



SANTA MONICA - MALIBU UNIFIED SCHOOL DISTRICT

April 9, 2021

Superintendent's Message:
Critical Time Regarding Malibu Unification Efforts
School Board Votes to Deny Malibu City Proposal

Dear Parents, Guardians, Staff and Community Members,

I am writing this letter to explain the status of unification efforts from my perspective as superintendent of the Santa Monica-Malibu Unified School District. For those who are wondering why I am writing about this topic at this crucial time when our schools are reopening, I understand and share your concern. I wish this was not the case. My attempts to push the conversation to the summer failed as the City of Malibu wanted to address it immediately. It would be irresponsible for me and my staff to not meet this head on, even during this turbulent time of school reopening conversations. The consequences of the City's petition to separate are just too great to ignore. You have my personal commitment and my staff's commitment that we are working diligently and will continue to work diligently to address both issues.

For those who are new to this conversation, unification is the term used to describe the formation of two separate school districts from one. In our case, this would be the formation of a stand-alone Malibu Unified School District (MUSD) and a stand-alone Santa Monica Unified School District (SMUSD) from our current combined Santa Monica-Malibu Unified School District (SMMUSD).

The discussions and efforts surrounding unification have been around for at least 20 years. During the last six years, consensus has been reached by the Santa Monica-Malibu Unified School District Board of Education to find a way to separate the district into MUSD and SMUSD with the guiding principle that no students, regardless of the territory where they live and attend school, would be harmed financially or programmatically from the split. The school district staff and the City of Malibu staff have engaged in a process to identify a path that would allow for an equitable and fair separation. The greatest obstacle that remains is the lack of an agreement over a financial plan that would ensure the fiscal and programmatic success of each new district. That is the key element that must be resolved.

The City of Malibu has unilaterally decided to move forward with its petition to the County in the absence of an agreement on a fair and workable financial plan. The City is trying to impose its own financial plan that would leave Santa Monica students in a worse financial and programmatic position than if Malibu schools and Santa Monica schools remained together in one district or even if separate districts were created under the district's proposed financial plan.

SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT

1651 Sixteenth Street • Santa Monica • California 90404-3891 • (310) 450-8338 • www.smmusd.org

Board of Education: Keith Coleman • Craig Foster • Jon Kean • Maria Leon-Vazquez

Laurie Lieberman • Jennifer Smith • Dr. Richard Tahvildaran-Jesswein

Superintendent: Dr. Ben Drati

The school board previously rejected a similar plan by the City of Malibu when it voted unanimously to oppose the City's petition on Dec. 14, 2017.

The district opposes the City's current petition because it is unfair to Santa Monica students. As the superintendent who serves all students, regardless of where they attend school within the SMMUSD, I cannot support a proposal that does not provide for all of them.

The district intends to lodge its formal objections and opposition to the City petition at the April 17, 2021 public hearing before the Los Angeles County Committee on School District Organization that will be held in a virtual format beginning at 9 a.m. During the virtual hearing, the Committee will hear from the City and SMMUSD, and members of the public will also have an opportunity to support their support or opposition. [Public hearing notice](#).

Let me be very clear that my opposition to the City's petition is based primarily on the methodology utilized by the City of Malibu that results in an inequitable separation. Under the "[Best and Final Offer](#)" that the City of Malibu sent to the district on March 12, 2021, we have calculated that post-separation, per pupil revenue for Santa Monica-area students would experience a 21% reduction after 10 years and remain below where revenues would have been without a split.

In other words, over the next 10 years, their proposal would result in the need to cut nearly \$30 million from programs serving Santa Monica students.

Rather than see revenue increase over the next 10 years, revenues that support Santa Monica students would decrease. That means that I, as the superintendent, would need to make the cuts to staff and programs on the Santa Monica side to match the reduction in total revenue. These cuts would need to start immediately in order to establish reserves and allow a gradual decline in expenses to match the revenue in the ensuing years.

After 20 years, Santa Monica students would have \$7,150 less per student than had we remained a combined district. By contrast, the newly formed Malibu District would have 4.5 times the per pupil revenue of Santa Monica students after 10 years, nearly \$100,000 per student. After 20 years, Malibu students would have more than \$100,000 per student than if our district remained intact.

As the superintendent charged with the education of students from both communities, I see the City's proposal as harmful to an entire generation of students with the very real and dangerous potential to harm Santa Monica students forever. It is for this reason that I support and endorse the opposition to the City of Malibu's petition for unification as currently proposed.

The key reasons for rejecting the Malibu final offer are:

- The City of Malibu has never brought to the table an analysis of their proposal that demonstrates their “generous” \$50 million over 10 years offer – nor can one find this amount stated anywhere in the best and final offer document.
- The proposed \$50 million over 10 years equates to \$5 million per year for an entity which today has a \$160 million annual budget. \$5 million is 3.125% of the budget – less than 50% of the cuts anticipated over the next two years.
- The City of Malibu continues to push the false narrative that property tax is a local resource – which it has not been since Prop 13’s implementation some 40 years ago – property tax allocated from the LA County pool to each entity is for the services provided by that entity – in the case of SMMUSD, those services are for all 9,500 students in the combined SMMUSD.
- The Malibu territory does not generate \$90 million in property tax revenues for SMMUSD – total property taxes including redevelopment sources are \$106 million in 2020-21.
- SMMUSD’s team has reviewed the tax rate area (TRA) “TRA based” allocation proposed by the City of Malibu with Los Angeles County Auditor-Controller staff and does not believe that it is technically viable.
- A “compromise” which irreparably harms students in either territory is not today and has not ever been acceptable as evidenced by the rejected Malibu Unification Negotiations Committee (MUNC) proposals to proceed with a similar allocation of the single largest funding source for local education.
- The Malibu proposal is actually even more unfair than past proposals as it limits the term of support to a shorter period of just 10 years whereas prior proposals at least sought equity in funding opportunities for a much longer period.
- If SMMUSD was intending to be “unfair” it would have never proposed a pathway which favored Malibu USD students in recognition of the challenges that smaller educational entities face.
- The City of Malibu walked away from an equitable funding proposal in an effort to control the funding which Santa Monica USD has for a decade, after which Santa Monica students experience significantly reduced funding, a 26%, reduction in revenues – or a \$5,500 reduction in per pupil funding and worse off than they would be if a separation did not occur.

I do believe that there is an equitable approach to unification. My staff and I, along with district consultants, have developed an equitable financial approach that would allow the district to split in a manner that would maintain per pupil revenue at relatively equal levels (SMUSD \$18,520 and MUSD \$21,529) with support to Malibu slightly higher to support their needs as a very small district and allow them to maintain their current programs.

This approach also provides the opportunity for continuous growth to address inflation and future aspirations while keeping the students in the newly formed SMUSD financially unharmed and also able to meet its inflation costs and future aspirations. Although the per pupil revenue in SMUSD would be slightly less than it would have been otherwise under a SMMUSD district, the adjustment would not be nearly as significant as it would be under the Malibu proposal.

In conclusion, I want to reiterate my position as superintendent. I want to deliver separation of SMMUSD into SMUSD and MUSD, but I cannot in good conscience support a separation that

harms Malibu or Santa Monica students. I believe there is an equitable way to do this and I'm hoping that stakeholders in Santa Monica and Malibu believe the same.

The school board took formal action and voted 6-1 in closed session, April 8, 2021, to reject the best and final offer made by the City of Malibu. By unanimous vote, the school board authorized the district's representatives to submit its own proposal to the City that achieves the goal of a separation on fair and equitable terms.

This [report](#), reviewed by the school board during closed session, includes further analysis of the City of Malibu's best and final offer rejected by the school board, as well as the district's own proposal. Additional [background information](#) is available online. If you would like to voice your opposition to the Malibu proposal, please submit this [form](#) and we will follow up with you prior to the April 17 hearing.

Thanks for reading this to gain a better understanding of the critical and timely nature of this issue.

I hope you enjoyed some quality time with your family during spring break and we look forward to seeing you upon our return.

Sincerely,

Dr. Ben Drati
Superintendent