

Our Campaign for a Community-Based School District



“CHANGE IS

never easy

but always

POSSIBLE.”

~ Barack Obama

Why Are We Here?

For the 3rd time in two generations:

We seek a smaller community-based school district that provides our students, our educators, and our community with:

- Greater **accountability**
- More **transparency**
- Better **fiscal management**
- More **responsive leadership**

Our focus is on leadership, governance, and organizational culture – *not* individuals.

Criteria Met!

Criteria 1 – Adequate Number of Pupils

Criteria 2 – Community Identity

Criteria 4 – Discrimination/Segregation

Criteria 5 – No Substantial Increase in State Costs

Criteria 6 – Sound Education Program

Criteria 8 – Increased Property Values

Criteria 9 – Effect on Fiscal Status and Management

Questions on Criteria 3 and Criteria 7

Criteria 3 – Equitable Division of Property/Facilities

“...this criterion would not be substantially met...would deprive Mt. Diablo USD of two school sites which are needed to accommodate its current enrollment.”

Contra Costa County Office of Education Reorganization Feasibility Study, August 8, 2017.

Criteria 7 – No Substantial Increase in School Facility Costs

“...this criterion would not be substantially met...school facilities cost increases would not be insignificant or incidental to the reorganization .”

Contra Costa County Office of Education Reorganization Feasibility Study, August 8, 2017.

Consultants Included Two Extra Schools, Misrepresenting the NUSD Proposal

The report treats Oak Grove MS and Ygnacio Valley HS as extra empty campuses in NUSD and leaves their entire MDUSD feeder patterns without a middle school or high school.

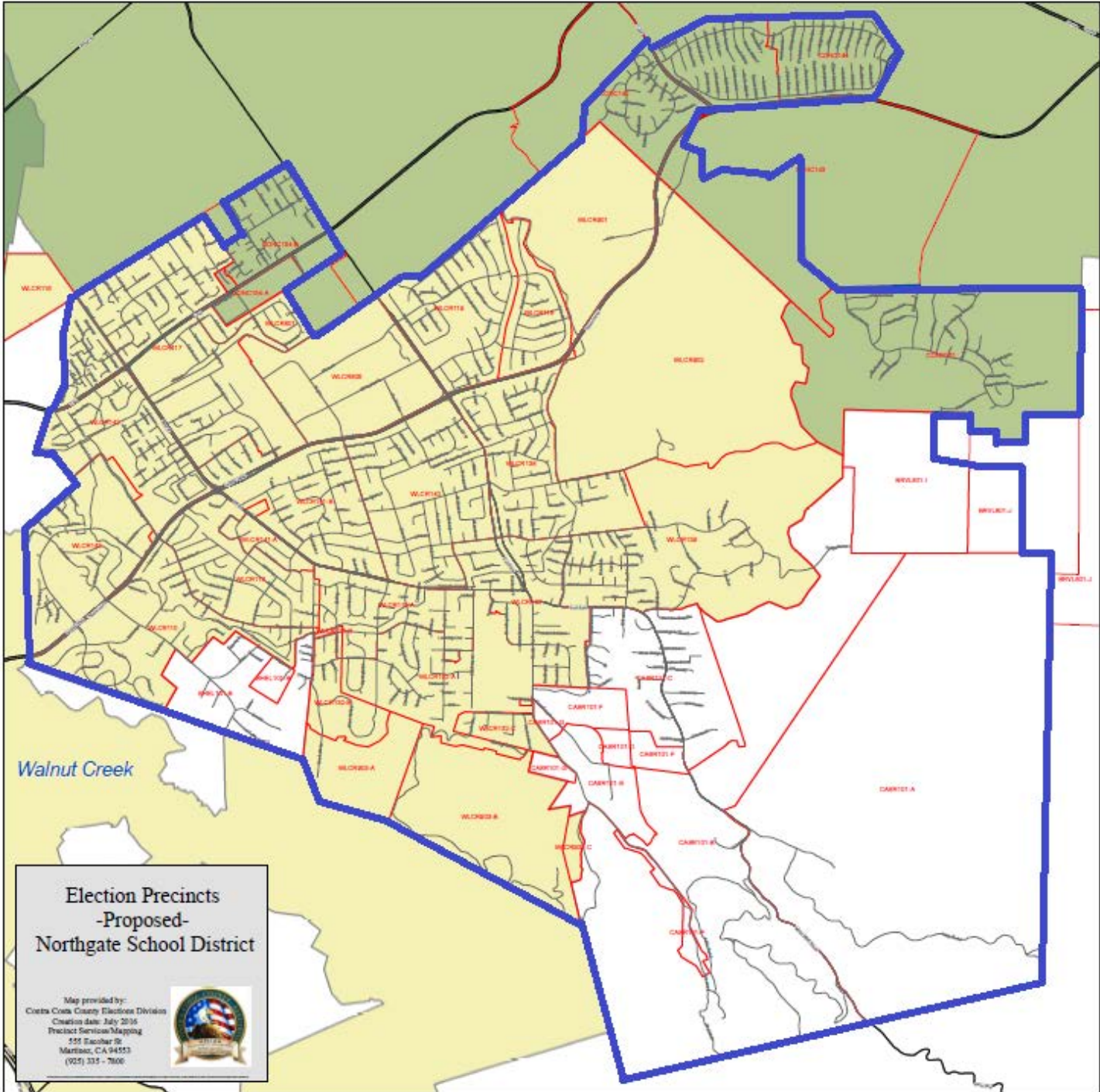
The addition of these two campuses dramatically misrepresents the design of the proposal to create a new Northgate Unified School District and substantially influenced the conclusions regarding Criteria #3 and #7.

The CCCOE Has Redefined Our Community's Proposal

We regard “attendance area” as *where people live*.


MDUSD and the CCCOE staff define “attendance area” to include *places where no one lives*.

Boundaries



**Election Precincts
-Proposed-
Northgate School District**

Map provided by:
Coastal County Elections Division
Creation date: July 2016
Precinct Services Mapping
255 Eschbar St
Marina, CA 94553
(925) 335 - 7600



The Petition Submission to the CCCOE was Clear

The “Items of Information” *specified by the CCCOE staff* as part of the *required petition submission* included ***our correct map***, and this definition of NUSD:

*“...the proposed territory of the Northgate Unified School District, which comprises the territory within the attendance boundaries as of April 24, 2016, of the following schools (Foothill Middle School, Bancroft Elementary School, Valle Verde Elementary School, Walnut Acres Elementary School, and Northgate High School), **excluding the real property of Oak Grove Middle School and Ygnacio Valley High School.**”*

Criterion 3 Summary:

Substantially Met

The NUSD Proposal *Did Not Include Those Two Schools:*

- The petition circulated included a map without those schools.
- The submission to the CCCOE included our map *without those schools* and text describing the territory *without those schools*.
- The data in the report submitted into the record in the County Committee hearings refers only to the *five school sites* currently needed for Northgate-area students.

School Services:

- Refers to “...two additional school sites not necessary for its (NUSD’s) educational programs.” (p. 31),
- Makes multiple references to “inadvertent inclusion” of the two schools,
- Refers to our proposal as part of our “petition” (p.31),
- Yet *ignores* the parts of the proposal that define NUSD without those schools

Remaining respects of the petition and proposal also meet Criterion 3:

- Pro rata distribution of reserves and other property based on ADA
- Pro rata allocation of bond indebtedness based on relative property values

Criterion 3 – Question Regarding Community Facilities Districts (Mello Roos)

It is not certain that the current MDUSD CFD would have to be split along with the district.

- (the legislation) *“encourages consideration, at least, of other agencies’ facilities, and includes authorization to combine the needs of different governmental units in a single CFD.”*

--An Introduction to California Mello Roos Community Facilities Districts
Orrick, Herrington & Sutcliffe LLP

- Bonds currently serviced from parcel tax funds collected by County.
- Proceeds have all been spent.
- Future proceeds, if any, could be allocated according to ADA.
- Goal of using property tax assessment (currently \$67 per parcel) to finance school facilities would not change.
- Governance would have to represent both MDUSD and NUSD.

Criterion 7 - Capacity and Transfers

Factors outside NUSD control that will influence capacity:

1. Will MDUSD permit any intra-district transfer students to continue as inter-district transfers?
2. Will Eagle Peak charter school decide to stay at its current campus?
3. How many Highlands families will choose NUSD for elementary school?

Together, these factors could change NUSD enrollment or capacity by hundreds of students.

Criterion 7 - District Office Needs and Expenses

School Services refers to:

“State Allocation Board adopted requirements for central administrative and support facilities at four square feet for every student.” (Implies 18,000 sf)

p. 32

NUSD Proposal assumes only 10,000 sf for central office:

- Without legacy central office staff, NUSD could consider outsourcing of back office functions that would not be an option for an established district, resulting in fewer staff positions than suggested in the report.
- Increasing the need for NUSD space from 10,000 sf to consultant’s 18,000 sf would increase rental expense, at most, from \$220,000/yr to \$400,000/yr.
- Increase = 0.4% of NUSD budget

Criteria 7 – Substantially Met

Accepting the proposal for NUSD *as it was designed by Northgate CAPS and supported in the petition by Northgate-area residents* means that this Criterion is substantially met.

MDUSD Must Address Budget Volatility and Transparency

According to the feasibility report MDUSD must balance their budget. They will first need to admit it is \$48 million out of balance.

In the June 23, 2017 press release announcing MDUSD's 2017-18 Adopted Budget, Superintendent Meyer said, *"We are pleased to once again have a **balanced budget** that allows us to advance our priorities while also living within our means and planning well for future years."*

(millions)	2016-17 Est. Actuals	2017-18	2018-19	2019-20
Beginning Reserve	\$98.0	\$71.0	\$22.6	\$21.5
Surplus/(Deficit)	(\$26.9)	(\$48.4)	(\$1.1)	\$1.9
Ending Reserve	\$71.0	\$22.6	\$21.5	\$23.5
Total Expenditures	\$369.5	\$377.9	\$338.1	\$338.6
Change in Expenses from prior year		2.3%	(10.5%)	0.0%
Reserve as a % of Expenses	19.2%	6.0%	6.4%	6.9%

Deficit

\$40 million in cuts

MDUSD Budget Deficit Highest By Far

A current deficit more than *twice* the size of any other large district deficit in the region

Bay Area Large District Comparisons 2017-18 General Fund Adopted Budgets						
	Total Expenditures 2017-18 Budget	2017-18 Deficit (Incr/decr in reserves)	Surplus/Deficit as % of Budget	Ending Reserves	Reserves as % of Budget	2016-17 DataQuest Enrollment
Oakland USD	\$ 523,409,158	\$ 19,003,748	3.6%	\$ 37,251,343	7.1%	49,760
San Ramon Valley USD	\$ 325,436,362	\$ 4,613,395	1.4%	\$ 60,614,177	18.6%	32,425
San Jose USD	\$ 352,720,639	\$ (2,722,561)	-0.8%	\$ 19,408,633	5.5%	32,004
Hayward USD	\$ 261,497,424	\$ (5,216,263)	-2.0%	\$ 8,515,129	3.3%	22,922
West Contra Costa USD	\$ 343,993,428	\$ (7,431,812)	-2.2%	\$ 53,568,069	15.6%	31,267
Fremont USD	\$ 349,615,184	\$ (7,708,385)	-2.2%	\$ 18,319,340	5.2%	35,171
Stockton USD	\$ 444,090,378	\$ (12,025,142)	-2.7%	\$ 107,668,367	24.2%	40,984
East Side Union HS District	\$ 277,764,718	\$ (15,812,893)	-5.7%	\$ 23,114,811	8.3%	27,049
Sacramento USD	\$ 502,095,876	\$ (16,415,063)	-3.3%	\$ 58,963,437	11.7%	46,815
SF USD	\$ 767,773,330	\$ (19,872,823)	-2.6%	\$ 92,740,158	12.1%	60,133
Mt Diablo USD	\$ 377,849,718	\$ (48,347,562)	-12.8%	\$ 22,646,325	6.0%	31,814

Concerns that the Community and Employees Have Not Been Informed

Multiple community requests to MDUSD via public comment, emails, and social media for a budget “summit” or workshop session.

Result:

Brief remarks from the Superintendent during a regular board meeting:

- 0 budget figures
- 1 PowerPoint slide
- 2 minutes of accolades by the Superintendent on the current fiscal position, citing the following :
 - The 3-year budget certification. (No mention that certification was possible only with a “promise” of \$40 million in cuts.)
 - The October, 2016 Moody’s bond rating increase – old news, due primarily to the booming housing market.

No mention of the \$48 million deficit or the \$40 million in cuts that include cuts to teachers, staff, and non-compensation operating expenses.

Looking Ahead - MDUSD

Mt Diablo School District will be able to focus on:

- Financial management, by creating transparent processes for addressing pending cuts and seeking community and employee support for necessary changes.
- Closing the achievement gap among disadvantage students by raising proficiency levels that are still below County and State levels.
- Address student achievement in the lowest performing schools, particularly the 6 schools on the State's list of lowest-performing schools.
- Planning school construction and financing for the 6 – 8,000 new students who will come from the Concord Naval Weapons Station redevelopment, where construction is to begin in 2019.

Looking Ahead - NUSD

The Northgate Unified School District will be able to focus on:

- Creating a school district where leadership is held accountable, with an expectation of transparency, good governance, engagement with the community, and sound fiscal management.
- Strategic planning that reflects the community's commitment to both near-term and long-term needs of our students and educators.
- Building public-private partnerships to support innovative programs.
- Bringing the community together by welcoming all students and engaging with *all* stakeholders to support learning.

Election Area Will Determine if the SDO Process is Viable

The MDUSD-MDEA strategy to defend the status quo is already clear:

If the petition is approved, overwhelm Northgate-area supporters in a district-wide vote:

- With \$350 million budget and 3,000 employees, run an unlimited opposition campaign using district people, PR, and resources.

Even with a landslide win in the NUSD Area, assuming:

- 90% turnout
- 80% “yes” vote

We would still need:

- 45% of the remaining district to vote “yes”
- With a 70% turnout.

Result: another loss for the Northgate Community.

And for California:

- **The smallest communities – those most vulnerable to being ignored by big districts – would be UNABLE to use the state’s SDO process.**

“The **SECRET OF CHANGE** is to focus all of your energy, not on fighting the old, but on **BUILDING THE NEW.**”

~ *Socrates*