MARIN COUNTY COMMITTEE ON SCHOOL DISTRICT ORGANIZATION
Special Meeting

Marin County Office of Education
1111 Las Gallinas Avenue, Board Room
San Rafael, CA 94903

Monday, May 8, 2023 at 6:00 pm

The meeting of the Marin County Committee on School District Organization (CCSDO) will be held on **Monday, May 8, 2023 beginning at 6:00 pm in the Marin County Office of Education (1111 Las Gallinas Avenue, San Rafael, CA 94903) Board Room.**

A G E N D A

1. Welcome/Call to Order	Ms. Butler
2. Attendance/Introductions	Ms. Butler
a. Committee Members by Roll Call	Mr. Lenz
Committee Member Stephanie O'Brien will be participating in the meeting via videoconference from the following address: 201 N. Meyers Street, Oceanside, CA 92054	
Action Items	
3. Consideration and Adoption of Agenda	Ms. Butler
4. Consideration of Minutes, CCSDO Meeting of January 30, 2023	Ms. Butler
5. PUBLIC HEARING: Consideration of the California Environmental Quality Act (CEQA) Analysis	Ms. Butler
6. Consideration of Tennessee Glen Territory Transfer Petition	
a. Territory Transfer Feasibility Study of Nine Criteria	Ms. Dominico, Capitol PFG
b. Chief Petitioners	*5-minutes*
c. Impacted School Districts	*5-minutes each*
d. Public	*2-minutes per comment*
Consideration of Resolution 002-2023 (approval/disapproval of petition)	Ms. Butler
7. Consideration of Election Area for Tennessee Glen Territory Transfer	Mr. Lenz/Mr. Henry
8. Adjournment	Ms. Butler

January 30, 2023 Meeting Minutes of the Marin County Committee on School District Organization

MARIN COUNTY COMMITTEE ON SCHOOL DISTRICT ORGANIZATION

Special Meeting
January 30, 2023 | 6:00 p.m.

Meeting Minutes

The special meeting of the Marin County Committee on School District Organization (CCSDO) was held on Monday, January 30, 2023 beginning at 6:00 p.m. at the Marin County Office of Education, Marin/Foundation Rooms (1111 Las Gallinas Avenue, San Rafael, CA 94903)

AGENDA ITEM 1: Call to Order

Chairperson Debbie Butler called the meeting to order at 6:16 pm.

AGENDA ITEM 2: Attendance/Introductions

Terena Mares conducted Roll Call of Committee Members. Members present/absent:

Committee Member	Present (Y)/Absent (A)
Debbie Butler	Y
Karen Crockett	Y
Amos Klausner	Y
Derek Knell	A
Robin Moses	Y
Stephanie O'Brien	Y (Virtual)
Kathy Ohm	Y
Elizabeth Robbins	A
Richard Sloan	A
Stuart Tanenberg	Y
Raoul Wertz	Y

A roll call vote indicated that a quorum was present.

AGENDA ITEM 3: Consider Approval and Adoption of Agenda

Chairperson Butler called for a motion to approve the January 30, 2023 Agenda.

M/s/c Tanenberg and Ohm; to approve the January 30, 2023 Agenda.

Motion carried:	Aye: 8	No:	Abstain:	Absent: 3

AGENDA ITEM 4: Consider Approval of Minutes, CCSDO Meeting of December 15, 2022

Chairperson Butler called for a motion to approve the December 15, 2022 Minutes of the Special Meeting.

M/s/c Crockett and Moses; to approve the December 15, 2022 Meeting Minutes as submitted.

Motion carried:	Aye: 8	No:	Abstain:	Absent: 3

AGENDA ITEM 5: Consider Approval of Update to CCSDO Bylaws

Chairperson Butler called for a motion to approve the update to the Marin County Committee on School District Organization Bylaws.

Committee member Crockett requested that the updated language include the term “members”, which is in line with the language used throughout the bylaws.

M/s/c Tanenberg and Wertz; to approve the update to the Marin County Committee on School District Organization Bylaws, with the amendment to add the term “members” to section 2.2.3 Liability Insurance.

Motion carried:	Aye: 8	No:	Abstain:	Absent: 3

AGENDA ITEM 6: Consideration of Chief Petitioners Request to Withdraw the East Corte Madera Territory Transfer Petition

The committee discussed draft Resolution No. 001-2023.

There was one (1) request for public comment prior to a call for motion.

Chairperson Butler called for a motion to approve Resolution No. 001-2023 using Option 1, approving withdrawal of the East Corte Madra territory transfer petition.

M/s/c Moses and Ohm; to approve Resolution No. 001-2023 using Option 1, approving withdrawal of the East Corte Madra territory transfer petition.

Chairperson Butler conducted Roll Call of Committee Members.

Committee Member	Aye/No/Abstain/Absent
Debbie Butler	Aye
Karen Crockett	Aye
Amos Klausner	Aye
Derek Knell	Absent
Robin Moses	Aye
Stephanie O’Brien	Aye
Kathy Ohm	Aye
Elizabeth Robbins	Absent
Richard Sloan	Absent
Stuart Tanenberg	Aye
Raoul Wertz	Aye

Motion carried:	Aye: 8	No:	Abstain:	Absent: 3

Committee members discussed a second motion that requests staff to draft and send a side letter to the Reed Union and Larkspur Corte Madera Superintendents and Boards of Trustees, encouraging them to continue working towards a solution that will allow children to stay in the school they have been attending.

Chairperson Butler called for a motion that requests staff to draft and send a side letter to the Reed Union and Larkspur Corte Madera Superintendents and Boards of Trustees, encouraging them to continue working towards a solution that will allow children to stay in the school they have been attending.

M/s/c Tanenberg and O'Brien; to request staff to draft and send a side letter to the Reed Union and Larkspur Corte Madera Superintendents and Boards of Trustees, encouraging them to continue working towards a solution that will allow children to stay in the school they have been attending.

Motion carried:	Aye: 6	No: 1 (Klausner)	Abstain: 1 (Ohm)	Absent: 3

AGENDA ITEM 7: Next Steps Related to Request to Withdraw the East Corte Madera Territory Transfer Petition

Terena Mares shared that the East Corte Madera Territory Transfer petition process has concluded. The committee can release their hold for a potential meeting on March 8, 2023 regarding this matter.

AGENDA ITEM 8: Adjournment

Chairperson Butler called for a motion to adjourn the January 30, 2023 Meeting.

M/s/c O'Brien/Crockett; to approve the adjournment of the January 30, 2023 Meeting.

Motion carried:	Aye: 8	No:	Abstain:	Absent: 3

Chairperson Butler adjourned the meeting at 7:06 pm.

California Environmental Quality Act (CEQA) Analysis, Notice of Exemption

NOTICE OF EXEMPTION

To:	☒	Office of Planning and Research 1400 Tenth Street Sacramento, CA 95814	From:	Marin County Committee on School District Organization 1111 Las Gallinas Avenue San Rafael, CA 94903
	☒	Marin County Clerk-Recorder Marin County Civic Center 501 Civic Center Drive, Room 234 San Rafael, CA 94903		

Project Title: **PETITION FOR TRANSFER TERRITORY FROM SAUSALITO MARIN CITY SCHOOL DISTRICT TO MILL VALLEY SCHOOL DISTRICT**

Project Location: Ten residences: 400, 402, 403, 404, 405, 406, 407, 408, 409 Tennessee Glen Way; 401 Headlands Avenue, Mill Valley, California, 94941.

These ten homes are bordered on the west by Tennessee Valley Road and the Tamalpais Valley School, on the north and east by the Fernwood Cemetery and an undeveloped ridge, and on the south by the Woolly Egg Ranch and the Golden Gate National Recreation Area.

Assessor's Parcel Number(s): 052-560-01, 052-560-02, 052-560-03, 052-560-04, 052-560-05, 052-560-06, 052-560-07, 052-560-08, 052-560-09, 052-560-10

Project Description: A petition for territory transfer was submitted to the Marin County Superintendent of Schools seeking transfer of ten (10) parcels from Sausalito Marin City School District (SMCSD) to Mill Valley School District (MVSD). Students residing in the Tennessee Glen Community (TGC) are within SMCSD and are assigned to Dr. Martin Luther King Academy, which operates as one school, but consists of two campuses (Grades: Kindergarten - 5, 636 Nevada Street, Sausalito, and Grades: Transitional Kindergarten - 6-8, 200 Phillips Drive, Sausalito.) If the territory transfer is approved, students residing in the Tennessee Glen Community would be reassigned to Tamalpais Valley School (grades K-5) and Mill Valley Middle School (grades 6-8) which are within MVSD. See Figure 1, *Proposed Territory Transfer Area*.

Students from the Tennessee Glen Community currently and historically attend school in the MVSD through an interdistrict transfer agreement. Property owners in the Tennessee Glen Community currently pay the Mill Valley School District parcel tax even though they are within the boundaries of the SMCSD. As a result of concerns related to the future of the interdistrict transfer agreement, a petition was submitted to permanently transfer the territory of the 10 residential properties within Tennessee Glen Community from SMCSD to MVSD.

Lead Agency: Marin County Committee on School District Organization

Applicant: Pam Keon
Phyllis Gardner
Chief Petitioners, Tennessee Glen Community

Exemption Status:

- ☐ Ministerial [Section 21080(b); 15268];
- ☐ Declared Emergency [Section 21080(b)(3); 15269(a)];
- ☐ Emergency Project [Section 21080(b)(4); 15269(b)(c)];
- ☒ **General Rule [Section 15061(b)(3)]; Common Sense Exemption**
- ☐ Categorical Exemption [Section 15301(a), Existing Facilities];
- ☐ Approval of Rates, Tolls, Fares, and Charges [Section 21080(b)(8)(D)];
- ☐ Statutory Exemption [Section 15273(a)(4)].

REASONS WHY THIS PROJECT IS EXEMPT OR DOES NOT REQUIRE FURTHER ENVIRONMENTAL DOCUMENTATION:

The project is exempt under State CEQA Guidelines [Section 15061(b)(3)], which states:

(b) A project is exempt from CEQA if:

(3) The activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

The California Environmental Quality Act (Section 21000, et. seq. of the California Public Resources Code, hereafter CEQA) requires analysis of agency approvals of discretionary projects. A "project," under CEQA, is defined as "the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment." The acquisition of property by a public agency is a project as defined by CEQA. Pursuant to CEQA Guidelines Section 15061(b)(3), an activity is covered by the general rule that CEQA applies only to projects that have the potential for causing a significant effect on the environment. The activity is not subject to CEQA where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

A transfer of territory from one school district to another would shift the home-to-school travel patterns between the existing schools and those in the new district. The change in traffic patterns has the potential to increase several related environmental impacts, including traffic congestion, vehicle miles traveled, air pollution, and noise. There may also be impacts if the receiving schools do not have sufficient available capacity and their facilities must be expanded to accommodate the additional students.

Currently all students within the Tennessee Glen Community already attend MVSD schools through interdistrict transfers. As a result, no changes would occur in the near term if the territory transfer were completed. However, the transfer would permanently change the districts' boundaries and the number of students residing in the ten residences may increase in the future.

Figure 2, *School Locations Map*, shows the location of schools in both SMCSD and MVSD that may be impacted by the proposed territory transfer. This figure also shows the travel routes and travel distances to the schools under existing and proposed school district boundaries. Table 1 identifies these schools and applies travel distances to determine total Vehicle Miles Traveled (VMT) under the two scenarios. Table 1 demonstrates that students attending schools in MVSD would travel shorter distances than if attending SMCSD schools (9.3 miles vs. 26.2 miles). This reduction in VMT shows that the proposed territory transfer would not create significant impacts related to traffic related air pollution or noise. Further, the negligible volume of traffic generated by home-to-school trips by only ten residences is not sufficient to create traffic impacts. As shown in Figure 1 and Table 1, the proposed MVSD schools are closer to Tennessee Glen

Community than the existing assigned SMCSD schools. As a result of the closer distance, the territory transfer would result in less vehicle miles traveled, air pollution generated by vehicles, and traffic-related noise.

Table 1. Existing and Proposed Travel Distances

SCHOOL DISTRICT/SCHOOL	GRADE LEVELS	NO. OF GRADES	DISTANCE TO SCHOOL*	TOTAL MILES TRAVELED
Sausalito Marin City School District				
Dr. Martin Luther King Academy, 636 Nevada Street	K-5	6	2.9	17.4
Dr. Martin Luther King Academy 200 Phillips Drive	TK, 6-8	4	2.2	8.8
			Total	**26.2**
Mill Valley School District				
Tamalpais Valley School	K-5	6	0.5	3
Mill Valley Middle School	6-8	3	2.1	6.3
			Total	**9.3**

*Measured from the furthest residence (400 Tennessee Valley Way) to school via travel paths shown on Figure 2 (PlaceWorks, GIS, 2023).

The second test is whether the territory transfer from SMCSD to MVSD schools would require expansion of any campus, which might result in a significant impact. Both districts have experienced declining enrollment and have available student capacity as a result. The proposed territory transfer would involve only ten residences, and even if these homes are occupied by large families, the receiving schools in MVSD have considerable capacity to accommodate the additional students.

Table 2. Comparison of Existing Enrollment and Student Capacities

SCHOOL DISTRICT/SCHOOL	CURRENT ENROLLMENT	STUDENT CAPACITY	AVAILABLE CAPACITY
Sausalito Marin City School District			
Dr. Martin Luther King Academy (K-5)	391*	543	--*
Dr. Martin Luther King Academy (6-8)	--*	239	--*
Total	391*	782	391
Mill Valley School District			
Tamalpais Valley School (K-5)	394	571	177
Mill Valley Middle School (6-8)	816	1,404	588
Total	**1,210**	**1,975**	**765**

*K-8 students are housed on two campuses, but enrollment figures are combined.

As demonstrated above, the proposed territory transfer would not create any impact and is an activity is covered by the general rule that CEQA applies only to projects that have the potential for causing a significant effect on the environment. This activity is not subject to CEQA because it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

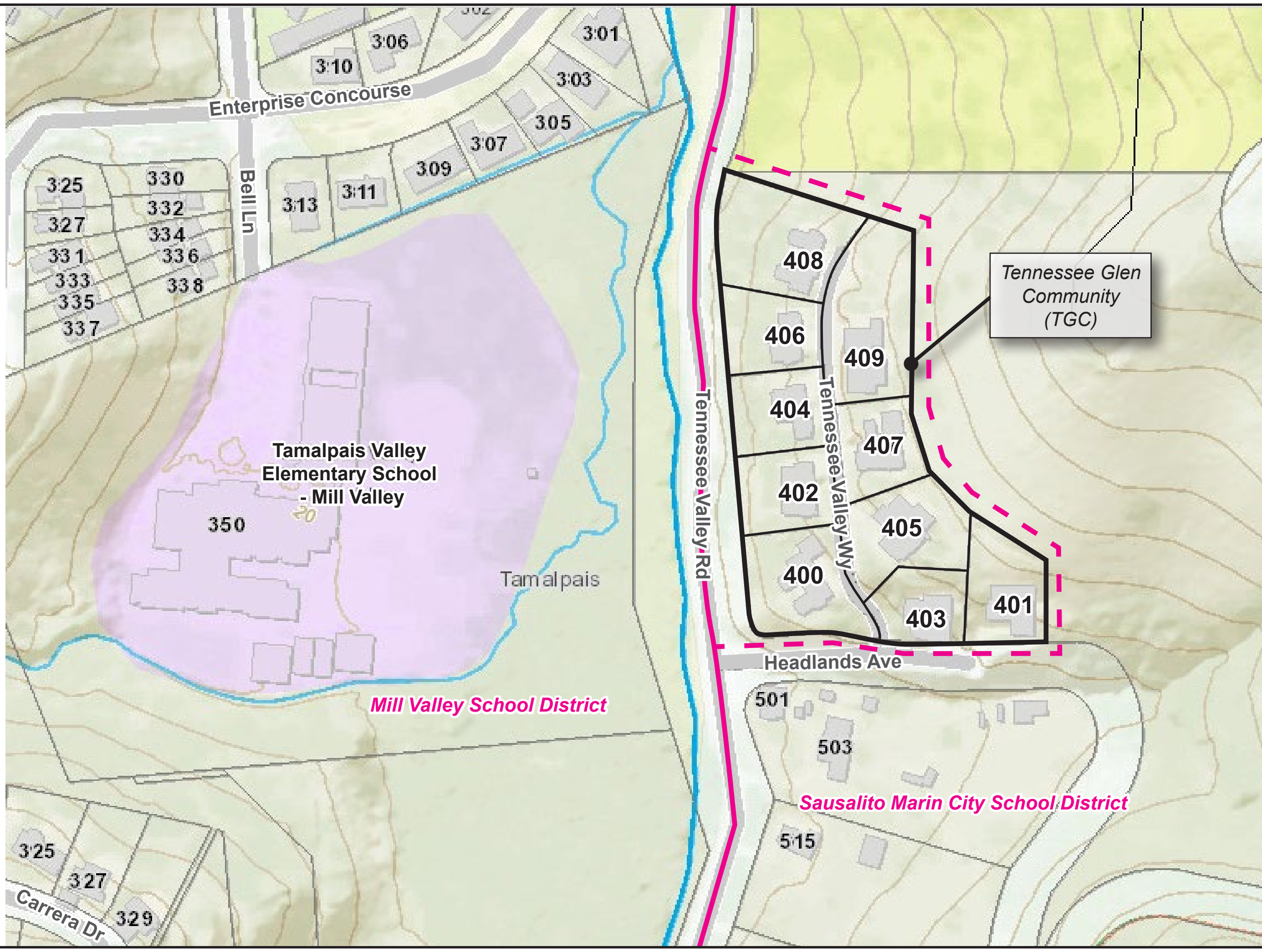
Reasons why project is exempt

Contact Person:	Area Code/Telephone/Extension:
Jonathan Lenz, Deputy Superintendent Marin County Office of Education	(415) 499.5850

By ___________________________________

Debbie Butler, Chairperson
Marin County Committee on School District Organization
(415) 472-4110

Figure 1 - Proposed Territory Transfer Area



Existing School District Boundary

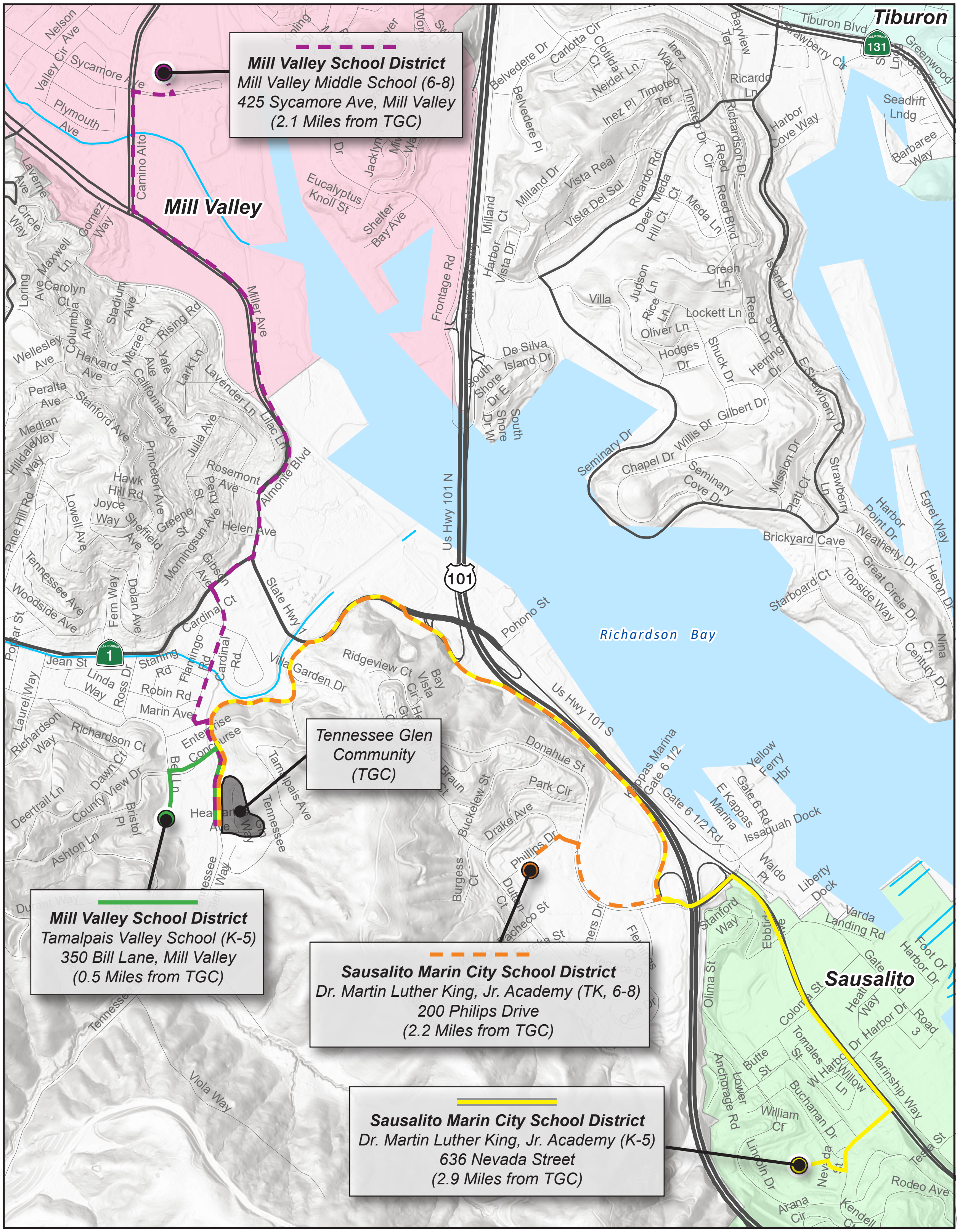
Proposed District Boundary Change

400,402-409 - Addresses on Tennessee Valley Way

401 - Address on Headlands Avenue

0 200
Scale (Feet)

Figure 2 - School Locations Map



Solid Lines Show Travel Path to K-5 Schools

Dashed Lines Show Travel Path to 6-8 Schools

0 2,000
Scale (Feet)

Note: Unincorporated county areas are shown in white.

Source: Generated using ArcMap, 2023.

Tennessee Glen Territory Transfer Petition Feasibility Study

Crafting Optimal Financial Solutions

MEMORANDUM

TO: MARIN COUNTY COMMITTEE ON SCHOOL DISTRICT ORGANIZATION

FROM: CATHY DOMINICO, CAPITOL PFG

SUBJECT: TENNESSEE GLEN TERRITORY TRANSFER PETITION FEASIBILITY STUDY

The enclosed Feasibility Study of the proposed territory transfer of the Tennessee Glen Community from Sausalito Marin City School District ("SMCSD") to Mill Valley School District ("MVSD") is based on an evaluation of the nine feasibility criteria set forth in Education Code Section 35753. In addition to the text of the Education Code, further guidance on each of the nine criteria can be found in the California Code of Regulations. To help interpret the law and regulations, the California Department of Education ("CDE") has developed a School District Organization Handbook ("Handbook") that provides guidance in interpreting the criteria, explaining the legislative intent, and describing components required in the feasibility analysis.

In reviewing the Feasibility Study, it is important to understand that it is written in a manner to specifically respond to the criteria as described in the Education Code in a manner that reflects the guidance set forth in the CDE Handbook. As a result, some of the findings may be repetitive in nature or may appear awkward in their presentation. The law is written in a way that addresses all types of school district reorganizations, not just territory transfers. As such, the specific wording in the law may not specifically apply to the subject territory transfer.

The Feasibility Study itself is organized to first provide an introductory framework of the proposed territory transfer. Then, each section of the Study provides an overview of the nine criteria, including the specific text of the Education Code and California Code of Regulations that relates to each criterion. Each section then includes a summary of any additional guidance provided by law or the CDE Handbook, a listing of the key findings for the criterion, a summary of the analysis related to the criterion, and a synopsis of whether the petition meets the criterion.

Based on the feasibility analysis, it is reasonable to conclude that the proposed territory transfer substantially meets each of the nine criteria. Although it may appear that some of the criteria may not be met, consideration needs to be given as to whether the territory transfer petition is causing the criterion to be met or whether the situation exists absent of the petition. In this situation, this concept of whether the petition is ***causing*** a change in demographics, financial condition, or educational program change is paramount in making the feasibility determination.

For example, criterion #1 relates to sufficiency of enrollment of each affected district. The California Code of Regulations sets forth a minimum enrollment figure of 901 students for each of the affected districts in order for the petition to be deemed substantially met. The enrollment of SMCSD falls well short of this figure. But, this proposed territory transfer is not ***causing*** the enrollment to be lower than 901 students. The SMCSD enrollment will be lower than the 901 student threshold regardless of this territory transfer and, in fact, since the students subject to this territory transfer do no attend SMCSD schools, this petition will not cause the SMCSD enrollment to further decline.

This same concept of the territory transfer not ***causing*** a change in the student demographics of the affected district applies to criterion #4 related to discrimination/segregation, but for criterion #4 the key word is ***promote***. The Education Code is clear that this criterion should be evaluated in the context of whether the petition ***promotes*** the occurrence of discrimination or segregation. In this situation, since the students subject to the territory transfer are already attending school in Mill Valley, there will not be a change to the racial or ethnic makeup of either district as a result of the territory transfer. As a result, criterion #4 can be deemed substantially met. This analysis is completely independent of the settlement agreement between SMCSD and the California Attorney General. The analysis did not include a review of the settlement agreement as it relates to this petition.

In addition to the prescribed analysis of feasibility of the petition, there may be other factors that need to be considered. Criterion #9 is a determination of whether the petition will negatively impact the fiscal status of the affected districts. This proposed territory transfer will result in a property tax reduction of approximately $36,000 per year to SMCSD. Although this funding reduction will not impact the District's basic aid status and will likely be offset by future tax base growth to prevent any kind of negative impact on the District's fiscal status, there is a quantifiable loss of funding. Since criterion #9 is specifically related to whether there is a negative impact on a district's fiscal status, it is reasonable to conclude that the criterion is substantially met. But the law still allows for a negotiation related to the revenue loss even if the criterion is deemed to be met.

The law allows basic aid districts to negotiate a tax exchange agreement in this type of situation if there is a funding concern by either district. Although this is beyond the scope of the County Committee's evaluation, it is important to note this ability to mitigate financial impacts and provide the affected districts with an opportunity to negotiate an agreement. Revenue and Taxation Code Section 99(i) specifies that the affected districts have 60 days from the approval of the territory transfer to negotiate such an agreement. In the absence of an agreement between the districts, the County Board of Education could decide to set forth the terms of a tax exchange agreement.

Although tax sharing agreements can be quite complex, in this situation with a limited financial impact, a relatively simple property tax allocation could be memorialized in an agreement without a significant legal cost. If the affected districts negotiate the agreement, they would be responsible for their own related costs. If the County Board of Education were to set forth the terms of an agreement, the County Office of Education would bear the cost to develop an agreement.

In summary, when reviewing the Feasibility Study, it is important to understand the context in which it is written – to respond to the law, regulations, and CDE Handbook. It is also important to keep in mind the concept of whether the proposed territory transfer is ***causing*** an impact on the affected districts. Finally, beyond the finding of feasibility, there may be the need for the affected districts to consider additional tax sharing options to make the proposed territory transfer more palatable. Although this agreement is beyond the scope of the County Committee's feasibility review, it may be important for the ultimate implementation of territory transfer.

Feasibility Study for a Request to Transfer Territory from Sausalito Marin City School District to Mill Valley School District

Prepared By:

Capitol | PFG

Table of Contents

INTRODUCTION

On October 21, 2022, a petition for territory transfer was submitted to the Marin County Superintendent of Schools. The petition identifies ten (10) parcels that were originally part of the Mill Valley School District (MVSD) but were a portion of territory transferred into the Sausalito Marin City School District (SMCSD) in the mid-1960s in preparation for a proposed development project that could not be accommodated by MVSD. The proposed development project never materialized, and the territory has now become part of the Golden Gate National Recreational Area, eliminating the possibility of any future development. The proposed development was going to include direct access to the Sausalito and Marin City area from Tennessee Valley Road, providing future students a path to reach SMCSD schools. In the late 1990s, ten homes were built in the Mill Valley community, but were still part of the SMCSD school district attendance boundary. This area is referred to as the Tennessee Glen Community. Since the planned development project never moved forward, the roads directly connecting the Tennessee Glen Community to SMCSD schools do not exist. The property owners within the subject territory are requesting that the neighborhood once again become part of Mill Valley School District for students in grades Transitional Kindergarten (TK) through eighth grade.

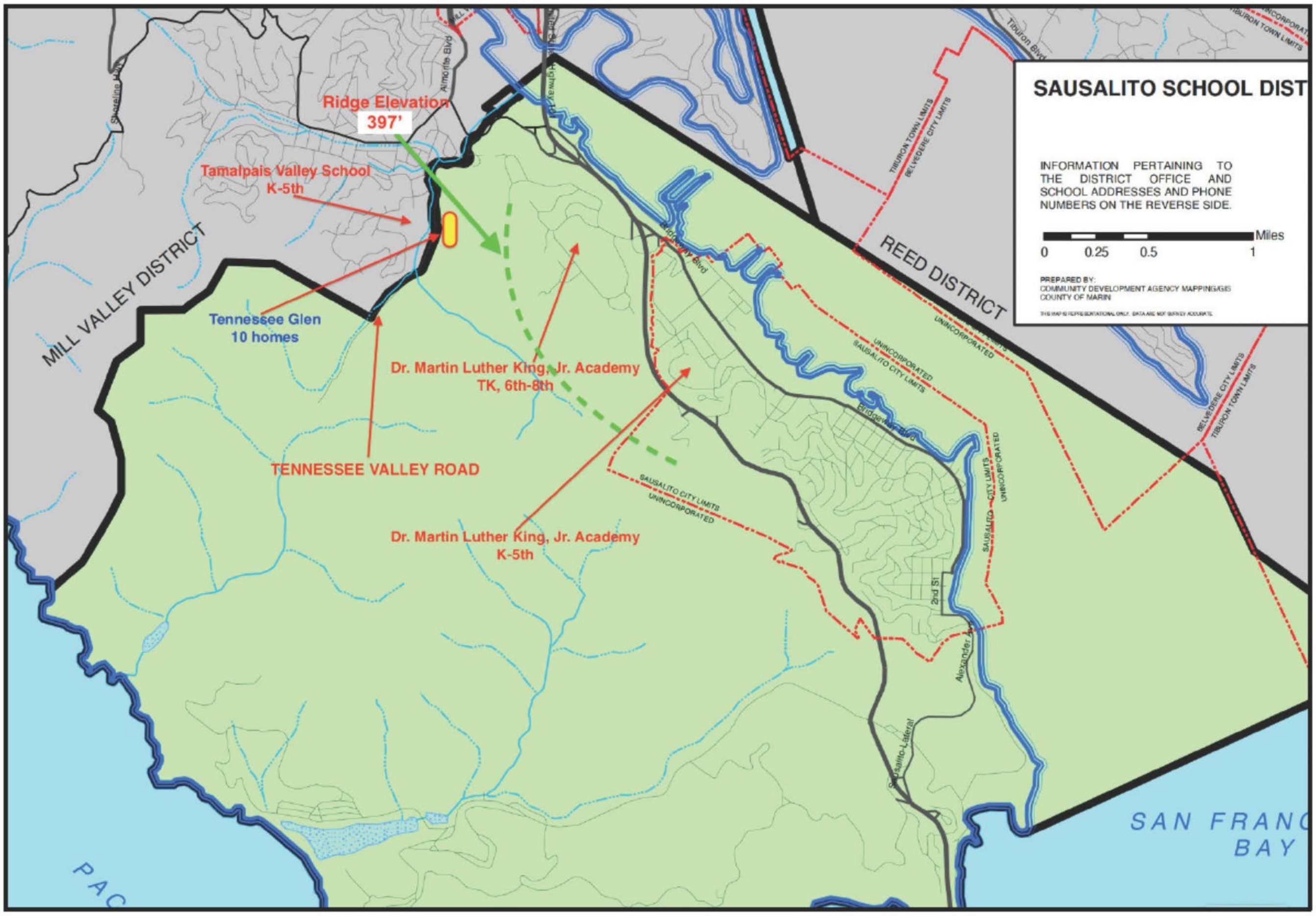
Students from the Tennessee Glen Community have historically attended school in MVSD through an inter-district transfer agreement. Property owners in the Tennessee Glen Community currently pay the MVSD parcel tax even though they are technically located within the boundaries of SMCSD. As a result of concerns related to the future of the inter-district transfer agreement, a petition was submitted to permanently transfer the territory in the Tennessee Glen neighborhood from SMCSD to MVSD.

The purpose of this study is to analyze the feasibility of the proposed territory transfer from SMCSD to MVSD under the criteria used by the State Board of Education in approving proposed territory transfers and to present the data and information on which the analysis is based.

Subject Territory

As described in the petition, the Tennessee Glenn Community is a community of ten homes adjacent to Tennessee Valley Road on the east side of Tennessee Valley, in Tamalpais Valley, the unincorporated portion of Mill Valley, as shown in ***Figure 1***. These ten homes are bordered on the west by Tennessee Valley Road and the Tamalpais Valley School, on the north and east by the Fernwood Cemetery and a 397 foot undeveloped ridge, and on the south by the Woolly Egg Ranch and the Golden Gate National Recreation Area.

FIGURE 1



Study Scope and Methodology

The nine criteria under which the territory transfer is analyzed are contained in Education Code Section 35753. They include the following:

1. The reorganized districts will be adequate in terms of number of pupils enrolled.
2. The districts are each organized on the basis of a substantial community identity.
3. The proposal will result in an equitable division of property and facilities of the original district or districts.
4. The reorganization of the districts will preserve each affected district's ability to educate students in an integrated environment and will not promote racial or ethnic discrimination or segregation.
5. Any increase in costs to the state as a result of the proposed reorganization will be insignificant and otherwise incidental to the reorganization.

6. The proposed reorganization will continue to promote sound education performance and will not significantly disrupt the educational programs in the districts affected by the proposed reorganization.
7. Any increase in school facilities costs as a result of the proposed reorganization will be insignificant and otherwise incidental to the reorganization.
8. The proposed reorganization is primarily designed for purposes other than to significantly increase property values.
9. The proposed reorganization will continue to promote sound fiscal management and not cause a substantial negative effect on the fiscal status of the proposed district, or any existing district affected by the proposed reorganization.

CRITERION #1: ADEQUATE NUMBER OF PUPILS

Education Code Section 35753(a)(1):
The new district will be adequate in terms of number of pupils enrolled.

California Code of Regulations, Title 5, Section 18573(a)(1):
It is the intent of the State Board that direct service districts not be created that will become more dependent upon county office of education and state support unless unusual circumstances exist. Therefore, each district affected must be adequate in terms of number of pupils, in that:

(A) Each such district should have the following projected enrollment on the date that the proposal becomes effective or any new district becomes effective for all purposes:
- Elementary District 901
- High School District 301
- Unified District 1,501

(B) The analysis shall state whether the projected enrollment of each affected district will increase or decline and the extent thereof.

Key Findings:

- Since the students currently residing in the Tennessee Glen Community attend school in MVSD, this territory transfer will not have an impact on student enrollment of either school district.

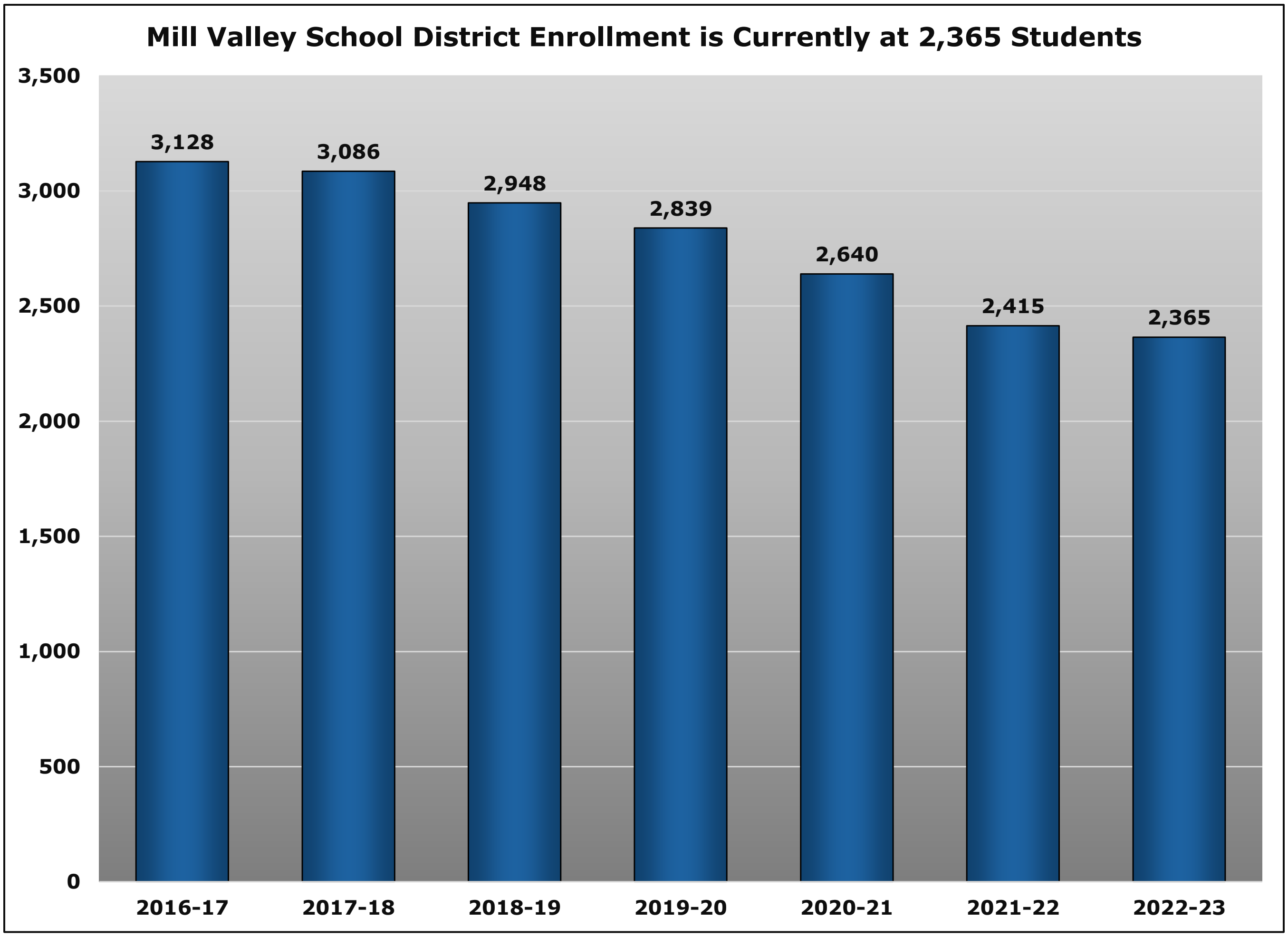
- The student enrollment of SMCSD is currently below the enrollment threshold of 901 students for an elementary district, however, the proposed territory transfer will not create the low enrollment situation.

- Although student enrollment of SMCSD is not expected to meet the threshold of 901 students set forth in the California Code of Regulations (CCR), since the proposed territory transfer will not cause any change in student enrollment for either district, it is reasonable to conclude that Criterion #1 is substantially met.

Analysis of Criterion #1:

As shown in ***Figure 2***, MVSD has a current enrollment of 2,365 students and has experienced a 25% decline in enrollment over the past 6 years.

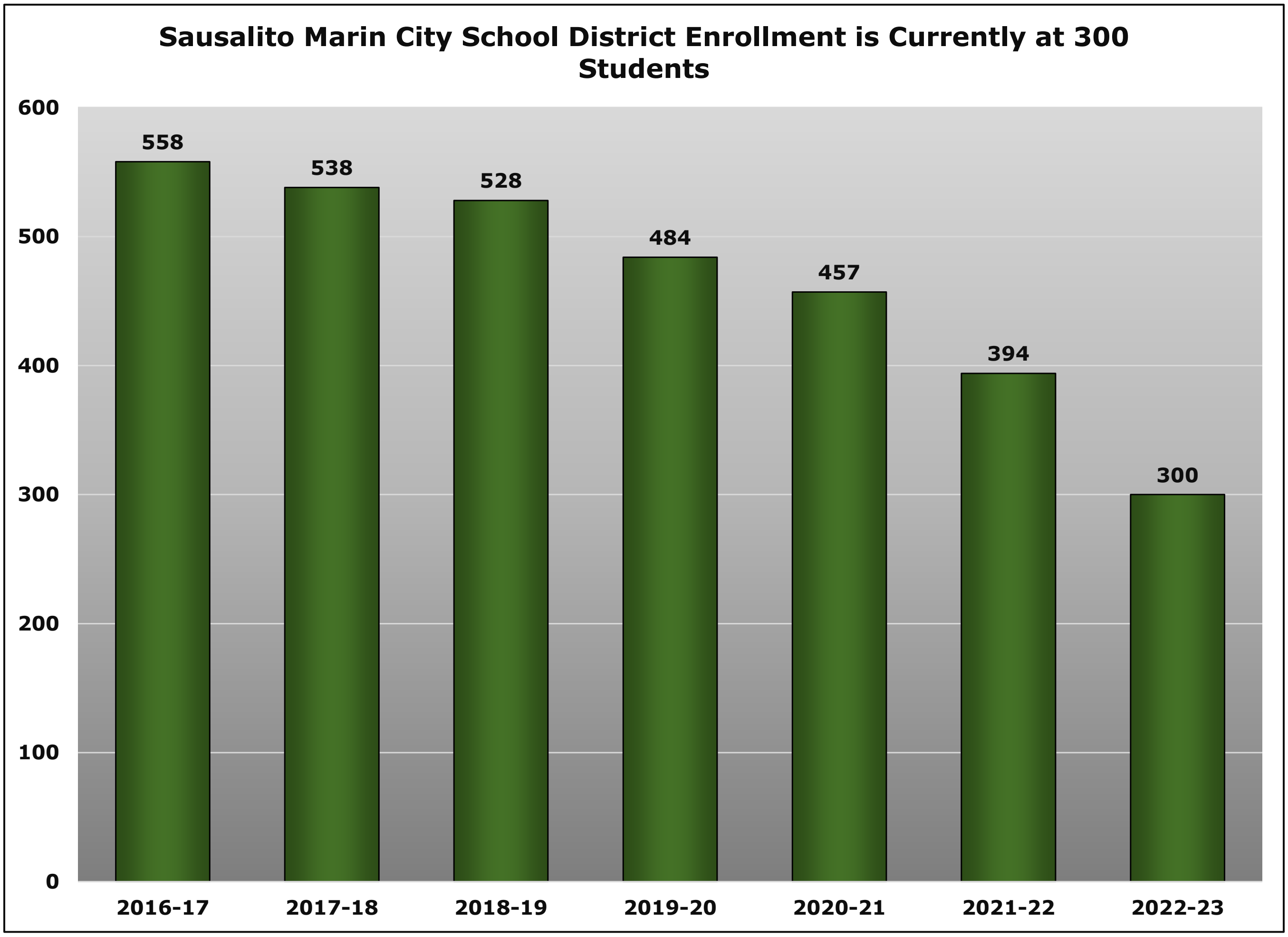
FIGURE 2



Source: Dataquest, "District Enrollment Multi-Year Summary with Charter and Non-Charter Schools" for 2016-17 through 2021-22. MVSD enrollment for 2022-23 is based on CBEDs enrollment as reported in the District's First Interim Report.

As shown in ***Figure 3***, SMCSD has a current enrollment of 300 students and has experienced a 46% decline in enrollment over the past 6 years.

FIGURE 3



Source: Dataquest, "District Enrollment Multi-Year Summary with Charter and Non-Charter Schools" for 2016-17 through 2021-22. SMCSD enrollment for 2022-23 is based on CBEDs enrollment as reported in the District's First Interim Report.

There are currently four elementary school students and two middle school students residing within the territory proposed for transfer. If the proposed territory transfer occurs, there will not be any impact on the future enrollment of either school district as students within the Tennessee Glen Community already attend MVSD schools and are reflected in their current enrollment numbers. Historically, all students from the ten homes within the Tennessee Glen Community have attended MVSD.

Part of Criterion #1 is to not create a district that is more dependent on county office of education and/or state support. This proposed territory transfer will not create any additional dependence on the county office of education or state than already exists today.

Further, The Tamalpais Union High School District has an enrollment of 4,838 for 2022-23, the transfer would have no impact on the high school district's enrollment.

Ability to Meet Feasibility Criterion #1:

Although the SMCSD will not meet the enrollment threshold of 901 students, the proposed territory transfer did not cause the low enrollment numbers, nor will it change the future enrollment numbers for SMCSD. Therefore, it is reasonable to expect that Criterion #1 can be substantially met as it has no impact on the current or future enrollment of either school district.

CRITERION #2: COMMUNITY IDENTITY

Education Code Section 35753(a)(2):
The districts are each organized on the basis of a substantial community identity.

California Code of Regulations, Title 5, Section 18573(a)(2):
To determine whether the new district is organized on the basis of substantial community identity, the State Board of Education will consider the following criteria:

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

Guidance from CDE Handbook on Community Identity

In addition to the Education Code and CCR, the CDE Handbook further expands on how this criterion should be evaluated to determine whether a proposed reorganization meets the community identity criterion. These indicators include: "types of housing, park and recreation facilities and programs, sports activities, transportation patterns, geopolitical factors, and shopping patterns."

<u>Key Findings:</u>

- Students from the Tennessee Glen Community already attend schools in Mill Valley and have established community, school, and social ties to the Mill Valley community.

- The Tennessee Glen Community is located within 0.5 miles of Tamalpais Valley School and students are able to walk to that school.

- Dr. Martin Luther King Jr. Academy, the school the Tennessee Glen Community is assigned to, requires these residents to leave the Mill Valley area, drive down Highway 101, and enter the Marin City, located approximately 2.3 miles away for middle school grades and into Sausalito, located approximately 3.3 miles away for elementary school grades, in order to attend the school.

- School-site attendance would not change as a result of this proposed territory transfer, keeping existing school communities intact, therefore it is reasonable to conclude that Criterion #2 is substantially met.

Analysis of Criterion #2:

Isolation and Geography

The Tennessee Glen Community is comprised of ten homes adjacent to Tennessee Valley Road on the east side of Tennessee Valley, in Tamalpais Valley, the unincorporated portion of Mill Valley. These homes are bordered on the west by Tennessee Valley Road and the Tamalpais Valley School, on the north and east by the thirty-two acre Fernwood Cemetery and a 397 foot undeveloped ridge, and on the south by the Woolly Egg Ranch and the Golden Gate National Recreation Area, as shown in ***Figure 4***. The neighborhood is part of the zip code identifying the Mill Valley area – 94941.

FIGURE 4

Distance between School and Social Centers

For students in all grade levels, travel distance and travel time to MVSD schools are shorter than the travel distance and travel time to SMCSD schools. Children residing in the proposed territory to be transferred are assigned to the Dr. Martin Luther King Jr. Academy in SMCSD. Students in grades Transitional Kindergarten and sixth through eighth attend the school site located at 200 Phillips Drive in Marin City, approximately 2.2 miles away. Students in grades Kindergarten through fifth attend the school site located at 636 Nevada Street in Sausalito, approximately 3.3 miles away. Tamalpais Valley Elementary School in MVSD is located at 350 Bell Lane in Mill Valley, approximately 0.5 miles away and Mill Valley Middle School located at 425 Sycamore Ave. in Mill Valley, approximately 2.1 miles away. Students currently residing in the Tennessee Glen Community are able to walk to the Tamalpais Valley Elementary School, but must drive out of the Mill Valley area, onto Highway 101 and then into the Marin City or Sausalito areas in order to get to Dr. Martin Luther King Jr. Academy. ***Figure 5*** shows the driving path from the Tennessee Glen Community to the Dr. Martin Luther King Jr. Academy campus in Marin City for middle school grades, the drive to the campus in Sausalito for elementary grades is even further. Although Mill Valley Middle School is located approximately 2.1 miles from the Tennessee Glen Community, the roads used to reach the Middle School are local roads, not any major highways, making it more accessible to the subject territory.

FIGURE 5

Children on the east side of Tennessee Valley Road have a Mill Valley zip code, play in the Mill Valley sports leagues, and participate in recreational activities in Mill Valley. The geography means that the immediate physical community for these children is Tamalpais Valley, shown in ***Figure 6***. The families are all served by the Tamalpais Community Services District, which provides recreational programming for children and families throughout the year to residents in Mill Valley. Youth baseball little league for the Mill Valley area is separate from the little league that serves the Marin City and Sausalito areas. SMCSD is in another zip code, includes an unincorporated area separated from Tamalpais Valley by an undeveloped mountain range with elevations of 400 feet, and is only accessible by taking Highway 101 from Mill Valley to Sausalito or Marin City.

If students in the Tennessee Glen Community were to attend SMCSD schools, it would likely require the addition of a bus route for home to school transportation. This bus route does not exist today and would result in an additional cost to SMCSD.

FIGURE 6

Topography and Weather

The topography of the Tennessee Glen Community limits access to SMCSD schools. The proposed territory transfer would enable residents in this community to continue to send students to neighborhood schools that are easily accessible with exiting neighborhood streets and roadways. The climate and weather patterns in both communities are similar, and this is not a strong basis for community identity in this area.

Community, School, and Social Ties

Since students in the Tennessee Glen Community already attend schools in Mill Valley and identify as part of the Mill Valley community, this proposed territory transfer would keep the students in the community in which existing community, school, and social ties already exist.

Ability to Meet Feasibility Criterion #2:

Given the geographic location of the Tennessee Glen Community and the existing community, school, and social ties, there is a clear community identity with the Mill Valley community. In fact, if the territory transfer is not approved and these students end up having to attend school in SMCSD, it would likely be disruptive to the community identity that already exists. As such, it is reasonable to conclude that Criterion #2 is substantially met.

Criterion #3: Equitable Division of Property and Facilities

Education Code Section 35753(a)(3):
The proposal will result in an equitable division of property and facilities of the original district or districts.

California Code of Regulations, Title 5, Section 18573(a)(3):
To determine whether an equitable division of property and facilities will occur, the Department will determine which of the criteria authorized in Education Code Section 35736 shall be applied. It shall also ascertain whether the affected school districts and the county office of education are prepared to appoint the committee described in Education Code Section 35565 to settle disputes arising from such division of property.

Guidance from the Education Code on Equitable Division of Property and Facilities

Further guidance on this criterion is provided in Education Code Sections 35560, 35736, 35561, 35565, and 35575. Based on Education Code Section 35560, the real property and personal property and fixtures normally situated in the school sites within the new school district boundaries would belong to the resulting districts. All other property, funds, and obligations (except bonded indebtedness) must be divided pro rata between the impacted districts. Education Code Section 35736 allows for a variety of methods to equitably divide the remaining property and funds, including assessed valuation, average daily attendance (ADA), value and location of property, or other equitable means.

Education Code Section 35565 states that if a dispute arises concerning division of funds, property, or obligations, a board of arbitrators shall be appointed which shall resolve the dispute or the districts may mutually agree to the appointment of a sole arbitrator by the county superintendent of schools.

Education Code Section 35575 states that when territory is taken from one school district and annexed into another school district, if the area transferred contains no public school property or buildings, the territory shall drop any liability for outstanding bonded indebtedness from the original district and automatically assume its proportionate share of outstanding bonded indebtedness of the new district.

Key Findings:

- There are no district assets located within the proposed transfer area.
- Students in the Tennessee Glen Community already attend schools within MVSD, so no asset allocations will be needed for MVSD to accommodate such students.

- As described in the Education Code, the territory proposed for transfer will no longer be responsible for the SMCSD general obligation bonds but will assume responsibility for the MVSD bonds.

- The territory will continue to be responsible for the MVSD parcel tax.

Analysis of Criterion #3:

There are not district properties or school sites in the proposed transfer area. As such, no division of assets would occur related to this proposed territory transfer.

Generally, division of a district's assets and liabilities are essential so that the newly reorganized districts have equitable available resources to serve the increased/decreased pupil load. However, for this petition, the students within the Tennessee Glen Community are already attending Mill Valley schools and additional assets are not needed in order to serve the students within the subject territory. Without any district assets located within the subject territory, and without any changes to student school attendance, no division of assets will be necessary.

Bonded Indebtedness and Other Tax Measures

Voters in both MVSD and SMCSD have approved general obligation bond measures and voters in MVSD have also approved a parcel tax. As it relates to the general obligation bonds, per Education Code Section 35575, when territory is taken from one school district an annexed into another school district and the area transferred contains no public school property or buildings, the territory proposed for transfer will drop any liability for outstanding bonded indebtedness of SMCSD and assume its proportionate share of the outstanding bonded indebtedness of MVSD.

Based on data provided by the Marin County Auditor-Controller's Office, SMCSD would lose $19,567,489 of assessed value of the $5,119,504,480 of total 2022-23 assessed value in the District. This equates to 0.38% of the total tax base. Given the small percentage of the SMCSD tax base, this transfer of assessed value it considered to be di minimis. Additionally, it will not have a quantifiable negative impact on the tax rates imposed on property owners of SMCSD.

Further, the property owners within the Tennessee Glen Community already pay the MVSD parcel tax per the existing inter-district transfer agreement. They will continue to pay the parcel tax if the territory transfer is approved.

Ability to Meet Feasibility Criterion #3:

As there is no property to be divided among the districts and the bonded indebtedness is specifically addressed in the Education Code, it is reasonable to conclude that Criterion #3 would be substantially met.

CRITERION #4: DISCRIMINATION/SEGREGATION

Education Code Section 35753(a)(4):
The reorganization of the districts will preserve each affected district's ability to educate students in an integrated environment and will not promote racial or ethnic discrimination or segregation.

California Code of Regulations, Title 5, Section 18573(a)(4):
To determine whether the new districts will promote racial or ethnic discrimination or segregation, the State Board of Education will consider the effects of the following factors:

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

Guidance from the CDE Handbook on Discrimination/Segregation

Additionally, the CDE Handbook defines segregation to be "a condition in which a disproportionate percentage of minority students in a district or affected school(s) occurs as a result of a proposal, making it unrealistic to provide integrated educational experiences. Such proposals promote segregation and discrimination."

Key Findings:

- The proposed reorganization will not change the racial or ethnic make-up of any school site and, therefore, will not change the racial and ethnic composition of any schools or either district.

- It does not appear that this territory transfer will have a negative impact on the measures required in the desegregation agreement between SMCSD and the California Attorney General.

Analysis of Criterion #4:

The petition would transfer six students from SMCSD to MVSD, but since these students are already attending schools in MVSD, there would be no change to the student demographics in either district as a result of the proposed territory transfer.

The California Department of Education provides guidance on how to analyze this criterion. Specifically, "any change that significantly increases the percentage of minority group student could be the controlling factor in the determination of a promotion of segregation. Generally, a promotion of segregation will occur when a proposal changes the minority enrollment in a district or affected schools from proportionate to 'disproportionate'." Since this proposal will not ***change*** the minority enrollment in either school district or affected schools, it is unlikely that this proposed territory transfer will promote segregation.

Figure 7 below shows the racial/ethnic breakdown of the districts over the past five years. The ethnicity breakdown for 2022-23 is not yet available from CDE. Although the percentages may differ from prior fiscal years, any change in the percentage of white versus non-white students is independent of the proposed territory transfer.

FIGURE 7

Enrollment Trend by Ethnicity					
District	**2017-18**	**2018-19**	**2019-20**	**2020-21**	**2021-22**
Mill Valley School District	3,086	2,948	2,839	2,640	2,415
% Students - White	75.79%	75.27%	75.73%	75.08%	74.53%
% Students - Non-White	24.21%	24.73%	24.27%	24.92%	25.47%
Sausalito Marin City School District	538	528	484	457	394
% Students - White	32.71%	33.90%	31.82%	30.42%	25.38%
% Students - Non-White	67.29%	66.10%	68.18%	69.58%	74.62%

Source: California Department of Education, CBEDS.

Since the students from the Tennessee Glen Community are already reflected in the MVSD figures shown in ***Figure 7***, it is not anticipated that this proposed territory transfer will have any impact on the percentage of white versus non-white students in either district. As such, the reorganization of the districts will preserve each affected district's ability to educate pupils in an integrated environment and will not promote racial or ethnic discrimination or segregation.

Effect on Governing Board Policies and Plans Designed to Alleviate Segregation

Title 5 of the California Code of Regulations requires governing boards to "…study and consider possible alternative plans when the pupils in one or more racial or ethnic groups differ significantly from the district-wide percentages." Each school district must set forth policies, programs, and other plans to alleviate the harmful effects of segregation. As part of the evaluation of this criterion, it must be considered how policies and plans might be affected as a result of the territory transfer. Also, factors that might affect integration such as distance between school centers, terrain, school capacity, and related conditions should be considered.

Both of the affected districts have policies of (1) equal opportunity for all students; (2) specific identification and assistance for English language learners; and (3) promotion of multicultural education.

Further, SMCSD is subject to a desegregation settlement agreement with the State of California Attorney General. It does not appear that this proposed territory transfer will prevent SMCSD from implementing the measures set forth in that agreement.

Ability to Meet Feasibility Criterion #4:

Since students from the Tennessee Glen Community are already attending schools in MVSD, the proposed territory transfer will not change the racial and ethnic make-up of any school sites in either school district. It is reasonable to expect that the reorganization will preserve each district's ability to educate students in an integrated environment and will not promote racial or ethnic discrimination or segregation. As such, it is reasonable to expect that Criterion #4 will be substantially met.

Criterion #5: No Increase in State Costs

Education Code Section 35753(a)(5):
Any increase in costs to the state as a result of the proposed reorganization will be insignificant and otherwise incidental to the reorganization.

Key Findings:

- Both MVSD and SMCSD would continue to be basic aid with the proposed territory transfer.
    - As such, there is not anticipated to be any increase in cost to the State related to State Aid.

- The reorganization will not create additional costs to the State for school facilities, special education or categorical programs, special education transportation costs, or any Necessary Small Schools.

Analysis of Criterion #5:

As described in the CDE Handbook, the cost to the State as a result of the proposed reorganization should be evaluated based on an analysis of the following items:

(1) A change in basic aid status of one or both districts resulting in additional State aid
(2) Additional state costs for school facilities
(3) Additional costs for special or categorical programs
(4) Effect on state reimbursements for special education transportation services
(5) Increased costs from schools becoming Necessary Small Schools and qualifying for additional state funding.

Change in Basic Aid Status

The intent of the State Board of Education is to attempt to ensure that district reorganization proposals do not create additional costs to the state. Increased costs to the state can arise from a variety of factors including the elimination of a basic aid district or the creation of a Necessary Small School District.

The reorganization will permanently formalize the attendance of Tennessee Glen Community children in MVSD, which has been the sole district of attendance for these children for almost twenty-five years. Both MVSD and SMCSD are basic aid districts and this proposed territory transfer would not impact the basic aid status of either district. The subject territory has a total 2022-23 assessed value of $19,567,489 equating to only 0.38% of the total $5,119,504,480 tax base of SMCSD for 2022-23. The $19,567,489 of assessed value results in approximately $36,000 of property tax revenue to SMCSD each year based on the percentage share of property taxes that is distributed to SMCSD from the tax rate area encompassing the subject territory. In fiscal year 2021-22, SMCSD received excess taxes of over $3.35 million and in 2022-23 is expecting a similar level of excess tax revenue. A reduction of approximately $36,000 would not have an impact on SMCSD's basic aid status. As a result, there is no anticipated additional State aid that would be required as a result of this proposal.

Additional State Costs for School Facilities

Students from the subject territory are already attending MVSD schools. Therefore, it is reasonable to conclude that there is sufficient capacity in existing school sites to house existing and projected student enrollment from the Tennessee Glen Community. As such, there is no anticipated need to construct additional school capacity. Therefore, there would not be an increase in State costs for school facilities as a result of this proposed territory transfer.

Categorical and Special Education Program Costs

It is not anticipated that this reorganization will generate any additional categorical or special education program costs that would increase the funding required from the State.

Special Education Transportation Cost Reimbursement

It is not anticipated that this reorganization will create any additional transportation routes or increase the special education transportation cost to the State.

Necessary Small School Funding

This proposed reorganization will not create any Necessary Small Schools that would require additional funding from the State.

Ability to Meet Feasibility Criterion #5:

Both MVSD and SMCSD are currently basic aid districts requiring only minimum State aid. This proposed territory transfer would have no impact on the basic aid status of either district. Further, given the declining enrollment in both districts and the available capacity at existing school sites, there is no anticipated school facility cost that would result in an increase in costs to the State. Finally, there are no other anticipated increases in State costs from categorical programs, special education programs or transportation, or the creation of any Necessary Small Schools. As such, it is reasonable to expect that Criterion #5 would be substantially met.

Criterion #6: Promoting Sound Educational Performance

Education Code Section 35753(a)(6):
The proposed reorganization will continue to promote sound education performance and will not significantly disrupt the educational programs in the districts affected by the proposed reorganization.

California Code of Regulations, Title 5, Section 18573(a)(5):
The proposal or petition shall not significantly adversely affect the educational program of districts affected by the proposal or petition. In analyzing the proposal or petition, the California Department of Education shall describe the districtwide programs and the school site programs in schools not a part of the proposal or petition that will be adversely affected by the proposal or petition.

Key Findings:

- Students in the subject territory are already attending MVSD schools.
    - The proposed territory transfer would not have an impact on the educational program offered to students in either affected district.

Analysis of Criterion #6:

The California School Dashboard, published by the California Department of Education, contains reports that display the performance of local educational agencies, schools, and student groups on a set of state and local measures to assist in identifying strengths, challenges, areas in need of improvement and progress.

Shown in ***Figure 8*** are the reported results for the 2021-22 school year for each district.

FIGURE 8

Academic Performance		
	Mill Valley School District	**Sausalito Marin City School District**
Test Results		
English Language Arts	58 points above standard (very high status level)	22.1 points below standard (low status level)
Mathematics	42.7 points above standard (very high status level)	55.8 points below standard (low status level)
Student Statistics		
Enrollment	2,415	394
Chronic Absenteeism	10.2%	30.4%
English Language Learners	4.0%	20.6%
Socioeconomically Disadvantaged	5.7%	54.6%
Suspension Rate	0.9%	3.2%

Source: California Department of Education, California Dashboard.

The six students that currently reside and have resided within the proposed territory transfer have historically attended MVSD through an inter-agency attendance agreement between the two districts. Should the territory transfer be approved there would be no immediate change in the educational programs of the schools. The potential number of students who could live within the area to be transferred would not significantly impact the educational programs or the ability of the districts to promote sound education performance in the affected schools. Due to the small number of potential students from the subject territory, there will not be a significant impact on the teacher-pupil staffing ratio, class size, or academic offerings in any of the affected schools or either district. Since no student from the Tennessee Glen Community has ever attended SMCSD schools, the reorganization of the districts will continue to promote sound education performance and will not disrupt the educational programs in the affected districts.

Ability to Meet Feasibility Criterion #6:

The proposed territory transfer does not appear to significantly disrupt the educational program of either of the affected districts and would continue to promote sound educational performance. As such, it is reasonable to conclude that Criterion #6 would be substantially met.

CRITERION #7: SCHOOL HOUSING COSTS

Education Code Section 35753(a)(7):
Any increase in school facilities costs as a result of the proposed reorganization will be insignificant and otherwise incidental to the reorganization.

Key Findings:

- There is no anticipated increase in school facilities cost as a result of the proposed territory transfer.
    - With declining enrollment, there is not an anticipated future capacity need.

Analysis of Criterion #7:

The proposed territory transfer would transfer six students from SMCSD to MVSD, but the students are already enrolled in MVSD. ***Figure 9*** shows the projected number of students that will come from the subject territory over the next five years based on the present residents in the Tennessee Glen Community.

FIGURE 9

Current and Projected Number of Students from Tennessee Glen Community					
District	**2022-23**	**2023-24**	**2024-25**	**2025-26**	**2026-27**
Marin Valley School District	6	5	5	4	2
Sausalito Marin City School District	0	0	0	0	0

Source: Marin County Office of Education

Since the students are already attending Mill Valley schools, there would be no impact on school housing. Further, even if additional students were to attend MVSD as a result of this proposed territory transfer, with declining enrollment, there would be sufficient space and no need to construct additional capacity to serve the subject territory. As such, there would not be an increase in school housing costs as a result of the proposed territory transfer.

Both MVSD and SMCSD are using general obligation bonds to improve school facilities. The repayment of the bonds is derived from the assessed valuation of properties within each respective district. When territory is transferred, the assessed value is transferred as well. Based on data provided by the Marin County Auditor-Controller's Office, SMCSD would lose $19,567,489 of assessed value of the $5,119,504,480 of total 2022-23 assessed value in the District. This equates to 0.38% of the total tax base. This percentage loss of assessed value and the impact on property taxpayers as it relates to the bonds is insignificant and will not have a quantifiable impact on bond tax rates nor bonding capacity.

State School Facility Program

The California Department of Education Handbook states that it should be determined how the loss and gain of pupils will affect the school districts' eligibility for the State School Facility Program. Eligibility for the State School Facility Program New Construction funding is based on a school district's need to build additional capacity to house students. With two declining enrollment districts, it is unlikely that either district has much, if any, eligibility for State New Construction funding. The proposed territory transfer will not change either district's eligibility for new construction funding.

The State Modernization program funding is based on the age of facilities to be modernized. If permanent buildings are 25 years old or older and portable classrooms are 20 years old or older, they likely have eligibility for State Modernization funding. The age of the school buildings will not change with the proposed territory transfer, and as such, no changes in the eligibility amount would occur due to this proposed territory transfer.

Ability to Meet Feasibility Criterion #7:

The proposed territory transfer will not impact the available school site capacity, nor will it impact either affected district's ability to house existing students. With declining enrollment at both districts, it is not anticipated that additional school capacity will be needed. Therefore, it is reasonable to expect that Criterion #7 is substantially met.

CRITERION #8: PROPERTY VALUES

Education Code Section 35753(a)(8):
The proposed reorganization is primarily designed for purposes other than to significantly increase property values.

Key Findings:

- There is no indication that the petition is primarily designed to increase property values.
  - The primary reason is to memorialize a historic inter-agency attendance agreement.
- There is no indication that a significant increase in property values will result as a product of the reorganization.
  - Although property values in Marin County are high, the territory transfer itself will not drive further increases in property values as the MVSD area has other independent factors driving the high property values.
  - Further, property values in SMCSD boundaries are high as well compared to the State average and are not dependent on the Tennessee Glen area for these high property values.

Analysis of Criterion #8:

There is no indication that this petition is primarily designed to increase property values, rather the primary reason is to memorialize a historical inter-agency attendance agreement which began in 2001. Further motivation is based on the community identity of the Tennessee Glen Community with schools in MVSD. Additionally, the petition is not backed by any individual or group of individual property owners that stand to gain financially as a result of the proposed territory transfer.

Property values in both the MVSD and SMCSD communities are high in comparison to the rest of the State. The average assessed value in MVSD is $1,652,432 and the average assessed value in SMCSD is $1,139,992. Southern Marin County is considered to be a desirable place to live. With its coastal location and limited space to build additional housing, property values in the area have increased year over year. The proposed territory transfer will not have an impact on the property values of the Tennessee Glen Community. There are several other independent factors that drive the high property values in the area.

Ability to Meet Criterion #8

With property values already high in both areas of the affected districts, there is no evidence to suggest that property values would further increase as a result of the proposed territory transfer. Further, there is no indication that the petitioners aimed to increase property values through this proposal. Therefore, it is reasonable to expect that Criterion #8 will be substantially met.

Criterion #9: Sound Fiscal Management

Education Code Section 35753(a)(9):
The proposed reorganization will continue to promote sound fiscal management and not cause a substantial negative effect on the fiscal status of the proposed district, or any existing district affected by the proposed reorganization.

Key Findings:

- The proposed territory transfer will result in a property tax revenue reduction of approximately $36,000 to SMCSD.
    - The affected districts and/or county committee could offset this revenue loss through a tax exchange agreement.

Analysis of Criterion #9:

There are no regulations on Criterion #9. However, the California Department of Education Handbook provides the following guidance:

> "The county committee should review and consider any potential revenue gains or losses resulting from community development, agency agreements or other pass-through agreements, loss of incremental taxes, Mello-Roos Community Facility District funds, parcel taxes, certificates of participation, basic aid, tax overrides, mitigation agreements with developers, and any other categorical or specialized funds."

Average Daily Attendance

Currently all students residing the subject territory attend school in MVSD, so there would be no immediate loss of ADA. The number of potential students would be small, therefore, there would be little or no impact on future ADA.

Basic Aid Status

MVSD and SMCSD are both basic aid school districts. The territory proposed for transfer has a 2022-23 assessed value of approximately $19.57 million, equal to 0.38% of the total assessed value in SMCSD. The assessed value of the subject territory generates total tax revenues of approximately $36,000 to SMCSD. The loss of tax revenue, if the territory transfer were to be approved, would not impact the basic aid status of SMCSD, nor would the basic aid status of MVSD be negatively impacted since the students already attend MVSD schools and MVSD would be receiving the additional tax revenues if the transfer were approved.

Although the basic aid status of SMCSD would not be impacted, the proposed territory transfer would result in a direct revenue loss of approximately $36,000, equal to approximately 0.44% of SMCSD's 2022-23 $8.165 million in total 2022-23 tax revenue and 0.34% of the total $10.438 million 2022-23 General Fund Unrestricted budgeted revenues. The SMCSD tax base has grown by an average of 5.7% per year over the past ten years, so the revenue loss may be offset by future tax base growth preventing a substantial negative effect on the fiscal status of SMCSD. Nevertheless, the affected districts and county committee could consider a property tax exchange agreement to minimize the financial implications to SMCSD.

Section 99 of the Revenue and Taxation Code provides for the reallocation of the property tax revenue when jurisdictional changes occur in taxing agencies. However, for any reorganization the affects one or more basic aid districts, Section 99(i) allows affected governing boards to negotiate the exchange of tax revenues between the district to mitigate any revenue losses. In the event that the affected districts are unable to negotiate an exchange agreement within 60 days of the approval of the territory transfer, the law allows for the county board of education to determine the amount of property tax revenue to be exchanged.

To mitigate the direct revenue loss to SMCSD from this proposed territory transfer, the affected districts may be interested in negotiating a tax exchange agreement. The districts, and ultimately the County Board of Education could consider an agreement that eases in the revenue loss to SMCSD over time.

One proposal to consider is that MVSD could provide property taxes to SMCSD over a five-year period, with an incremental reduction in the amount of property taxes shared. For **example**, MVSD could completely offset the property tax loss in year one and then reduce its contribution by 20% in each subsequent year until the contribution is zero dollars. This is demonstrated in the example below:

- Year 1 – $36,000 paid to SMCSD
- Year 2 - $28,800 paid to SMCSD (a 20% reduction)
- Year 3 - $21,600 paid to SMCSD
- Year 4 - $14,400 paid to SMCSD
- Year 5 - $7,200 paid to SMCSD
- Year 6 - $0 paid to SMCSD

Parcel Tax

MVSD has a parcel tax in effect, SMCSD does not. The property owners within the subject territory are already paying the MVSD parcel tax. Therefore, the proposed territory transfer would have no impact on parcel tax revenues for either district.

Ability to Meet Criterion #9:

The only financial impact of the proposed territory transfer is an estimated $36,000 per year in property tax revenue loss to SMCSD. This property tax loss will likely be offset by growth in the SMCSD tax base so that there is no substantial negative effect on the fiscal status of SMCSD. The affected districts and ultimately the County Board of Education could decide to further mitigate this financial impact through a property tax exchange agreement between the two affected districts. With a minimal revenue loss and options to mitigate the impact, it is reasonable to conclude that the proposed territory transfer will not cause a substantial negative effect on the fiscal status of either district affected by the proposed territory transfer. As such, it is reasonable to conclude that Criterion #9 is substantially met.

Statement from the Mill Valley School District

Administrative Office
411 Sycamore Avenue
Mill Valley, California 94941
tel (415) 389-7700
fax (415) 389-7773

The following statement was read at the public hearing on December 5, 2022. It is submitted to the committee on behalf of Dr. Kimberly Berman, Superintendent, Mill Valley School District.

Regardless of the decision related to the Territory Transfer, the district intends to ensure continuation in Mill Valley School District for students from Tennessee Glen currently enrolled in our schools. This assurance is consistent with the terms of the 2000 Tennessee Glen/Woods Agreement, and a letter that was sent to families in spring of 2020 as follows:

“Tennessee Glen families in Mill Valley who pay parcel taxes benefiting Mill Valley School District shall be able to enroll their children in Mill Valley School District schools for the 2020-21 school year and for the duration of their K-8 education.This means that families in the Tennessee Glen neighborhood will not need to apply for interdistrict transfers to enroll their children in District schools. The foregoing is consistent with the California Attorney General’s email communication of March 26, 2020 regarding this matter, and it is the District’s understanding that the Sausalito Marin City School District does not object to this arrangement.”

MVSD collects parcel taxes from these properties annually. This year's total amount collected is $12,507.40. There are no current exemptions at this time. These addresses/parcels do not pay basic (property) taxes in MV nor do they pay MVSD's General Obligation bonds.

As a district, we have not yet taken any position on a territory transfer. For the Mill Valley School District Board to collectively take a position, this would need to occur in a public meeting, agendized for discussion by our Board of Trustees and would be open to the public for comment and to listen to the discussion. Following the public hearings, we look forward to clear direction from your committee of any additional steps you wish for our district to take on the matter.

Draft Resolution 002-2023 of the Marin County Committee on School District Organization

MARIN COUNTY COMMITTEE ON SCHOOL DISTRICT ORGANIZATION
RESOLTUION 002-2023

Whereas, on October 21, 2022, the Marin County Superintendent of Schools received a Petition for Transfer of Territory ("Petition", herein) from Ms. Phyllis Gardner and Ms. Pam Keon ("Chief Petitioners", herein); and

Whereas, the Petition proposes to transfer 10 parcels from the Sausalito Marin City School District to the Mill Valley School District; and

Whereas, the 10 parcels are inhabited territory, as that term is defined in Education Code § 35517, in that there are at least 12 registered voters residing in the respective parcels; and

Whereas, on October 26, 2022, the Marin County Registrar of Voters verified that the signatures on the Petition met the 25% requirement specified in Education Code § 35700(a); and

Whereas, on October 26, 2022, the Marin County Superintendent of Schools transmitted the Petition to the President of the State Board of Education; and

Whereas, on October 27, 2022, the Marin County Superintendent of Schools transmitted the Petition to the Chairperson of the Marin County Committee on School District Organization ("County Committee", herein); and

Whereas, the County Committee held public hearings in each of the school districts, as follows: Mill Valley School District (December 5, 2022); and Sausalito Marin City School District (December 14, 2022); and

Whereas, the members of the County Committee have considered all verbal and documentary information submitted during the public hearings and have reviewed the Petition, and all other documents filed with the County Committee related to the Petition; and

Whereas, the members of the County Committee have reviewed the Feasibility Study For A Request To Transfer Territory From Sausalito Marin City School District To Mill Valley School District including a review of the criteria set forth in Education Code § 35705.5; and

Whereas, the members of the County Committee have considered all the written and oral comments submitted in support of and in opposition to the Petition; and

Whereas, at a special meeting on May 8, 2023 the County Committee found that regarding the proposed transfer of territory, there is no reasonable possibility that the transfer of territory may have a significant effect on the environment and therefore the transfer of territory is not subject to the California Environmental Quality Act (CEQA) under the General Rule; Common Sense Exemption per CEQA Guidelines [Section 15061(b)(3)]; and

Whereas, because of the CEQA Common Sense Exemption, the County Committee will file a Notice of Exemption with the Marin County Clerk's Office and the Governor's Office of Planning and Research within 5 days; and

Whereas, the Mill Valley and Sausalito Marin City School Districts have not provided written or verbal notice to the County Committee in support of or opposition to the transfer of territory identified in the Petition; and

Whereas, at a special meeting on May 8, 2023, and under the authority of Education Code section 35709, the County Committee considered the conditions set forth in Education Code § 35753, and concluded as follows with respect to those conditions:

CRITERIA #1:

The reorganized districts will be adequate in terms of number of pupils enrolled.

Although the SMCSD will not meet the enrollment threshold of 901 students, the proposed territory transfer did not cause the low enrollment numbers, nor will it change the future enrollment numbers for SMCSD. Therefore, it is reasonable to expect that Criterion #1 can be substantially met as it has no impact on the current or future enrollment of either school district.

The Marin County Committee on SDO took action to determine if criteria #1 is substantially met by the following vote.

Ayes:

Noes:

Abstentions:

CRITERIA #2:

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

Given the geographic location of the Tennessee Glen Community and the existing community, school, and social ties, there is a clear community identity with the Mill Valley community. In fact, if the territory transfer is not approved and these students end up having to attend school in SMCSD, it would likely be disruptive to the community identity that already exists. As such, it is reasonable to conclude that Criterion #2 is substantially met.

The Marin County Committee on SDO took action to determine if criteria #2 is substantially met by the following vote.

Ayes:

Noes:

Abstentions:

CRITERIA #3:

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

As there is no property to be divided among the districts and the method of allocating bonded indebtedness is specifically addressed in the Education Code, it is reasonable to conclude that Criterion #3 would be substantially met.

The Marin County Committee on SDO took action to determine if criteria #3 is substantially met by the following vote.

Ayes:

Noes:

Abstentions:

CRITERIA #4:

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

Since students from the Tennessee Glen Community have been historically attending schools in MVSD, the proposed territory transfer will not change the racial and ethnic make-up of any school sites in either school district. It is reasonable to expect that the reorganization will preserve each district's ability to educate students in an integrated environment and will not promote racial or ethnic discrimination or segregation. As such, it is reasonable to expect that Criterion #4 will be substantially met.

The Marin County Committee on SDO took action to determine if criteria #4 is substantially met by the following vote.

Ayes:

Noes:

Abstentions:

CRITERIA #5:

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

Both MVSD and SMCSD are currently basic aid districts requiring only minimum State aid. This proposed territory transfer would have no impact on the basic aid status of either district. Further, given the declining enrollment in both districts and the available capacity at existing school sites, there is no anticipated school facility cost that would result in an increase in costs to the State. Finally, there are no other anticipated increases in State costs from categorical programs, special education programs or transportation, or the creation of any Necessary Small Schools. As such, it is reasonable to expect that Criterion #5 would be substantially met.

The Marin County Committee on SDO took action to determine if criteria #5 is substantially met by the following vote.

Ayes:

Noes:

Abstentions:

CRITERIA #6:

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

The proposed territory transfer does not appear to significantly disrupt the educational program of either of the affected districts and would continue to promote sound educational performance. As such, it is reasonable to conclude that Criterion #6 would be substantially met.

The Marin County Committee on SDO took action to determine if criteria #6 is substantially met by the following vote.

Ayes:

Noes:

Abstentions:

CRITERIA #7:

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

The proposed territory transfer will not impact the available school site capacity, nor will it impact either affected district's ability to house existing students. With declining enrollment at both districts, it is not anticipated that additional school capacity will be needed. Therefore, it is reasonable to expect that Criterion #7 is substantially met.

The Marin County Committee on SDO took action to determine if criteria #7 is substantially met by the following vote.

Ayes:

Noes:

Abstentions:

CRITERIA #8:

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

With property values already high in both areas of the affected districts, there is no evidence to suggest that property values would further increase as a result of the proposed territory transfer. Further, there is no indication that the petitioners aimed to increase property values through this proposal. Therefore, it is reasonable to expect that Criterion #8 will be substantially met.

The Marin County Committee on SDO took action to determine if criteria #8 is substantially met by the following vote.

Ayes:

Noes:

Abstentions:

CRITERIA #9:

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

The only financial impact of the proposed territory transfer is an estimated $36,000 per year in property tax revenue loss to SMCSD. This property tax loss will likely be offset by growth in the SMCSD tax base so that there is no substantial negative effect on the fiscal status of SMCSD. The affected districts and ultimately the County Board of Education could decide to further mitigate this financial impact through a property tax exchange agreement between the two affected districts. With a minimal revenue loss and options to mitigate the impact, it is reasonable to conclude that the proposed territory transfer will not cause a substantial negative effect on the fiscal status of either district affected by the proposed territory transfer. As such, it is reasonable to conclude that Criterion #9 is substantially met.

The Marin County Committee on SDO took action to determine if criteria #9 is substantially met by the following vote.

Ayes:

Noes:

Abstentions:

Whereas, Education Code§ 35710 provides that if the Marin County Committee on School District Organization finds that all of the conditions are "substantially met" the Committee "may" approve the Petition; and

Whereas, Education Code§ 75 provides that as used in the Education Code, the word "shall" is mandatory and the word "may" is permissive;

Now Therefore Be it Resolved; The Petition is approved/disapproved by the Marin County Committee on School District Organization at a special meeting held on the 8th day of May, 2023 by the following vote:

AYES:
NOES:
ABSENT:

ATTEST:

DEBBIE BUTLER, Chairperson
Marin County Committee on School
District Organization

JOHN A. CARROLL
Marin County Superintendent of Schools

JONATHAN LENZ, Secretary Designee
Marin County Committee on School
District Organization

Tennessee Glen Territory Transfer Election Area Considerations

Tennessee Glen Territory Transfer

If the territory transfer petition is approved by the Committee, per California Education Code Sections 35710 and 35732, Committee plans and recommendations may include a provision specifying the territory in which the election to reorganize the school districts will be held. In the absence of such a provision, the election shall be held only in the territory proposed for reorganization. The chart below identifies the various outcomes as specified by code:

Presenting Condition	**Outcome**
Both School Districts Support Petition (on the record)	No Election is necessary. An election area does not need to be identified.
SMCSD Supports Petition (on the record) and MVSD Opposes Petition[1]	Election Area shall be the ten (10) parcels identified in the petition – unless an additional election area is identified by the Committee[2].
SMCSD Opposes Petition and MVSD Supports Petition (on the record)	Election Area shall be the ten (10) parcels identified in the petition **plus** all parcels residing within the SMCSD district boundaries – unless an additional election area is identified by the Committee.
SMCSD Opposes Petition and MVSD Opposes Petition	Election Area shall be the ten (10) parcels identified in the petition **plus** all parcels residing within the SMCSD district boundaries – unless an additional election area is identified by the Committee.

[1] When a School District Board of Education does not take a formal stance on a territory transfer petition, this equates to opposing the petition for the purposes of determining the election area of an approved petition.

[2] Whether the Committee will designate an additional election area is a matter that both school districts, the chief petitioners, and the public may address before the Committee makes a final determination.

[3] Estimated election cost is $7 per registered voter. Sausalito Marin City School District has estimated 8,129 registered voters, Mill Valley School District has estimated 23,206 registered voters.

Tennessee Glen Territory Transfer

The charts below identify scenarios (non-inclusive) the Committee may consider, per California Education Code Sections 35710 and 35732, as well as the estimated election costs[3] and the parties responsible for the costs:

Both School Districts Support Petition (on the record)

Required Election Areas	Election Area Considerations	Estimated Election Costs	Responsible Parties
N/A	N/A	N/A	N/A

SMCSD Supports Petition (on the record) and MVSD Opposes Petition

Required Election Areas	Election Area Considerations	Estimated Election Costs	Responsible Parties
Ten (10) parcels identified in the petition	Only required election area	$147	MCOE on behalf of the Committee
	Required election area **plus** all of Mill Valley School District	$162,589	MCOE on behalf of the Committee
	Required election area **plus** portions of MVSD that may have an apparent interest in the petition (e.g., Tam Valley)	$147 + ($7 x number of registered voters in designated MVSD area)	MCOE on behalf of the Committee
	Required election area **plus** other	$147 + ($7 x number of registered voters in designated area)	MCOE on behalf of the Committee

Tennessee Glen Territory Transfer

SMCSD Opposes Petition and MVSD Supports Petition (on the record)

<table>
<tr><th>Required Election Areas</th><th>Election Area Considerations</th><th>Estimated Election Costs</th><th>Responsible Parties</th></tr>
<tr><td rowspan="4">The ten (10) parcels identified in the petition

+

All remaining parcels within the SMCSD boundaries</td><td>Only required election area</td><td>$56,903</td><td>$147 - MCOE on behalf of the Committee

$56,756 - SMCSD</td></tr>
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Tennessee Glen Territory Transfer

SMCSD Opposes Petition and MVSD Opposes Petition

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