



March 8, 2021

City Council Update

School District Separation

3/8/2021

1

Item 1A

INTRODUCTIONS

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BACKGROUND

- The desire for a separate Malibu School Unified School District (MUSD) apart from the existing Santa Monica-Malibu Unified School District (SMMUSD) has been a subject for the City and Community of Malibu for many years.

2011-
2015

- 2011 Formation of the Advocates for Malibu Public Schools (AMPS)
 - 2013 Commissioned the West Ed. Study
 - 2015 Collection of thousands of signatures submitted to the Malibu City Council in support of a new MUSD

2015-
2017

- Malibu Unification Negotiations Committee (MUNC) formed by the SMMUSD Board
 - Consisting of members from Malibu and Santa Monica
 - Formal MUNC report submitted February 2017
 - Formal Pre-Petition of desire to form a MUSD submitted to Los Angeles COE

2018-
2020

- Ad Hoc committee formed at the suggestion of LACOE and SMMUSD School District staff
 - SMMUSD financial consultants, legal counsel & 3 Board members, City of Malibu staff, 2 City Council members, Malibu financial consultants & legal counsel
 - Tried to negotiate a mutual separation agreement and financial plan for both Districts

REVIEW OF OCTOBER 12 MALIBU CITY COUNCIL MEETING

City Council Ad Hoc Committee members, City staff and consulting team provided update on status of negotiations and financial model proposed by School District



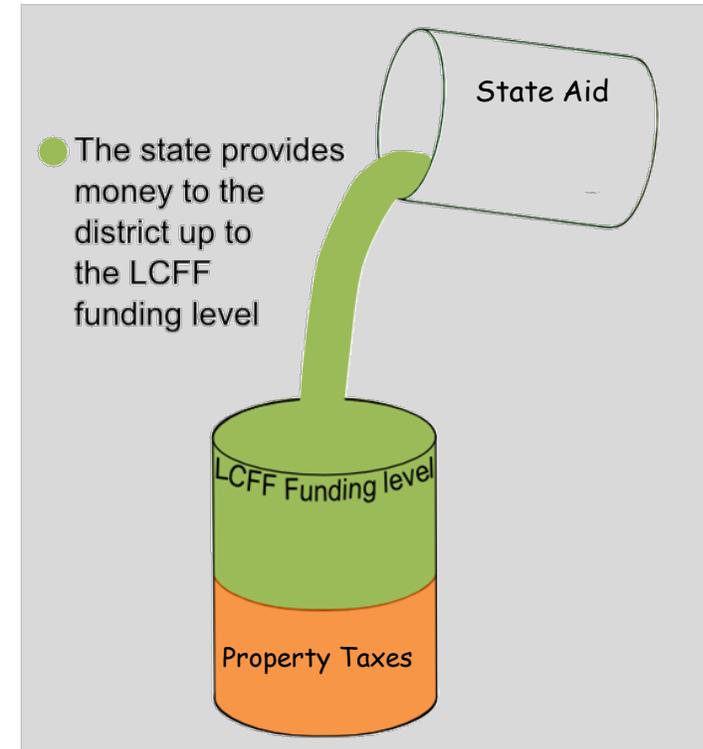
Provided Council with the following four slides as an update and to provide preliminary information to assist in obtaining direction for how to move forward



Malibu City Council voted to allow staff and consultants to pursue a City sponsored petition to LACOE after Ad Hoc negotiations failed to reach any mutual agreement

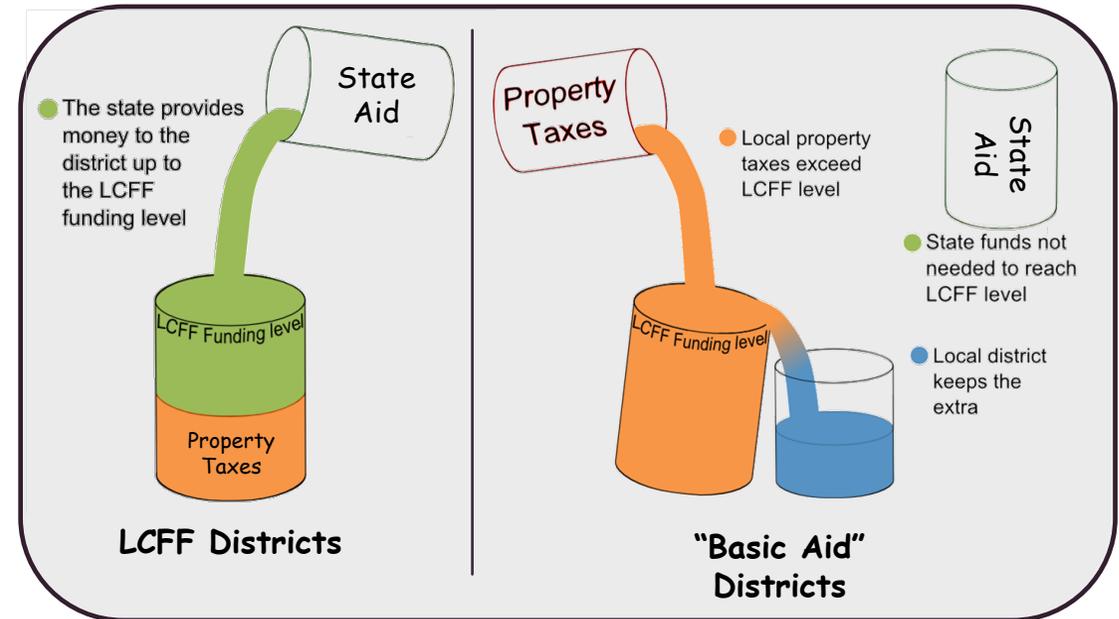
HOW SCHOOLS IN CALIFORNIA ARE FUNDED

- Schools are generally funded from a combination of property taxes and State aid.
 - The amount of money a district typically receives is based on a funding formula, called the Local Control Funding Formula ("LCFF").
- In addition, some school districts receive other local funding on top of LCFF.



SCHOOL DISTRICT FUNDING MODEL

- SMMUSD is currently “basic aid”
 - The amount of local property taxes the District receives exceeds the LCFF level
 - The District keeps the extra property tax funding
 - Initially after reorganization, MUSD would be basic aid, but SMUSD would not be
- No new property taxes or new funding from other public agencies (including the City) would be required for school district operations after reorganization



POST-REORGANIZATION, BOTH DISTRICTS WILL BE IN THE TOP 5 IN LA COUNTY WITH REGARDS TO OPERATING REVENUE PER STUDENT

LA County Unified School Districts Ranking of 2018-19 Funding Current Districts and Proposed Two New Districts Ranked by Total Operating Revenue per Student

District	Total LCFF Revenue	Sum of Other Local Rev	Enrollment	LCFF Funding per Student	Rank LCFF Funding	All Operating Revenue per Student	Rank Overall
Beverly Hills	54,237,235	15,202,576	3,774	\$14,371	1	\$18,400	1
Acton-Agua Dulce	9,808,103	8,481,392	1,084	\$9,048	31	\$16,872	2
Malibu USD <i>pro forma</i> (19-20)	21,542,525	3,393,110	1,500	\$14,362		\$16,624	
Santa Monica USD <i>pro forma</i> (19-20)	82,031,605	51,434,616	8,500	\$9,651		\$15,702	
Santa Monica-Malibu	96,068,254	54,827,726	10,629	\$9,038	32	\$14,197	3
San Marino	26,167,093	13,995,148	2,973	\$8,802	37	\$13,509	4
Los Angeles	5,649,654,239	218,022,666	446,996	\$12,639	2	\$13,127	5

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

WHY REORGANIZATION MAKES SENSE FOR MALIBU

Santa Monica and Malibu are two distinct geographic communities

- Would not join the two districts together today
- Is no longer convenient for them to be one school district

Malibu makes up only 14% of voter base

- No local control
- Decision-makers are not focused on the issues that are important to the Malibu community

Only 14% of SMMUSD students are from Malibu, but Malibu makes up over 35% of the property tax base

- Malibu taxpayers are subsidizing Santa Monica students

NEXT STEPS FOR THE CITY'S PETITION

(1)

- The LACOE Superintendent reviews the Petition for sufficiency. If sufficient, she transmits it to the LACOE County Committee on Reorganization and the State Board of Education. (Educ. Code, § 35704.)

(2)

- The County Committee holds a preliminary public hearing, after which it must grant or deny the Petition. (Educ. Code, § 35721, subd. (c)-(d).) – **Preliminary Hearing on April 17, 2021**

(3)

- If the County Committee grants the Petition, it adopts a tentative recommendation. (Educ. Code, § 35721, subd. (d).)

(4)

- Following its adoption of a tentative recommendation, the County Committee holds one or more public hearings in Malibu and Santa Monica. (Educ. Code, § 35721, subd. (d).)

NEXT STEPS FOR THE CITY'S PETITION (CONT'D)

(5)

- Following the public hearings, the County Committee adopts a final recommendation re approval of the Petition and transmits to the State Board. (Educ. Code, § 35722.)

(6)

- The State Board holds a public hearing, after which it must approve or disapprove the Petition. (Educ. Code, § 35754.)

(7)

- If the State Board approves the Petition, it notifies the LACOE Superintendent who then calls for an election. (Educ. Code, §§ 35755; 35756.)



Update on School District Separation