



## **Northgate Community Advocacy for our Public Schools Releases Proposal for a New Northgate Unified School District and Responses to the State’s Nine Criteria**

### **Report Focuses on District Governance and Comparative Data for Northgate-Area Schools and Mt. Diablo Unified School District**

**April 21, 2017 Walnut Creek, CA** – Today, Northgate CAPS, Inc. released a report outlining a proposal for a new community-based school district for the Northgate area. The new Northgate Unified School District (NUSD) would comprise the long-time attendance areas of the five Northgate-area public schools (Northgate High School, Foothill Middle School, and the Bancroft, Valle Verde, and Walnut Acres Elementary schools), which draw students from portions of Walnut Creek and Concord, CA.

The report follows a five-month petition campaign that yielded 6,742 signatures in the territory of the new district, a total well in excess of the number required to move the proposal forward. The petition will next be considered by the Contra Costa County Committee on School District Organization (made up of the members of the board of the Contra Costa Office of Education). The Committee has scheduled hearings on the proposal for May 2 and 3, 2017, and then has 120 days to decide whether the proposed new district adequately meets California’s Nine Criteria for School District Reorganization, as outlined in the State Education Code. If the Committee determines that the proposed district is sufficient, it will recommend that the matter be allowed to go before the voters.

The report is not a required part of the state’s process. It was produced to help decision-making authorities understand a community perspective and to help familiarize the public with the issues involved.

#### **A Vision for NUSD**

The report presents a vision of a community-based school district that is focused on the needs of students, educators, and parents and that is responsive to how those needs are changing in the 21<sup>st</sup> Century, as we all try to keep pace with our evolving economy and society. “The report is about using governance and accountability to promote *trust* among students, educators, and parents, as well as greater *confidence* in our schools,” said Linda Loza, president of Northgate CAPS.

#### **A Comparative Analysis**

The 159-page report offers a detailed profile of demographics, student achievement, and financial metrics for the Mt. Diablo Unified School District (MDUSD) and Northgate-area schools, and compares those to data from other districts in the County and the State. Few residents have had access to such a complete picture of MDUSD in comparison with other districts facing similar challenges and opportunities.

“We have worked for many months on this proposal and the Nine Criteria analysis, including revisions made in recent weeks based on the most recent available data,” said Ms. Loza, a long-time school volunteer and advocate. “We think that this document will provide some eye-opening insights for citizens who are concerned about public education in our area. We understand that Mt. Diablo has made notable gains in the past few years, with significant additional state funding from a growing economy. But we think the leaders in MDUSD should move beyond the habit of comparing their work to past under-performance and start bench-marking themselves against other districts that are doing a better job.”

### **Size, Governance, and Accountability**

The supporters of Northgate CAPS contend that the current district, with approximately 32,000 students, 3,000 employees, and 56 schools spanning 10 communities across 150 square miles, is too big and too poorly managed to meet all of the challenges it faces. Therefore, the report’s rationale for NUSD begins by referencing more than 15 studies examining district size in relation to factors such as mission focus, financial management, teacher morale, and student achievement. In every case, researchers found evidence to question the late 20<sup>th</sup> Century trend toward district consolidations like the one that created MDUSD. In aggregate, the research suggests that large districts, instead of bringing more operating efficiency and more options for students, can actually reduce institutional efficacy and hinder student achievement.

The report then considers metrics on student achievement, not just in Northgate-area schools, but among other student populations where MDUSD has struggled for years with under-performance. “Although ranked highly compared to schools across California, the Northgate-area schools actually have a history of declining relative performance when compared with schools serving similar communities,” said Kent Caldwell, the Northgate CAPS board member who compiled much of the data for the report. “But equally important, we see comparatively lower achievement among students in poverty, English language learners, and students with disabilities than what one should expect from this district.”

### **Troubling Financial Trends**

The report also includes financial comparisons of MDUSD with other districts in terms of deficit spending, reserve fund balances, and availability of supplemental state funding and parcel tax revenue. That analysis was triggered in part by disclosures of annual MDUSD operating deficits of \$25-31 million for the foreseeable future, with reserve balances declining from \$98 million to only \$11.6 million by 2019. That reserve represents less than two weeks spending in the \$355 million budget and could not cover the current level of running deficits.

“When we raised this deficit issue with district leaders, citing their own financial statements, we were told that the district was ‘in the best financial shape ever’,” said Linda Loza. “That response seemed so incredible that we began looking at other districts to see how they were managing their finances, particularly now that state funding is flat, while district expenses for salaries and required pension contributions are rising. And it turns out, MDUSD does not come out well in that comparison. Of the districts we looked at in Contra Costa County, most are not projecting such proportionately large deficits, or such a low fund balance in 2019, as a percent of budget, as MDUSD.”

“Look, we know school finances are challenging for almost every district in the state,” said Ms. Loza, “But you can’t solve problems when you’re in denial. We expect a school board to be proactive, candid, and creative in meeting the challenges that every district faces, and we really haven’t seen that in MDUSD.”

### **Viability of NUSD**

Critics of the proposal for NUSD, particularly within MDUSD, have claimed that the new district will be too small to operate efficiently, will not benefit from supplemental state funding targeting high-need students, and that it will place significant new tax burdens on Northgate-area residents. Publicly available data in the report, however, shows that NUSD, with 4,200-4,600 students, will be larger than two thirds of the school districts in California, most of which maintain their financial viability. An analysis of multiple districts by size and funding sources also shows no consistent patterns. “We looked at large and small districts, those with lots of supplemental funding

and/or parcel tax revenue, and those without those funding advantages,” said Loza, “and in all of those groups, you find districts that are operating with deficits and drawing down reserves, like MDUSD, and you find many districts that are managing their finances more responsibly. The big variable is whether there is good governance and accountability at the board level.”

The report also considered bonded indebtedness, both in the current MDUSD, and as it would be allocated between the two districts after reorganization. The data show that both districts will retain over 80% of existing indebtedness in additional unused bonding capacity for future projects. And that is before consideration of the considerable commercial and residential development planned for the Concord Naval Weapons Station project, which will significantly increase MDUSD’s property tax base.

### **Maintaining Diversity**

A persistent concern among critics of NUSD is that the new district will reduce the diversity of the student populations in the five Northgate-area schools. However, the proposal uses long-time MDUSD school attendance boundaries and continues to anticipate transfer students from other areas outside Northgate.

“We want to continue to welcome our transfer students into the Northgate schools,” said Ms. Loza. “We value our students from diverse neighborhoods throughout the area, who are already an important part of our community. Frankly, we have always been puzzled by these criticisms, because we are proposing to keep basically the same student population profile, unless MDUSD refuses to allow them to come. Everyone benefits from diversity in the classroom, in the cafeteria, and on the playing fields, and our proposal seeks to maintain transfers up to the capacity of each school.”

### **Widespread Support**

The current campaign represents the third effort in the past 40 years by Northgate residents to create a more responsive community-based school district. “We think it’s time for local voters to finally be able to decide this issue,” said Alisa MacCormac, also a Northgate CAPS board member and long-time school volunteer and fundraiser for local schools. “Creating a smaller district won’t, by itself, improve the management of our schools. But we believe it’s a necessary first step toward improving transparency, decision-making, and accountability.”

### **About NorthgateCAPS:**

Northgate CAPS, Inc., is an all-volunteer, non-profit organization established by the residents of the Northgate area of Walnut Creek to create a new, community-based public school district for the area. Founded by long-time school volunteers and community activists, the organization brought together residents, current and former parents, civic leaders, and educators from local schools to address long-standing concerns about MDUSD’s management of area schools.

You can read the report [here](#). To keep up with our news, visit [northgatecaps.org](http://northgatecaps.org) on the web, like Northgate CAPS on Facebook, or follow @NorthgateCAPS on Twitter.

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