

San Mateo County Committee on School District Organization
Regular Meeting
June 2, 2015

APPROVED MINUTES

Date: June 2, 2015

Place: San Mateo County Office of Education
101 Twin Dolphin Drive
Redwood City, CA 94065

County Committee on School District Organization Members Present:

Virginia Bamford; Greg Dannis; Victor James; Bill Lock; Hilary Paulson; Laura Rich; George Robinson; Robert Stelzer; Marc Tarpenning; Melchior Thompson

County Committee on School District Organization Members Absent:

None

Staff Present:

Kristina Paszek, Deputy County Counsel; Nancy Magee, SMCOE Administrator and Secretary to County Committee

Call to Order:

Chairperson Stelzer called the meeting to order at 7:15 p.m. and welcomed all those present.

Approval of Agenda

Chairperson Stelzer asked if there was a motion to approve the June 2, 2015, meeting agenda. Member Rich made a motion and Member Thompson seconded. The motion was unanimously approved (Bamford; Dannis; James; Lock; Paulson; Rich; Robinson; Stelzer; Tarpenning; Thompson).

Approval of the Minutes

Chairperson Stelzer asked for a motion to approve the May 4, 2015, regular meeting minutes. Member Rich made a motion and Member Paulson seconded. The motion was approved by a vote of eight in favor (Bamford; Dannis; Paulson; Rich; Robinson; Stelzer; Tarpenning; Thompson) and two abstentions (James; Lock).

General Staff Report

Secretary Magee began the staff report by informing the Members she had just learned longtime CCSDO Member Rudie Tretton passed away. Ms. Magee said his passing is a great loss and that Mr. Tretton was a smart and capable man who gave a great life of service to the community. Ms. Magee noted the Committee would adjourn the meeting in Mr. Tretton's honor and would send a note of condolence and an "Adjournment in Memory" certificate to the family.

Ms. Magee reported there are no pending petitions at the moment. Ms. Magee did remind the Members that the Merimont election is in process and will take place on August 25, 2015. Once the vote takes place, the Merimont transfer will be final. Ms. Magee mentioned that one petition, the La Honda Road petition, is still awaiting appeal at the State Board of Education (SBE). Ms.

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Magee explained that she and County Counsel Tim Fox had met with the petitioners approximately a year ago to discuss options given the possibility that the process at the state would be lengthy one. Ms. Magee and Mr. Fox suggested the petitioners consider the possibility of starting over again with a new petition, but the petitioners opted to see the appeal through.

Ms. Magee also informed the Members she had received a call from staff in the County Assessor's Office with questions about the implementation of the Loma Road transfer by the State Board of Equalization. Ms. Magee said staff would be working to address the questions.

And finally, Ms. Magee previewed future meeting dates and reminded the Members there is no meeting in July. If the Committee were to delay action on the O'Connor Street petition for some reason, then the Members would need to add a July meeting. The O'Connor Street action must be completed by July 27, 2015. The next scheduled meeting is on August 3, 2015.

O'Connor Street Transfer of Territory: Staff Summary Report

Secretary Magee acknowledged the school districts and the petitioners for the amount of work, effort, and detail that they had invested in presenting the Committee with the best possible information. Ms. Magee informed the Committee that tonight she would review a couple of key points that had continually resurfacing throughout the process.

Ms. Magee noted there had been questions about the territory to the west of Highway 101, inside the Ravenswood City School District and the City of Menlo Park. At the last meeting, Ms. Magee reported staff had received all the addresses from the Ravenswood City School District of homes located within the boundaries of the City of Menlo Park. Ms. Magee reviewed the map with the Committee and was able to demonstrate that granting this petition would not result in an island of homes in the Menlo Park City School District surrounded by other homes located in the Ravenswood City School District.

Ms. Magee stated that at the last meeting, Members had asked about the area of election in the Willows transfer. Ms. Magee confirmed that both school districts, Ravenswood City and Menlo Park City School Districts, participated in the 1983 election.

Ms. Magee also reminded the Committee that at the previous meeting she had talked about the fact that that the 1992 O'Connor Street petition had been denied by the County Committee on School District Organization, and the petitioners had taken it to the State Board of Education on appeal. Ms. Magee confirmed that the State Board of Education upheld the action of the County Committee to deny the petition based on the finding that the reorganization would promote racial or ethnic discrimination.

Ms. Magee explained that Member Tarpinning had then requested more information about the demographics of the school districts back in 1992, as compared to today. Ms. Magee said that the state's online data source, DataQuest, had begun collecting and publishing data in 1993-94, so staff looked at district demographic data from 1993-94. Ms. Magee then presented the

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comparative demographics of Menlo Park City School District in 1993-94 and in 2014-15 and stated that Menlo Park City School District has become a more diverse school district. Ms. Magee then reviewed the demographics of the Ravenswood City School District in 1993-94 and in 2014-15, and explained that the data revealed Ravenswood City School District has become a less diverse district in that same time frame.

Secretary Magee then summarized the financial projections if the transfer were to occur. She said parcel tax amounts represent real dollars for school district budgets annually. Ms. Magee stated that if the transfer were to occur, Ravenswood City School District would lose about \$6,000.00 annually in parcel taxes, and Menlo Park City School District would gain approximately \$25,000.00 annually. She then explained Menlo Park City School District is a Basic Aid school district, and the district provided information about what it would cost to educate the children coming from O'Connor Street. The petitioners forwarded their own numbers about what it would cost Menlo Park City School District and these figures then create a range.

Ms. Magee also clarified that although Ravenswood City School District is a Local Control Funding Formula district and completely funded by the state, there would be no increased cost to the State due to the unique aspects of the San Mateo County ERAF Fund.

Ms. Magee reviewed the general obligation bond capacity and current general obligation debt for the Ravenswood City School District. Ms. Magee shared that the current assessed value of Ravenswood City School District is \$3.62 billion dollars. The bonding capacity of the school district is based on 1.25% of the assessed value of the Ravenswood City School District, which equals about \$257,000.00 dollars. The current outstanding debt for Ravenswood City School District is at \$8 million dollars, which is fairly low. This leaves RCSD with a current bonding capacity of almost \$37 million dollars.

Ms. Magee then shared that Ravenswood City School District has the lowest gross bonding capacity per enrolled student. She explained there could be multiple reasons, one being lower property values compared to other geographical areas on the peninsula.

Public Comment

Chairperson Stelzer asked if there were any members of the public who wished to make public comment.

The following persons addressed the Committee:

- Duane Goff – Community Member
- Shin Green – Principal, Eastshore Consulting, LLC
- Maurice Ghysels – Superintendent, Menlo Park City School District
- John Brady Barksdale – Petitioner
- Ajit Jain – Petitioner
- Dr. Gloria Hernandez-Goff – Superintendent, Ravenswood City School District

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- Ana Pulido – Board Member, Ravenswood City School District
- Robert Pronovost – STEM Coordinator, Ravenswood City School District

Regarding the O’Connor Street Transfer of Territory, Discuss and/or Take Action to Address CEQA Review

Deputy Counsel Paszek provided a brief review of the California Environmental Quality Act (CEQA). Because territory transfers have the potential to cause an impact on the facilities, surrounding properties, or traffic flow, etc. territory transfers do qualify as projects under CEQA. Deputy Paszek explained there are a number of potential exemptions; in the past, the Committee has relied on the Class 20 categorical exemption, which is the one that best fits. It applies when there are no changes in the physical area where previous powers were executed. Deputy Paszek recommended the Committee find that for this territory transfer, the Members apply a Class 20 categorical CEQA exemption to the project.

Chairperson Stelzer proposed a motion in regards to two items: 1) Whether this petition and transfer qualifies as a project and 2) Whether the Committee finds that the project is exempt from having to do additional CEQA work. Member Rich made a motion in favor of filing the CEQA exemption and Member Paulson seconded. The motion was approved by a vote of nine in favor (Bamford; Dannis; Lock; Paulson; Rich; Robinson; Stelzer; Tarpinning; Thompson), with one abstention (James).

Regarding the O’Connor Street Transfer of Territory, Discuss and/or Take Action to Determine Area of Election

Deputy Paszek indicated that the Committee would next determine the area of election. Ms. Paszek stated that later the Committee would analyze the various prerequisites that would be required to be found in order to approve the petition and then would take action on whether to approve the petition as a whole. If the Committee answers yes to the prerequisites and approves the petition as a whole, the Committee also determines the area of election. She said her understanding was that the Committee should declare the area of election prior to taking action on the petition

Chairperson Stelzer opened the discussion to the Committee members in regard to their thoughts on the area of election if the petition were to be approved.

Member Tarpinning asked whether the statute provides guidance on determining the area of election. Deputy Paszek indicated the statute itself does not provide guidance. There is a default in another section of the Education Code that says that if it is not defined, the default is the area that is to be transferred.

Member Rich asked if there is a historical record that the Committee has discussed in the past that when school districts oppose the petition, it dictates something about area of election. Ms. Magee stated that Member Rich might be thinking of the small school district requirement; if the

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transfer involves a school district with fewer than 900 students, then the area of election must be the entire school district.

Ms. Magee stated that the case history shows that if there is a compelling reason to include a larger area of election then the Committee can certainly take action to do that. Ms. Magee noted that the norm is the area of election to be limited to the area of transfer.

Chairperson Stelzer stated that the default would be the 31 homes of the petition. He indicated, however, that the Committee does reserve the right to expand that area if there are compelling reasons to do so.

Member Dannis mentioned that in the 1983 Willows transfer, both Menlo Park City School District and the Ravenswood City School District were included in the election. Mr. Dannis asked whether that information helps determine this decision. Ms. Magee noted that the parallel between the two petitions is that they both involve the same two school districts and the same community, although many years apart. A difference would be that the Willows transfer was a huge area of territory; Ms. Magee believes that there were more than a thousand signatures on the 1983 Willows petition. On the current O'Connor Street petition, there are 31 homes and 50 signatures. Member Rich added that the Willows petition included a school property. She said the O'Connor School was part of why the districts were included in the election.

Deputy Paszek added that the statute does not provide guidance, but there is some case law that has provided guidance. Despite that there is a separate statute that says that the default is the area proposed to be transferred. A previous case recommended a three-step process to determine the area of election:

1. Identify all affected school districts, which includes districts that lose territory as well as those districts that gain territory – Both Ravenswood and Menlo Park City School District
2. Determine whether there is a compelling interest on the part of the government to reduce that area to a smaller area
3. Determine whether that compelling interest is outweighed by substantial interest of the voters who are denied the vote

Chairperson Stelzer noted the petitioners have made the case they missed a vote of both school districts voting by 19 days. If they were included, it would have been a vote of both school districts at that time.

Member Rich noted the Committee has rarely had the community turn out that this petition has had, which has shown that the community is interested and engaged. Ms. Rich would not feel comfortable taking a voice away from the community, she would lean towards allowing the community to share in this decision. Because both districts oppose the petition, Ms. Rich believes that they should have an opportunity to have a say in it.

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Member Bamford echoed Ms. Rich's remarks; she believes that both affected school districts should be included.

Member Stelzer said that he agreed.

Member Paulson asked Ms. Magee who pays for the election. Ms. Magee shared that the County Office of Education pays for the election.

Member Tarpinning asked if the election is part of a regularly scheduled election, or is it a special election? Ms. Magee shared that the County Office of Education works with the Elections Office to structure the best election that is possible. Ms. Magee said that the process has missed the cutoff for the August mail election date. She noted she has not looked at the elections calendar and has not projected the date of election.

Chairperson Stelzer said that he would entertain a motion regarding the area of election. Member Rich moved to determine the area of election to be the entirety of the Ravenswood City School District and the Menlo Park City School District in case of approval of the petition by the Committee and Member Lock seconded. The motion was approved by a vote of nine in favor (Bamford; Dannis; Lock; Paulson; Rich; Robinson; Stelzer; Tarpinning; Thompson), with one abstention (James).

Regarding the O'Connor Street Transfer of Territory, Discuss and/or Take Action

Mr. Stelzer said the next agenda item was to take action on the O'Connor Street Transfer of Territory. He asked if the Committee was prepared to take action, or was there any reason to delay the decision to another meeting? After various acknowledgments of yes from Committee members, Mr. Stelzer said the Committee would go ahead and take action.

Mr. Stelzer stated that the Committee would be voting on nine specific criteria that are outlined by Education Code. At the end of voting of each of the separate criteria, the Committee would also take a separate vote on the petition as a whole.

Member Bamford asked if it could be explained that even if all nine criteria are voted on in one particular way, the Committee is still perfectly free to make a different finding. Deputy Paszek said that was correct; it is possible that the Committee could find that all nine criteria are satisfied. Those are essentially prerequisites to approve the petition as a whole, and the Committee would be free to deny the petition despite finding all the criteria were satisfied. Member Dannis asked if the opposite were true? Deputy Paszek said that the petition could not be approved; however, the Committee would still need to vote on the petition as a whole.

Deputy Paszek said that it is a majority vote, and the standard is that the conditions have to be substantially met.

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Member Paulson mentioned that there was a question about islands earlier. She asked about the small block of territory that appears to be in the Menlo Park City School District. Member Rich clarified that it was Pacific Parc, a group of condominiums that was transferred by the State Board of Education into the Menlo Park City School District.

The Members then began the process of considering each criterion one at a time.

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

Mr. Stelzer asked if there were any questions or comments in regards to this criterion. There were none. The Committee found that the petition did meet this requirement by a vote of nine in favor (Bamford; Dannis; Lock; Paulson; Rich; Robinson; Stelzer; Tarpinning; Thompson), none opposed, and one abstaining (James).

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

Mr. Stelzer asked if there were any questions or comments in regards to this criterion. There were none. The Committee found that the petition did meet this requirement by a vote of eight in favor (Bamford; Dannis; Paulson; Rich; Robinson; Stelzer; Tarpinning; Thompson), one opposed (Lock) and one abstaining (James).

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

Mr. Stelzer asked if there were any questions or comments in regards to this criterion. There were none. The Committee found that the petition did meet this requirement by a vote of nine in favor (Bamford; Dannis; Lock; Paulson; Rich; Robinson; Stelzer; Tarpinning; Thompson), none opposed, and one abstaining (James).

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

Mr. Stelzer asked if there were any questions or comments in regards to this criterion.

Member Rich said this criterion had gotten more complicated. She said she does not have a clear argument against it, but it makes her feel uncomfortable. Ms. Rich thinks the petition process did have some racial overtones that she cannot ignore, but she also recognizes the petition impacts a small number of homes and would not change the district.

Member Tarpinning said that the petitioners are of such mixed ethnicities. It increases Menlo Park's ethnic diversity and decreases Ravenswood infinitesimally.

Chairperson Stelzer said that the Committee is looking for "gross inequities" that can sometimes take place.

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The Committee found that the petition did not meet this requirement. Six voted the petition did not meet the requirement (Dannis; Lock; Paulson; Rich; Robinson; Stelzer), three voted the petition did meet this requirement (Bamford; Tarpinning; Thompson), and one abstained (James).

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

Mr. Stelzer asked if there were any questions or comments in regards to this criterion. There were none. The Committee found that the petition did meet this requirement by a vote of nine in favor (Bamford; Dannis; Lock; Paulson; Rich; Robinson; Stelzer; Tarpinning; Thompson), none opposed, and one abstaining (James).

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

Mr. Stelzer asked if there were any questions or comments in regards to this criterion. There were none. The Committee found that the petition did meet this requirement by a vote of seven in favor ((Dannis; Paulson; Rich; Robinson; Stelzer; Tarpinning; Thompson), two opposed (Bamford; Lock), and one abstaining (James).

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

Mr. Stelzer asked if there were any questions or comments in regards to this criterion.

Member Rich said that in the past, she has read this criterion as whether buildings needed to be added, but there has been a lot of conversation about bonding capacity. Does this requirement also address bonding requirement, or is it only would facilities have to be created?

Deputy Paszek said there are no implementing regulations. However, she is looking at the handbook issued by the State Department of Education with respect to the application of these criteria. The handbook indicates that other areas should also be addressed, which includes local bonding ability.

Chairperson Stelzer said that if Members have concerns in regard to bonding capacity, it should be considered under criterion seven as opposed to criterion nine.

Deputy Paszek said that in regards to criterion nine, the handbook says that 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.” Deputy Paszek says that it is possible to consider it either way.

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Chairperson Stelzer suggested that the Committee deal with bonding capacity under criterion number nine, as the Committee has done in the past. Deputy Paszek said it is specifically listed in the handbook under criterion number seven. It is not exclusively in one category or the other.

Chairperson Stelzer indicated that if Members had concerns about bonding capacity it should be under criterion seven and criterion nine as well.

The Committee found that the petition did not meet this requirement. Seven voted the petition did not meet the requirement (Bamford; Dannis; Lock; Paulson; Rich; Robinson; Stelzer), two voted the petition did meet the requirement (Tarpinning; Thompson), and one abstained (James).

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

Mr. Stelzer commented that in 30 years in real estate in Palo Alto, Menlo Park, and East Palo Alto, he feels confident to comment on what happens when territory transfers from one district to another, especially if there is a perceived difference in terms of the education. He does not think there is any question that there will be an increase. Mr. Stelzer does not believe that was the purpose of this particular petition. Even though, it will happen because it does happen, Mr. Stelzer does not feel that the purposes of this petition were to gain an increase in property values.

Member Tarpinning agreed.

Deputy Paszek reminded the Members that the criteria states “primarily designed for purposes other.”

The Committee found that the petition did meet this requirement by a vote of nine in favor (Bamford; Dannis; Lock; Paulson; Rich; Robinson; Stelzer; Tarpinning; Thompson), none opposed, and one abstaining (James).

9. The proposed reorganization would 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.

Mr. Stelzer asked if there were any questions or comments in regards to this criterion.

Member Rich said it is substantial, not a slight negative effect on one district or potentially on two.

Member Rich said that she feels it negatively affects both districts. The property taxes that transfer will not cover the cost so there is a cost there, and the bonding capacity really bothers me. There is no problem in applying it twice?

Deputy Paszek said the bonding issue was specifically called out in criterion seven. She thinks it can inform the analysis for number nine. Criterion nine asks the Committee to consider any

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potential revenue gains or losses. Member Tarpinning believes the bonding capacity was dealt with in criterion seven.

Member Thompson says that his recollection in the past was that the Committee has tended to focus on bonding on criterion seven and for criterion nine on operational costs. Chairperson Stelzer said that is how the Committee is addressing it tonight on the recommendation of Counsel.

The Committee found that the petition did not meet this requirement by a vote of nine (Bamford; Dannis; Lock; Paulson; Rich; Robinson; Stelzer; Tarpinning; Thompson) and one abstaining (James).

Mr. Stelzer asked for a motion on the approval or denial of the petition as a whole based on the results of the previous votes in regard to the criteria.

Member Rich made a motion to deny the petition. Member Robinson seconded the motion. Mr. Stelzer then asked for a vote. The Committee voted to deny the petition by a vote of 9-0 (Bamford; Dannis; Lock; Paulson; Rich; Robinson; Stelzer; Tarpinning; Thompson) and one abstaining (James).

Chairperson Stelzer then asked for Member comments.

Member Comments

Chairperson Stelzer asked to take a moment to thank all those involved for their participation and efforts in regard to the petition.

Member James said that he debated whether to comment or not because he knew that he could not participate. He noted he was particularly interested because in 1980-83 when East Palo Alto was an unincorporated city, he was a Chief Administrator Office for the County. Mr. James put together the infrastructure for the current city of East Palo Alto. He wanted very much to participate in this petition.

Secretary Magee noted she would connect with the school district superintendents and petitioners tomorrow to review next steps.

Member Rich thanked everyone for caring and coming out and engaging in the process.

Adjournment

Chairperson Stelzer adjourned the meeting at 8:45 p.m. in memory of Rudie Tretton.