

THE MT. DIABLO UNIFIED SCHOOL DISTRICT

Response to the Petition to Form the Northgate Unified School District



Presented to the

CONTRA COSTA COUNTY BOARD OF EDUCATION

In its capacity as the

COUNTY COMMITTEE ON SCHOOL DISTRICT REORGANIZATION



August 29, 2017
Pleasant Hill Middle School

MDUSD HIGHLIGHTS



- Graduation rate UP, dropout rate DOW*N* for seven consecutive years – both rates are better than the state average
- Increased college acceptance rates and scholarship offerings (**\$4.6M** in 2017)
- 2017-2018 school year includes new International Baccalaureate program, three new regional magnet schools

PETITIONERS' STATED CONCERNS ARE UNFOUNDED

- **Smaller is not better in the current fiscal environment**
- **MDUSD regularly engages with families from each and every school feeder pattern**
- **As a part of MDUSD, parents and students in the Northgate schools enjoy access to extensive, district-provided resources at the school level and valuable partnerships with business and community groups**

THE PETITION FAILS TO MEET **ALL** REQUIRED CRITERIA

1. Have Adequate Enrollment Pass Fail
2. Based on Substantial Community Identity Pass Fail
3. Result in Equitable Property and Facility Division Pass Fail
4. Will Not Promote Racial/Ethnic Discrimination or Segregation Pass Fail
5. Will Not Increase Costs to the State Pass Fail
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7. No Significant Increase in School Housing Costs Pass Fail
8. Not Designed to Increase Property Values Pass Fail
9. No Substantial Negative Impact on District Fiscal Management or Status Pass Fail



1. ADEQUATE ENROLLMENT

The state requires a district to have more than 1,501 students.

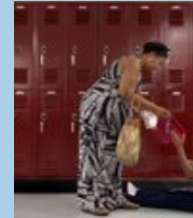
The petition meets this criterion.



2. COMMUNITY IDENTITY

The petition would unravel cohesive communities and disrupt the positive community identity that exists.

- Our community extends beyond Northgate schools
- Student experiences district wide
- Solo high school and middle school
- Oak Grove, Ygnacio Valley, Highlands



The Quiet Wave of School District Secessions

Since 1986, 47 school districts have splintered off to create their own whiter and wealthier districts.

usnews.com

THE WALL STREET JOURNAL
WSJ

Newsweek

IN THE MAGAZINE U.S.

WHITES ONLY: SCHOOL SEGREGATION IS BACK, FROM BIRMINGHAM TO SAN FRANCISCO

White, Wealthy Communities Want Their Own Schools

Some states allow communities to create their own school districts, keeping property tax dollars in the neighborhood but siphoning funds away from poorer, underserved schools.

By Lauren Camera, Education Reporter | June 21, 2017, at 12:01 a.m.

& WORLD REPORT
U.S. News



THE PETITION DOES NOT MEET THE CRITERION.

3. DIVISION OF PROPERTY/FACILITIES

The petition would cause an adverse impact on initial resources, school sites, assets and liabilities.



- Insufficient space for elementary schools with the entirety of The Crossings entering three elementary schools
- The petition calls for taking more school sites than the students
- This flaw affects 7 of the 9 criteria

THE PETITION DOES NOT MEET THE CRITERION.

4. DISCRIMINATION/SEGREGATION

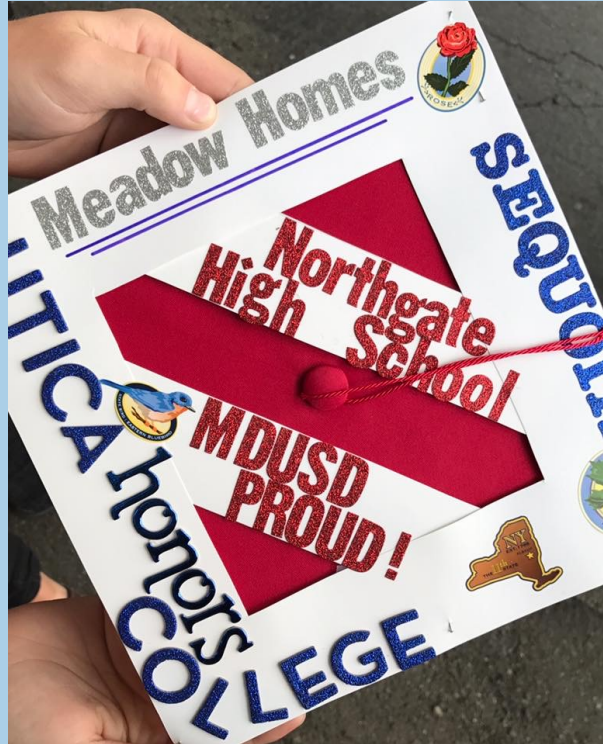
The petition CREATES issues of disparity and inequity.



- **Causes substantial disproportionate impacts**
- **Isolates the less diverse, higher income population**
- **Intra-district transfers**

4. DISCRIMINATION/SEGREGATION

The petition does not account for transfer students.



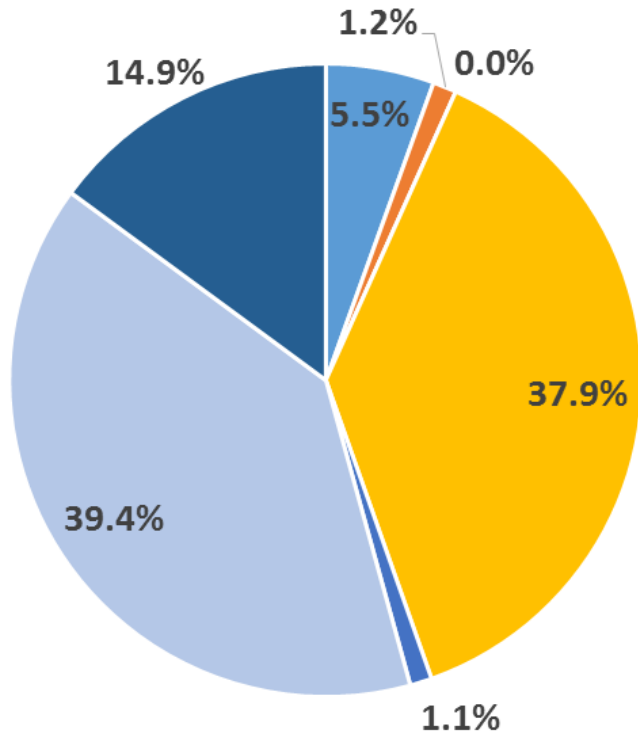
- Much of the diversity population growth in the territory comes from discretionary transfer students.

THE PETITION DOES NOT MEET THE CRITERION.

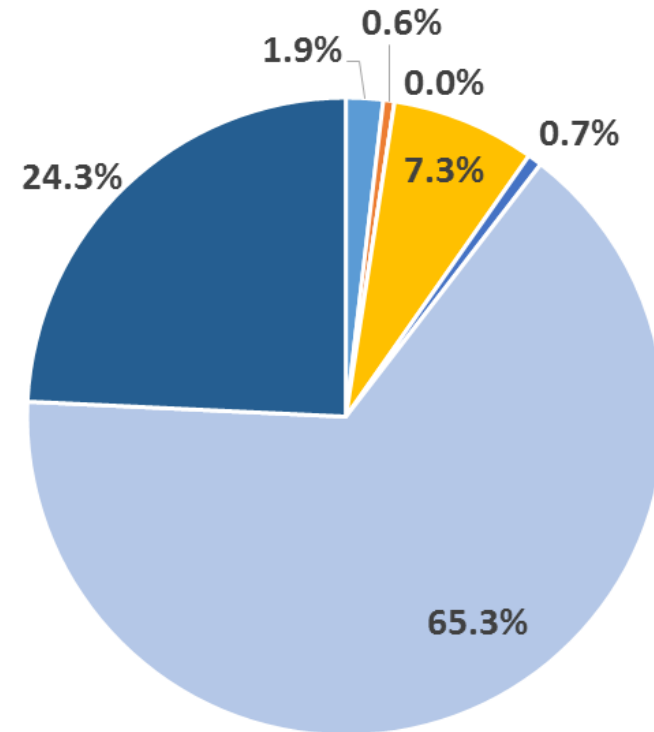
Current Mt. Diablo USD Enrollment by Ethnicity

Proposed Northgate USD Enrollment by Ethnicity

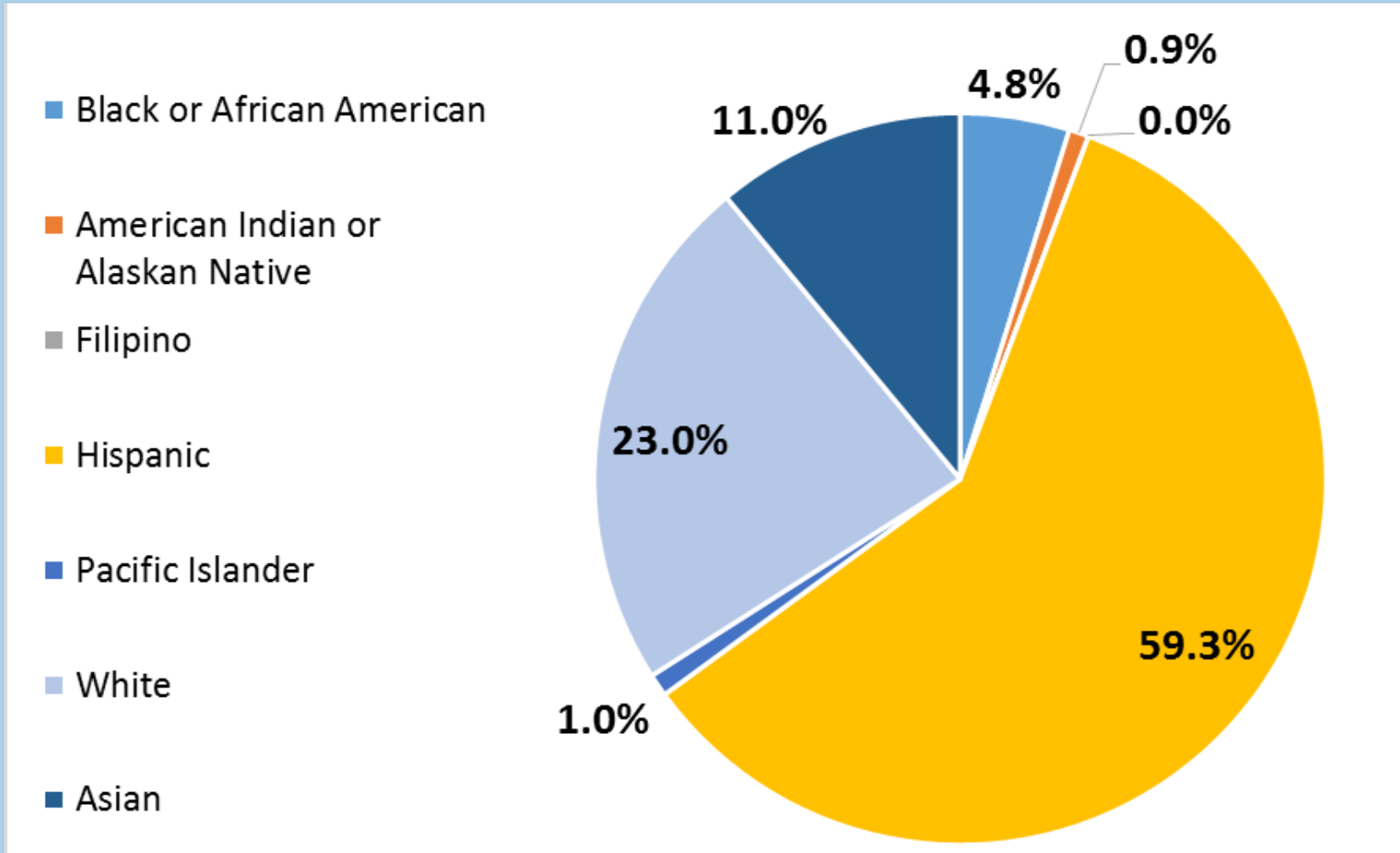
- Black or African American
- American Indian or Alaskan Native
- Filipino
- Hispanic
- Pacific Islander
- White
- Asian



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Students Displaced By The Petition By Ethnicity



THE PETITION RELIES TOO HEAVILY ON DISCRETIONARY TRANSFERS

School Site	Inter-District Transfers to MDUSD	Intra-District Transfers MDUSD to Proposed New District	Total
Bancroft ES	12	130	142
Valle Verde ES	3	84	87
Walnut Acres ES	1	28	29
Foothill MS	3	114	117
Northgate HS	7	278	285
CURRENT TOTAL	26	634	660

Five School Sites/Year	Total Transfers	Percentage Change
2013-14	812	-
2014-15	889	9.5%
2015-16	901	1.3%
2016-17	904	0.3%

RESULT: SIGNIFICANT NUMBERS OF STUDENTS DISPLACED

SCHOOL SITE	STUDENTS DISPLACED FROM TERRITORY
Bancroft Elementary	142
Valle Verde Elementary	87
Walnut Acres Elementary	29
Foothill Middle	117
Oak Grove Middle	699
Northgate High	285
Ygnacio Valley High	1,177
Total	2,536

5. NO INCREASE IN STATE COSTS



- Number of unduplicated students would be impacted increasing funding for MDUSD.
- Facilities costs would need additional financial support in MDUSD and in the proposed territory.
- Total cost difference to the state would be significant.

THE PETITION DOES NOT MEET THE CRITERION.

6. EDUCATIONAL PROGRAMS



- Students districtwide benefit from extensive central programs – College Now, International Baccalaureate, AVID, magnet schools, athletics, arts, music, technology integration and innovations, and opportunities for independent study



- Families of students with special needs would be severely impacted due to the need to relocate Home Hospital, the autism magnet, and other valued Special Education programs to other MDUSD schools



- Petitioner will need increased revenue to provide same services

THE PETITION DOES NOT MEET THE CRITERION.

7. SCHOOLS FACILITIES COSTS

The petition does not account for major facility realities.



- **Central office/administration**
- **Technology**
- **The Special Education ‘shuffle’**
- **Two high school facilities – those with the largest capacity (Ygnacio Valley) and the newest (Northgate)**

7. SCHOOLS FACILITIES COSTS

The petition requires MDUSD to incur substantial facilities costs

AVERAGE SINGLE-FAMILY RESIDENTIAL (SFR) FACILITY COSTS					
	Average SFR Assessed Value	Potential Facilities Costs	Average SFR Gen. Oblig. Bond Tax Required	Gen. Oblig. Bond Tax Duration	Cost per SFR
Petition Territory	\$500,343	\$10,627,775	\$37.53	28 years	\$1,050.72
Remaining MDUSD	\$317,281	\$196,860,156	\$88.84	28 years	\$2,487.48

- Housing costs would be substantial if seven sites are lost
- Half of remaining MDUSD bonding capacity could be dedicated to housing existing students
- Cost would fall disproportionately on MDUSD residents

THE PETITION DOES NOT MEET THE CRITERION. ¹⁷

8. PROPERTY VALUES

Petition is unclear in this area

9. FISCAL STATUS AND MANAGEMENT



- Facility costs substantial
- Decrease in ADA to petitioned territory will amount to \$1.5 – 3 million annually
- Property and capital transfer (buses, buildings, equipment)
- Investments of taxpayers districtwide

9. FISCAL STATUS AND MANAGEMENT

Range of costs for Realignment and District Office (including land acquisition)

POTENTIAL SITE REALIGNMENT COSTS	
Estimated Land Cost	\$1,453,650 per acre
Minimum Construction Costs	\$300 per sq. ft.
Elementary Relocation Costs	\$450 per student
Middle School Construction Costs	\$66,549 per student
High School Construction Costs	\$98,044 per student

CONSERVATIVE DISTRICT OFFICE ESTIMATE		
Cost	Cost Basis	Est. Cost
Land	3.5 acres	\$5,087,775
Design	Varies	\$500,000
Construction	15,000 SF	\$4,500,000
Technology	10% of construction	\$450,000
Conservative District Office Cost		\$10,627,775

Displaced Students		Costs to Accommodate Displaced Students
Displaced ES Students	94	\$35,250
Displaced MS Students	814	\$54,170,886
Displaced HS students	1,455	\$142,654,020
TOTAL	2,363	\$196,860,156

THE PETITION DOES NOT MEET THE CRITERION.

CAN MORE BE DONE WITH LESS AFTER CURTAILING COST GROWTH AS LCFF REACHES FULL FUNDING?

PROJECTED PETITION TERRITORY		
Revenues	2019-20	2020-21
LCFF Revenue	\$ 30,541,255	\$ 31,326,165
Federal Revenue	2,218,561	2,218,561
Other State Revenue	5,684,937	5,684,937
Other Local Revenue	1,844,093	1,844,093
Total Revenue	\$ 40,288,846	\$ 41,073,756
Expenditures		
Certificated Salaries	\$ 20,191,132	\$ 20,191,132
Classified Salaries	6,364,089	6,364,089
Employee Benefits	11,513,814	11,513,814
Books & Supplies	1,347,915	1,347,915
Services/Other Oper. Exp.	3,194,873	3,194,873
Capital Expenses	158,913	158,913
Other Outgo Expense	80,875	80,875
Direct/Indirect Costs	(7,461)	(7,461)
Total Expenditures	\$ 42,844,149	\$ 42,844,149
Change In Fund Balance	\$ (2,555,303)	\$ (1,770,393)
Beginning Fund Balance	\$ 4,203,590	\$ 1,648,287
Ending Fund Balance	\$ 1,648,287	\$ (122,105)
Reserve Percentage	3.85%	-0.28%

- Generous assumptions
 - Federal and other states often follow demographics
- Flat Expenditures
 - No salary growth
 - No benefit growth
 - No capital facilities expenditures
- Favorable - but inequitable fund balance allocation

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