

California Department of Education

Executive Office

SBE-003 (REV. 11/2017)

oab-sftsd-jul22item01

# California State Board of EducationJuly 2022 AgendaItem #05

## Subject

Proposed Formation of a New Unified School District from the Northgate Portion of the Mt. Diablo Unified School District in Contra Costa County.

## Type of Action

Action, Information, Public Hearing

## Summary of the Issue(s)

A petition to form a new unified school district from the Northgate portion of the Mt. Diablo Unified School District (USD) in Contra Costa County was submitted to the Contra Costa County Superintendent of Schools (County Superintendent). The Contra Costa County Committee on School District Organization (County Committee) held public hearings on the matter. The County Committee determined that the petition failed to substantially meet all minimum threshold requirements in subdivision (a) of California *Education Code* (*EC*) Section 35753, and also determined that the reorganization would adversely affect the school district organization of the county. For these reasons, the County Committee recommends that the California State Board of Education (SBE) disapprove the petition.

## Recommendation

The California Department of Education (CDE) recommends that the SBE disapprove the petition to form a new unified school district from the Northgate portion of the Mt. Diablo USD.

## Brief History of Key Issues

The action to form the new school district was initiated pursuant to *EC* Section 35700(a), which requires that a petition be signed by at least 25 percent of the registered voters residing in the territory proposed to be included in the new district. The County Committee analyzed effects of the proposed unification on the nine required conditions for approval listed in *EC* Section 35753, and found that the petition failed to substantially meet five of the nine minimum threshold conditions as follows:

* The proposal will result in an inequitable division of property and facilities of the original district or districts, thereby failing to substantially meet condition 3.
* The reorganization of the districts will not preserve each affected district’s ability to educate students in an integrated environment and/or will promote racial or ethnic discrimination or segregation, thereby failing to substantially meet condition 4.
* The proposed reorganization will not continue to promote sound education performance and/or will significantly disrupt the educational programs in the districts affected by the proposed reorganization, thereby failing to substantially meet condition 6.
* Any increase in school facilities costs as a result of the proposed reorganization will be significant and not incidental to the reorganization, thereby failing to substantially meet condition 7.
* The proposed reorganization will not continue to promote sound fiscal management and/or will cause a substantial negative effect on the fiscal status of the proposed district or any existing district affected by the proposed reorganization, thereby failing to substantially meet condition 9.

Pursuant to *EC* Section 35707(a), the County Committee found that the petition, taken as a whole, did not meet the nine conditions of *EC* Section 35753 on a vote of 3-2. Further, the County Committee voted 3-2 that the proposal would adversely affect the school district organization of the county. The County Committee voted 3-2 to recommend the SBE disapprove the petition to form the Northgate USD.

The governing board of the Mt. Diablo USD also opposes the proposal.

## Required Steps for SBE Action

The procedure for the SBE to consider this proposal to form a new school district is:

* Consider the CDE analysis and recommendations regarding the conditions stated in *EC* Section 35753.
* Conduct a public hearing on the proposal.
* Determine the proposal has merit or take action to disapprove it.

If the SBE determines the proposal has merit, it must then inform local agencies and chief petitioners that they must comply, under SBE and CDE oversight, with the requirements of the California Environmental Quality Act (CEQA) before a final action to approve can be considered by the SBE.

If the SBE acts to disapprove the proposal, the SBE must inform the Contra Costa County Superintendent and all affected parties of such disapproval.

## CDE Findings and Recommendations

The CDE reviewed the entire administrative record provided by the County Superintendent, including minutes and audio recordings of public hearings and meetings, information prepared for the County Committee, and new information requested and received from the County Superintendent and the affected school districts pursuant to *EC* Section 35751. After this review, the CDE completed an analysis of the proposed unification.

The CDE finds that the proposal fails to substantially meet two of the nine conditions of subdivision (a) of *EC* Section 35753:

* The proposal will result in an inequitable division of property and facilities of the original district or districts, thereby failing to substantially meet condition 3.
* Any increase in school facilities costs as a result of the proposed reorganization will be significant and not incidental to the reorganization, thereby failing to substantially meet condition 7.

In addition to failing to meet all of the minimum conditions for approval, the CDE did not find any compelling local educational needs or concerns that would be addressed by the unification proposal. Further, the proposed unification would remove the most affluent area of the Mt. Diablo USD in order to create a smaller, less diverse, more affluent school district.

Based on its analysis of the proposal, the CDE recommends that the SBE disapprove the petition to form a new unified school district from the Northgate portion of the Mt. Diablo USD. The analyses upon which the CDE bases this recommendation are contained in attachments 1–5.

## Summary of Previous State Board of Education Discussion and Action

The SBE has not considered this specific issue previously.

## Fiscal Analysis

There are no fiscal effects if the SBE disapproves the proposal to form the new unified school district. However, the following fiscal effects will occur if the SBE ultimately approves the proposal:

* If the SBE finds the proposal has merit, the SBE would be the CEQA lead agency and would return the proposal to the local level to complete CEQA compliance requirements. Activities required by CEQA will be funded at the local level and are the responsibility of the entity proposing the project, which is the petitioners in this instance. Actual local costs associated with CEQA compliance are unknown but, depending on environmental issues uncovered by the CEQA Initial Study, could range from $10,000 upwards to several hundred thousand dollars.
* SBE approval of the proposal triggers a local election to obtain final approval to establish a new unified school district. Actual election costs will be determined by the election type (e.g., general, special, by-mail) and the electorate designated by the SBE (e.g., only the Northgate portion or the entire Mt. Diablo USD). Depending on existing county-level agreements between the Contra Costa County Board of Supervisors and the Contra Costa County Board of Education, costs for the election will be borne by the Contra Costa County general fund or the Contra Costa County Office of Education.

If the new district is approved both by the SBE and at an election, a new Local Control Funding Formula (LCFF) entitlement will be calculated for the new Northgate district and the remaining portion of the Mt. Diablo USD. Based on 2020–21 data and assuming the new district was effective for that year, the CDE calculates that the 2020–21 LCFF entitlements would have been $35 million for the Northgate district and $251 million for the remaining portion of Mt. Diablo USD—the combined total being approximately $1.7 million less than the 2020–21 LCFF entitlement that would be received by the Mt. Diablo USD if not reorganized. The actual LCFF entitlement recalculation would be based on data from one year prior to the effective year of the new district.

## Attachments

Attachment 1: Report of Required Conditions for Reorganization (32 pages)

Attachment 2: Racial/Ethnic Report on Formation of a New Unified School District from the Northgate area of the Mt. Diablo Unified School District in Contra Costa County (23 pages)

Attachment 3: Educational Program Report on Formation of a New Unified School District from the Northgate area of the Mt. Diablo Unified School District in Contra Costa County (29 pages)

Attachment 4: School Facilities Analysis for Proposed Northgate Unified School District (6 pages)

Attachment 5: Fiscal Analysis of the Proposal to Form a New Unified School District from the Northgate Portion of the Mt. Diablo USD (11 pages)

# Attachment 1Report of Required Conditions for Reorganization

**Proposed Formation of a
New Unified School District from the Northgate Portion
of the Mt. Diablo Unified School District
in Contra Costa County**

## Recommendation

The California Department of Education (CDE) recommends the California State Board of Education (SBE) disapprove the petition to form a new unified school district from the Northgate portion of the Mt. Diablo Unified School District (USD).

## Background

### Mt. Diablo USD

The Mt. Diablo USD, formed in 1948, is located in Contra Costa County in the east Bay Area. It encompasses a territory of approximately 150 square miles that includes the cities of Concord and Clayton, most of Pleasant Hill, portions of Walnut Creek, Pittsburg, Lafayette, and Martinez, and several communities in the unincorporated area of the county. The district contains a mix of urban and suburban areas. The north area of the district contains the former Concord Naval Weapons Station, which is part of a long-range redevelopment plan that will contain more than 2,000 acres of regional park land and a similar amount of land that is expected to be annexed into the city of Concord for development of business, housing, a college campus, and other development needs.

The Mt. Diablo USD is among the 30 largest school districts in California. It operates 29 elementary schools, 9 middle schools, 5 comprehensive high schools, and 7 alternative education programs. Based on 2020–21 California Longitudinal Pupil Achievement Data System (CALPADS) enrollment data, the Mt. Diablo USD serves 29,582 students. Enrollment is comprised of 18.4 percent English learners, 41.8 percent socio-economically disadvantaged students, less than 1 percent foster youth, and 13 percent special education students. The racial/ethnic make-up of the district is 43.3 percent Hispanic or Latino, 28.0 percent White, 7.8 percent Asian, 3.1 percent Black or African American, 5.2 percent American Indian/Alaska Native, Pacific Islander or Filipino, and 7.8 percent two or more races; race/ethnicity data is not available for 4.9 percent of the students.

As of 2020, the five members of the governing board of the Mt. Diablo USD are elected by trustee area.

### Initiation of the Unification Proposal

A petition to form a new unified school district from the Northgate area of the Mt. Diablo USD was signed by at least 25 percent of the registered voters in the Northgate community and submitted to the Contra Costa County Superintendent of Schools (County Superintendent) to determine its sufficiency pursuant to *EC* Section 35704. Following the determination of sufficiency, which is discussed in more detail in section 2.3, the County Superintendent transmitted the petition to the Contra Costa County Committee on School District Organization (County Committee), which conducted two public hearings on the proposal.

### County Superintendent Review of the Petition

The County Superintendent determined the sufficiency of the petition as required by and pursuant to the authority granted under *EC* Section 35704, including identification of the area to be reorganized.

The petition identifies the territory of the proposed Northgate USD to be “all of the territory within the MDUSD-specified attendance boundaries as of April 24, 2016, of the five MDUSD-administered schools (Foothill Middle, Bancroft Elementary, Valle Verde Elementary, Walnut Acres Elementary, and Northgate High).” The County Superintendent reviewed the Mt. Diablo USD attendance area maps from April 24, 2016, which showed that the territory includes the five schools named in the petition as well as Eagle Peak Montessori, Oak Grove Middle School and Ygnacio Valley High School. Eagle Peak Montessori is located in the attendance areas of both Walnut Acres Elementary and Northgate High. The Oak Grove Middle and Ygnacio Valley High school sites are located within the Bancroft Elementary attendance area. (See figure 1)

The proponents have stated that the inclusion of Oak Grove Middle and Ygnacio Valley High was inadvertent. Regardless of intent, the County Superintendent determined that the sites are located in the territory of the proposed Northgate USD and the review of the County Committee was performed on that basis. Prior to the County Committee public hearings, the proponents were notified by the county office of education of the issue that the additional sites presented. The proponents were aware that the County Committee did not have authority to modify the territory of the petition. Similarly, it is not within the authority of the SBE to change the territory description for a proposed reorganization.

#### Figure 1. Bancroft Elementary School Attendance Area Map



Source: Contra Costa County Office of Education Reorganization Feasibility Study – Mt. Diablo Unified School District, August 8, 2017

## REASONS FOR THE UNIFICATION

The petition provides the following reasons for a proposed Northgate USD:

* To create a smaller public school district that will be more accountable to families and voters in our territory as well as more responsive to the needs of our students and the educators who work in our schools.
* To improve academic achievement, teacher satisfaction, and learning environments to realize the full potential of our students and educators.
* To increase community support for public education in the Northgate area with a school district that is dedicated to building positive, respectful, and productive partnerships that can maximize the district's impact on all of our 21st Century learners.

In the April 2017 report titled *Proposal for a Northgate Unified School District and Responses to the Nine Criteria for Public School District Reorganization* (Petitioner’s Report), the petitioners expanded on the issues they believe will be resolved by the proposed reorganization:

* Board majorities that often fail to engage constructively with the public on our [Northgate area] questions and concerns, and fail to insist on greater transparency and accountability for the entire district
* Split feeder patterns [that] divide students at crucial transition years (after fifth and after eighth grades), sending them to different schools, often resulting in disrupted friendships and difficult learning transitions for students and educators
* An unpredictable number of students from the same area to elect to receive identical priority to attend Northgate HS as the residents of the traditional attendance area

## POSITION OF MT. DIABLO USD

The Mt. Diablo USD governing board of the district unanimously approved a resolution opposing the formation of the new district. In its presentation to the County Committee regarding the reorganization proposal, the district made the following arguments:

* Unravels cohesive communities and disrupts the positive community identity that exists
* Isolates the less diverse, higher income population
* Results in inequitable division of school facilities
* Displaces a significant number of students
* Severely impacts special education programs and students
* Northgate students lose access to wide variety of districtwide programs and community partnerships offered by Mt. Diablo USD
* Increases state costs (Local Control Funding Formula and facilities)
* Requires Mt. Diablo USD to incur substantial and disproportionate facilities costs
* Relies on discretionary inter-district transfers

## *EC* SECTION 35753 CONDITIONS

The SBE may approve a proposal for the reorganization of school districts if it has determined that the proposal substantially meets the nine minimum threshold conditions in *EC* Section 35753. These conditions are further clarified by *California Code of Regulations,* Title 5 (5 *CCR*) Section 18573.

The SBE also may approve proposals if it finds that all *EC* Section 35753 conditions are not substantially met, but subsequently “determines that it is not practical or possible to apply the criteria of this section literally, and that the circumstances with respect to the proposals provide an exceptional situation sufficient to justify approval …” (*EC* 35753[b])

For its analysis of the proposal, the CDE conducted its own studies of the issues that the County Committee determined did not meet the *EC* Section 35753 conditions; and reviewed information provided by the County Superintendent, the Mt. Diablo USD, and the chief petitioners. Staff findings and conclusions regarding the *EC* Section 35753 and 5 *CCR* Section 18573 requirements follow.

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

#### Standard of Review

It is the intent of the SBE that direct service districts not be created that will become more dependent upon county offices of education and state support unless unusual circumstances exist. Therefore, each district affected must be adequate in terms of numbers of pupils, in that each such district should have the following projected enrollment on the date any new district becomes effective for all purposes: elementary district, 901; high school district, 301; unified district, 1,501 (5 *CCR* 18573[a][1][A]).

#### County Committee Review and Evaluation

In the 2017 *Contra Costa County Office of Education Reorganization Feasibility Study: Mt. Diablo Unified School District* (*Feasibility Study*) conducted by School Services of California (SSC), the 2016–17 enrollment of schools in the proposed Northgate USD and the remaining portion of Mt. Diablo USD was calculated to be 4,532 and 27,721, respectively. These enrollment totals far exceeded the minimum threshold value of 1,501 pupils for a unified school district. SSC used historical enrollment for schools in both areas to project enrollment for the subsequent five-year period. Data at that point in time indicated Northgate USD enrollment would increase while enrollment in the remainder of the Mt. Diablo USD would decline, though it would continue to have more than 20,000 students enrolled. Based on this information, SSC determined that this criterion was substantially met.

Both the Mt. Diablo USD and chief petitioners agreed that enrollments would meet the minimum threshold.

The County Committee voted (5-0-0) that this condition is substantially met.

#### CDE Findings/Conclusion

CDE staff also reviewed historical enrollment for the proposed Northgate USD and the remaining portion of Mt. Diablo USD and then estimated the enrollment for both areas over the next five years.

Table 1 shows the 2016–17 and 2020–21 enrollment for each area and the annual growth rate, which was calculated using the following formula:

(End Value / Start Value) ^ (1 / (Periods - 1)) - 1

#### Table 1. Annual Enrollment Growth for Students in Each Area

|  |  |  |
| --- | --- | --- |
| Category | Proposed Northgate USD | Remaining Portion of Mt. Diablo USD |
| 2016**–**17 Enrollment | 4,286 | 27,153 |
| 2020**–**21 Enrollment | 4,018 | 25,456 |
| Annual Growth Rate | -1.6% | -1.6% |

**Source data: CALPADS, 2016–17 and 2020–21**

Table 2 shows the estimated enrollment over the next five years calculated for both areas using the annual growth rate of -1.6 percent shown in table 1.

#### Table 2. Five-Year Projection of Total Students in Each Area

|  |  |  |
| --- | --- | --- |
| Fiscal Year | Proposed Northgate USD | Remaining Portion of Mt. Diablo USD |
| ***2021–22*** | 3,954 | 25,049 |
| ***2022–23*** | 3,891 | 24,648 |
| ***2023–24*** | 3,829 | 24,254 |
| ***2024–25*** | 3,768 | 23,866 |
| ***2025–26*** | 3,708 | 23,484 |

Though both areas have experienced, and are expected to continue to experience declining enrollment, they would retain total enrollment well in excess of the minimum required under this criterion. Therefore, CDE finds this criterion substantially met.

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

#### Standard of Review

The following criteria from 5 *CCR* Section 18573(a)(2) should be considered to determine whether a new district is organized on the basis of substantial community identity: isolation; geography; distance between social centers; distance between school centers; topography; weather; community, school and social ties; and other circumstances peculiar to the area.

#### County Committee Review and Evaluation

The *Feasibility Study* recommends that this “community identity” condition is substantially met, noting that: (1) the boundary for the proposed Northgate USD is comprised of territory already located within an established community, (2) both the report provided by NCAPS [Northgate Community Advocacy for our Public Schools, Inc.] and accounts compiled by Mt. Diablo USD discuss and share the myriad of opportunities the residents of the greater community have to come together, either via programs initiated at the various school sites or through the various community recreational facilities and other events, and (3) the proposed Northgate USD area has sufficient resources to coalesce around and create a tight knit sense of community if the reorganization were to be approved. The *Feasibility Study* finds that this criterion would be substantially met as there is an existing community identity.

Chief petitioners note: (1) The proposed Northgate USD area includes the eastern half of the City of Walnut Creek as well as adjacent areas within the City of Concord and Contra Costa County, and it is common to refer to the Northgate area in local advertising, (2) The relative remoteness of the current Mt. Diablo USD office from the Northgate area discourages many residents (and perhaps Northgate-area educators) from attending district meetings and from feeling connected to the district, and (3) The relative distances between the schools and … social centers facilitate both spontaneous and planned get-togethers among members of the community.

The Mt. Diablo USD concludes that the petition does not substantially meet this criterion. It states that the petition would unravel cohesive communities and disrupt the positive community identity that exists, which extends beyond the Northgate schools and results from districtwide student experiences.

The County Committee voted (4-1-0) that this condition is substantially met.

#### CDE Findings/Conclusion

The existing Mt. Diablo USD territory spans two cities entirely, portions of four other cities, and several unincorporated communities in Contra Costa County. Within the Mt. Diablo USD territory are multiple shopping and social centers; each city offers its own police department and a public library.

The proposed Northgate USD territory is located in the southwest portion of the existing Mt. Diablo USD, adjacent to the north gate entrance to Mt. Diablo State Park, Shell Ridge Open Space, and Diablo Foothills Regional Park. The proposed district falls largely within the city of Walnut Creek, but also includes a small portion of the city of Concord and unincorporated area of the county.

The CDE agrees with the Mt. Diablo USD that the long history of multiple communities served by the same educational system contributes to a sense of the community identity across the region. However, it is the CDE’s opinion that this does not preclude the proposed Northgate USD from meeting the criteria of being organized on the basis of substantial community identity nor does it exclude a finding of substantial community identity for the remaining portion of the Mt. Diablo USD.

The CDE concludes that this condition is substantially met.

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

#### Standard of Review

To determine whether an equitable division of property and facilities will occur, the CDE reviews the proposal for compliance with *EC* sections 35560 and 35564 and determines which of the criteria authorized in *EC* Section 35736 shall be applied. The CDE also ascertains that the affected districts and County Superintendent are prepared to appoint the committee described in *EC* Section 35565 to settle disputes arising from such division of property (5 *CCR* 18573[a][3]).

#### County Committee Review and Evaluation

The *Feasibility Study* for this proposal addressed the following issues in the analysis of division of facilities, property, funds, and obligations:

1. Real Property

Statute directs that real property (and personal property and fixtures situated thereat) would become the property of the district in which the real property is located (*EC* 35560[a][1]). Consequently, the proposed organization would result in the transfer of eight school sites (653,664 square feet of space and 151 acres) that are located within the territory identified in the petition for the proposed Northgate USD and the transfer would be effective concurrent with the effective date of the reorganization. The school sites that would become part of the new school district are: Bancroft Elementary, Castle Rock Elementary (site of Eagle Peak Montessori), Valle Verde Elementary, Walnut Acres Elementary, Foothill Middle, Oak Grove Middle, Northgate High, and Ygnacio Valley High. The report further notes, “The transfer of Oak Gove MS and Ygnacio Valley HS would impact Mt. Diablo USD’s ability to house its student population following reorganization, while the transfer of the former Castle Rock school site will affect the administration of Eagle Peak.”

Though the petitioners have stated they did not intend for Oak Grove Middle and Ygnacio Valley High to be included in the territory of the proposed Northgate USD, the County Committee determined these two school sites are within the Mt. Diablo USD-specified attendance area for Bancroft Elementary in effect April 24, 2016 and, as such, are part of the territory for the proposed new school district as identified in the petition.

1. Property and Funds

Pursuant to *EC* Section 35705.5(b), the County Committee recommendation for the division of the property, funds, obligations, and bonded indebtedness of the Mt. Diablo USD is as follows:

*All real property, and personal property and fixtures located thereat, within the boundaries of the proposed Northgate Unified School District territory would become the property of the proposed district. All other property, funds, and obligations, and bonded indebtedness would be divided between Mt. Diablo Unified School District and the proposed district in accordance with applicable provisions of the Education Code. Please refer to EC §35560, 35576, 35736, 35738.*

The *Feasibility Study* states that all other property, funds and obligations, other than bonded indebtedness, would be divided pro rata between the districts based on the assessed valuation (AV) of property within each district (*EC* 35560[a][2]) unless otherwise determined by the SBE (*EC* 35736).

The report also notes that the district’s school buses are subject to division, as are non-site-specific personal property (e.g., equipment and vehicles in use by the district office, maintenance and operations, and transportation). At the time of its analysis in 2017, SSC estimated that the Northgate territory AV was 17.9 percent of the AV of the entire existing Mt. Diablo USD territory. Approximately $1.99 million in personal property would be attributable to the proposed Northgate USD if allocated based on AV or $1.59 million if based on enrollment, which was 14.3 percent at the time of the estimate.

The petitioners propose division on the basis of average daily attendance (ADA), which they note was 13.7 percent for the Northgate area as of 2015–16.

1. Bonded Indebtedness

If a Northgate unified district is formed, the outstanding bonded indebtedness of the Mt. Diablo USD would be divided between the remaining portion of that district and the Northgate district pursuant to provisions in the *Education Code*.

*EC* Section 35576 provides that the Northgate district would be liable for the greater of the following:

* 1. A pro rata share of outstanding bonded indebtedness based upon the ratio of the Northgate district’s AV to the AV of the Mt. Diablo USD; or
	2. The portion of outstanding bonded indebtedness incurred for acquisition or improvement of real property within the boundaries of the new Northgate district.

*EC* Section 35738 provides for the use of alternative methods of dividing the bonded indebtedness other than that specified above as deemed pertinent by the petitioners or the county committee.

Using the pro rata method and the estimated 17.9 percent AV for the Northgate territory, the proposed district’s share of the Mt. Diablo USD’s $500 million in outstanding bonded indebtedness was $89.5 million in 2017. No data was provided regarding the estimated liability under the second method. The bonded indebtedness of the remaining portion of Mt. Diablo USD’s would not exceed 5 percent of its estimated AV (*EC* 35572).

Pursuant to *EC* 35560(a)(2), the proposed Northgate USD would receive a proportionate share of any unspent bond proceeds for use on projects consistent with the measure that generated those funds. SSC estimated in 2017 that Northgate’s share based on AV would be $8 million.

As noted in section (b), above, the County Committee recommended the division of the district’s bonded indebtedness in accordance with *EC* Section 35576. The petitioners have expressed support for division according to the pro rata share of AV.

1. Community Facilities District

The Mt. Diablo USD has a community facilities district (CFD) that spans its entire territory. The *Feasibility Study* notes that *Government Code* (*GC*)Section 53338.5 provides for the dissolution of a CFD and *GC* Section 53368 *et seq* provides for the transfer of a CFD from the jurisdiction of a county to a city; however, “current state law provides no guidance for transfer or division of a CFD among school districts.” As a result, there is no recommendation as to how to divide the CFD or even if there is authority under current law to divide it. The *Feasibility Study* recommends the Mt. Diablo USD and the petitioners for the proposed Northgate USD each consult legal counsel on this issue as there is potential for legal challenge due to the absence of clear statutory authority.

1. County Committee Finding

SSC found that the proposal does not substantially meet this condition. The *Feasibility Study* specifically attributed its conclusion that there would be an inequitable division of property and facilities to the inclusion of the Oak Grove Middle and Ygnacio Valley High sites in the proposed Northgate district without their attendance areas, which would result in excess student capacity for the Northgate area and insufficient capacity to serve students in the remainder of the Mt. Diablo USD.

The County Committee voted (3-1-1) that this condition is not substantially met.

#### CDE Findings/Conclusion

The CDE finds that existing *Education Code* provisions may be utilized to achieve equitable distribution of relevant property, funds, and obligations of the Mt. Diablo USD, with the exception of its facilities.

As discussed previously, the petition identifies the territory of the proposed Northgate USD as the attendance areas of five schools (Bancroft Elementary, Valle Verde Elementary, Walnut Acres Elementary, Foothill Middle, and Northgate High). The attendance area of Bancroft Elementary includes two other Mt. Diablo USD school sites: Oak Grove Middle and Ygnacio Valley High. The majority of the attendance areas of those two schools are outside of the Northgate USD territory, which means the school facilities would belong to Northgate USD but the students would be residents of the Mt. Diablo USD and attend its remaining schools.

CDE staff compared the student capacity of the seven schools and the enrollment of the five schools whose attendance areas are part of the proposed Northgate USD. The totals by school type are shown in table 3. It should be noted that the excess capacity identified in Table 3 differs from Attachment 4 because Table 3 uses more recent enrollment data and Table 3 excludes the enrollment of Oak Grove Middle and Ygnacio Valley High because those students will remain residents of the Mt. Diablo USD.

#### Table 3. Capacity and Enrollment of the Proposed Northgate USD

|  |  |  |  |
| --- | --- | --- | --- |
| School Type | Student Capacity | Enrollment | Unused Space |
| Elementary | 1,967 | 1,698 | 269 |
| Middle | 2,024 | 828 | 1,196 |
| High School | 3,352 | 1,492 | 1,860 |
| Totals | 6,443 | 4,018 | 2,425 |

**Source data: Attachment 4, CALPADS 2020–21**

**The proposed Northgate USD would have excess capacity at elementary, middle and high school levels. This calculation does not account for the students currently attending Highland Elementary that would become residents of the Northgate USD as a result of the reorganization. If those students attend a Northgate USD school, the district would likely reach or exceed its capacity at the elementary level. The combined excess capacity at the middle and high school levels would be greater than 2,000. At the same time, based on the 2020–21 CALPADS data, the 748 middle school students and 1,265 high school students attending Oak Grove Middle and Ygnacio Valley High would be unhoused and need to be accommodated elsewhere in the remaining portion of the Mt. Diablo USD. The Feasibility Study capacity analysis determined there would be sufficient capacity available for the middle school students but not for high school students. Additional facilities would be needed for Mt. Diablo USD to serve all of the existing pupils.**

As a result of the inequitable distribution of facilities, which would have disproportionate negative effects on the Mt. Diablo USD, the CDE determines that this condition is substantially not met.

### 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.

#### Standard of Review

In 5 *CCR* Section 18573(a)(4), the SBE set forth five factors to be considered in determining whether reorganization will promote racial or ethnic discrimination or segregation:

(a) 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 schools in the affected districts if the proposal or petition were approved.

(b) 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 total district, and in each school of the affected districts.

(c) 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 alleviate racial or ethnic discrimination or segregation.

(d) The effect of factors such as distance between schools and attendance centers, terrain, 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.

(e) 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.

#### County Committee Review and Evaluation

The County Committee considered information and testimony provided by the petitioners, the Mt. Diablo USD, and School Services of California (SSC).

The petitioners argued that enrollment at the schools in the proposed Northgate USD would be substantially similar in racial and ethnic composition to their current state because “the proposed attendance boundaries for NUSD schools are based on the attendance boundaries established years ago by MDUSD, and we are proposing to accept numbers of transfers from MDUSD neighborhoods outside NUSD that are equivalent to what the Northgate-area schools have now.”

Mt. Diablo disagreed with this assessment. It argued that the petition would create issues of disparity and equity by isolating the less diverse, higher income population of the Northgate-area schools. It has also argued that a large component of existing diversity at the Northgate-area schools is the result of discretionary inter- and intra-district transfers, who would be displaced by the reorganization.

After conducting its analysis of the factors to be considered in making a determination, SSC found that “this criterion would be substantially met, as the proposed reorganization would not significantly increase the percentage of minority group students in either district and therefore would not promote racial or ethnic discrimination or segregation.”

The County Committee voted (3-2-0) that this condition is not substantially met.

#### CDE Findings/Conclusion

The CDE conducted its own an analysis in accordance with 5 CCR Section 18573(a)(4) and the Handbook for Conducting Racial and Ethnic Studies in School Districts (see attachment 2). The findings of fact of this report are as follows:

*The Mt. Diablo USD is currently 70.6 percent minority. If the Northgate community were to withdraw from the district, the remaining area of Mt. Diablo USD would be 73.8 percent minority while the new Northgate USD would be 49.5 percent minority. Hispanic or Latino students account for 45.6 percent of the total student population in the existing district overall, but are 16.6 percent of the schools in the proposed new district. Though student demographics of the Northgate area schools are noticeably different from those of the rest of the Mt. Diablo USD, the racial and ethnic composition of the affected elementary, middle and high schools would be substantially unchanged by the reorganization and would preserve each affected district’s ability to educate students in an integrated environment.*

The CDE finds the proposal substantially meets this condition. Despite meeting the statutory condition, the CDE is concerned because the proposal seeks to pull away the newest and highest-performing high school that is located in a less diverse, more affluent part of the district. The effect of the proposal appears to be a move toward socioeconomic segregation. This issue will be addressed in section 6.

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

#### Standard of Review

*EC* sections 35735 through 35735.10 mandate a method of computing Local Control Funding Formula (LCFF) entitlements without regard to this condition. Although LCFF entitlements are considered in this section, only potential costs to the state other than those mandated by *EC* sections 35735 through 35735.10 are used to analyze the proposal for compliance with this condition.

#### County Committee Review and Evaluation

The *Feasibility Study* concluded that the proposed reorganization substantially meets this criterion, based on its finding that impacts to state funding would be revenue neutral: LCFF funding before and after the reorganization is substantially similar. Mt. Diablo USD is not a basic aid district and would continue to be a state-funded district following reorganization (its local property taxes would not exceed its LCFF entitlement). The proposed Northgate USD also would be a state-funded district. The reorganization would not create a school district that would qualify for additional funding under the necessary small school provisions of statute. Additionally, the size of the resulting districts would not result in additional direct-service costs to the county office of education.

The County Committee voted (3-1-1) that this condition is substantially met.

#### CDE Findings/Conclusion

The LCFF is the primary source of a school district’s general-purpose funding. The CDE prepared a hypothetical LCFF funding estimate for the existing and reorganized districts to determine the anticipated impact of the proposal on state costs and found largely the same results as the *Feasibility Study*: no increased state costs (see attachment 5).

Based on 2020–21 data, and assuming the new district was effective for that year, the CDE calculates that the 2020–21 LCFF entitlements would have been $33.31 million for the Northgate district and $242.06 million for the remaining Mt. Diablo USD—the combined total being approximately $1.7 million less than the 2020–21 LCFF entitlement received by the Mt. Diablo USD. The actual LCFF entitlement recalculation would be based on data from one year prior to the effective year of the new district.

Other state costs for transportation, categorical programs, and special education should not be affected significantly by the proposed reorganization. The concern regarding the need for Mt. Diablo USD to request state funds to construct additional high school facilities will be addressed in Section 5.7 of this report.

The CDE agrees with the County Committee that the proposal substantially meets this condition.

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

#### Standard of Review

The proposal or petition shall not have a significantly adverse effect on the educational programs of districts affected by the proposal or petition, and the CDE shall describe the district-wide 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. (5 *CCR* Section 18573[a][5])

#### County Committee Review and Evaluation

The *Feasibility Study* included a review of several performance indicators on the California School Dashboard, Smarter Balanced Assessment results, and programs offered by schools in the existing and proposed district. SSC shared with the board its conclusion that “the proposed unification will not undermine the educational programs remaining within Mt. Diablo USD nor should it be a detriment to the new district.”

It based its determination on several factors, including:

* The loss of 4,543 students from three elementary schools, a middle school, and a high school will not materially affect the programs offered by Mt. Diablo USD.
* Mt. Diablo USD can move their specialty programs from the Northgate sites to other school sites.
* There are no districtwide programs or services housed at any of the five proposed Northgate USD school sites.
* The Northgate USD can join the Contra Costa Special Education Local Plan Area to serve its special education students.

The Mt. Diablo USD position is that this condition is not substantially met because the proposal would severely impact special education students, whose programs would have to be relocated, and the Northgate USD students would be negatively impacted due to the loss of access to the extensive variety of programs offered by the Mt. Diablo USD.

The SSC report did acknowledge that “the proposed Northgate USD would not likely be able to provide the exact same educational or extracurricular programs currently offered by Mt. Diablo USD [due to its smaller size],” but it also stated that it was likely the new district under effective leadership should be able to continue providing a quality education to its students.

The County Committee voted (3-1-1) that this condition is not substantially met.

#### CDE Findings/Conclusion

The CDE staff report (Attachment 3) examined the education programs and academic performance of the schools of the existing Mt. Diablo USD in accordance with 5 *CCR* Section 18573(a)(5). Schools in both the proposed Northgate USD and the remaining portion of the Mt. Diablo USD offer a robust variety of programs. Most schools will continue to serve the same student population. Logistical challenges arise from the need for Mt. Diablo USD to accommodate enrollment from the Oak Grove Middle and Ygnacio Valley High schools, which would become properties of the Northgate USD. Additionally, special programs currently offered by Mt. Diablo USD at the Northgate area school sites would need to be relocated. The loss of the Northgate area schools may impact the district-level performance level rating of some indicators for Mt. Diablo USD, but it would not significantly affect the programs or performance at the school level.

The Northgate USD governing board will need to address the educational needs of its special education students and program and facility needs for its alternative education students. Additionally, the proposed Northgate USD cannot count on teachers at the Northgate area schools remaining at those schools, as they have the option to remain with the Mt. Diablo USD.

The CDE report found there would be an impact to the school districts, but the impact is primarily logistic in nature; it would not impede the delivery of a sound education program nor would it result in the loss of programs for either district. Therefore, the CDE finds that the proposal substantially meets this condition.

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

#### Standard of Review

The SBE has not adopted regulations regarding this condition. However, an adequate analysis of the condition should include a determination of: (1) the availability of facilities to house all students at all grade levels in the reorganized area, (2) sources of funding for new construction, (3) effect on facilities and housing capacity of all affected districts, and (4) impact on bonding capacity of affected districts.

#### County Committee Review and Evaluation

The proposal includes three elementary schools, two middle schools, and two high schools. The *Feasibility Study* established that the reorganization would result in an inequitable division of facilities because the proposed Northgate USD would have insufficient capacity at the elementary school level and excess capacity at the middle and high school levels, while the remaining portion of Mt. Diablo USD would have insufficient capacity to serve existing high school students. SSC notes the proposed district will also need to provide facilities for alternative education, approximately 18,000 square feet of office space for district-level administration and support services, and maintenance and operations, including school buses.

The *Feasibility Study* states:

*Therefore, as the petition is drafted, and without significant changes by both districts to their policies, increased facilities costs are inevitable for both districts.*

*The study finds that the proposed unification would not result in an insignificant or incidental increase in school facilities costs; therefore, this criteria [sic] would not be met…The construction of new facilities or the modification of existing facilities to accommodate students would constitute a significant expense as a direct result of the reorganization.*

The Mt. Diablo USD concurred with the assessment by SSC.

The petitioners disagree. While they acknowledge that the proposed district has several facility needs (i.e., more capacity needed at the elementary level, facilities for alternative education, and office space for district administration and support services), the proponents state the costs would be minimal and could be funded from reserves, borrowing, LCFF revenue, and the general fund.

The County Committee voted (4-1-0) that this condition is not substantially met.

#### CDE Findings/Conclusion

The CDE analysis of this condition was prepared by the School Facilities and Transportation Services Division and is Attachment 4. The CDE found that the proposed new district would have approximately 1,000 unused seats at the middle and high school levels while Mt. Diablo USD would have insufficient capacity for its existing high school students. Mt. Diablo USD would need to provide facilities for these unhoused students, while the Northgate USD would need to procure facilities for its administration and operations. The report concluded, “The proposed reorganization is likely to increase school facility costs for both districts. Such costs will not be insignificant and are directly attributable to, rather than incidental to, the reorganization.” If new facilities are needed, the district would likely apply for state matching funds through the School Facility Program.

If the district is unable to provide school facilities to educate all of its own students within five years, the SBE may direct the County Committee on School District Organization to revert the reorganized district to its former status or to have it annexed to one or more neighboring districts. (*EC* Section 35780[b])

The CDE concludes that this condition is not substantially met.

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

#### Standard of Review

The SBE has not adopted regulations regarding this condition. The rationale for the reorganization should be analyzed and, if it is determined to be questionable or not compelling, there should be a consideration of increased property values as the primary reason for the reorganization.

#### County Committee Review and Evaluation

In its examination of this issue, SSC reviewed the rationale provided by the petitioners and prepared an estimate of the effect of the reorganization on the assessed valuations of residential and non-residential property. Northgate USD enjoys substantially higher property values on average than the rest of the Mt. Diablo USD. The residential and non-residential assessed valuation was estimated to be $500,344 and $1,935,688 per parcel, respectively, for the Northgate territory and $317,281 and $1,622,025 per parcel, respectively, for the remaining portion of the Mt. Diablo USD. Despite this difference, SSC did not find any evidence of the petitioners being motivated by an intent to affect property values. The *Feasibility Study* concluded this condition is substantially met.

The Mt. Diablo USD is neutral in its position on this condition.

The County Committee voted (5-0-0) that this condition is substantially met.

#### CDE Findings/Conclusion

The petition offers as its rationale that creating a new unified school district from largely existing attendance boundaries would retain what the petitioners enjoy about their schools and improve upon the items they find are lacking.

While it cannot be ignored that property values within the Northgate USD territory are substantially higher than that of the remaining part of the Mt. Diablo USD, it seems unlikely that increasing property values is the primary reason for the proposal. The Northgate area is largely built out according to the 2020 *Residential and Commercial/Industrial Development School Fee Justification Study for Mt. Diablo USD*. All of the territory identified for inclusion in the proposed Northgate USD has been part of the attendance area of the schools to be included in the new district, with the exception of Oak Grove Middle and Ygnacio Valley High.

The CDE agrees with the County Committee that this condition is substantially met.

### 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.

#### Standard of Review

The SBE has not adopted regulations regarding this condition. The standards and criteria adopted by the SBE pursuant to *EC* Section 33127, and published in 5 *CCR* sections 15440 through 15466, are recommended for evaluation of the financial conditions of the affected districts.

#### County Committee Review and Evaluation

The County Committee considered the findings of the *Feasibility Study* by SSC as well as points made by Mt. Diablo USD and representatives of Northgate CAPS on behalf of the petitioners.

To understand the fiscal ramifications and viability of the districts as a result of the proposed reorganization, the SSC reviewed the Mt. Diablo USD budget for the 2017–18 fiscal year and the prior two years as well as the district’s multi-year projection. SSC then recalculated the revenues and expenditures for the proposed district and the remaining portion of Mt. Diablo USD according to the estimated share of revenue generating ADA, enrollment, and expenditures of each district. The *Feasibility Study* determined that the reorganization would substantially meet this criterion with the caveat that it depended upon the Mt. Diablo USD carrying out planned budget adjustments to address its deficit spending.

The Mt. Diablo USD argued that there were would be a substantial negative impact to it due to the additional facilities costs, lost revenue due to lost students, and lost taxpayer investments in districtwide amenities.

The petitioners analyzed the data and concluded that the reorganization would not result in a negative impact to either district if the school district governing boards managed costs by adjusting programs and staffing to align with the enrollment needs post-reorganization. They concluded this condition was substantially met.

The County Committee vote was split (2-2-1); thus, there was no determination that this condition is substantially met.

#### CDE Findings/Conclusion

The CDE analysis of this condition is Attachment 5. A summary of this analysis is presented below.

The CDE acknowledges that there will be increased administrative costs due to duplication of services whenever one district is divided into two (or more) districts. However, the CDE also assumes that it was not the Legislature’s intent to prohibit all reorganizations that would divide a district―thus, additional administrative costs due to the reorganization are not considered a sole reason for determining if this condition is met.

*EC* Section 35735 requires that an integral part of any reorganization proposal shall be the LCFF entitlement computed for the fiscal year prior to the year the district will be reorganized. Toward this end, calculated Northgate hypothetical LCFF entitlements for a new unified school district and remaining portion of the Mt. Diablo USD, assuming the districts were in effect for 2020–21 (see Section 5.5). Using this LCFF entitlement calculation and the 2020–21 Unaudited Actuals of the Mt. Diablo USD, the CDE developed a hypothetical fiscal scenario for use in analyzing this condition.

The 2020–21 scenario shows that the proposed Northgate district would have had a surplus of $1.1 million and the remaining Mt. Diablo portion of the district would have had a surplus of $36.8 million. Assuming prudent fiscal decisions by a governing board, the Northgate district would have been able to meet its minimum reserve for economic uncertainties for 2020–21. The spending of the proposed district does not take into consideration the additional costs that it would incur for duplicate administrative services.

A similar fiscal projection for 2021–22 also was developed. Under this scenario, the Northgate would have had deficit spending of $3.5 million, absent any corrective measures, and the remaining portion of Mt. Diablo USD would have had a surplus of $10.4 million. Again, assuming prudent fiscal decisions by a governing board, deficit spending for the proposed Northgate district would not prevent the district from meeting its minimum reserve for economic uncertainties for 2021–22. As with the 2020–21 scenario, these calculations do not include the increased costs to the Northgate district to create a new administrative structure.

That said, the CDE agrees with the conclusion of the SSC *Feasibility Study* that, provided good stewardship of both districts, the proposal would not endanger sound fiscal management nor cause a substantial negative effect on the fiscal status of the proposed district or the existing district. Thus, it is the opinion of the CDE that the proposal substantially meets this condition.

## Compelling Reasons for Approval of Unification Proposal

Approval of any unification proposal by the SBE is a discretionary action, whether the SBE finds that all *EC* Section 35753 conditions are substantially met or even if all the conditions are not met. The CDE recommends that the following two conditions are not substantially met:

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

Subdivision (b) of *EC* Section 35753 provides that the SBE “may approve a proposal for the reorganization of school districts if the state board determines that it is not practical or possible to apply the criteria of this section literally, and that the circumstances with respect to the proposals provide an exceptional situation sufficient to justify approval of the proposals.” Thus, the SBE may approve a proposal even if it determines one or more of the *EC* Section 35753 conditions are not substantially met—if it finds a compelling reason to do so.

Although the SBE cannot approve the proposal to form a new Northgate unified school district at this time (see section 9), it must decide whether or not the proposal has sufficient merit to move forward.

Petitioners have offered a number of reasons for seeking the formation of a new Northgate unified school district in section 3.0 of this report. The SBE may consider any of the petitioners’ reasons, or reasons of its own, when determining if the proposal has merit.

Conversely, the SBE may consider compelling reasons to disapprove the proposal. As mentioned in section 5.6, the proposal would remove the newest and highest-performing high school from the Mt. Diablo USD. This proposal has been highlighted in the national news because of its undercurrent of racial segregation.[[1]](#footnote-1) The perception nationally is that proposals, including the one considered here, are a surreptitious and perhaps unconscious effort to resegregate public schools.[[2]](#footnote-2) Proponents cite the need to combat the ill effects of big bureaucracy on school administration and student outcomes. The proposal may not be perceived by the proponents as racially motivated, but the outcome is the same—the removal of affluent territory from a large, diverse school district to create a smaller, whiter, more affluent school district.

The proponents have expressed the desire to continue to accept transfer students to maintain as much racial and ethnic diversity as possible. At least one of the County Committee members expressed skepticism about the proponents’ statement that creating a new school district would actually enhance the diversity of Northgate High rather than create an additional barrier.

Further, proponents have argued that creating a smaller school district will result in better student outcomes and teacher satisfaction. The proponents provided no insight into how these goals would be realized other than the district superintendent being able to visit school sites more frequently. It is difficult to see how simply creating a smaller school district would improve student outcomes in what are recognized as high-achieving schools. Additionally, no evidence has been provided in the administrative record to substantiate the assertion of teacher dissatisfaction; in fact, letters and testimony provided to the County Committee demonstrate there is high satisfaction with Mt. Diablo USD among faculty at Northgate High.

Though the CDE found that the proposal substantially met criterion 4 (*EC* 35753[a][4]), the CDE believes that the appearance of racial and socioeconomic segregation is a compelling reason to disapprove this petition.

Further, the CDE finds no convincing academic need or concern to support creating a new school district—thus, there are no compelling reasons to approve this petition.

## County Committee *EC* 35707 Requirements

The *Education Code* requires county committees to make certain findings and recommendations and to expeditiously transmit them along with the reorganization petition to the SBE. Although these required findings and recommendations have been presented previously in this report, they are summarized here:

### County Committee Recommendation for the Petition

The County Committee voted 3-2 to recommend the SBE disapprove the petition.

### Effect on School District Organization of the County

*EC* Section 35707 requires a county committee to report whether the proposal would adversely affect countywide school district organization. The County Committee voted 3-2 that the proposal would adversely affect the school district organization of Contra Costa County.

### County Committee Opinion Regarding EC Section 35753 Conditions

A county committee must submit to the SBE its opinion regarding whether the proposal complies with the provisions of *EC* Section 35753. The County Committee found that four of the nine conditions in *EC* Section 35753(a) are substantially met by the following votes:

* Adequate Enrollment (5-0-0);
* Community Identity (4-1-0);
* Increased Costs to State (3-1-1);
* Increased Property Values (5-0-0).

The County Committee found that the remaining five conditions are not substantially met by the following votes:

* Equitable Division of Property (3-1-1);
* Promotion of Segregation (3-2-0);
* Educational Programs (3-1-1);
* Increased Housing Costs (4-1-0);
* Fiscal Status and Management (2-2-1).

## STAFF RECOMMENDED AMENDMENTS TO THE PETITION

The SBE has authority to make certain amendments to a proposal to reorganize school districts. Since the SBE cannot approve the proposal at this time, it should not make any amendments at this point. The following CDE recommendations are presented to assist the SBE in determining whether or not the proposal has sufficient merit to move forward.

### Article 3 Amendments

Petitioners may include, and county committees or the SBE may add or amend, any of the appropriate provisions specified in Article 3 of the *Education Code* (commencing with *EC* Section 35730). These provisions include:

#### Membership of Governing Board

A proposal for unification may include a provision for a governing board of seven members. The petition contains no provision addressing the size of the governing board. CDE recommends that the governing board of a Northgate school district (if approved) would have five members.

##### Election of Governing Board

A proposal for unification may include a provision specifying that the election for the first governing board be held at the same time as the election on the unification of the school district. The petition does not contain such a provision. The *Education Code* also requires that, if this provision is included, the proposal specify the method whereby the length of the initial terms may be determined so that the governing board will ultimately have staggered terms that expire in years with regular election dates.

The CDE believes that there are at least two advantages in holding the governing board election at the same time as the election on the unification proposal. First, only one election is required, which reduces local costs. Second, the earlier election of board members gives the new board at least an additional four months to prepare for the formation of the new district. Thus, CDE staff recommends that a provision, specifying that the election for the first governing board be held at the same time as the election on the unification of the school district, be included as part of the unification proposal. Staff further recommends that the following method be employed to ensure the staggering of the terms of office for governing board members:

The three governing board candidates receiving the highest number of votes will have four-year terms and the two candidates receiving the next highest number of votes will have two-year terms. All terms will be for four years in subsequent governing board elections.

#### Trustee Areas

The proposal for unification may include a provision for establishing trustee areas for the purpose of electing governing board members of the unified district. No provision regarding trustee areas for governing board elections is included in this petition. Although CDE supports trustee areas, the advantage of holding a board election at the same time as the election on the proposal outweighs an immediate establishment of trustee areas. It would not make economic sense to expend the resources to develop trustee areas if the proposal fails at election. Therefore, CDE recommends that governing board members of a Northgate school district (if approved) should be elected at-large.

#### d. Computation of Local Control Funding Formula Entitlement

A proposal for reorganization of school districts must include a computation of the LCFF entitlement for each reorganized district. The CDE has calculated that the 2020–21 LCFF entitlements would have been $33.3 million for the Northgate district and $242.0 million for the remaining Mt. Diablo USD—the combined total being approximately $1.7 million less than the 2020–21 LCFF entitlement received by the Mt. Diablo USD.

If the unification is approved, the CDE will recalculate the LCFF entitlements based on information from one year prior to the effective date of the new school district.

##### Division of Property and Obligations

A proposal for the division of property (other than real property) and obligations of any district whose territory is being divided among other districts may be included. As indicated in section 5.3 of this attachment, CDE staff finds that existing provisions of the *Education Code* may be utilized to achieve equitable distribution of property, funds, and obligations (other than bonded indebtedness) of Mt. Diablo USD. Specifically, staff further recommends the following:

1. All assets and liabilities of the Mt. Diablo USD (other than outstanding bonded indebtedness and capital funds) shall be divided based on the proportionate average daily attendance (ADA) of the students residing in the areas of the two districts on June 30 of the school year immediately preceding the date on which the proposed unification becomes effective for all purposes (*EC* Section 35736).
2. All capital funds (except school facility impact mitigation fees [i.e., developer fees]) of the Mt. Diablo USD shall be divided pro rata based on the ratio of the AV of each district to the AV of the current Mt. Diablo USD (*EC* sections 35560, 35736).
3. Student body property, funds, and obligations shall be divided proportionately, except that the share shall not exceed an amount equal to the ratio which the number of pupils leaving the schools bears to the total number of pupils enrolled; and funds from devises, bequests, or gifts made to the organized student body of a school shall remain the property of the organized student body of that school and shall not be divided (*EC* Section 35564).
4. As specified in *EC* Section 35565, disputes arising from the division of property, funds, or obligations shall be resolved by the affected school districts and the county superintendent through a board of arbitrators. The board shall consist of one person appointed by each district and one by the county superintendent. By mutual accord, the county member may act as sole arbitrator; otherwise, arbitration will be the responsibility of the entire board. Expenses will be divided equally between the districts. The written findings and determination of the majority of the board of arbitrators is final, binding, and may not be appealed.

##### Method of Dividing Outstanding Bonded Indebtedness

The *Education Code* guides the division of the outstanding bonded indebtedness of the Mt. Diablo USD. *EC* Section 35576 provides general methods for this division, indicating that the Northgate district would be liable for the greater of the following:

* A pro rata share of outstanding bonded indebtedness based upon the ratio of the Northgate district’s AV to the AV of the Mt. Diablo USD; or
* The portion of outstanding bonded indebtedness incurred for acquisition or improvement of real property within the boundaries of the new Northgate district.

The CDE recommends this existing provision for dividing outstanding bonded indebtedness.

### Area of Election

*EC* Section 35756 provides that, if the proposal will be sent to an election, the SBE must determine the area of election.

Plans and recommendations to reorganize districts may specify an election area, but specification of an election area is not required (*EC* Section 35732). If a plan does not specify the area of election, the statute provides that “the election shall be held only in the territory proposed for reorganization.” The County Committee recommends the election area for the proposed formation of a Northgate unified school district be the territory of the existing Mt. Diablo USD. The SBE may alter this area, but the alterations must comply with the principles discussed below.

In establishing the area of election, the CDE and SBE follow the legal precedent set by the California Supreme Court in *Board of Supervisors of Sacramento County, et al. v. Local Agency Formation Commission* (1992) 3 Cal. 4th 903 (the “LAFCO” decision). LAFCO holds that elections may be confined to within the boundaries of the territory proposed for reorganization (the “default” area), provided there is a rational basis for doing so. LAFCO requires that the CDE and SBE examine: (1) the public policy reasons for holding a reorganization election within the boundaries specified, and (2) whether there is a genuine difference in the relevant interests of the groups that the election plan creates. In the current reorganization, the analysis examines the interests of voters in the territory of the proposed Northgate district and the interests of voters residing in the remaining portion of the Mt. Diablo USD.

The reduced voting area must have a fair relationship to a legitimate public purpose. State policy favors procedures that promote orderly school district reorganization statewide in a manner that allows for planned, orderly community-based school systems that adequately address transportation, curriculum, faculty, and administration.

The proposal presents two issues that will impact the district beyond the Northgate area: 1) The Mt. Diablo USD will be required to transfer all 2,000 students attending the Oak Grove Middle and Ygnacio Valley High schools to other schools remaining in the district and to create additional high school student capacity by increasing class sizes, constructing additional facilities on those sites, or acquiring a new site. 2) The proposal removes the highest-performing schools in Mt. Diablo USD, which enroll students who reside in school choice areas of the district and those attending specialized programs.

On the basis of the impact to students in both the proposed district and remaining portion of the Mt. Diablo USD, the CDE agrees with the determination of the County Committee and recommends the election area be districtwide.

## State Board of Education Options and Recommendations

### SBE Options

At the present time, the SBE has two options regarding the proposal to form a Northgate unified school district. It may either:

(a) Disapprove the proposal.

(b) Determine the proposal has sufficient merit to move forward if the following occur:

(1) The SBE determines either:

* All the conditions in *EC* Section 35753(a) have been substantially met, or
* All the conditions in *EC* Section 35753(a) are not substantially met, but it is not possible to apply those conditions literally and an exceptional situation exists pursuant to *EC* Section 35753(b).

(2) The SBE finds there is a compelling reason to move the proposal forward.

If the SBE determines the proposal has sufficient merit, the CDE recommends that the SBE inform local agencies and chief petitioners that they must comply, under SBE and CDE oversight, with the requirements of the California Environment Quality Act (pursuant to California *Public Resources Code* Section 21000 *et seq*.) before a final action to approve can be considered by the SBE.

### Recommended Action

The CDE recommends that the SBE disapprove the petition to form a new unified school district from the Northgate portion of the Mt. Diablo USD.

# Attachment 2 Racial/Ethnic Report on Formation of a New Unified School District from the Northgate Portion of the Mt. Diablo Unified School District in Contra Costa County

## Background

The Contra Costa County Committee on School District Organization (County Committee) recommended that the California State Board of Education (SBE) disapprove a proposal to create a Northgate Unified School District (USD) from the Northgate portion of the Mt. Diablo USD.

The petition identifies the territory for the proposed Northgate USD as the attendance areas of Bancroft Elementary, Walnut Acres Elementary, Valle Verde Elementary, Foothill Middle, and Northgate High as they existed on April 24, 2016. Within this territory are also the school sites [but not the attendance areas] of Oak Grove Middle School and Ygnacio Valley High, and a portion of the attendance area of Highlands Elementary [but not the school site]. If the reorganization is successful, seven schools and approximately 4,018 students would be removed from the Mt. Diablo USD. Additionally, the new district territory includes the former Castle Rock Elementary site, which is currently in use by Eagle Peak Montessori charter school. This school site would also become the property of the Northgate USD; however, impacts to the students of Eagle Peak Montessori are not included in this report because charter schools are outside the scope of this analysis.

Before making its recommendation regarding the proposed Northgate USD, the County Committee was required to determine if the proposal substantially met nine conditions, including the following:

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. [*Education Code* (*EC*) Section 35753(a)(4)]

The Contra Costa County Office of Education contracted with School Services of California to prepare a feasibility study for the proposed reorganization. In the *Contra Costa County Office of Education Reorganization Feasibility Study: Mt. Diablo Unified School District* (*Feasibility Study*), School Services of California found that the proposal substantially meets the condition set forth in *EC* Section 35753(a)(4), stating:

“The study finds that this criterion would be substantially met, as the proposed reorganization would not significantly increase the percentage of minority group students in either district and therefore would not promote racial or ethnic discrimination or segregation.”

After considering information provided and the findings in the *Feasibility Study*, the County Committee concluded the proposal failed to substantially meet the *EC* Section 35753(a)(4) condition with a 3-2 vote.

The County Committee did not provide a unified reason for its vote. However, during the public hearing discussions and deliberation on the proposal, committee members expressed concern that the creation of a new school district would add a barrier to minority access to high-performing schools and that the *Feasibility Study* did not include an on-the-ground assessment of the affected schools that could have possibly led to a different conclusion.

## Recommendation

The CDE recommends that the proposal to form a new Northgate USD from a portion of the Mt. Diablo USD substantially complies with *EC* Section 35753(a)(4).

**The Mt. Diablo USD is currently 70.6 percent minority. If the Northgate community were to withdraw from the district, the remaining area of Mt. Diablo USD would be 73.8 percent minority while the new Northgate USD would be 49.5 percent minority. The largest minority student group in the existing district is Hispanic or Latino, which accounts for 45.6 percent of the total student population; however, Hispanic or Latino students comprise only 16.6 percent of the students in the proposed new district. Though student demographics of the Northgate area schools are noticeably different from that of the rest of the Mt. Diablo USD, staff found that the racial and ethnic composition of the affected elementary, middle, and high schools of both areas would be substantially unchanged by the reorganization and would preserve each affected district’s ability to educate students in an integrated environment.**

The following report, prepared by the California Department of Education, provides detailed analyses to support this recommendation.

## Evaluation Criteria for the Unification Proposal

Pursuant to *EC* Section 35753(a)(4), a proposal to reorganize a school district may be approved if it is substantially determined that it would: (1) preserve each affected district’s ability to educate students in an integrated environment, and (2) not promote racial or ethnic discrimination or segregation. Section 18573 of the *California* *Code of Regulations*, Title 5 requires five factors to be considered in making these determinations:

1. 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 schools in the affected districts if the proposal or petition were approved.
2. 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 total district, and in each school of the affected districts.
3. 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.
4. 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.
5. 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.

Each of these factors will be evaluated in light of available information, including information derived from the California Longitudinal Pupil Achievement Data System (CALPADS).

For purposes of this report, minority students are those who regard themselves, or are regarded by the school or community, as belonging to one of the following groups:

* American Indian or Alaska Native, non-Hispanic or non-Latino
* Asian, non-Hispanic or non-Latino
* Black or African American, non-Hispanic or non-Latino
* Filipino, non-Hispanic or non-Latino
* Hispanic or Latino
* Native Hawaiian or Pacific Islander, non-Hispanic or non-Latino
* Two or More Races, non-Hispanic or non-Latino

It should be pointed out that racial and ethnic groups identified as “minority” in many situations are not a numerical “minority” compared with the white “majority” group. A more realistic definition has its roots in past laws, which subjected these groups to discriminatory practices and segregation based solely on race, color, or ethnicity. Although all such laws have been repealed or declared unconstitutional by the courts or repealed by the California State Legislature, the pervasive, lingering effects of past discrimination and some continuing community practices require vigilance in overcoming past discrimination and protecting and expanding human rights and equal opportunity. In the review of this proposal, all minority groups are combined into one numerical quantity for comparison with the white group; this is consistent with the definition of segregation set forth by the California Supreme Court. [*Crawford v. Board of Education of Los* Angeles (1976) 17 Cal. 3d 280 and *N.A.A.C.P. v. San Bernardino City Unified School District* (1976) 17 Cal. 3d 311.]

## Discussion and Analysis

### Current Racial/Ethnic Enrollment: District Level Analysis

Table 1a depicts current (2020–21) racial/ethnic enrollment and percentages in the Mt. Diablo USD.

#### Table 1a. Racial/Ethnic Enrollment within the Existing Mt. Diablo USD

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Category | Asian | Black or African American | Hispanic or Latino | Other[[3]](#footnote-3) | White | Total[[4]](#footnote-4) |
| Number of Students | 2,291 | 900 | 12,772 | 3,819 | 8,249 | 28,031 |
| Percent of Students | 8.2% | 3.2% | 45.6% | 13.6% | 29.4% | 100.0% |

**Source data: CALPADS, 2020–21**

**As indicated in Table 1a, the existing Mt. Diablo USD enrolls 28,031 kindergarten through twelfth grade students. The largest ethnic group in the district is the Hispanic or Latino group. Students in this group comprise 45.6 percent of the student population.**

**Approximately 70 percent of the student population in the Mt. Diablo USD is designated as minority. The combined minority student population is shown in Table 1b, below.**

#### Table 1b. Minority Student Enrollment within the Existing Mt. Diablo USD

|  |  |  |
| --- | --- | --- |
| Category | Minority | White |
| Number of Students | 19,782  | 8,249  |
| Percent of Students | 70.6% | 29.4% |

**Source data: CALPADS, 2020–21**

### Current Racial/Ethnic Enrollment: School Level Analysis

The proposed boundary includes the schools and attendance areas of Bancroft Elementary, Walnut Acres Elementary, Valle Verde Elementary, Foothill Middle, and Northgate High. Additionally, it includes the sites but not the attendance areas of Oak Grove Middle and Ygnacio Valley High, and it includes a portion of the attendance area of Highlands Elementary but not the school site. Table 2a depicts current (2020–21) enrollment and racial/ethnic percentages in the eight affected schools.

#### Table 2a. Racial/Ethnic Enrollment within Affected Mt. Diablo USD Schools

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Category | Total Enrollment | Asian | Black or African American | Hispanic or Latino | Other | White |
| Bancroft Elementary | 573 | 14.30% | 0.20% | 25.30% | 15.90% | 44.30% |
| Foothill Middle | 773 | 15.00% | 1.00% | 16.20% | 18.50% | 49.30% |
| Northgate High | 1,483 | 14.30% | 1.60% | 14.80% | 17.70% | 51.70% |
| Valle Verde Elementary | 335 | 15.20% | 0.30% | 18.20% | 17.00% | 49.30% |
| Walnut Acres Elementary | 582 | 13.10% | 0.50% | 12.20% | 18.20% | 56.00% |
| Highlands Elementary | 465 | 8.20% | 2.20% | 24.70% | 20.00% | 44.90% |
| Oak Grove Middle | 723 | 3.50% | 2.20% | 85.90% | 4.60% | 3.90% |
| Ygnacio Valley High | 1,255 | 3.00% | 2.90% | 80.20% | 6.20% | 7.70% |

**Source data: CALPADS, 2020–21**

#### Table 2b. Racial/Ethnic Enrollment within Affected Mt. Diablo USD Schools[[5]](#footnote-5)

| **School Name** | **Total Enrollment** | **Minority Students** | **White Students** |
| --- | --- | --- | --- |
| Bancroft Elementary | 573 | 55.70% | 44.30% |
| Foothill Middle | 773 | 50.70% | 49.30% |
| Northgate High | 1,483 | 48.40% | 51.70% |
| Valle Verde Elementary | 335 | 50.70% | 49.30% |
| Walnut Acres Elementary | 582 | 44.00% | 56.00% |
| Highlands Elementary | 465 | 55.10% | 44.90% |
| Oak Grove Middle | 723 | 96.20% | 3.90% |
| Ygnacio Valley High | 1,255 | 92.30% | 7.70% |

**Source data: CALPADS, 2020–21**

**Enrollment of the affected schools is substantially similar**—**about half of the students are minority and half are white**—**with the exception of the Oak Grove Middle and Ygnacio Valley High schools. Minority students at these two schools account for more than 90 percent of the total enrollment.**

### Minority Enrollment in Proposed Unification: District Level Analysis

Table 3a depicts current (2020–21) racial/ethnic enrollment of the proposed Northgate USD and the remaining portion of Mt. Diablo USD. The number of students in the proposed Northgate USD was obtained by combining the total enrollment at Bancroft Elementary, Foothill Middle, Northgate High, Walnut Acres Elementary, and Valle Verde Elementary schools. Enrollment for the remaining part of Mt. Diablo USD is the difference between the total enrollment shown in Table 1a, above, and the amount for the schools in the proposed Northgate USD in Table 3a.

#### Table 3a. Racial/Ethnic Enrollment in the Proposed Districts (Number)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Category | Asian | Black or African American | Hispanic or Latino | Other | White | Total |
| Proposed Northgate USD | 537  | 36 | 621  | 659  | 1,893  | 3,746  |
| Remaining Portion of Mt. Diablo USD  | 1,754 | 864 | 12,151 | 3,160 | 6,356 | 24,285 |

**Source data: CALPADS, 2020–21**

**Table 3b displays the percentage of enrollment in each racial/ethnic group. The largest group in the proposed Northgate USD schools is the “White” group at 50.5 percent of total enrollment; the largest group in the remaining portion of the Mt. Diablo USD is the “Latino or Hispanic” group at 50.0 percent of total enrollment.**

#### Table 3b. Racial/Ethnic Enrollment in the Proposed Districts (Percent)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Category | Asian | Black or African American | Hispanic or Latino | Other | White |
| Proposed Northgate USD | 14.3% | 1.0% | 16.6% | 17.6% | 50.5% |
| Remaining Portion of Mt. Diablo USD | 7.2% | 3.6% | 50.0% | 13.0% | 26.2% |

**Source data: CALPADS, 2020–21**

Table 3c shows the total of all minority students as compared with the total of white students in the proposed Northgate USD schools as compared to the schools that remain part of Mt. Diablo USD after the reorganization.

#### Table 3c. Minority Enrollment in the Proposed Districts

|  |  |  |
| --- | --- | --- |
| Category | Minority | White |
| Proposed Northgate USD | 1,853 (49.5%)  | 1,893 (50.5%)  |
| Remaining Portion of Mt. Diablo USD | 17,929 (73.8%) | 6,356 (26.2%) |

The minority student population accounts for roughly half of the enrollment of the Northgate area schools whereas the total enrollment of the remaining schools Mt. Diablo USD is nearly three quarters minority students.

**In 2017, the Mt. Diablo USD contracted with a consultant to prepare a demographic report and analysis of its schools that would be affected by the reorganization, which includes the five schools named in the petition plus Highlands Elementary, Oak Grove Middle, Pine Hollow Middle, and Ygnacio Valley High.**

**The demographic report identified 249 students who lived within the proposed Northgate USD territory but who were enrolled in schools in the remaining portion of the Mt. Diablo USD**. The **report further identified 736 students who were enrolled in the five Northgate area schools but who lived outside of the proposed territory for the new school district. For the purpose of this report, these students shall be collectively referred to as “transfer students.” Table 3d contains the transfer student data provided in the demographic report.**

#### Table 3d. Transfer Student Enrollment by Race/Ethnicity, 2016–17

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Category | Asian | Black or African American | Hispanic or Latino | Other | White | Total |
| Resides in Northgate USD Territory, Attends Out of District | 62 | 12 | 41 | 2 | 132 | 249 |
| Attends Northgate USD Schools, Resides Outside of District | 175 | 40 | 139 | 17 | 365 | 736 |
| Net Total to Northgate USD Schools | **- 113** | **- 28** | **- 98** | **- 15** | **- 233** | **- 487** |

**Source data: Mt. Diablo Unified School District Demographics Analysis of Potential Northgate Territory Transfer and Unification, August 2017**

There were only 26 students attending Northgate area schools from other school districts (inter-district transfer students). It is not a statistically significant number of students, so for the purpose of this analysis it is it is assumed that all students attending Northgate USD schools but who reside outside the Northgate USD territory would transfer to schools in the remaining portion of the Mt. Diablo USD.

Using a proportionality formula based on the data in the 2017 demographic report, the CDE estimated that **216 students who lived within the proposed Northgate USD territory attended schools in the remaining portion of the** Mt. Diablo USD. There were also 693 students enrolled in **the five Northgate area schools in 2020–21 but who lived outside of the boundary of the territory for the proposed new school district.**

#### Table 3e. Estimated Transfer Student Enrollment by Race/Ethnicity, 2020–21

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Category | Asian | Black or African American | Hispanic or Latino | Other | White | Total |
| Resides in Northgate USD Territory, Attends Out of District | 51 | 15 | 34 | 7 | 109 | 216 |
| Attends Northgate USD Schools, Resides Outside of District | 165 | 38 | 132 | 16 | 342 | 693 |
| Net Total to Northgate USD Schools | **- 114** | **- 23** | **- 98** | **- 9** | **- 233** | **- 477** |

**Source data: CALPADS, 2020–21; Mt. Diablo Unified School District Demographics Analysis of Potential Northgate Territory Transfer and Unification, August 2017**

As shown in Table 3e, the net transfer from Northgate USD to remaining Mt. Diablo USD schools would be approximately 244 minority students and 233 white students and would change the balance of minority and white students within both school districts by no more than 0.5 percent. See Table 3f.

#### Table 3f. Minority Enrollment by Area

|  |  |  |
| --- | --- | --- |
| Category | Minority | White |
| Proposed Northgate USD Before Transfer Adjustment | 1,853 (49.5%) | 1,893 (50.5%) |
| Proposed Northgate USD After Transfer Adjustment | 1,609 (49.2%) | 1,660 (50.8%) |
| Remaining Portion of Mt. Diablo USD Before Transfer Adjustment | 17,929 (73.8%) | 6,356 (26.2%) |
| Remaining Portion of Mt. Diablo USD After Transfer Adjustment | 18,173 (73.4%) | 6,589 (26.6%) |

**Source data: CALPADS, 2020–21; Mt. Diablo Unified School District Demographics Analysis of Potential Northgate Territory Transfer and Unification, August 2017**

The minority student population would decrease by 0.3 percent to 49.2 percent and the white student population would increase by 0.3 percent to 50.8 percent in the proposed Northgate USD. The result is a decrease of 0.4 percent in the minority student population, while the portion of the student population identified as white would increase by 0.4 percent to 26.8 percent.

**Because the effect of the adjustment for transfer students is minimal (less than +/- 0.5%), the remainder of this report will utilize CALPADS data unadjusted for transfer students.**

### ****Racial and Ethnic Enrollment: Trends and Rates of Change****

**The following tables depict five-year trends and rates of change in racial/ethnic enrollment for the Mt. Diablo USD and its schools.**

#### Table 4a. Mt. Diablo USD Historical Racial/Ethnic Enrollment

| Year | Asian | Black or African American | Hispanic or Latino | Other | White | Total |
| --- | --- | --- | --- | --- | --- | --- |
| ****2016–17**** | 2,303 | 1,204 | 13,238 | 3,482 | 10,114 | 30,341 |
| ****2017–18**** | 2,275 | 1,130 | 13,198 | 3,686 | 9,480 | 29,769 |
| ****2018–19**** | 2,188 | 967 | 13,120 | 3,621 | 8,613 | 28,509 |
| ****2019–20**** | 2,362 | 1,015 | 13,201 | 3,980 | 8,950 | 29,508 |
| ****2020–21**** | 2,291 | 900 | 12,772 | 3,819 | 8,249 | 28,031 |
| ****5-Year Amount Change**** | **- 12** | **- 304** | **- 466** | **337** | **- 1,865** | **- 2,310** |
| ****5-Year Percent Change**** | **- 0.5%** | **- 25.2%** | **- 3.5%** | **9.7%** | **- 18.4%** | **- 7.6%** |

**Source data: CALPADS**

**Over the past five years, the Mt. Diablo USD has had a 7.6 percent decrease in total student population, with the most significant changes (in terms of student numbers) being an 18.4 percent decrease in the white student population and a 3.5 percent decrease in the Hispanic or Latino student population. The African American or Black student population declined by a significant percentage (25.2 percent) during this time whereas the students identifying in other minority categories increased by 9.7 percent.**

As shown in Table 4b, the number of students in the combined grouping of all minorities in the Mt. Diablo USD decreased by 2.2 percent during the five-year period from 2016–17 to 2020–21. The white student population decreased by 18.4 percent over the same time.

#### Table 4b. Mt. Diablo USD Minority Enrollment Change

|  |  |  |  |
| --- | --- | --- | --- |
| Year | Minority | White | Total |
| ****2016–17**** | 20,227 | 10,114 | 30,341 |
| ****2020–21**** | 19,782 | 8,249 | 28,031 |
| ****5-Year Amount Change**** | **- 445** | **- 1,865** |  **- 2,310** |
| ****5-Year Percent Change**** | **- 2.2%** | **- 18.4%** | **- 7.6%** |

**Source data: CALPADS**

Tables 4c through 4j provide similar comparisons and trends for elementary, middle, and high school students in the existing Mt. Diablo USD. While both total enrollment and minority student enrollment declined overall as well as at the elementary and middle school levels over the five-year period examined, high schools experienced an increase of minority students. See Tables 4i and 4j.

#### Table 4c. Elementary School Historical Racial/Ethnic Enrollment

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Year | Asian | Black or African American | Hispanic or Latino | Other | White | Total |
| ****2016–17**** | 1,098 | 517 | 6,610 | 1,885 | 4,713 | 14,823 |
| ****2017–18**** | 1,112 | 471 | 6,272 | 1,917 | 4,447 | 14,219 |
| ****2018–19**** | 1,039 | 399 | 6,147 | 1,779 | 3,914 | 13,278 |
| ****2019–20**** | 1,186 | 478 | 6,104 | 2,078 | 4,406 | 14,252 |
| ****2020–21**** | 1,180 | 407 | 5,746 | 1,989 | 4,110 | 13,432 |
| ****5-Year Amount Change**** | **82** | **- 110** | **- 864** | **104** | **- 603** | **- 1,391** |
| ****5-Year Percent Change**** | **7.5%** | **- 21.3%** | **- 13.1%** | **5.5%** | **- 12.8%** | **- 9.4%** |

**Source data: CALPADS**

#### Table 4d. Elementary School Minority Enrollment Change

|  |  |  |  |
| --- | --- | --- | --- |
| Year | Minority | White | Total |
| ****2016–17**** | 10,110 | 4,713 | 14,823 |
| ****2020–21**** | 9,322 | 4,110 | 13,432 |
| ****5-Year Amount Change**** | **- 788** | **- 603** | **- 1,391** |
| ****5-Year Percent Change**** | **- 7.8%** | **- 12.8%** | **- 9.4%** |

**Source data: CALPADS**

#### Table 4e. Middle School Historical Racial/Ethnic Enrollment

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Year | Asian | Black or African American | Hispanic or Latino | Other | White | Total |
| **2016–17** | 534 | 265 | 3,173 | 838 | 2,476 | 7,286 |
| **2017–18** | 520 | 269 | 3,324 | 878 | 2,363 | 7,354 |
| **2018–19** | 521 | 239 | 3,302 | 906 | 2,163 | 7,131 |
| **2019–20** | 531 | 243 | 3,242 | 882 | 2,075 | 6,973 |
| **2020–21** | 494 | 215 | 3,078 | 815 | 1,843 | 6,445 |
| ****5-Year Amount Change**** | **- 40** | **- 50** | **- 95** | **- 23** | **- 633** | **- 841** |
| ****5-Year Percent Change**** | **- 7.5%** | **- 18.9%** | **- 3.0%** | **- 2.7%** | **- 25.6%** | **- 11.5%** |

**Source data: CALPADS**

#### Table 4f. Middle School Minority Enrollment Change

|  |  |  |  |
| --- | --- | --- | --- |
| Year | Minority | White | Total |
| **2016–17** | 4,810 | 2,476 | 7,286 |
| **2020–21** | 4,602 | 1,843 | 6,445 |
| ****Amount 5-Year Change**** | **- 208** | **- 633** | **- 841** |
| ****Percent 5-Year Change**** | **- 4.3%** | **- 25.6%** | **- 11.5%** |

**Source data: CALPADS**

#### Table 4g. High School Historical Racial/Ethnic Enrollment

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Year | Asian | Black or African American | Hispanic or Latino | Other | White | Total |
| **2016–17** | 671 | 422 | 3,455 | 759 | 2,925 | 8,232 |
| **2017–18** | 643 | 390 | 3,602 | 891 | 2,670 | 8,196 |
| **2018–19** | 628 | 329 | 3,671 | 936 | 2,536 | 8,100 |
| **2019–20** | 645 | 294 | 3,855 | 1,020 | 2,469 | 8,283 |
| **2020–21** | 617 | 278 | 3,948 | 1,015 | 2,296 | 8,154 |
| ****5-Year Amount Change**** | **- 54** | **- 144** | **493** | **256** | **- 629** | **- 78** |
| ****5-Year Percent Change**** | **- 8.0%** | **- 34.1%** | **14.3%** | **33.7%** | **- 21.5%** | **- 0.9%** |

**Source data: CALPADS**

#### Table 4h. High School Minority Enrollment Change

|  |  |  |  |
| --- | --- | --- | --- |
| Year | Minority | White | Total |
| **2016–17** | 5,307 | 2,925 | 8,232 |
| **2020–21** | 5,858 | 2,296 | 8,154 |
| ****5-Year Amount Change**** | **551** | **- 629** | **- 78** |
| ****5-Year Percent Change**** | **10.4%** | **- 21.5%** | **- 0.9%** |

**Source data: CALPADS**

**Both minority and white student enrollment at the elementary and middle school levels have decreased over the past five years. However, minority student enrollment at the high school level has increased while the white student population has decreased. This was largely due to a significant increase in the number of high school students identifying as Latino (+14.3%) and “Two or More Races” (+186.2%), which is a component of the “Other” data category.**

**Despite an increase in minority student enrollment at the high school level, there has been an overall decrease in minority students enrolled in Mt. Diablo USD. As shown in the tables below, minority student enrollment in the Mt. Diablo USD has decreased by 2.2 percent over the five-year period examined. The white student population decreased by 18.4 percent. In terms of actual student numbers, the white student population decline was fourfold that of the minority student grouping.**

#### Table 4i. Five-Year Enrollment Trends by School Type (Number of Students)

|  |  |  |  |
| --- | --- | --- | --- |
| Category | Minority | White | Total |
| Elementary | - 788 | - 603 | - 1,391 |
| Middle | - 208 | - 633 | - 841 |
| High | 551 | - 629 | - 78 |
| ****Change 2016–17 to 2020–21**** | **- 445** | **- 1,865** | **- 2,310** |

**Source data: CALPADS**

#### Table 4j. Five-Year Enrollment Trends by School Type (Percent Change)

|  |  |  |  |
| --- | --- | --- | --- |
|  Category | Minority | White | Total |
| Elementary | - 7.8% | - 12.8% | - 9.4% |
| Middle | - 4.3% | - 25.6% | - 11.5% |
| High | 10.4% | - 21.5% | - 0.9% |
| ****Change 2016–17 to 2020–21**** | **- 2.2%** | **- 18.4%** | **- 7.6%** |

**Source data: CALPADS**

### ****Minority Student Enrollment: Projections****

**As noted in the previous section, minority student enrollment in the Mt. Diablo USD has decreased by 2.2 percent over the past five-year period, while white student enrollment has decreased by 18.4 percent, and enrollment in the district has fallen by 7.6 percent overall. See Tables 4i and 4j, above. This section projects the percentage of minority student enrollment over the next five-year period for the existing Mt. Diablo USD, the proposed Northgate USD, and the remaining portion of the Mt. Diablo USD should the Northgate USD be formed.**

**Table 5a shows the minority enrollment by school type for the existing Mt. Diablo USD as compared to the schools in the proposed Northgate USD and the remaining portion of Mt. Diablo.**

#### Table 5a. Current Minority Enrollment by School Type

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Area | Elementary | Middle | High | Overall |
| Existing Mt. Diablo USD | 69.4% | 71.4% | 71.8% | 70.6% |
| Proposed Northgate USD | 50.0% | 50.7% | 48.3% | 49.5% |
| Remaining Portion of Mt. Diablo USD | 71.8% | 74.2% | 77.1% | 73.8% |

**Source data: CALPADS, 2020–21**

**There has been a positive rate of growth for minority student population in the schools within the proposed Northgate USD territory whereas the minority student population growth in the remaining portion of the Mt. Diablo USD is negative and closely mirrors that of the existing district as a whole. Enrollment within the proposed Northgate USD schools is about 50 percent minority across all school types, whereas the remaining portion of Mt. Diablo USD ranges from 71.8 percent to 77.1 percent for each school type.**

**For the purpose of estimating the minority student population for each of the three areas over the next five years, an annual growth rate percentage was calculated for each area based on enrollment data for the five-year period from 2016–17 through 2020–21. See Tables 5b through 5d.**

**The growth rate formula used is as follows:**

((End Value / Start Value) (1 / (Periods – 1) -1) x 100

#### Table 5b. Minority Enrollment Growth for Existing Mt. Diablo USD

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Category | Elementary | Middle | High | Combined |
| 2016**–**17 Enrollment | 10,110 | 4,810 | 5,307 | 20,227 |
| 2020**–**21 Enrollment | 9,322 | 4,602 | 5,858 | 19,782 |
| Annual Growth Rate | **- 2.01%** | **- 1.10%** | **2.50%** | **- 0.55%** |

**Source data: CALPADS, 2016–17 and 2020–21**

#### Table 5c. Minority Enrollment Growth for Proposed Northgate USD

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Category | Elementary | Middle | High | Combined |
| 2016**–**17 Enrollment | 772 | 417 | 627 | 1,816 |
| 2020**–**21 Enrollment | 745 | 392 | 716 | 1,853 |
| Annual Growth Rate | **- 0.89%** | **- 1.53%** | **3.37%** | **0.51%** |

**Source data: CALPADS, 2016–17 and 2020–21**

#### Table 5d. Minority Enrollment Growth for the Remaining Portion of Mt. Diablo USD

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Category | Elementary | Middle | High | Combined |
| 2016**–**17 Enrollment | 9,338 | 4,393 | 4,680 | 18,411 |
| 2020**–**21 Enrollment | 8,577 | 4,210 | 5,142 | 17,929 |
| Annual Growth Rate | **- 2.10%** | **- 1.06%** | **2.38%** | **- 0.66%** |

**Source data: CALPADS, 2016–17 and 2020–21**

**Table 5e displays the annual minority growth rates, as calculated in Tables 5b through 5d, for each school type across the existing Mt. Diablo USD, the proposed Northgate USD, and the remaining portion of the Mt. Diablo USD based on the proposed territory.**

#### Table 5e. Annual Percent Minority Growth by School Type

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Area | Elementary | Middle | High | Combined |
| Existing Mt. Diablo USD | - 2.01% | - 1.10% | 2.50% | **- 0.55%** |
| Proposed Northgate USD | - 0.89% | - 1.53% | 3.37% | **0.51%** |
| Remaining Portion of Mt. Diablo USD | - 2.10% | - 1.06% | 2.38% | **- 0.66%** |

**The combined annual growth factor for each area shown in Table 5e was then used to project minority student enrollment for the next five years.**

#### Table 5f. Five-Year Projection of Minority Students in Each Area of the District[[6]](#footnote-6)

|  |  |  |  |
| --- | --- | --- | --- |
| Fiscal Year | Existing Mt. Diablo USD(- 0.55%) | Proposed Northgate USD(0.51%) | Remaining Portion of Mt. Diablo USD(- 0.66%) |
| **2020–21** |  19,782  |  1,853  |  17,929  |
| ***2021–22*** |  19,672  |  1,862  |  17,810  |
| ***2022–23*** |  19,563  |  1,871  |  17,692  |
| ***2023–24*** |  19,455  |  1,880  |  17,575  |
| ***2024–25*** |  19,347  |  1,890  |  17,459  |
| ***2025–26*** |  19,240  |  1,900  |  17,344  |

Next, the annual enrollment growth rate for total enrollment was calculated for each area using the same methodology.

#### Table 5g. Annual Enrollment Growth for Students in Each Area

|  |  |  |  |
| --- | --- | --- | --- |
| Category | Existing Mt. Diablo USD | Proposed Northgate USD | Remaining Portion of Mt. Diablo USD |
| 2016**–**17 Enrollment | 30,341 | 4,166 | 26,175 |
| 2020**–**21 Enrollment | 28,031 | 3,746 | 24,285 |
| Annual Growth Rate | **- 1.96%** | **- 2.62%** | **- 1.86%** |

**Source data: CALPADS, 2016–17 and 2020–21**

#### Table 5h. Five-Year Projection of Total Students in Each Area of the District[[7]](#footnote-7)

|  |  |  |  |
| --- | --- | --- | --- |
| Fiscal Year | Existing Mt. Diablo USD(- 1.96%) | Proposed Northgate USD(- 2.62%) | Remaining Portion of Mt. Diablo USD(- 1.86%) |
| **2020–21** |  28,031  |  3,746  |  24,285  |
| ***2021–22*** |  27,482  |  3,648  |  23,834  |
| ***2022–23*** |  26,943  |  3,552  |  23,392  |
| ***2023–24*** |  26,415  |  3,459  |  22,958  |
| ***2024–25*** |  25,897  |  3,368  |  22,531  |
| ***2025–26*** |  25,389  |  3,280  |  22,113  |

**As shown in Tables 5g and 5h above, total enrollments in all three areas of the district have been declining and are expected to do so into the future. In Table 5i below, the percentage of minority enrollment projected for the next five-year period is calculated using the projected minority enrollment from table 5f and the projected total enrollment from Table 5h.**

#### Table 5i. Five-Year Projection of Percentage Minority Students in Each Area of the District

|  |  |  |  |
| --- | --- | --- | --- |
| Fiscal Year | Existing Mt. Diablo USD | Proposed Northgate USD | Remaining Portion of Mt. Diablo USD |
| **2020–21** | 70.57% | 49.47% | 73.83% |
| ***2021–22*** | 71.58% | 51.04% | 74.72% |
| ***2022–23*** | 72.61% | 52.67% | 75.63% |
| ***2023–24*** | 73.65% | 54.35% | 76.55% |
| ***2024–25*** | 74.71% | 56.11% | 77.49% |
| ***2025–26*** | 75.78% | 57.93% | 78.43% |

**Though the number of minority students is expected to decline in the existing and the remaining portion of Mt. Diablo USD and increase in the proposed Northgate USD, the percentage of minority student enrollment will continue to increase in all three areas due to total enrollment declining.**

### ****Effects of Unification on Minority Student Enrollment in Schools****

**The existing Mt. Diablo USD is 70.6 percent minority and 29.4 percent white. As** shown in table 4a, enrollment at the five schools in the territory proposed for Northgate USD (Bancroft Elementary**, Foothill Middle, Northgate High, Valle Verde Elementary, and Walnut Acres Elementary) is approximately 50 percent minority and 50 percent white. Enrollment in the remaining portion of the Mt. Diablo USD is three-quarters minority and one-quarter white.**

**CDE estimated the impact of adjusting enrollment to reflect changing attendance** boundaries of affected schools and inter- and intra-district transfer students (see Table 3g). The **result was not statistically significant in terms of the percentages of minority enrollment in the two areas.**

**When CDE examined enrollment over the prior five-year period, it found that minority enrollment in the Northgate USD schools grew by 0.51 percent annually and total enrollment declined by 2.62 percent annually. Minority enrollment in the existing Mt. Diablo USD and the remaining portion of the Mt. Diablo USD declined each year 0.55 percent and 0.66 percent, respectively, and total enrollment declined by 1.96 percent and 1.86 percent annually. Because the decline in total enrollment out-paced change in the number of minority students, CDE found that the percentage of minority students in all three areas is increasing and would be expected to continue to do so over the next five years (see Table 5e)**. **By the 2025–26 fiscal year, CDE estimates the Northgate area schools would be approximately 57.9 percent minority and the remaining portion of Mt. Diablo USD would be 78.4 percent minority.**

**Based on the data, the proposed reorganization would not significantly change the percentage of minority student enrollment in either the proposed Northgate USD schools or schools in the remaining portion of the Mt. Diablo USD.**

### ****School Board Policies****

**The Mt. Diablo USD has adopted a policy of non-discrimination in district programs and activities. Board Policy 0415, adopted June 8, 2020, states:**

***The Board shall make decisions with a deliberate awareness of impediments to learning faced by students of color and/or diverse cultural, linguistic, or socio-economic backgrounds. To ensure that equity is the intentional result of district decisions, the Board shall consider whether its decisions address the needs of students from racial, ethnic, linguistic, and indigent communities and remedy the inequities that such communities experienced in the context of a history of exclusion, discrimination, and segregation. Board decisions shall not rely on biased or stereotypical assumptions about any particular group of students.***

### ****Factors Affecting Feasibility of Integration****

**The proponents anticipate little to no change in the demographics of the proposed new district’s enrollment because the territory of that new district is based on existing attendance boundaries for the schools it would retain; proponents state a desire to continue to accept transfer students to the extent facility capacity and Mt. Diablo USD policies would allow. The proponents did note the correlation between housing patterns, household income, and minority enrollment to explain why the Northgate USD school demographics do not track with that of the district as a whole—however, they state that the resulting minority enrollment proportions in both the new district and the remaining portion of Mt. Diablo USD would not exceed standards used by the SBE to determine whether a reorganization would promote segregation. It is implied that the existing level of integration mirrors the community in which the schools are located.**

### ****Summary of Statement: Findings of Fact****

**The Mt. Diablo USD is currently 70.6 percent minority. If the Northgate community were to withdraw from the district, the remaining area of Mt. Diablo USD would be 73.8 percent minority while the new Northgate USD would be 49.5 percent minority. Hispanic or Latino students account for 45.6 percent of the total student population in the existing district overall, but are 16.6 percent of the schools in the proposed new district. Though student demographics of the Northgate area schools are noticeably different from those of the rest of the Mt. Diablo USD, the racial and ethnic composition of the affected elementary, middle and high schools would be substantially unchanged by the reorganization and would preserve each affected district’s ability to educate students in an integrated environment.**

## ****Conclusion****

Given the findings above, the CDE recommends that the proposal to form a new Northgate USD substantially complies with *EC* Section 35753(a)(4).

# Attachment 3Educational Program Report onFormation of a New Unified School District from the Northgate portion of the Mt. Diablo Unified School Districtin Contra Costa County

## ****Background****

The Contra Costa County Committee on School District Organization (County Committee) recommended that the California State Board of Education (SBE) disapprove a proposal to create a Northgate Unified School District (USD) from the Northgate portion of the Mt. Diablo USD.

Before making its recommendation regarding the proposed Northgate USD, the County Committee was required to determine if the proposal substantially met nine conditions, including the following:

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

The Contra Costa County Office of Education contracted with School Services of California to prepare a feasibility study for the proposed reorganization. In the *Costa County Office of Education Reorganization Feasibility Study: Mt. Diablo Unified School District* (*Feasibility Study*), School Services of California found that the proposal substantially meets the condition set forth in *EC* Section 35753(a)(6), noting that:

“Given the complexity and challenges in operating a school district, especially a smaller sized one, the proposed Northgate USD would not likely be able to provide the exact same educational or extracurricular programs currently offered by Mt. Diablo USD. However, given that the new district would maintain many of the same teachers and staff currently at the school sites, there is reason to believe that, with time and the hiring of experts and effective district leaders, the proposed Northgate USD should be able to continue to offer a quality education to its students.”

However, after considering the information provided by all parties and the finding in the *Feasibility Study*, the County Committee concluded the proposal failed to substantially meet the *EC* Section 35753(a)(6) condition with a 3-1-1 vote.

Members voiced concern that reorganization would result in a significant disruption to Mt. Diablo USD education programs, particularly the special education offerings, as well as complete disruption of the Eagle Peak Montessori school, a Mt. Diablo USD authorized charter school.

## Recommendation

The CDE finds that the proposal to form a new Northgate USD from a portion of the Mt. Diablo USD substantially complies with *EC* Section 35753(a)(6).

The following report, prepared by the California Department of Education, provides detailed analyses to support this recommendation.

## Evaluation Criteria for the Unification Proposal

Pursuant to *EC* Section 35753(a)(6), a proposal to reorganize a school district may be approved if it is substantially determined that it will continue to promote sound education performance and will not significantly disrupt the educational programs in the affected districts.

Section 18573(a)(5) of Title 5, *California Code of Regulations* (5 *CCR*), requires the following:

The proposal or petition shall not significantly adversely affect the educational programs 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.

These requirements are evaluated in light of available information derived from the California Longitudinal Pupil Achievement Data System (CALPADS) and the California School Dashboard.

## Discussion and Analysis

### Schools and Enrollment in Current District

**Mt. Diablo USD is a large, urban school district. In Fiscal Year 2020–21, the district enrolled 29,474 students and operated 29 elementary schools, 9 middle schools, 5 comprehensive high schools, and 8 other schools (i.e. alternative, community day, continuation high, and special education). Table 1 lists the number of schools and total enrollment by school type for the existing Mt. Diablo USD. All enrollment data is from CALPADS for the 2020–21 academic year.**

#### ****Table 1. Enrollment by School Type****

| **School Type** | **Number of Schools** | **Enrollment** |
| --- | --- | --- |
| Elementary (K - 5) | 29 | 14,338 |
| Middle (6 - 8) | 9 | 6,737 |
| High (9 - 12)  | 5 | 7,561 |
| Alternative | 2 | 196 |
| Community Day | 1 | 17 |
| Continuation High | 3 | 365 |
| Special Education | 2 | 45 |
| Other (District Office) | N/A | 215 |
| **Total** | **51** | **29,474** |

***Source: CALPADS, Fiscal Year 2020–21***

### ****Schools in Proposed Districts****

**The proposal to form a new Northgate USD from a portion of the existing Mt. Diablo USD identifies the territory for the new district as all of the territory included in the attendance areas of the Bancroft Elementary, Valle Verde Elementary, Walnut Acres Elementary, Foothill Middle, and Northgate High as of April 24, 2016.**

**The proposed new school district’s territory would then include those five school sites as well as three additional school sites owned by Mt. Diablo USD: Oak Grove Middle, Ygnacio Valley High, and the former Castle Rock Elementary site that is currently occupied by Eagle Peak Montessori charter school. The remaining 44 schools (26 elementary, 7 middle, 3 high schools, and 8 other schools) would be retained by Mt. Diablo USD.** The proposed Northgate USD would be a medium-sized school district in Contra Costa County as measured by total enrollment, and would be close to the median among all unified districts in California.

**Table 2a lists the school sites within the territory identified for the proposed Northgate USD along with the grade levels they serve and their enrollment for Fiscal Year 2020–21. Table 2b lists the same information for the remaining portion of the Mt. Diablo USD. The Oak Grove Middle and Ygnacio Valley High school sites are included in the Northgate USD territory, but their attendance areas are not. The students housed at these sites will need to enroll at another school site within the remaining portion of the Mt. Diablo USD should the reorganization be approved. Accordingly, for purposes of this report, enrollment and achievement data for these two schools will be grouped with the remaining portion of the Mt. Diablo USD. Eagle Peak Montessori charter school is not included in this report because it is not a district-operated school.**

#### ****Table 2a. Schools in the Proposed Northgate USD****

| **School Name** | **Grade Levels** | **Enrollment** |
| --- | --- | --- |
| Bancroft Elementary | K - 5 | 608 |
| Valle Verde Elementary | K - 5 | 459 |
| Walnut Acres Elementary | K - 5 | 631 |
| Foothill Middle | 6 - 8 | 828 |
| Oak Grove Middle | 6 - 8 | 0 |
| Northgate High | 9 - 12 | 1,492 |
| Ygnacio Valley High | 9 - 12 | 0 |
| **Total** | **K** - **12** | **4,018** |

***Source: CALPADS, Fiscal Year 2020–21***

#### ****Table 2b. Schools in the Remaining Portion of Mt. Diablo USD****

| **School Name** | **Grade Levels** | **Enrollment** |
| --- | --- | --- |
| Ayers Elementary | K - 5 | 405 |
| Bel Air Elementary | K - 5 | 450 |
| Cambridge Elementary | K - 5 | 538 |
| Delta View Elementary | K - 5 | 652 |
| El Monte Elementary | K - 5 | 417 |
| Fair Oaks Elementary | K - 5 | 303 |
| Gregory Gardens Elementary | K - 5 | 358 |
| Hidden Valley Elementary | K - 5 | 800 |
| Highlands Elementary | K - 5 | 512 |
| Holbrook Language Academy | K - 6 | 401 |
| Meadow Homes Elementary | K - 5 | 757 |
| Monte Gardens Elementary | K - 5 | 482 |
| Mountain View Elementary | K - 5 | 281 |
| Mt. Diablo Elementary | K - 5 | 743 |
| Pleasant Hill Elementary | K - 5 | 602 |
| Rio Vista Elementary | K - 5 | 440 |
| Sequoia Elementary | K - 5 | 594 |
| Shore Acres Elementary | K - 5 | 440 |
| Silverwood Elementary | K - 5 | 529 |
| Strandwood Elementary | K - 5 | 573 |
| Sun Terrace Elementary | K - 5 | 441 |
| Valhalla Elementary | K - 5 | 563 |
| Westwood Elementary | K - 5 | 277 |
| Woodside Elementary | K - 5 | 281 |
| Wren Avenue Elementary | K - 5 | 364 |
| Ygnacio Valley Elementary | K - 5 | 437 |
| Diablo View Middle | 6 – 8 | 577 |
| El Dorado Middle | 6 - 8 | 866 |
| Oak Grove Middle | 6 - 8 | 748 |
| Pine Hollow Middle | 6 - 8 | 562 |
| Pleasant Hill Middle | 6 - 8 | 751 |
| Riverview Middle | 6 - 8 | 745 |
| Sequoia Middle | 6 - 8 | 910 |
| Valley View Middle | 6 - 8 | 750 |
| College Park High | 9 - 12 | 2,050 |
| Concord High | 9 - 12 | 1,187 |
| Mt. Diablo High | 9 - 12 | 1,567 |
| Ygnacio Valley High | 9 - 12 | 1,265 |
| Glenbrook Academy (Special Education) | 6 - 12 | 23 |
| Sunrise (Special Education) | K - 8 | 22 |
| Crossroads High (Alternative) | 7 - 12 | 26 |
| Horizons School: Independent Study | K - 12 | 170 |
| Diablo Community Day | 7 - 12 | 17 |
| Olympic Continuation High | 9 - 12 | 279 |
| Prospect High (Continuation) | 9 - 12 | 46 |
| Summit High (Continuation) | 9 - 12 | 40 |
| District Office | N/A | 215 |
| **Totals** | **44** | **25,456** |

***Source: CALPADS, Fiscal Year 2020–21***

**As seen in Table 2b, the special education, alternative, community and continuation high schools in the district are located within the remaining portion of Mt. Diablo USD. Attendance data provided by the Mt. Diablo USD indicates a portion of the students attending those schools reside in the Northgate area. Similarly, there are students attending Northgate area schools who reside elsewhere in the district. It is common for affected school districts to continue to allow students attending a school to continue to do so via an inter-district transfer agreement despite a change in the district of residence due to school district reorganization. However, it cannot be assumed that the affected school districts would continue this practice for all current or future students.**

**Table 2c shows the proposed new school district would serve approximately 14 percent of the enrollment in the traditional elementary, middle and high schools of the existing Mt. Diablo USD (4,018 of 28,636 students).**

#### ****Table 2c. Enrollment by School District****

| **School Type** | **Northgate USD** | **Remaining Portion of Mt. Diablo USD** | **Total** |
| --- | --- | --- | --- |
| Elementary (K - 5) | 1,698 | 12,640 | 14,338 |
| Middle (6 - 8) | 828 | 5,909 | 6,737 |
| High (9 - 12)  | 1,492 | 6,069 | 8,389 |
| **Total** | **4,018** | **24,618** | **28,636** |

**As of Fiscal Year 2020–21, there were 344 unified school districts in the state of California. The average size of a unified school district was 1,344 pupils and the median total enrollment was 4,522 pupils. The proposed Northgate USD would be close to the median size of a unified school district in California, where 164 unified school districts have total enrollment less than 4,000 and 180 have enrollment over 4,000 pupils. The remaining portion of the Mt. Diablo USD would continue to be one of the 30 largest school districts in the state.**

**Mt. Diablo USD offers a variety of district-wide programs (e.g., College Now, International Baccalaureate, Advancement Via Individual Determination (AVID), magnet schools, athletics, arts, music, independent study, Home Hospital, autism magnet, and other special education programs). There are also two district-wide schools (Sequoia Elementary and Sequoia Middle) and several school-of-choice areas within the Mt. Diablo USD. If the reorganization were to occur, Northgate High would cease to be an option for students in the school-of-choice areas of Mt. Diablo USD, and Northgate area students would lose access to the various educational programs offered by Mt. Diablo USD. Bancroft Elementary hosts a dual-language immersion and garden education program. Valle Verde Elementary and Northgate High host autism magnet programs.** Mt. Diablo USD could relocate its specialized programs (e.g., autism magnet programs, dual-language immersion program) from the Northgate area schools to sites elsewhere in the remaining portion of its territory.

The Northgate USD would be expected to continue to operate Bancroft Elementary, Valle Verde Elementary, Walnut Acres Elementary, Foothill Middle, and Northgate High similar to their current operation. It will need to make room at its elementary schools for the students that were previously in the attendance area of Highlands Elementary. Most of the 2,000 s**tudents attending Oak Grove Middle and Ygnacio Valley High will need to relocate to other site(s) in the remaining portion of the Mt. Diablo USD, as these schools are located in the territory of the proposed Northgate USD but the attendance areas are not.**[[8]](#footnote-8)The Northgate area does not have enrollment sufficient to operate a second middle school and a second comprehensive high school. **As has been discussed, the proposed Northgate USD territory does not contain a continuation high school site or a community day school. The new school district will need to provide for the education of its continuation high and community day students.**

### Students in Current District

California’s Local Control Funding Formula (LCFF) provides additional funding through supplemental and concentration grants based on the unduplicated pupil percentage, which is the percentage of the targeted disadvantaged students in a school district.[[9]](#footnote-9) Targeted students are classified as English learners (EL), eligible for the free or reduced-price meal program (FRPM), foster youth, or any combination of these factors. The additional funding is to provide increased or improved services to disadvantaged students to help them succeed academically. The two primary factors determining supplemental and concentration grant funding are the percentages of EL students and FRPM eligible students. The following tables show the percentages of Mt. Diablo USD students in these two groups at the elementary, middle, and high schools.

#### Table 3a: EL and FRPM Students in Mt. Diablo USD Elementary Schools

| **School Name** | **Enrollment** | **EL (%)** | **FRPM (%)** |
| --- | --- | --- | --- |
| Ayers Elementary | 405 | 12.3% | 31.4% |
| Bancroft Elementary | 608 | 15.1% | 9.0% |
| Bel Air Elementary | 450 | 54.0% | 75.1% |
| Cambridge Elementary | 538 | 68.8% | 78.8% |
| Delta View Elementary | 652 | 26.4% | 38.3% |
| El Monte Elementary | 417 | 31.9% | 54.9% |
| Fair Oaks Elementary | 303 | 39.6% | 68.3% |
| Gregory Gardens Elementary | 358 | 14.2% | 27.1% |
| Hidden Valley Elementary | 800 | 10.9% | 26.9% |
| Highlands Elementary | 512 | 6.1% | 19.1% |
| Holbrook Language Academy | 401 | 27.7% | 46.4% |
| Meadow Homes Elementary | 757 | 67.1% | 84.7% |
| Monte Gardens Elementary | 482 | 9.3% | 22.6% |
| Mountain View Elementary | 281 | 14.9% | 42.0% |
| Mt. Diablo Elementary | 743 | 3.2% | 6.3% |
| Pleasant Hill Elementary | 602 | 13.1% | 23.6% |
| Rio Vista Elementary | 440 | 42.0% | 68.6% |
| Sequoia Elementary | 594 | 8.1% | 14.6% |
| Shore Acres Elementary | 440 | 60.9% | 75.2% |
| Silverwood Elementary | 529 | 19.3% | 34.2% |
| Strandwood Elementary | 573 | 8.9% | 14.0% |
| Sun Terrace Elementary | 441 | 24.7% | 62.8% |
| Valhalla Elementary | 563 | 7.6% | 16.2% |
| Valle Verde Elementary | 459 | 6.3% | 8.1% |
| Walnut Acres Elementary | 631 | 5.1% | 4.8% |
| Westwood Elementary | 277 | 16.6% | 40.1% |
| Woodside Elementary | 281 | 18.9% | 35.9% |
| Wren Avenue Elementary | 364 | 28.8% | 68.1% |
| Ygnacio Valley Elementary | 437 | 52.2% | 80.8% |
| **Total** | **14,338** | **24.1%** | **38.4%** |

***Source: CALPADS, Fiscal Year 2020–21***

#### Table 3b: EL and FRPM Students in Mt. Diablo USD Middle Schools

| **School Name** | **Enrollment** | **EL (%)** | **FRPM (%)** |
| --- | --- | --- | --- |
| Diablo View Middle | 577 | 3.3% | 14.7% |
| El Dorado Middle | 866 | 26.1% | 55.9% |
| Foothill Middle | 828 | 2.4% | 9.5% |
| Oak Grove Middle | 748 | 49.7% | 77.9% |
| Pine Hollow Middle | 562 | 9.4% | 31.5% |
| Pleasant Hill Middle | 751 | 12.5% | 33.0% |
| Riverview Middle | 745 | 40.7% | 72.3% |
| Sequoia Middle | 910 | 10.7% | 34.5% |
| Valley View Middle | 750 | 9.1% | 29.6% |
| **Total** | **6,737** | **18.6%** | **40.5%** |

***Source: CALPADS, Fiscal Year 2020–21***

#### Table 3c: EL and FRPM Students in Mt. Diablo USD High Schools

| **School Name** | **Enrollment** | **EL (%)** | **FRPM (%)** |
| --- | --- | --- | --- |
| College Park High | 2,050 | 6.2% | 21.7% |
| Concord High | 1,187 | 14.2% | 46.5% |
| Mt. Diablo High | 1,567 | 31.1% | 65.2% |
| Northgate High | 1,492 | 1.7% | 10.7% |
| Ygnacio Valley High | 1,265 | 27.2% | 67.0% |
| **Total** | **7,561** | **15.3%** | **40.0%** |

***Source: CALPADS, Fiscal Year 2020–21***

#### Table 3d: EL and FRPM Students: District Level

| **School Type** | **Enrollment** | **EL (%)** | **FRPM (%)** |
| --- | --- | --- | --- |
| Elementary | 14,338 | 24.1% | 38.4% |
| Middle | 6,737 | 18.6% | 40.5% |
| High | 7,561 | 15.3% | 40.0% |
| **Total** | **28,636** | **20.5%** | **39.4%** |

### Students in Proposed Districts

Tables 4a through 4d provide a comparison of the percentages of EL students and students in the FRPM program between the proposed Northgate USD and the remaining portion of Mt. Diablo USD for elementary, middle, and high schools.

#### ****Table 4a. EL and FRPM Students in Northgate USD and Remaining Portion of Mt. Diablo USD Elementary Schools****

| **Area** | **Enrollment** | **EL (%)** | **FRPM (%)** |
| --- | --- | --- | --- |
| Northgate USD | 1,698 | 9.0% | 7.2% |
| Remaining Portion of Mt. Diablo USD | 12,640 | 26.1% | 42.6% |

#### ****Table 4b. EL and FRPM Students in Northgate USD and Remaining Portion of Mt. Diablo USD Middle Schools****

| **Area** | **Enrollment** | **EL (%)** | **FRPM (%)** |
| --- | --- | --- | --- |
| Northgate USD | 828 | 2.4% | 9.5% |
| Remaining Portion of Mt. Diablo USD | 5,909 | 20.9% | 44.9% |

#### ****Table 4c. EL and FRPM Students in Northgate USD and Remaining Portion of Mt. Diablo USD High Schools****

| **Area** | **Enrollment** | **EL (%)** | **FRPM (%)** |
| --- | --- | --- | --- |
| Northgate USD | 1,492 | 1.7% | 10.7% |
| Remaining Portion of Mt. Diablo USD | 6,069 | 18.6% | 47.2% |

#### ****Table 4d. Total EL and FRPM Students in Northgate USD and Remaining Portion of Mt. Diablo USD Elementary, Middle and High Schools****

| **Area** | **Enrollment** | **EL (%)** | **FRPM (%)** |
| --- | --- | --- | --- |
| Northgate USD | 4,018 | 4.9% | 9.0% |
| Remaining Portion of Mt. Diablo USD | 24,618 | 23.0% | 44.3% |

As can be seen in Tables 4a through 4d, the remaining portion of Mt. Diablo USD would have a significantly greater number and percentage of EL students and FRPM eligible students at all grade spans than would the proposed Northgate USD. As would be expected with higher percentages of these student groups, the remaining portion of the Mt. Diablo USD would generate significantly more supplemental grant funding under the LCFF. The remaining portion of Mt. Diablo USD would have more per-student funding to provide increased or improved services to disadvantaged students to help them succeed academically, as compared to the proposed Northgate USD.

### Districtwide Programs

#### Academic Performance

California's accountability and continuous improvement system is based on a five-by-five grid that produces 25 results and 5 performance levels (Blue, Green, Yellow, Orange, and Red). This five-by-five grid combines a district’s or school’s Status and Change to make an overall determination for each academic measure (equal weight is provided to both Status and Change).

Status is based on the most recent year of data for a particular accountability indicator. The five Status levels are:

* Very high
* High
* Medium
* Low
* Very low

Change is the difference between performance from the most recent year of data and the prior-year data. The five Change levels are:

* Increased significantly
* Increased
* Maintained
* Declined
* Declined significantly

Combining Status and Change results in a color-coded performance level for each accountability indicator. The five color-coded performance levels in order are: blue (highest), green, yellow, orange, and red (lowest). The first release of data for this accountability system was in March 2017. The most current data available is from the 2019–20 academic year. Districtwide results for the Mt. Diablo USD are provided in the following table for the following indicators: English Learner Progress (ELP), English Language Arts (ELA), Mathematics (Math) and Graduation Rates (Graduation), and College-Career. It should be noted that the English Learner Progress indicator does not measure change in the same manner nor assign a performance level. English Learner Progress change is measured as the percentage of EL students making or maintaining progress as compared to the prior year.

#### Table 5a: Mt. Diablo USD Placement in California Accountability Model

|  |  |  |  |
| --- | --- | --- | --- |
| **Indicator** | **Status** | **Change** | **Performance Level** |
| English Learner Progress  | Medium | 47.80% | N/A |
| English Language Arts  | Medium | Decreased | Orange |
| Mathematics | Low | Maintained | Orange |
| Graduation Rates | Medium | Decreased | Orange |
| College/Career | Medium | Maintained | Yellow |

***Source: California School Dashboard (2019)***

#### Table 5b: Comparison of Performance Levels of the Mt. Diablo USD for 2017, 2018, and 2019

|  |  |  |  |
| --- | --- | --- | --- |
| **Indicator** | **2017–18** | **2018–19** | **2019–20** |
| English Learner Progress[[10]](#footnote-10) | Yellow | N/A | 47.8% |
| English Language Arts  | Orange | Yellow | Orange |
| Mathematics | Orange | Orange | Orange |
| Graduation Rates | Green | Green | Orange |
| College/Career[[11]](#footnote-11) | N/A | Orange | Yellow |

***Source: California School Dashboard (2017, 2018, 2019)***

The three years of California School Dashboard data shows consistent performance results for the existing district. It is lower performing in English Language Arts, Mathematics, and College/Career. It had strong performance in Graduation Rates, though performance declined significantly in 2019–20. This may be due to the effects of COVID-19 on education in the second half of that academic year.

School-level placement for the ELP, ELA, and Math indicators for each elementary, middle, and comprehensive high school in the Mt. Diablo USD are provided in Appendix A. Graduation Rate and College/Career indicator data has also been provided for the five comprehensive high schools. School-level data for alternative, community day, continuation high, and special education schools are not listed in tables in this report, but they are a part of data that is the basis for district-level indictors.

The following two tables summarize the school-level rankings for the Northgate USD schools and for the schools in the remaining portion of the Mt. Diablo USD from the 2019 California School Dashboard. (see Appendix A for a complete list of school-level data)

#### Table 5c: Performance Levels for Schools in the Northgate USD

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Indicator** | **Total Schools** | **Red** | **Orange** | **Yellow** | **Green** | **Blue** |
| English Language Arts | 5 | 0 | 0 | 0 | 3 | 2 |
| Mathematics | 5 | 0 | 0 | 0 | 3 | 2 |
| Graduation Rates | 1 | 0 | 0 | 0 | 0 | 1 |
| College/Career | 1 | 0 | 0 | 1 | 0 | 0 |

***Source: California School Dashboard (2019)***

#### Table 5d: Performance Levels for Schools in the Remaining Portion of the Mt. Diablo USD

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Indicator** | **Total Schools** | **Red** | **Orange** | **Yellow** | **Green** | **Blue** |
| English Language Arts | 38 | 0 | 19 | 7 | 11 | 1 |
| Mathematics | 38 | 5 | 13 | 9 | 9 | 2 |
| Graduation Rates | 4 | 0 | 0 | 0 | 3 | 1 |
| College/Career | 4 | 0 | 1 | 1 | 2 | 0 |

***Source: California School Dashboard (2019)***

Table 5a shows that, at the district level, the existing Mt. Diablo USD is ranked in the Orange (second from lowest) tier for three of these indicators and yellow for the fourth indicator, College-Career Placement. Tables 5c and 5d show that the Northgate USD schools collectively have high academic performance and they outperform the majority of the schools in the remaining portion of the Mt. Diablo USD. All five of the schools in the Northgate USD territory were ranked in the top two performance level tiers (blue and green) for English Language Arts, Mathematics, and Graduation Rates. In contrast, only 31.5 percent of the remaining schools ranked in the top two tiers for English Language Arts, 28.2 percent ranked in the top two tiers in Mathematics, and 57 percent ranked in the top two tiers for graduation rates.

#### Alternative Education

As noted previously, districtwide continuation high and community day school programs are located in facilities within the remaining portion of the Mt. Diablo USD. If the proposal to form a new unified school district from the Northgate area is approved, the new district eventually will need to provide facilities to house its students in these programs.

#### Special Education

Mt. Diablo USD is not a member of the **Contra Costa County Office of Education Special Education Local Plan Area (SELPA). Instead, it operates its own** special education program and serves approximately 4,000 students according to the 2018 CALPADS report. Mt Diablo USD could relocate its autism magnet programs from the Northgate area schools to sites elsewhere in the remaining portion of its territory. **Mt. Diablo USD has indicated that a portion of Northgate USD students attend special education programs at sites outside of the Northgate area, and it may be difficult to accept all of the Northgate students into its programs should the reorganization occur. In that case, these students would then return to their district of residence for service.**

**To serve its special education students, the proposed Northgate USD will need to create its own special education program or become a member of the Contra Costa County Office of Education Special Education Local Plan Area. Mt. Diablo USD estimates there are less than 300 special education students who reside in the Northgate area. A new Northgate USD would likely apply for member status in the Contra Costa County SELPA in order to provide services for its students with disabilities.**

### High School Programs

If the proposed Northgate USD is approved, there will be few if any changes to the composition of the current high school in the Northgate area. It will serve essentially the same student populations, and staffing and educational programs could remain very similar to what they were prior to the reorganization.[[12]](#footnote-12) The most notable impact to the remaining high schools would be due to the removal of Ygnacio Valley High from the Mt. Diablo USD. The school site is within the territory of the proposed Northgate USD. Therefore, all students and programs at this school would need to be relocated to the remaining comprehensive high schools of the Mt. Diablo USD. The attendance areas and course offerings for the remaining three high schools, College Park High, Concord High and Mt. Diablo High, will need to be adjusted to reflect the loss of the Ygnacio Valley High site. The Mt. Diablo USD has indicated it does not currently have capacity at the remaining high schools to accommodate all 1,200 displaced students and would need to provide facilities to house most of them. The demographic analysis indicates approximately 20 percent of the Northgate High enrollment comes from students living outside the school’s attendance area.

#### Advanced Placement Courses

The Advanced Placement (AP) test program is administered by the College Board, a non-profit organization with a mission to help prepare high school students for college. AP courses are intended to be offered by high schools as rigorous, college-level classes in a variety of subjects. For a course to be designated as AP, the College Board must determine that it meets requirements of the AP curriculum.

#### Table 6a: AP Course Offerings by High School in 2019–20[[13]](#footnote-13)

| **AP Course** | **College Park High** | **Concord High** | **Mt. Diablo High** | **Northgate High** | **Ygnacio Valley High** |
| --- | --- | --- | --- | --- | --- |
| Computer Science | 1 | 0 | 0 | 0 | 0 |
| English | 6 | 4 | 1 | 4 | 0 |
| Fine and Performing Arts | 0 | 3 | 0 | 2 | 0 |
| Foreign Language | 4 | 2 | 2 | 5 | 0 |
| Mathematics | 3 | 2 | 0 | 4 | 0 |
| Science | 3 | 1 | 1 | 5 | 1 |
| Social Science | 19 | 10 | 3 | 13 | 1 |
| **Total** | **36** | **22** | **7** | **33** | **2** |
| **Students Enrolled in AP** | **32.8%** | **28.4%** | **7.3%** | **34%** | **3.5%** |

***Source: School Accountability Report Cards, 2020–21***

The territory for the proposed Northgate USD includes Northgate High and its entire current attendance area, plus a small portion of the Bancroft Elementary attendance area that currently feeds to Oak Grove Middle and Ygnacio Valley High. The reorganization is not expected to substantially change the student population of the Northgate High and, therefore, the AP course offerings are expected to be substantially unaffected. The attendance areas of one or more of the remaining three high schools, College Park High, Concord High, and Mt. Diablo High, will need to be adjusted to incorporate the attendance area of Ygnacio Valley High. However, there is no reason to expect expansion of the attendance areas would substantially affect the schools’ AP course offerings.

#### Career Technical Education

Mt. Diablo USD offers a variety of career technical education (CTE) courses at each of its comprehensive high schools. The district has an advisory committee named Mt. Diablo Business Education Alliance (MDBEA) comprised of leaders from local industry sectors.

According to the 2020–21 School Accountability Report Card (SARC) for each high school, Mt. Diablo USD high schools offer CTE courses in eleven different subject areas, though specific course offerings in each subject area varies from school to school. Table 6b provides a look at the CTE offerings and participation in the CTE program by high school. An asterisk (\*) indicates that CTE courses areas are offered but they are not part of a complete CTE pathway at the school.

#### Table 6b: CTE Offerings by High School in Academic Year 2019–20

| **CTE Topic/****Measure** | **College Park High** | **Concord High** | **Mt. Diablo High** | **Northgate High** | **Ygnacio Valley High** |
| --- | --- | --- | --- | --- | --- |
| Art/Design | Yes\* | Yes | Yes | Yes | Yes\* |
| Biotechnology | No | Yes\* | Yes | No | No |
| Computer Science | Yes\* | Yes\* | Yes\* | Yes\* | No |
| Construction | No | Yes | Yes | No | No |
| Culinary & Tourism | No | No | Yes | No | No |
| Digital Media | Yes | Yes\* | Yes | Yes | No |
| Education | No | No | No | Yes\* | Yes |
| Engineering | No | Yes | Yes | Yes | Yes |
| Health Care | Yes | No | Yes | Yes | Yes |
| Hospitality | No | No | Yes | No | No |
| Transportation | No | Yes | No | No | No |
| Number of Course Areas | 4 | 7 | 9 | 6 | 4 |
| Pupils Participating  | 789 | 486 | 1,086 | 486 | 518 |
| Percent of Pupils that Complete a CTE Program & Earn a High School Diploma | 72% | 66.7% | 93.4% | 82.1% | 92.6% |

***Source: Mt. Diablo USD School Accountability Report Cards, 2020–21***

All of the high schools in the existing Mt. Diablo USD offer many CTE courses and have significant student participation. The data also indicates that programs at all but Concord High have a high rate of completion coupled with earning a high school diploma. There is no evidence to suggest that the reorganization would substantially affect the CTE offerings at any of the high schools aside from Ygnacio Valley High. As previously discussed, this school would become part of Northgate USD but the attendance area would not, so this school would likely not be operated as a comprehensive high school. The course offerings at that school are not unique within the district; they are offered by at least one other high school in the remaining portion of the Mt. Diablo USD with the exception of the education course at Ygnacio Valley High, which is not a full pathway.

#### Four-Year Adjusted Cohort Graduation Rates and Outcomes

All of the comprehensive high schools of the Mt. Diablo USD rank in the top two of five possible tiers of California School Dashboard performance levels for graduation rates in 2019–20 (see table 5e). The table below provides a detailed look at the graduation rates and outcomes for each of the five high schools, and how they compare to district-, county-, and state-level rates for the following: percent of cohort that earned a high school diploma, percent of graduates meeting University of California (UC) and California State University (CSU) entrance requirements, percent of graduates that earned a State Seal of Biliteracy, and the percent of graduates that earned a Golden State Seal Merit Diploma.

#### Table 6c: Four-Year Adjusted Cohort Graduation Rates and Outcomes

| **Name** | **Cohort Graduation Rate** | **Met UC/CSU Requirements** | **Earned a Seal of Biliteracy** | **Earned a Golden State Seal Merit Diploma** |
| --- | --- | --- | --- | --- |
| College Park High | 96.1% | 51.7% | 14.5% | 53.2% |
| Concord High | 94.4% | 45.5% | 11.9% | 48.9% |
| Mt. Diablo High | 84.7% | 30.2% | 4.7% | 37.3% |
| Northgate High | 97.7% | 64.6% | 29.0% | 73.9% |
| Ygnacio Valley High | 83.5% | 40.8% | 30.7% | 2.3% |
| Mt. Diablo Unified | 84.3% | 42.8% | 15.7% | 41.5% |
| Contra Costa County | 89.5% | 54.3% | 18.8% | 31.9% |
| Statewide Total | 87.7% | 51.8% | 15.5% | 27.3% |

***Source: CALPADS, 2020–21***

Northgate High has a very high rate of graduation, outperforming the district and state by at least 10 percentage points, and outperforming the county rate by 8.2 percentage points. Northgate High has higher percentages of graduates meeting UC/CSU requirements than the other four high schools. Most notably, it had 73.5 percent of its graduates earn the Golden State Seal Merit Diploma, which is 20 percentage points higher than any other high school in the Mt. Diablo USD.

#### High School Program Summary

The proposed reorganization is based on the attendance areas of Northgate High School and its feeder schools; therefore, the student population of Northgate High is not expected to change substantially. The remaining portion of Mt. Diablo USD would also have largely the same high school student population, though it would impact the total site-level enrollment at its high school sites due to the loss of Ygnacio Valley High and the subsequent redistribution of its students. The change would not be expected to hinder the district’s ability to offer the same high school programs, nor would it be expected to impact the performance of the students in the remaining Mt. Diablo USD high schools.

## Conclusion

A review of California School Dashboard shows that the Northgate area schools already perform at high levels in English Language Arts, Mathematics, and English Language Progress. Northgate High offers a large complement of Advanced Placement and Career Technical Education Programs. Though there was a decline in the high school graduation rate in 2019–20, the high school has historically achieved high pupil graduation rates. If the proposed Northgate USD is approved, there will be few if any changes to the composition of the schools in the Northgate area. They will serve essentially the same student populations, and educational programs likely will remain very similar to what they were prior to the reorganization. There could be staffing changes given that teachers at the Northgate area schools will have a choice of remaining with the Mt. Diablo USD or joining the new school district. The district will need to address the needs of its special education, continuation high, and community day students. It is likely the new district would become a member of the County Costa County SELPA in order to offer needed services for its special education student population. The overall evidence indicates there would not be a significant impact to the program offerings of the Northgate area schools as result of the reorganization proposal.

Because the remaining portion of the Mt. Diablo USD would continue to serve largely the same student population, and is a very large school district, its staffing and educational programs likely will experience minimal change as a result of the reorganization. There would be some district-wide programs that are currently operating at one of the Northgate area schools that Mt. Diablo could relocate to one of its remaining school sites. The loss of the Northgate area schools may impact the district-level performance level rating of some indicators, but it would not significantly affect the programs or performance at the school level. The impact to the remaining portion of the Mt. Diablo USD would primarily result from the loss of the Oak Grove Middle and Ygnacio Valley High schools, which will necessitate changes to attendance areas of the remaining middle and high school campuses to accommodate the pupils displaced as a result. This represents a logistical challenge to the district and it may have some administrative impact on the middle and high schools that absorb those students. However, it should not significantly impact programs offered at the remaining schools.

Given the findings above, the CDE finds that the proposal to form a new Northgate USD substantially complies with *EC* Section 35753(a)(6).

## Appendix A

### *Table A1: Elementary School Placement in California Accountability Model*

| **School Name** | **ELP Status** | **ELP Change** | **ELA Status** | **ELA Change** | **ELA Performance Level** | **Math Status** | **Math Change** | **Math Performance Level** |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Ayers Elementary | Low | 42.4% | Medium | Increased | Green | Medium | Increased Significantly | Green |
| Bancroft Elementary | Low | 72.3% | High | Decreased | Green | High | Increased | Green |
| Bel Air Elementary | Medium | 51.8% | Very Low | Increased Significantly | Orange | Low | Increased | Yellow |
| Cambridge Elementary | Medium | 48.7% | Very Low | Increased Significantly | Orange | Low | Increased | Yellow |
| Delta View Elementary | Low | 40.2% | Low | Maintained | Orange | Low | Decreased | Orange |
| El Monte Elementary | High | 55.7% | Low | Decreased | Orange | Low | Decreased | Orange |
| Fair Oaks Elementary | Very Low | 31.3% | Low | Decreased | Orange | Low | Decreased Significantly | Orange |
| Gregory Gardens Elementary | Low | 44.3% | Low | Decreased | Orange | Low | Maintained | Orange |
| Hidden Valley Elementary | Medium | 51.2% | Medium | Decreased | Yellow | High | Maintained | Green |
| Highlands Elementary | Medium | 46.7% | High | Increased | Green | High | Increased Significantly | Blue |
| Holbrook Language Academy | Medium | 46.7% | Low | Decreased Significantly | Orange | Low | Decreased Significantly | Orange |
| Meadow Homes Elementary | Medium | 50.3% | Low | Decreased | Orange | Low | Maintained | Orange |
| Monte Gardens Elementary | Very Low | 24.2% | High | Maintained | Green | High | Decreased | Green |
| Mountain View Elementary | Low | 40.5% | Low | Increased | Yellow | Low | Increased Significantly | Yellow |
| Mt. Diablo Elementary | Medium | 50.0% | Very High | Maintained | Blue | High | Increased | Green |
| Pleasant Hill Elementary | Medium | 45.9% | High | Decreased | Green | High | Maintained | Green |
| Rio Vista Elementary | High | 57.3% | Low | Decreased | Orange | Low | Decreased | Orange |
| Sequoia Elementary | Very High | 76.2% | High | Decreased | Green | High | Decreased | Green |
| Shore Acres Elementary | Low | 39.9% | Very Low | Increased | Orange | Very Low | Increased | Orange |
| Silverwood Elementary | Medium | 48.4% | High | Decreased | Green | High | Maintained | Green |
| Strandwood Elementary | Very High | 70.0% | High | Maintained | Green | High | Maintained | Green |
| Sun Terrace Elementary | High | 56.9% | Low | Decreased | Orange | Low | Increased | Yellow |
| Valhalla Elementary | Medium | 54.1% | High | Maintained | Green | Very High | Increased | Blue |
| Valle Verde Elementary | Very High | 76.9% | High | Maintained | Green | High | Increased | Green |
| Walnut Acres Elementary | Medium | 46.2% | Very High | Maintained | Blue | High | Decreased | Green |
| Westwood Elementary | High | 55.1% | Low | Decreased | Orange | Low | Decreased | Orange |
| Woodside Elementary | Medium | 48.3% | Medium | Maintained | Yellow | Medium | Maintained | Yellow |
| Wren Avenue Elementary | High | 56.3% | Low | Increased | Yellow | Low | Maintained | Orange |
| Ygnacio Valley Elementary | High | 62.0% | Low | Maintained | Orange | Low | Decreased | Orange |

Source: California School Dashboard (2019)

### *Table A2: Middle School Placement in California Accountability Model*

| **School Name** | **ELP Status** | **ELP Change** | **ELA Status** | **ELA Change** | **ELA Performance Level** | **Math Status** | **Math Change** | **Math Performance Level** |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Diablo View Middle | Medium | 47.8% | High | Maintained | Green | Medium | Decreased | Yellow |
| El Dorado Middle | Low | 38.7% | Low | Decreased | Orange | Very Low | Maintained | Red |
| Foothill Middle | Low | 62.5% | Very High | Decreased | Green | Very High | Maintained | Blue |
| Oak Grove Middle | Low | 41.8% | Very Low | Increased | Orange | Very Low | Decreased | Red |
| Pine Hollow Middle | Low | 35.7% | Low | Decreased | Orange | Low | Maintained | Orange |
| Pleasant Hill Middle | Medium | 52.3% | Medium | Decreased | Yellow | Low | Decreased | Orange |
| Riverview Middle | Medium | 45.8% | Low | Increased Significantly | Yellow | Very Low | Maintained | Red |
| Sequoia Middle | Low | 36.5% | High | Decreased | Green | Medium | Decreased | Yellow |
| Valley View Middle | Low | 42.4% | Medium | Maintained | Yellow | Medium | Maintained | Yellow |

Source: California School Dashboard (2019)

### *Table A3a: Comprehensive High School Placement in California Accountability Model*

| **School Name** | **ELP Status** | **ELP Change** | **ELA Status** | **ELA Change** | **ELA Performance Level** | **Math Status** | **Math Change** | **Math Performance Level** |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| College Park High | High | 57.1% | High | Maintained | Green | Medium | Decreased | Yellow |
| Concord High | Low | 42.3% | Low | Maintained | Orange | Medium | Increased | Green |
| Mt. Diablo High | Medium | 45.8% | Low | Decreased Significantly | Orange | Very Low | Decreased Significantly | Red |
| Northgate High | Low | 60.0% | Very High | Increased | Blue | Very High | Increased Significantly | Blue |
| Ygnacio Valley High | Medium | 51.0% | Very Low | Increased | Orange | Very Low | Decreased | Red |

Source: California School Dashboard (2019)

### *Table A3b: Comprehensive High School Placement in California Accountability Model*

| **School Name** | **Graduation Status** | **Graduation Change** | **Graduation Performance Level** | **College/ Career Status** | **College/ Career Change** | **College/Career Performance Level** |
| --- | --- | --- | --- | --- | --- | --- |
| College Park High | Very High | Maintained | Blue | High | Maintained | Green |
| Concord High | High | Maintained | Green | Medium | Increased | Green |
| Mt. Diablo High | Medium | Increased | Green | Low | Maintained | Orange |
| Northgate High | Very High | Maintained | Blue | High | Declined | Yellow |
| Ygnacio Valley High | High | Maintained | Green | Low | Increased | Yellow |

Source: California School Dashboard (2019)

# Attachment 4School Facilities Analysis for Proposed Northgate Unified School District

## Memorandum

**Date:** January 7, 2022

**To:** Juan Mireles, Director

via: Lesley Taylor, Education Administrator I

**From:** Rob Corley, Education Programs Consultant

via: John Gordon, Education Administrator I

**Subject:** School Facilities Analysis for Proposed Northgate Unified School District

Following is the requested analysis by the Facilities Planning Field Operations unit of a proposal to form the Northgate Unified School District (USD) from a portion of the Mt. Diablo USD in Contra Costa County. Boundaries of the proposed Northgate USD are defined in the unification petition as all territory within the attendance areas of five Mt. Diablo USD schools: Bancroft Elementary, Valle Verde Elementary, Walnut Acres Elementary, Foothill Middle, and Northgate High.

California *Education Code* Section 35753(a) requires that nine conditions must be substantially met for the State Board of Education to approve a school district reorganization. Two of the nine conditions address school facilities—real property and bonded indebtedness:

* Condition 3 requires that "The proposal will result in an equitable division of property and facilities of the original district or districts."
* Condition 7 requires that "Any increase in school facilities costs as a result of the proposed reorganization will be insignificant and otherwise incidental to the reorganization."

The Contra Costa County Office of Education authorized a reorganization feasibility study for the proposed Northgate USD, which was prepared August 8, 2017 by School Services of California (SSC).

## Summary of Findings

The petition specifies the territory of the proposed Northgate USD as territory within the boundaries of five Mt. Diablo USD schools as these boundaries existed on April 24, 2016. Three additional Mt. Diablo USD school sites are located within this area—Oak Grove Middle, Ygnacio Valley High, and Eagle Peak Montessori[[14]](#footnote-14) currently serve Mt. Diablo USD attendance areas both inside and outside of the proposed Northgate USD boundaries.

Oak Grove Middle and Ygnacio Valley High are necessary to accommodate Mt. Diablo USD enrollment; therefore, the proposal would not result in an equitable division of property and facilities of the original district. Eagle Peak Montessori is a dependent charter authorized by Mt. Diablo USD. As discussed in the SSC report, if the proposed reorganization occurs, Eagle Peak Montessori will be within Northgate USD and not within the boundary of the charter school's authorizing school district (Mt. Diablo USD). **Condition 3 is not met.**

Our analysis further concludes that any increase in school facilities costs due to the reorganization will not be insignificant or incidental to the reorganization. The primary cost to Mt. Diablo USD will be expansion of one or more existing middle schools and high schools, possibly including land acquisition, as the proposed reorganization would leave the Mt. Diablo USD with a significant shortage of capacity for middle and high school students. **Condition 7 is not met.**

## Analysis of Condition 3

### Equitable Division of Property and Facilities

The SSC *Feasibility Study* shows 30,656 MDUSD students in 2016–17, with 26,113 (85%) remaining in Mt. Diablo USD and 4,543 (15%) in the proposed Northgate USD.

### Facilities Available within the Proposed Northgate USD

The petition specifies the territory of the proposed Northgate USD as territory within the boundaries of five Mt. Diablo USD schools as these boundaries existed on April 24, 2016. Capacity and enrollment of the five schools for the 2016–17 school year are shown in Table 1.

#### ****Table 1. Capacity and Enrollment of Schools Named in the Petition****

| **School Type** | **Capacity** | **Pupils 2016–17** | **Unused Space** |
| --- | --- | --- | --- |
| Elementary (3) | 1,842 | 1,698 | 144 |
| Middle (1) | 1,025 | 828 | 197 |
| High School (1) | 1,379 | 1,492 | -113 |
| Total | 4,246 | 4,018 | 228 |

The SSC report identified various logistic and financial challenges from the proposal, most of which relate to three additional Mt. Diablo USD campuses within the territory proposed for the new unified school district. These schools—Oak Grove Middle, Ygnacio Valley High and Eagle Peak Montessori—would become part of the new Northgate USD[[15]](#footnote-15). A portion of the Highlands Elementary attendance area (but not the campus) also falls within the proposed Northgate USD boundary. The capacity and enrollment of these additional schools are shown in Table 2.

#### ****Table 2. Capacity and Enrollment of Additional Schools in the Proposed Territory****

| **School** | **Capacity** | **Pupils 2016–17** | **Unused Space** |
| --- | --- | --- | --- |
| Oak Grove Middle | 999 | 748 | 251 |
| Ygnacio Valley High | 1,973 | 1,265 | 708 |
| Highlands Elementary | N/A | N/A | N/A |
| Eagle Peak Montessori | 125 | 286 | -161 |
| **Total** | **3,097** | **2,299** | **798** |

#### Table 3. Capacity and Enrollment of All Schools in the Proposed Territory

| **Category** | **Capacity** | **Pupils 2016–17** | **Unused Space** |
| --- | --- | --- | --- |
| Schools Named in the Petition | 4,246 | 4,018 | 228 |
| Additional Schools in the Proposed Territory | 3,097 | 2,299 | 798 |
| **Totals** | **7,343** | **6,317** | **1,026** |

## Analysis of Condition 7

### 2.1 No Substantial Increase to School Facility Costs

As proposed, Northgate USD elementary school capacity would be more than 90 percent filled, and Mt. Diablo USD would not have enough middle and high school capacity for its enrollment due to loss of a large middle school (Oak Grove Middle) and a large high school (Ygnacio Valley High). Whether new permanent or portable classrooms are added, Mt. Diablo USD would be faced with providing additional space while Northgate USD would have approximately 1,000[[16]](#footnote-16) unused middle and high school seats. In addition, the new Northgate USD would need to develop central office and support staff workplaces. The proposed reorganization is likely to increase school facility costs for both districts. Such costs will not be insignificant and are directly attributable to, rather than incidental to, the reorganization.

Condition of school facilities was not identified as a concern in the SSC report. No evidence is available that any of the existing schools are not in good condition.

### 2.2 Post-reorganization Ownership of Existing Properties

Absent any agreements regarding disposition of real property assets, and pursuant to *Education Code* Section 35560, it is assumed that existing school property will become property of the school district in which the property is physically located.

The proposed unification will result in three Mt. Diablo USD campuses inside the proposed boundary of Northgate USD. These three campuses provide capacity for 3,097 middle and high school students.

The ability to provide needed school facilities within five years is important to the reorganized districts. The CDE *District Organization Handbook* (2010 edition) notes at page 181:

*If, after five years from the date of reorganization, the district is still unable to provide school facilities to educate all of its own students, the CDE shall annually report and recommend to the State Board of Education whether the district should be lapsed. If lapsation is recommended by the CDE, the State Board of Education may direct the County Committee on School District Organization to revert the reorganized district to its former status or to have it annexed to one or more neighboring districts.*

Mt. Diablo USD operations and support facilities (Maintenance, Operations and Facilities; and Transportation, Purchasing and Warehouse) are located on Gasoline Alley and Bisso Lane in Concord and are not within the proposed Northgate USD boundary. It is assumed that Northgate USD would create its own operations and support staff and facilities.

### General Obligation Bonds and Other Sources of Capital Outlay Funding

The SSC report identifies eight schools that will be within the proposed Northgate USD. Existing debt is divided based on the greater of percentage assessed valuation (AV) in the new district (17.9%) or the outstanding bonded debt for the facilities transferred to the new school district.

If the State Board of Education approves formation of a new Northgate USD, it will determine:

* How outstanding bonded indebtedness will be divided between the new district and the remaining portion of the Mt. Diablo USD. *Education Code* sections 35576 and 35738 will guide this determination.
* How previously sold but unspent bond proceeds and other capital funds, including reserve funds, will be allocated.
* How previously collected school facility impact mitigation fees ("developer fees") will be divided between the two districts.

### State Matching Funds for Needed School Facilities

It is reasonable to expect the Northgate USD to apply to the state School Facility Program to fund part of the cost of new or modernized school facilities in the Northgate community. It is not possible to guarantee that future state capital funding will be available or that the proposed Northgate district would be immediately be eligible for funding.

# Attachment 5 Fiscal Analysis of the Formation of a New Unified School District from the Northgate Portion of the Mt. Diablo Unified School District in Contra Costa County

## Background

The Contra Costa County Committee on School District Organization (County Committee) recommended that the California State Board of Education (SBE) disapprove a proposal to create a Northgate Unified School District (USD) from the Northgate portion of the Mt. Diablo USD.

Before making its recommendation regarding the proposed Northgate USD, the County Committee was required to determine if the proposal substantially met nine conditions, including the following:

* Any increase in costs to the state as a result of the proposed reorganization will be insignificant and otherwise incidental to the reorganization. (*Education Code* [*EC*] Section 35753[a][5])
* 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. (*EC* Section 35753[a][9])

The Contra Costa County Office of Education did not prepare a staff report on these issues. However, a feasibility study was prepared by School Services of California on behalf of the County Committee. In the *Contra Costa County Office of Education Reorganization Feasibility Study: Mt. Diablo Unified School District* (*Feasibility Study*), School Services of California found that the proposal substantially meets the condition set forth in paragraph (5) of subdivision (a) of *EC* Section 35753. School Services of California also found that the proposal substantially meets the condition set forth in paragraph (9) of subdivision (a) of *EC* Section 35753, noting that:

*The study finds that this criterion would be substantially met. The reorganization would not cause a substantial negative effect on the fiscal status of the proposed Northgate USD or Mt. Diablo USD. The fiscal fate of both districts, however, rests on the ability of Mt. Diablo USD to implement budget reductions noted in its 2017-18 Adopted Budget. For the current year, Mt. Diablo USD is running a deficit of $48.3 million. Failure to correct this imbalance between revenues and expenditures in 2018-19 would seriously jeopardize the fiscal solvency of Mt. Diablo USD and start the newly established Northgate USD on an unsound fiscal footing.*

After considering the information provided by all parties and the finding in the *Feasibility Study*, the County Committee concluded the proposal substantially met the *EC* Section 35753(a)(5) condition and failed to substantially meet the *EC* Section 35753(a)(9) condition by a vote of 3-1-1 and 2-2-1, respectively.

Though the County Committee, as a body, did not articulate reasons for its determination that criterion 9 was not substantially met, concerns expressed by members during the public hearing were that the neither the petitioners’ report nor consultants’ *Feasibility Study* accounted for the fiscal impact of intra-district transfer students and that the reorganization would cause fiscal harm to the Mt. Diablo USD.

## Recommendation

The California Department of California (CDE) recommends that the SBE find that the proposal to form a new Northgate USD from a portion of the Mt. Diablo USD substantially complies with conditions set forth in paragraphs (5) and (9) of subdivision (a) of *EC* Section 35753.

The following report, prepared by the CDE, provides detailed analyses to support this recommendation.

**The standards and criteria adopted by the SBE pursuant to *EC* Section 33127 and published in Title 5 *California Code of Regulations* sections 15440 through 15466 were used for evaluation of the financial conditions of the affected districts.**

## Evaluation Criteria for the Unification Proposal

### Criterion 5. The proposed reorganization must not result in any significant increase in costs to the State.

CDE staff provided hypothetical Local Control Funding Formula (LCFF) revenue estimates as if the proposed district reorganization were in effect as of the 2020–21 Second Principal Apportionment and the Fiscal Year (FY) 2021–22 First Principal Apportionment. The estimates were made using enrollment and unduplicated pupil counts for pupils residing in the territory of the proposed Northgate USD that were provided by the Mt. Diablo USD as well as enrollment and average daily attendance (ADA) from the 2021–22 First Interim report for Mt. Diablo USD and LCFF funding data from the 2020–21 Second Principal Apportionment.

#### Table 1. ADA and Enrollment Data for Mt. Diablo USD

| **FY** | **Enrollment** | **Current Year ADA to Enrollment Ratio** | **Enrollment Growth from Prior Year** |
| --- | --- | --- | --- |
| 2019–20 | 30,724 | 94.8% |  N/A  |
| 2020–21 | 29,582  | 98.4% | - 3.72% |
| 2021–22 | 28,831  | 90.7% | - 2.54% |

***Source: Mt. Diablo USD FY 2021–22 First Interim***

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#### Table 2. LCFF Estimates for FY 2020–21

| **Category** | **Existing Mt. Diablo USD** | **Northgate USD** | **Remaining Portion of Mt. Diablo USD** |
| --- | --- | --- | --- |
| Enrollment | 29,582 | 3,842 | 25,740 |
| UPP[[17]](#footnote-17) | 47.79% | 10.8% | 49.42% |
| Funded ADA[[18]](#footnote-18) | 29,143.55 | 3,782.52 | 25,361.03 |
| LCFF Entitlement |  $ 277,078,740  |  $ 33,310,422  |  $ 242,062,701  |

***Source: Mt. Diablo USD, Mt. Diablo USD 2021–22 First Interim, Mt. Diablo USD 2020–21 Second Principal Apportionment exhibits (LCFF Calculation and Unduplicated Pupil Percentage (UPP))***

Using ADA and enrollment data for 2020–21 and 2021–22 from the Mt. Diablo USD 2021–22 First Interim report, CDE estimated the FY 2021–22 LCFF funding for the three areas.

#### Table 3. LCFF Estimates for FY 2021–22

| **Category** | **Existing Mt. Diablo USD** | **Northgate USD** | **Remaining Portion of Mt. Diablo USD** |
| --- | --- | --- | --- |
| Enrollment | 28,831 | 3,744 | 25,087 |
| UPP | 48.83% | 10.8% | 52.36% |
| Funded ADA[[19]](#footnote-19) | 29,143.55 | 3,782.52 | 25,361.03 |
| LCFF Entitlement | $ 291,485,101 | $ 35,000,460 | $ 255,486,648 |

Tables 2 and 3 show that the estimated LCFF entitlements for the reorganized areas (Northgate USD and the remaining portion of Mt. Diablo USD) are $1.7 million less and $998,000 less for the respective years reviewed than for the existing district for the same period. The difference in funding is due to the very low UPP for the proposed Northgate USD, which determines the supplemental grant that is part of the LCFF entitlement.

#### Table 4. Estimated LCFF State Aid and Local Revenue for FY 2020–21

| **Category** | **Existing Mt. Diablo USD** | **Northgate USD** | **Remaining Portion of Mt. Diablo USD** |
| --- | --- | --- | --- |
| Local Revenue |  $ 147,904,065  |  $26,474,828  |  $ 121,429,237  |
| State Aid |  $ 129,174,675  |  $ 6,835,594  |  $ 120,633,464  |
| Total LCFF Funding |  $ 277,078,740  |  $ 33,310,422  |  $ 242,062,701  |

As of the 2020–21 Second Principal Apportionment, the amount of local property taxes collected by Mt. Diablo USD was $147,904,065, which is 53.4 percent of its LCFF entitlement. The *Feasibility Study* prepared by School Services of California estimated that the Northgate USD territory represented 17.9 percent of the assessed valuation of the existing district as of 2017. Therefore, on that basis, the Northgate USD would be expected to receive 17.9 percent of the property taxes of the existing Mt. Diablo USD, which is the primary source of local revenue for the LCFF. The result is that 79.5 percent of Northgate USD’s LCFF entitlement would be funded with local property taxes and the remaining portion of Mt. Diablo would have 50.1 percent of its LCFF entitlement funded with local property taxes. The existing district is a state aid funded district currently. Neither the remaining portion of Mt. Diablo USD nor the proposed Northgate USD would be expected to become basic aid as a result of the reorganization.[[20]](#footnote-20)

CDE finds that the reorganization would not result in increased costs to the state for the period examined.

### Criterion 9. The proposed reorganization must not cause a substantial negative effect on the fiscal management or fiscal status of the proposed district or any existing district affected by the proposed reorganization.

When one district divides into two, there will be some increased administrative costs due to the duplication of services required. District unifications and consolidations have been encouraged for this reason, to eliminate duplicative administrative services and provide more efficient operations. However, the CDE assumes it was not the Legislature’s intent in establishing this criterion to prohibit all reorganizations that would divide an existing district into two or more separate districts. If the reorganization were to occur in FY 2021–22, the proposed Northgate USD would have enrollment of approximately 3,744 pupils and the remaining portion of Mt. Diablo USD would have enrollment of approximately 25,087 pupils. As of the Second Interim Report of FY 2020–21, there were 64 unified school districts in the state with enrollment between 3,000 and 4,000 pupils. These districts are able to remain fiscally solvent at these enrollment levels; therefore, we will not consider the additional administrative costs resulting from the division as a sole reason to determine that the proposal does not meet criterion 9.

Based on the 2020–21 Unaudited Actuals of the Mt. Diablo USD, the district ended the year with an unrestricted surplus of $36.3 million, which well in excess of its required reserve of $10.5 million, and an unrestricted ending fund balance of $66.1 million. Based upon calculations of LCFF revenue for 2020–21, and assuming that the two districts had been in existence in that year, we developed a hypothetical fiscal scenario for 2020–21 as if the reorganization had taken place.

The hypothetical fiscal estimates contained in table 5 include the following assumptions:

* Enrollment/ADA declines based on district's assumptions.
* Certificated/Classified staffing levels remain flat. (1,643.7 FTE/1,201.7 FTE)
* All Revenues/Expenditures (excluding LCFF and Other Outgo Expense) were pro-rated 13.5 percent to Northgate USD and 86.5 percent to the remaining portion of Mt. Diablo USD based on enrollment and staffing projections by district.
* The Northgate USD territory represents 17.9 percent of the assessed valuation of the existing district based on the feasibility student conducted on behalf of the County Committee.
* LCFF Revenues for FY 2020–21 and FY 2021–22 were calculated assuming the reorganized districts were in existence in 2020–21 and 2021–22.
* The Mt. Diablo Educators Association Collective Bargaining Agreement (certificated staff) expired June 30, 2021, and is currently under negotiation.
* The ending fund balances for the multi-year projections in the Proposed Budget do not include any changes related to tentative or prospective agreements with the District’s bargaining units.

Based on this information, the proposed Northgate USD would have had a 2020–21 surplus of $1.1 million in unrestricted funds and the remaining portion of Mt. Diablo USD would have had a surplus of $36.8 million in unrestricted funds. These amounts do not take into consideration the additional administrative costs that would have been incurred.

LCFF funding requirements for reorganizing districts provides that the 2012–13 categorical program entitlements (categorical funding) subsumed into LCFF remain with the Mt. Diablo USD rather than be divided between the two districts. Pursuant to *EC* Section 35735.2, the district that loses territory maintains its categorical funding. Districts involved in the reorganization may work out local arrangements related to the categorical funding, but the CDE will not make any adjustments for these situations. For the purposes of this analysis, the CDE assumed that no local arrangements to allocate any of the categorical funding to Northgate USD will be made.

The LCFF revenue (state aid and local revenue) split resulted in 12 percent of the combined LCFF revenue going to Northgate USD, while we assumed 13.5 percent of expenditures for Northgate USD based on expenditures following the pupils.

The 2021–22 First Interim financial report for Mt. Diablo USD projects an unrestricted surplus of $8.3 million; the district would have sufficient resources to fund its recommended reserve for economic uncertainties. Based on distributing the average daily attendance for 2021–22 in the same proportion that was used in the hypothetical scenario for FY 2020–21 (see tables 1 through 3), Northgate USD would have unrestricted deficit of $3.5 million (8.8 percent of expenditures) and the remaining portion of Mt. Diablo USD would have unrestricted surplus of $10.4 million (4.1 percent of expenditures) for FY 2021–22 (see table 5).

We note that the remaining portion of Mt. Diablo USD would receive a larger share of the pupils who are English learners, youth in foster care, or students from low income families, with the 2020–21 unduplicated pupil percentage of 52 percent compared to the proposed Northgate USD unduplicated pupil percentage of 10.8 percent.

We also note that LCFF funding for fiscal years 2020–21 and 2021–22 is based on the 2019–20 reported ADA, as a result of the declining enrollment projection provided to school districts pursuant to *EC* sections 42238.05(a)(1) and 43502. In 2022–23, LCFF funding for school districts will be based on the greater of either the current year (2022–23) or prior year (2021–22) ADA. The Mt. Diablo USD ADA for FY 2021–22 is estimated to be 26,157, which is a 10 percent decrease from the ADA used for the estimates in this report. As a result of the projected declining LCFF funding and other factors, the Mt. Diablo USD anticipates it will be deficit spending in 2022–23. The reductions needed to address the deficit spending that would be absorbed by the proposed Northgate district would be exacerbated by the need to incur additional expenses for the creation of the new administrative structure of the district.

It is not certain to what extent the needed reductions would impact the instructional program. If the Mt. Diablo USD is unable to achieve the spending reductions, the district could become qualified or negative in certification. A share of any deficit would be incurred by the new Northgate USD, resulting in deficit spending before even considering administrative cost increases resulting from the reorganization.

Based on the information shown in table 5 and this analysis, CDE finds that the changes that would result from the proposed reorganization itself would not have a substantial negative effect on the fiscal management or fiscal status of the proposed Northgate USD or the existing Mt. Diablo USD if prudent measures are employed by both school district governing boards.

## ****Conclusion****

The CDE finds that:

* The proposed reorganization does not result in a significant increase in costs to the State.
* The proposed reorganization would not cause a substantial negative effect on the fiscal management or fiscal status of the proposed district or any existing district affected by the proposed reorganization.

Therefore, the CDE recommends that the proposal to form a new Northgate USD from a portion of the Mt. Diablo USD substantially complies with conditions set forth in paragraphs (5) and (9) of subdivision (a) of *EC* Section 35753.

### *Table 5. Unrestricted General Fund Funding Estimate for Fiscal Years 2020–21 and 2021–22*

| **Description** | **FY 2020–21 Mt. Diablo USD (Before Reorg)** | **FY 2020–21 Proposed Northgate USD** | **FY 2020–21 Remaining Portion of Mt. Diablo USD** | **FY 2021–22 Mt. Diablo USD (Before Reorg)** | **FY 2021–22 Proposed Northgate USD** | **FY 2021–22 Remaining Portion of Mt. Diablo USD** |
| --- | --- | --- | --- | --- | --- | --- |
| LCFF Revenue |  $273,739,161  |  $33,310,422  |  $242,062,701  |  $291,875,979  |  $35,000,460  |  $255,486,648  |
| Federal Revenue |  $464,773  |  $63,116  |  $401,657  | $0  | $0  | $0 |
| Other State Revenue |  $6,313,639  |  $857,392  |  $5,456,247  |  $6,202,334  |  $842,277  |  $5,360,057  |
| Other Local Revenue |  $2,945,381  |  $399,983  |  $2,545,398  |  $3,008,781  |  $408,592  |  $2,600,189  |
|  **Total Revenue** |  **$283,462,954**  | **$34,630,913**  | **$250,466,003**  | **$301,087,095**  | **$36,251,329**  | **$263,446,494**  |
| Certificated Salaries |  $101,448,928  |  $13,776,764  |  $87,672,164  |  $112,641,177  |  $15,296,672  |  $97,344,505  |
| Classified Salaries |  $22,810,940  |  $3,097,726  |  $19,713,214  |  $30,379,217  |  $4,125,498  |  $26,253,719  |
| Employee Benefits |  $52,402,259  |  $7,116,227  |  $45,286,032  |  $62,009,661  |  $8,420,912  |  $53,588,749  |
| Books and Supplies |  $3,040,154  |  $412,853  |  $2,627,301  |  $8,135,860  |  $1,104,850  |  $7,031,010  |
| Services and Other Operating |  $11,635,730  |  $1,580,132  |  $10,055,598  |  $17,466,329  |  $2,371,927  |  $15,094,402  |
| Capital Outlay[[21]](#footnote-21) |  $43,966  |  $5,971  |  $37,995  |  $373,500  |  $50,721  |  $322,779  |
| Other Outgo[[22]](#footnote-22) |  $308,436  | $0  |  $308,436  |  $0  | $0 | $0 |
| Transfers Out/Other Uses |  $(1,616,191) |  $(219,479) |  $(1,396,712) |  $(5,190,707) |  $(704,898) |  $(4,485,809) |
| Contributions |  $57,039,492  |  $7,745,963  |  $49,293,529  |  $66,963,800 |  $9,093,684 |  $57,870,116 |
| **Total Expenditures** |  **$247,113,714**  |  **$33,516,157**  |  **$213,597,557**  |  **$292,778,837**  |  **$39,759,366**  |  **$253,019,471**  |
| Net Increase (Decrease) in Fund Balance |  $36,349,240  |  $1,114,756  |  $36,868,445  |  $8,308,258  | $(3,508,037)  |  $10,427,423  |
| Beginning Fund Balance | $29,784,253  |  $4,044,702  |  $25,739,551  |  $66,133,493  |  $5,159,458  |  $62,607,996  |
| Ending Fund Balance |  $66,133,493  |  $5,159,458  |  $62,607,996  |  $74,441,751  |  $1,651,421  |  $73,035,419  |
| Reserve for Economic Uncertainties | $10,590,483  | N/A  | N/A | $12,473,452  | N/A  | N/A |
| Reserve Standard Percentage Level  | 3% | 3% | 3% | 3% | 3% | 3% |
| Recommended Reserve for Economic Uncertainties [[23]](#footnote-23) | $10,590,483  | $1,438,187  | $9,152,021  | $12,473,451  | $1,693,895  | $10,779,234  |

Sources: Mt. Diablo Unified School District Unaudited Actuals FY 2020–21; Mt. Diablo Unified School District First Interim FY 2021–22

1. Nazaryn, Alexander. 2017. “Whites Only: School Segregation Is Back, From Birmingham to San Francisco.” *Newsweek* May 2, 2017. <http://www.newsweek.com/race-schools-592637>. [↑](#footnote-ref-1)
2. NBC News. 2014. “Malibu Wants Out: Wealthy Seek Secession From School District.” <https://www.nbcnews.com/feature/in-plain-sight/malibu-wants-out-wealthy-seek-secession-school-district-n238471>. [↑](#footnote-ref-2)
3. “Other” includes “American Indian or Alaska Native,” “Filipino,” “Pacific Islander,” and “Two or More Races.” This will be the case for the entire report. [↑](#footnote-ref-3)
4. Enrollment data in this report excludes student enrollment reported for charter schools, nonpublic nonsectarian schools, and those making no response for ethnicity or race. [↑](#footnote-ref-4)
5. As noted in the introductory section, the proposed territory for Northgate USD includes the area within the attendance boundaries of Bancroft Elementary, Walnut Acres Elementary, Valle Verde Elementary, Foothill Middle, and Northgate High. In addition to the five named schools, this territory includes the school sites but not the attendance areas of Oak Grove Middle School and Ygnacio Valley High and a portion of the attendance area of Highlands Elementary but not the school site. [↑](#footnote-ref-5)
6. Fiscal years 2021–22 through 2025–26 are estimated. [↑](#footnote-ref-6)
7. Fiscal years 2021–22 through 2025–26 are estimated. [↑](#footnote-ref-7)
8. The petitioners have indicated the Oak Grove Middle and Ygnacio Valley High schools were inadvertently included in the proposed territory. [↑](#footnote-ref-8)
9. The unduplicated pupil percent is calculated at the district level using the sum of the current and prior two years of the unduplicated pupil count of targeted disadvantaged pupils divided by the sum of total enrollment for the same period. [↑](#footnote-ref-9)
10. The California School Dashboard indicator for ELP changed between 2017, when it was assigned a color-coded performance level like the other indicators, and 2019, when the indicator is expressed as the percentage of current EL students making progress toward English language proficiency or maintaining the high level. A district-level indicator is not available for the 2018–19 academic year. [↑](#footnote-ref-10)
11. The College/Career Indicator was not available for the 2017–18 academic year. [↑](#footnote-ref-11)
12. Certificated employees will have the option to be part of the new district or remain as employees of the Mt. Diablo USD pursuant to *EC* Section 35555. [↑](#footnote-ref-12)
13. Offerings are included only if there was at least one student enrolled. [↑](#footnote-ref-13)
14. Eagle Peak Montessori charter school uses the campus of Mt. Diablo USD's former Castle Rock Elementary. [↑](#footnote-ref-14)
15. See *Education Code* Section 35560(a)(1): "The real property and personal property and fixtures normally situated thereat shall be the property of the district in which the real property is located." [↑](#footnote-ref-15)
16. Combined, Oak Grove Middle and Ygnacio Valley High have 2,972 seats and 2,013 pupils, leaving 959 seats unused. [↑](#footnote-ref-16)
17. Unduplicated Pupil Percentage (UPP) is the sum of the current and prior two years unduplicated pupil count divided by the sum of total enrollment for the same three years. The unduplicated pupil count is the unduplicated count of students identified as low-income, English learner, and/or foster youth. [↑](#footnote-ref-17)
18. For Fiscal Year 2020–21, due to issues related to the COVID-19 pandemic, school districts were funded on their 2019–20 reported ADA unless they could demonstrate growth as prescribed in statute. Mt. Diablo USD is experiencing declining enrollment. [↑](#footnote-ref-18)
19. The Fiscal Year 2021–22 LCFF funding reflects the one-year funding protection afforded to school districts with declining enrollment pursuant to *EC* Section 42238.05(a)(1). [↑](#footnote-ref-19)
20. A school district that does not receive an apportionment of state funds pursuant to *EC* Section 42238.02, as implemented pursuant to Section 42238.03, excluding funds apportioned pursuant to the requirements of subparagraph (A) of paragraph (2) of subdivision (e) of Section 42238.03, shall be considered a “basic aid school district.” (*EC* Section 42238.02[o]) [↑](#footnote-ref-20)
21. The amount budgeted by the district is low compared to recent trends. The average over the current and past two years was $1,180,758 annually. [↑](#footnote-ref-21)
22. Amount is for debt service (interest and principal); estimate assumes responsibility for repayment will remain with the Mt. Diablo USD. [↑](#footnote-ref-22)
23. This calculation is the reserve standard percentage level multiplied by total unrestricted and restricted general fund expenditures and other financing uses as shown in the budget documents for Mt. Diablo USD. [↑](#footnote-ref-23)