battle.

"I believe the County Committee should deny the Malibu City Council’s Petition rather than continue to spend needless time and energy establishing what is already clear," Drati wrote.



# CITY OF MALIBU

"The Malibu City Council cannot meet the criteria set forth in state law for unification unless and until there is a fair and equitable financial plan in place."

Drati reiterated the District's longstanding contention that the proposed split would result in a "catastrophic 21.52 percent revenue drop" for a newly created Santa Monica District.

It also would leave "an immediate funding gap of \$33,759 per student in Malibu compared with \$9,964 per student in Santa Monica."

Drati noted that the report from the Division of Business Advisory Services found that Malibu failed to "substantially" meet eight of the nine conditions required under State law ("Proposed Malibu Split Fails to Meet County Conditions, Report Finds," September 7, 2021).

"The Malibu City Council cannot meet the criteria set forth in state law for unification unless and until there is a fair and equitable financial plan in place," Drati said.

"To date, no such plan has been proposed by the Malibu City Council."

Malibu officials are urging the County Committee to approve moving the proposal into the regular review process, where, with further study, they are confident the conditions will be met.

In a statement issued last week, Malibu officials said they also remain open to a settlement reached through binding arbitration by a neutral third party, a proposal the District has rejected.

In his email Friday, Drati said the District needs to stop "spending valuable time, energy and resources in a continued and protracted battle."

"Right now, we need to focus all of our attention and resources on the business of educating our students in a safe and sustainable way during this ongoing pandemic," Drati wrote.

Drati encouraged opponents of the petition to weigh in by sending an email or prerecorded video comments by 4 p.m. Tuesday or by testifying during the public comment section of the Zoom meeting, which begins at 9 a.m.

Drati is asking opponents of the petition to indicate their participation by filing out a form that reads:

"Malibu's proposed split from SMMUSD would be discriminatory and would deprive all Santa Monica students of their fair share of the resources needed for an excellent education."

If the Committee votes on Saturday to proceed with Malibu's proposal, public hearings would be held in Santa Monica and Malibu and the impacts of the split would be further studied.

The State Department of Education would then make a final decision.

If the Committee denies the proposal, there is no avenue for Malibu to appeal, although a different petition could be presented by another group.