

California Department of Education

Executive Office

SBE-003 (REV. 11/2017)

ssb-sfsd-sep18item01

# California State Board of Education September 2018 Agenda Item #04

## Subject

Chief Petitioner Appeal from an Action of the San Mateo County Committee on School District Organization to Disapprove a Petition to Transfer Territory from the Ravenswood City Elementary School District to the Menlo Park City Elementary School District in San Mateo County.

## Type of Action

Action, Information, Public Hearing

## Summary of the Issue(s)

The San Mateo County Committee on School District Organization (County Committee) disapproved a petition to transfer territory from the Ravenswood City Elementary School District (CESD) to the Menlo Park CESD. Pursuant to California *Education Code* (*EC*) Section 35710.5, the chief petitioners for the territory transfer proposal appeal to the California State Board of Education (SBE) the County Committee’s action to disapprove the territory transfer.

The SBE may affirm or reverse the County Committee’s action. If the SBE reverses the County Committee’s action, thus approving the territory transfer, it must establish an election area for the proposal.

In 1992, the SBE considered a similar appeal (involving County Committee disapproval of a proposed transfer of the same territory), at which time it affirmed the County Committee’s action to disapprove the transfer.

## Recommendation

The California Department of Education (CDE) recommends that the SBE affirm the unanimous action of the County Committee to disapprove the proposal to transfer territory from the Ravenswood CESD to the Menlo Park CESD.

## Brief History of Key Issues

The San Mateo County Superintendent of Schools (County Superintendent) received a petition signed by at least 25 percent of the voters living on the north side of O’Connor Street in the city of Menlo Park. The petition is to transfer the 31 homes in this area from the Ravenswood CESD to the Menlo Park CESD.[[1]](#footnote-1) Chief petitioners state the following reasons for requesting the transfer: (1) the rest of their community was transferred from the Ravenswood CESD in 1983 and it was only a bureaucratic oversight that prevented the transfer of their homes at that time; (2) the transfer would allow children to attend schools in the community with which they have greater community identity; (3) the Ravenswood CESD cannot provide the quality of education that their children deserve; and (4) the small number of homes involved in the transfer would not have negative effects on either the Menlo Park CESD and Ravenswood CESD. Both the Menlo Park CESD and Ravenswood CESD oppose the transfer.

Before considering the merits of the territory transfer proposal, the County Committee, by unanimous vote, determined that the election area should be the territory of both affected school districts should it approve the transfer. Prior to its vote to expand the election area, County Committee members noted the opposition of both districts and significant community interest in the proposal as justification for the expansion.

The County Committee then determined that three of the nine minimum threshold conditions of *EC* Section 35753(a) are not substantially met.[[2]](#footnote-2) Those conditions are:

* *EC* Section 35753(a)(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.
* *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.
* *EC* Section 35753(a)(9): 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.

The County Committee subsequently disapproved the proposed transfer of territory from the Ravenswood CESD to the Menlo Park CESD on a unanimous vote.

The CDE reviewed the entire administrative record provided by the County Superintendent (including summaries of public hearings and meetings, documentation prepared by chief petitioners and affected school districts, and information presented to the County Committee by San Mateo County Office of Education [County Office] staff), as well as 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 appeal and the proposed territory transfer. This analysis, and resultant recommendations, are contained in Attachment 1. A summary of the CDE’s findings follows:

The CDE disagrees with the County Committee’s determination that the “education in an integrated environment,” the “facility costs,” and the “fiscal status” conditions are not substantially met. However, the CDE does note that there are concerns with the proposed territory transfer that support the County Committee’s action to disapprove the proposal. These concerns include the racial isolation of students in the Ravenswood CESD and that district’s ongoing fiscal problems.

The CDE further finds that there are no compelling educational reasons to overturn the unanimous action of the County Committee to disapprove the proposal to transfer territory from the Ravenswood CESD to the Menlo Park CESD.

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

As noted earlier, the SBE considered a similar appeal from the action of the County Committee to disapprove transfer of this same O’Connor Street neighborhood in 1992. In analyzing this 1992 appeal, the CDE determined that the territory transfer was contrary to the desegregation order under which the districts operate. The SBE unanimously affirmed the County Committee’s action to disapprove the transfer.

## Fiscal Analysis (as appropriate)

Affirming the action of the County Committee will result in no financial costs to any local or state agency. Overturning the action of the County Committee constitutes an order to the County Superintendent to call an election for the proposed territory transfer. Costs for this election will depend upon the timing of the election and the size of the election area established by the SBE—election costs will be borne by the County Office.

## Attachment(s)

**Attachment 1**: Analysis of Administrative Record (31 pages)

# ATTACHMENT 1 ANALYSIS OF ADMINISTRATIVE RECORD

**Appeal from a Decision by the  
San Mateo County Committee on School District Organization  
to Disapprove a Petition to Transfer Territory from the  
Ravenswood City Elementary School District to the  
Menlo Park City Elementary School District**

## 1.0 Recommendation

The California Department of Education (CDE) recommends that the State Board of Education (SBE) affirm the action of the San Mateo County Committee on School District Organization (County Committee) to disapprove the proposal to transfer territory from the Ravenswood City Elementary School District (CESD) to the Menlo Park CESD.

## 2.0 Background

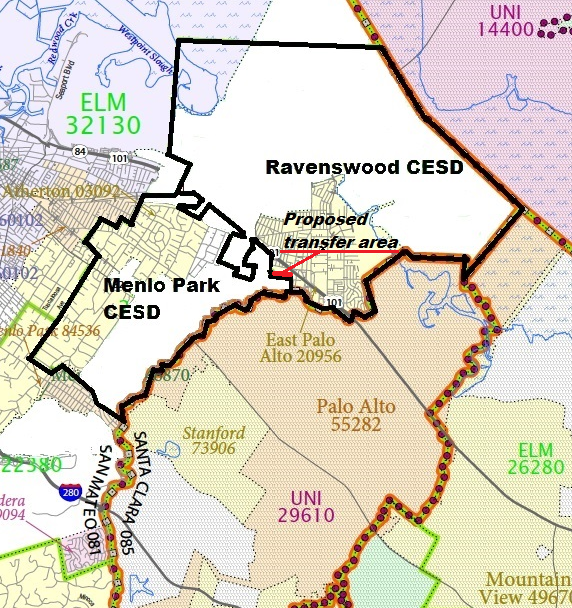
### 2.1 Affected Districts

The Menlo Park CESD and the Ravenswood CESD (both component elementary school districts of the Sequoia Union High School District [UHSD]) are geographically within the attendance boundaries of Menlo-Atherton High School, one of the comprehensive high schools of the Sequoia UHSD. Large portions of the city of Menlo Park are contained within both the Menlo Park and Ravenswood districts, with smaller portions of the city in two other adjacent elementary school districts (see Figure 1 on page 2).

The 2016–17 enrollment for the Menlo Park CESD was 2,999, which represents a seven percent increase over the past five years. Ravenswood CESD’s 2016–17 enrollment was 3,853, representing a 5.5 percent decline over the previous five years. The Menlo Park CESD is 40.3 percent minority, with the three largest minority student populations being Hispanic (15.3 percent), “two or more races” (11.8 percent), and Asian (10.2 percent). The Ravenswood CESD is 99.4 percent minority, with the three largest minority student populations being Hispanic (83.3 percent), Pacific Islander (7.6 percent), and African-American (6.6 percent).

For 2016–17, the Menlo Park CESD operated five schools: two kindergarten through fifth grade, one kindergarten through second grade, one third through fifth grade, and one sixth through eighth grade. The Ravenswood CESD operated nine schools: one kindergarten through fifth grade, one second through fifth grade, four kindergarten through eighth grade, two sixth through eighth grade, and one kindergarten through twelfth grade charter.

***Figure 1: Map of Proposed Transfer Area and Affected Districts***



*Source map: U.S. Census Bureau, 2010*

Note: The solid white area of the map in Figure 1 represents the city of Menlo Park, portions of which are located in the Las Lomitas Elementary School District (ESD) and the Redwood City ESD in addition to the Menlo Park CESD and the Ravenswood CESD. The size of the city of Menlo Park territory in the Ravenswood CESD is somewhat distorted on the map since a large portion in the northern part of the district is part of the San Francisco Bay.

### 2.2 Historical Actions Related to Appeal

There have been a number of events over the past 35 years that have contributed to issues related to this particular territory transfer request. Following is a brief discussion of these events.

#### Early Transfers of Territory

A number of transfers of territory from the Ravenswood CESD have occurred since 1967, with the largest (and most relevant to the current matter) occurring in 1983. A significant portion of the Ravenswood CESD was transferred at this time (including a school site). That transfer process is summarized in the following paragraph.

On July 14, 1983, the SBE approved a request to transfer a portion of the “Willows” neighborhood, which included 287 school-age children, from the Ravenswood CESD to the Menlo Park CESD (Note: the SBE had responsibility for approving territory transfers such as this at that time; thus, there was no appeal process). The Ravenswood CESD opposed the transfer partly on the grounds that removing an area that was 72 percent nonminority out of a district that was over 98 percent minority (Ravenswood CESD) and into a district that was over 90 percent nonminority (Menlo Park CESD) increased the racial and ethnic isolation of the minority students remaining in the Ravenswood CESD. The district subsequently filed a petition for writ of mandate challenging the SBE’s action to approve the transfer. The SBE action ultimately was upheld by the appellate court.

#### Litigation Regarding Racial Isolation of Students

On March 15, 1986, the San Mateo County Superior Court of the State of California ruled on an action that had been filed against the school districts in this area (including Ravenswood CESD and Menlo Park CESD) in part to address the racial isolation of students served by these school districts (*Tinsley et al. v. Palo Alto Unified School District, the State of California et al*. [1979] 91 Cal. App. 3d 871, 880; 154 Cal. Rptr. 591 [*Tinsley*]).[[3]](#footnote-3) Included in this litigation was the allegation that previous “realignments of school district boundaries” between the Ravenswood CESD and the Menlo Park CESD “increased racial imbalance.”

In addition to the affected school districts, the County Superintendents of Schools for San Mateo and Santa Clara counties, the County Committees on School District Organization for both counties, the CDE, and the SBE were named respondents to the legal action. The Superior Court issued a Settlement Order in response to this legal action—all respondents in the legal action agreed to this Order. The major goals of the Settlement Order are:

*...to the extent reasonable and feasible, to further equal opportunities for all students in all respondent districts by (1) reducing minority racial isolation among or between the students of the respondent districts' elementary schools, (2) improving the educational achievement in Ravenswood, and (3) enhancing inter-district cooperative efforts.*

The Settlement Order included a Voluntary Transfer Plan (VTP) that allows minority students from the Ravenswood CESD to transfer into eight other area school districts (including Menlo Park CESD). Nonminority students from these other districts may transfer into the Ravenswood CESD. The *Tinsley* VTP remains in effect—during the 2015–16 school year, almost 1,200 minority students from the Ravenswood CESD were enrolled in other districts under the *Tinsley* VTP (180 of these students were in the Menlo Park CESD).

In the Settlement Order, the Court specifically charged the SBE with responsibility for monitoring district compliance with the Order either “by itself or by delegation to the County Superintendents of Education of Santa Clara and San Mateo counties.” Although the SBE chose to delegate compliance monitoring duties to the County Superintendents, it still retains responsibilities for carrying out the Settlement Order.[[4]](#footnote-4)

#### Prior Appeal Involving the Same Territory

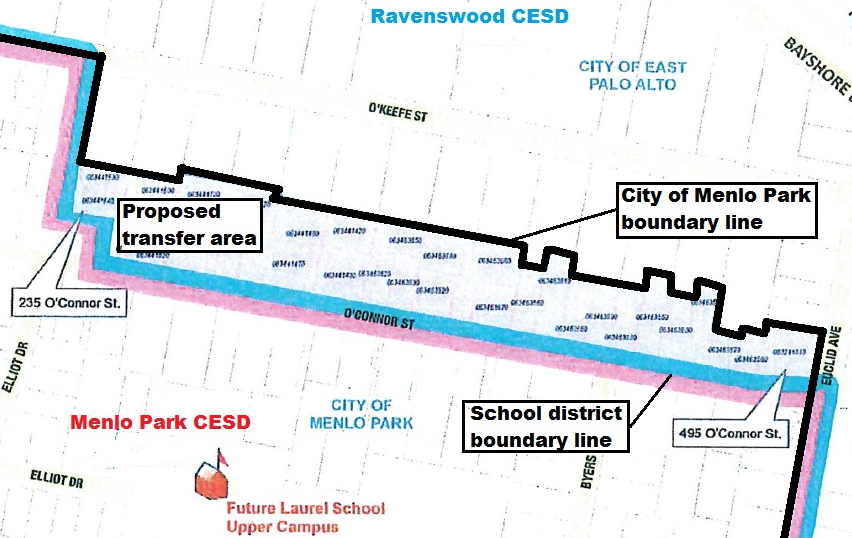
In June 1992, the SBE heard an appeal from a County Committee decision to deny a request to transfer the same territory that is the subject of the current appeal. No students in this transfer area attended public school at that time. The appellants in this case claimed to be part of the “Willows” neighborhood previously transferred by the SBE in 1983, and they further claimed that it was the intent of the SBE to transfer their community at that time. The County Committee determined that the proposed territory transfer failed to meet four of the conditions required for approval (pursuant to *Education Code* [*EC*] Section 35753, including the following condition: “The reorganization of the districts will not promote racial or ethnic discrimination or segregation”). The CDE recommended that the SBE affirm the County Committee action, finding that the transfer was “directly contrary” to the *Tinsley* VTP and would have an adverse effect on the duty of the governing boards of the affected districts to adopt and implement a plan for the alleviation of segregation of minority pupils. The SBE unanimously denied the appeal, thus affirming the decision of the County Committee to disapprove the territory transfer.

### 2.3 Territory Transfer Proposal

The proposal is to transfer 31 homes on the north side of O’Connor Street, in the city of Menlo Park, from the Ravenswood CESD to the Menlo Park CESD (see Figure 2). The proposal was submitted to the San Mateo County Superintendent in the form of a petition signed by at least 25 percent of the voters residing within this area.

As noted in Section 2.2, a similar proposal was disapproved by the County Committee in 1991, with the SBE subsequently affirming the County Committee’s action in 1992 after hearing an appeal of that action.

***Figure 2: Map of Area Proposed for Transfer***



*Source map: Chief petitioners*

Chief petitioners’ reasons for the territory transfer include the following:

* The proposed transfer area already should be part of the Menlo Park CESD. This neighborhood was part of the Willows community when it was transferred in 1983—the intent was to include all city of Menlo Park territory. The neighborhood was not part of the city of Menlo Park at the time the transfer petition was signed (the city boundary line then was O’Connor Street—which separated residences on the north side of the street from those on the south side), but was annexed into the city before the transfer proposal went to election. However, local government officials would not allow the original boundary of the voter petition to be changed (to include the north side of O’Connor Street) for the election.
* The proposed transfer area has no community identity with the Ravenswood CESD or the city of East Palo Alto. Its community identity is with the Willows neighborhood and the city of Menlo Park.
* Children in the neighborhood deserve a quality public education, which they cannot receive in the Ravenswood CESD.
* Menlo Park CESD’s reopening of the Laurel Upper Campus (see Figure 2) would allow students (grades three to five) in the neighborhood to walk to school.
* The transfer will align city, school districts, and natural boundaries (see Figure 2).
* The area proposed for transfer is racially diverse (almost 86 percent of the students are minority students). Transfer of the neighborhood will add to the racial diversity of Menlo Park CESD.
* Although the proposed transfer may affect property values, this is not the reason petitioners are requesting the transfer. Any increase in property values is overshadowed by the safety, environmental, and community benefits of the transfer.
* Conditions are different from the time the County Committee heard a proposal to transfer the same neighborhood in 1991. The neighborhood school (Laurel Upper Campus) will be reopened, there were mainly older white families in the neighborhood in 1991 (there are now young professionals living there), Ravenswood CESD primarily was African-American (now it primarily is Hispanic), and high crime rates existed in the nearby “Whiskey Gulch” area (an area that has now been redeveloped).
* The Pacific Parc community, which was similarly overlooked in the 1983 Willows transfer, was approved for transfer in 2010 by the SBE, with the SBE overturning the County Committee’s action to disapprove the territory.

## 3.0 Action of the County Committee

The County Committee held two public hearings for the proposed transfer of territory—one within the boundaries of the Menlo Park CESD and one within the boundaries of the Ravenswood CESD. Under the California *Education Code* (*EC)*, the County Committee then had the following options:

* If the County Committee determined that all nine conditions of *EC*Section 35753(a) are substantially met, it could approve the petition (though not required to do so), and would notify the County Superintendent to call an election on the proposed transfer (an election is required when an affected district opposes an approved transfer of territory petition).
* The County Committee could disapprove the petition to transfer territory for other concerns even if it finds that all nine conditions of *EC* Section 35753(a) have been met.
* If the County Committee determined that all nine conditions of *EC*Section 35753(a) are not substantially met, it would be required to disapprove the petition to transfer territory.

The County Committee found that the proposal failed to substantially meet three of the nine required conditions of *EC* Section 35753. Those conditions are:

* The reorganization of the school districts will preserve each affected district’s ability to educate pupils in an integrated environment and will not promote racial or ethnic discrimination or segregation.
* Any increase in school facilities costs as a result of the proposed reorganization will be insignificant and otherwise incidental to the reorganization.
* 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.

The County Committee subsequently disapproved the territory transfer petition by a unanimous vote.

Chief petitioners or affected school districts may appeal a County Committee decision on territory transfers for issues of noncompliance with the provisions of *EC* sections 35705, 35706, 35709, 35710, and 35753(a). The chief petitioners for the territory transfer submitted such an appeal to the County Superintendent. The County Superintendent subsequently transmitted the appeal, along with the complete administrative record of the County Committee action, to the SBE.

## 4.0 Positions of Affected School Districts

Both the Menlo Park CESD and the Ravenswood CESD oppose the proposed transfer of territory for the reasons outlined below.

### 4.1 Menlo Park CESD

The Menlo Park CESD expressed the following concerns regarding the proposal:

* The proposed transfer reflects the continuing erosion of diversity from the Ravenswood CESD community. Transfers of territory from Ravenswood CESD have an impact on the district’s demographics, racial isolation, and school enrollment.
* Continuing territory transfers from Ravenswood CESD remove property tax revenue and assessed valuation from the district.
* The city of Menlo Park has considerable territory within the Ravenswood CESD. The current proposal, if approved, would establish an unwanted precedent for future transfers of the city of Menlo Park territory from the Ravenswood CESD.
* The “Willows” community encompasses portions of both cities of Menlo Park and East Palo Alto, including the Willow Oaks School (located in Menlo Park and operated by the Ravenswood CESD).
* There will be enrollment challenges due to future housing developments within the district. Students from territory transfers will add to these challenges.
* The transfer will cost the district up to $167,000 annually to educate students residing in the transfer area who will attend the district.
* All Ravenswood CESD schools are within two miles of the area proposed for transfer, while Menlo Park CESD schools are a greater distance.
* The transfer will result in a significant increase in property values for the petitioners.

In summary, the Menlo Park CESD claims the proposed territory transfer fails to substantially meet multiple threshold conditions, creates a problematic precedent, and adversely affects both districts.

### 4.2 Ravenswood CESD

The Ravenswood CESD expressed the following concerns regarding the proposal:

* There has been a historical pattern of territory transfers from the Ravenswood CESD that exacerbates the racial isolation of students in the district.
* The territory transfer proposal fails to substantially meet many *EC* Section 35753 threshold conditions.
* The transfer would create a greater divide between the Menlo Park and East Palo Alto communities.
* An identical territory transfer petition was denied previously. The conditions leading to that disapproval remain valid.
* The *Tinsley* VTP was established to promote cross-cultural diversity with movement of students both in and out of the Ravenswood CESD, but the reality is that there are only students leaving the district. This affects the district’s ability to receive funding to address student needs. Any additional loss of students will only exacerbate this fiscal problem.

## 5.0 Reasons for the Appeal

The chief petitioners assert that the proposed transfer of territory clearly meets the following conditions of *EC* Section 35753(a) that the County Committee determined were not substantially met:

* *The reorganization of the school districts will preserve each affected district’s ability to educate pupils in an integrated environment and will not promote racial or ethnic discrimination or segregation*.

Petitioners note that their neighborhood is very diverse—86 percent of the children are minority. Moreover, only one school-aged child attends Ravenswood CESD. A loss of a single student should not affect a district’s ability to educate students in an integrated environment.

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

Petitioners argue that the Menlo Park CESD, with construction of the new elementary school in their neighborhood, can easily incorporate the maximum 12 to 13 students that the district projects can be generated from the proposed transfer area.

* *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.*

Petitioners note that the loss of approximately one half of a percent of the Ravenswood CESD assessed valuation will have a minimal effect on the district’s bonding capacity. Moreover, property values in the Ravenswood CESD are growing significantly faster than Menlo Park CESD values due to unprecedented economic expansion within the district. The tax base of the Ravenswood CESD will grow significantly as a result.

Petitioners further argue that the additional costs to the Menlo Park CESD to educate students from the proposed transfer area will be offset by the influx of the area’s property taxes to the district.[[5]](#footnote-5)

## 6.0 CDE Analysis of *Education Code* Conditions

CDE staff has reviewed the administrative record provided by the County Superintendent, which details (1) the County Committee actions in its consideration of the *EC* Section 35753 threshold conditions and (2) the concerns raised by the appellants regarding the County Committee’s actions. As noted in previous sections, the County Committee determined that the following *EC* Section 35753 conditions are not substantially met by the proposed transfer of territory:

* The reorganization of the school districts will preserve each affected district’s ability to educate pupils in an integrated environment and will not promote racial or ethnic discrimination or segregation.
* Any increase in school facilities costs as a result of the proposed reorganization will be insignificant and otherwise incidental to the reorganization.
* 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.

For its analysis of the proposal, the CDE conducted its own studies of the above three conditions, using information provided by the County Superintendent, the Menlo Park CESD, the Ravenswood CESD, and the chief petitioners. Findings and conclusions regarding these three *EC* Section 35753 conditions and any related Title 5 *California Code of Regulations*, Title 5(5 *CCR*) factors are contained in the following subsections.

The County Committee determined that the remaining six *EC* Section 35753 conditions are substantially met. The CDE did not conduct any further analyses of these conditions.

### 6.1 Preserves Education in an Integrated Environment

*EC* Section 35753(a)(4): The reorganization of the school districts will preserve each affected district’s ability to educate pupils 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 a reorganization will promote racial or ethnic discrimination or segregation:

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, 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.

#### County Committee Action

Staff from the San Mateo County Office of Education (County Office) presented the following information to the County Committee: Since the 1993–94 school year, the Menlo Park CESD has become a more ethnically diverse school district while the Ravenswood CESD has become a less ethnically diverse school district.

The Menlo Park CESD expressed the following concern to the County Committee: The proposed transfer reflects the continuing erosion of diversity from the Ravenswood CESD community. Transfers of territory from Ravenswood CESD have an impact on the district’s demographics, racial isolation, and school enrollment.

The Ravenswood CESD argued that (1) there has been a historical pattern of territory transfers from the Ravenswood CESD that exacerbates the racial isolation of students in the district and (2) the *Tinsley* VTP was established to promote cross-cultural diversity with movement of students both in and out of the Ravenswood CESD—but the reality is that students are only leaving the district.

The County Committee voted (6-3, with one abstention) that this condition is not substantially met.

#### Appeal

The chief petitioners argue that this condition is substantially met by the proposed transfer of territory since the neighborhood is very diverse and students from the neighborhood would enhance the diversity of either the Menlo Park CESD or the Ravenswood CESD. The chief petitioners further argue that the small number of students that would leave the Ravenswood CESD after a successful transfer of territory[[6]](#footnote-6) would not change the racial or ethnic makeup of either district.

#### CDE Findings/Conclusion

##### Minority Students

Since few students from the territory proposed for transfer currently attend the Ravenswood CESD (and have not done so historically), the CDE finds no rationale to perform full analyses of the factors contained in 5 *CCR* Section 18573(a)(4). However, comparisons of the percentages of minority students in the affected districts and schools are provided in the following discussion.

As noted previously, both the Menlo Park CESD and the Ravenswood CESD are within the attendance area of the Menlo-Atherton High School of the Sequoia UHSD. Although the territory transfer would have no effect on the high school that any students would attend, enrollment information regarding the high school and the high school district is included in the tables for comparative purposes. Table 1 depicts the percentage of students in each racial/ethnic category for each of the school districts.

***Table 1: Percent Race/Ethnicity in Districts Affected by Proposed Transfer***

| District | Asian | Black | Hispanic | Other | White |
| --- | --- | --- | --- | --- | --- |
| Menlo Park CESD (2,993 K–8 students) | 10.3% | 1.2% | 15.4% | 13.5% | 59.7% |
| Ravenswood CESD (3,834 K–8 students) | 0.4% | 6.7% | 83.7% | 8.6% | 0.6% |
| Sequoia UHSD (9,911 9–12 students) | 7.3% | 2.6% | 46.5% | 8.0% | 35.7% |

*Source:* *2016*–*17* *California Longitudinal Pupil Achievement Data System (CALPADS)*

The largest racial/ethnic category in the Menlo Park CESD is White (59.7 percent) followed by Hispanic (15.4 percent). For the Ravenswood CESD, the largest racial/ethnic category is Hispanic (83.7 percent) and the second largest is Black (6.7 percent). The Sequoia UHSD, which provides secondary education for both elementary districts, is 46.5 percent Hispanic and 35.7 percent White.

Table 2 provides a comparison of the percentages of minority students[[7]](#footnote-7) in the districts.

***Table 2: Percent Minority in Districts Affected by Proposed Transfer***

| District | Minority | White |
| --- | --- | --- |
| Menlo Park CESD (2,993 K–8 students) | 40.3% | 59.7% |
| Ravenswood CESD (3,834 K–8 students) | 99.4% | 0.6% |
| Sequoia UHSD (9,911 9–12 students) | 64.3% | 35.7% |

*Source:* *2016-17* *CALPADS*

As can be seen in Table 2, the percentage of minority students in the Ravenswood CESD (at 99.4 percent) is significantly greater than the percentage of minority students in the Menlo Park CESD (40.3 percent). For the Sequoia UHSD, minority students are 64.3 percent of the student population.

Table 3 displays the schools in the Menlo Park CESD, along with grade levels served, total enrollment, and the percentage of enrollment that is minority.

***Table 3: Percent Minority in Menlo Park CESD Schools***

| School | Grade Levels | Enrollment | Minority | White |
| --- | --- | --- | --- | --- |
| Encinal | K-5 | 641 | 44.3% | 55.7% |
| Hillview | 6-8 | 971 | 37.7% | 62.3% |
| Laurel[[8]](#footnote-8) | K-5 | 659 | 47.0% | 53.0% |
| Oak Knoll | K-5 | 727 | 34.7% | 65.3% |

*Source:* *2016-17* *CALPADS*

Table 4 displays the schools in the Ravenswood CESD, along with grade levels served, total enrollment, and the percentage of enrollment that is minority.

***Table 4: Percent Minority in Ravenswood CESD Schools***

| School | Grade Levels | Enrollment | Minority | White |
| --- | --- | --- | --- | --- |
| Aspire East Palo Alto Charter | K-12 | 776 | 99.3% | 0.7% |
| Belle Haven | K-8 | 543 | 99.3% | 0.7% |
| Brentwood Academy | K-5 | 509 | 99.0% | 1.0% |
| Cesar Chavez | 6-8 | 185 | 100.0% | 0.0% |
| Costaño | K-8 | 509 | 98.8% | 1.2% |
| Green Oaks | K-5 | 148 | 100.0% | 0.0% |
| Los Robles Magnet Academy | K-8 | 385 | 100.0% | 0.0% |
| Ronald McNair Academy | 6-8 | 190 | 100.0% | 0.0% |
| Willow Oaks | K-8 | 602 | 99.5% | 0.5% |

*Source:* *2016-17* *CALPADS*

As shown in Tables 3 and 4, the percentages of minority students in the Menlo Park CESD schools range from 34.7 percent at Oak Knoll Elementary School to 47.0 percent at Laurel Elementary School. Percentages of minority students in the schools of the Ravenswood CESD are in a much narrower range, with a low percentage of 98.8 percent minority at Costaño Elementary School and a high percentage of 100 percent at multiple schools in the district. The 2016–17 minority student percentage at the Menlo-Atherton High School (Sequoia UHSD) is 61 percent.

The small number of students that are, or will be, generated from the territory proposed for transfer will have minimal effects on the current racial/ethnic balances of students in either district; similarly, there will be minimal effects on future changes to the balances.

##### School Board Policies

Under the *Tinsley* VTP, both the Menlo Park CESD and the Ravenswood CESD are required to maintain district policies regarding:

* Nondiscrimination on the basis of race, ethnic background, or sex in the employment of certificated and non-certificated staff;
* Provision of multicultural experiences for all students; and
* Fostering student interaction both inside and outside the classroom.

Further, the districts are required, under the *Tinsley* VTP, to participate in cooperative multicultural education efforts and provide inter-racial educational experiences for students attending the districts.

##### Racial Isolation of Ravenswood CESD Students

The primary goal of the *Tinsley* VTP is to reduce “minority racial isolation among or between the students” in the *Tinsley* respondent districts.[[9]](#footnote-9) However, ethnic diversity in the Ravenswood CESD has decreased, while increasing in the other respondent districts (including the Menlo Park CESD).[[10]](#footnote-10) As noted earlier in this section, County Office staff presented information to the County Committee demonstrating that, since the 1993–94 school year, the Menlo Park CESD has become a more ethnically diverse school district while the Ravenswood CESD has become a less ethnically diverse school district.

The *Tinsley* litigation identified a number of contributors to the racial isolation that existed in the affected districts,[[11]](#footnote-11) including previous school district reorganizations affecting the Ravenswood CESD. The lawsuit alleges that:

*…in 1974 and 1976 there were realignments of school district boundaries between Ravenswood and Menlo Park districts which increased racial imbalance; that a pending reorganization involving Belmont Elementary District and Sequoia Union High School will have a similar effect; that the San Mateo County Committee on School District Organization has approved all of the foregoing; that in 1966 (see San Carlos Sch. Dist. v. State Bd. of Education (1968) 258 Cal. App. 2d 317 [65 Cal. Rptr. 711]) and 1972 proposals for unification of respondent elementary districts (exclusive of the Palo Alto Unified School District), were defeated by the voters; that after a history of opposition by some of respondent school districts, the two respondent county committees on school district organization undertook a study of several different plans for the merger of Ravenswood, Las Lomitas, Menlo Park and Portola Valley elementary districts and a portion of Sequoia Union High School District with the Palo Alto Unified School District; and in 1976 the joint committees formally voted against such merger; that an integrated center school for pupils of Ravenswood and three other elementary districts which existed from 1973 to 1975 was closed by inaction of the districts; that the State Board of Education has failed to adopt regulations requiring local districts to act to eliminate "segregated schools"; that Ravenswood district has refused application for interdistrict transfer and adopted a policy against interdistrict transfer; that Menlo Park and Palo Alto districts have restricted interdistrict attendance by restrictive residency requirements. It is alleged that all of these acts and omissions occurred with knowledge that they would substantially increase "segregated schools" in the respective districts.*

##### Conclusion

As noted earlier, a similar appeal of a County Committee decision to disapprove the O’Connor Street territory was considered previously (June 1992) by the SBE. At that time the CDE made the following recommendation to the SBE:

*The policies of the Ravenswood and Menlo Park Boards, as well as the California Department of Education relating to methods of preventing racial and ethnic segregation, are embodied in the Settlement Order in Tinsley vs. Palo Alto Unified School District, San Mateo County Superior Court No. 206010. To the extent this transfer of territory would result in granting nonminority residents of Ravenswood the right to attend school in Menlo Park District, it is directly contrary to the Settlement Order. The parties have a duty to carry out the order which will be violated by the proposal.*

In 1992, the SBE’s Administrative Committee unanimously approved this and other CDE findings regarding the appeal and recommended that the full SBE deny the appeal. The SBE subsequently denied the appeal on a unanimous vote, thus upholding the action of the County Committee disapproving the transfer of territory.

Today, the *Tinsley* Settlement Order remains in effect, along with the Court’s direction that the State Superintendent of Public Instruction and the SBE assist the affected school districts to carry out the Order. Further, the racial isolation of students in the Ravenswood CESD continues (in fact, data described in this section suggests it has increased over the years). However, the CDE’s recommendation regarding this “education in an integrated environment” condition includes the determination that the territory transfer proposal is not directly contrary to the *Tinsley* Settlement Order.

The small number of students from the area proposed for transfer should not have a significant effect on the stated goal of the *Tinsley* Settlement Order “to further equal educational opportunities” by “reducing minority racial isolation.” After review of the administrative record, it appears to the CDE that some of the County Committee’s concerns with this condition were driven by the potential for future territory transfers out of the Ravenswood CESD, which could be encouraged by approval of the current proposal. Such future transfers, if approved, may have a significant cumulative effect on the *Tinsley* Settlement Order’s goal—however, the CDE does not consider any effects from potential future territory transfers in analysis of this condition.

Moreover, although territory transfers from the Ravenswood CESD to the Menlo Park CESD were cited in the initial *Tinsley* litigation as contributors to the racial isolation that existed in the affected districts, the *Tinsley* Settlement Order that resulted from that litigation does not specifically prohibit territory transfers (i.e., transfer proposals remain legal options for petitioners to pursue school district boundary realignment).

Therefore, the CDE recommends that this “education in an integrated environment” condition is substantially met and disagrees with the County Committee’s recommendation that the condition is not substantially met. However, the CDE still has concerns regarding the proposed transfer’s effects on the *Tinsley* Settlement Order and will address those concerns, along with the issue of potential future territory transfers, in Section 7.2.

### 6.2 Significant Increase in School Facilities Costs

*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.

#### Standard of Review

The SBE has not adopted regulations regarding this condition. However, the *School District Organization Handbook[[12]](#footnote-12)* recommends that 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 Action

County Office staff provided the County Committee information regarding the current assessed valuation (AV), the bonding capacity (based on 1.25 percent of AV), and current outstanding bond debt of the Ravenswood CESD. Staff also noted that the Ravenswood CESD has the lowest gross bonding capacity per enrolled student ($11,233) of all school districts in San Mateo County. The comparable per student bonding capacity of the Menlo Park CESD is $54,416.

The affected districts provided information to the County Committee that (1) territory transfers into the Menlo Park CESD will exacerbate current and future difficulties in providing housing for that district’s growing student population and (2) territory transfers out of the Ravenswood CESD will reduce the AV of that district and lower its bonding capacity.[[13]](#footnote-13)

The County Committee voted (7-2, with one abstention) that this condition is not substantially met.

#### Appeal

Appellants state that concerns raised by the Menlo Park CESD regarding overcrowding in its schools will be ameliorated by the construction of the new Laurel Upper Campus School near the O’Connor Street territory (this school opened in the fall of 2016). With this new school, the district will have sufficient capacity for all students in the district into the foreseeable future. Appellants further argue that only one new student from their neighborhood will attend Menlo Park CESD schools if the transfer is approved.

Regarding Ravenswood CESD concerns about reduction in bonding capacity due to a potential territory transfer, the appellants note that the loss of the AV of their homes would result in only about one-half of a percent of the district’s total bonding capacity.

Appellants claim this condition is substantially met.

#### CDE Findings/Conclusion

The CDE, in its analysis of this condition, examines the following two issues raised by the County Committee and the affected school districts:

* Effects of the territory transfer on the capability of the Menlo Park CESD to provide sufficient housing for current and projected students in the district; and
* Effects of the territory transfer on the bonding capacity of the Ravenswood CESD and the ability of the district to issue future general obligation bonds.

##### Menlo Park CESD Capacity for Housing Students

For the 2016–17 school-year, the Menlo Park CESD opened a new school, the Laurel Upper Campus (the former O’Connor Elementary School acquired from the Ravenswood CESD as a result of a previous territory transfer). This new school increased school capacity districtwide by 384 students. Current Menlo Park CESD school capacity values and 2016–17 enrollment at each district school are displayed in Table 5.

***Table 5: Enrollment and Capacity at Menlo Park CESD Schools***

| Menlo Park CESD School | Grade Levels | 2016–17 Enrollment | School Capacity |
| --- | --- | --- | --- |
| Encinal Elementary | K-5 | 641 | 730 |
| Hillview Middle | 6-8 | 971 | 1,122 |
| Laurel Lower Campus | K-2 | 352 | 506 |
| Laurel Upper Campus | 3-5 | 307 | 384 |
| Oak Knoll Elementary | K-5 | 727 | 761 |
| Total for All Schools | K-8 | 2,998 | 3,503 |

*Source:* *2016-17* *CALPADS and Menlo Park CESD*

As can be seen in Table 5, school capacity exceeded enrollment at each school and, of course, districtwide for the 2016–17 school-year. Although school capacity is sufficient for current student enrollment, the Menlo Park CESD expresses concerns about future enrollment growth that will create challenges in housing students. Table 6 portrays projected enrollment over the next five years for the Menlo Park CESD.

***Table 6: Menlo Park CESD Enrollment Projections***

| Year | Enrollment | Percent Annual Growth |
| --- | --- | --- |
| 2016–17 | 2,999 | N/A |
| 2017–18 | 3,000 | 0.0% |
| 2018–19 | 3,067 | 2.2% |
| 2019–20 | 3,104 | 1.2% |
| 2020–21 | 3,151 | 1.5% |

*Source:* *Menlo Park CESD (November 2015 Projection)*

According to the information provided by the Menlo Park CESD (Table 6), the district is projecting modest annual enrollment growth over the five-year period in the table—adding up to slightly over five percent growth by 2020–21. Longer term, the district projects enrollment to grow to 3,280 by 2025–26, which is a 9.4 percent increase over 2016–17 enrollment.

Although projected enrollment growth will not exceed districtwide capacity, the Menlo Park CESD may need to take actions to balance student populations at individual schools that approach or exceed the school capacity. The district will have less flexibility with the Hillview Middle School (since it is the district’s only middle school). If the projected districtwide 9.4 percent growth applies at the middle school level, the district may experience capacity issues at Hillview Middle School by 2025–26.

Estimates provided by the district and the appellants vary regarding the number of students in the 31 homes proposed for transfer who would attend Menlo Park CESD schools, with estimates ranging from six to twelve students. Regardless, this small number of students should not add significantly to future student housing concerns that may face the Menlo Park CESD.

The County Committee and the affected districts also express concerns that future territory transfer requests (which approval of the current transfer proposal may encourage) also could significantly affect the capability of the Menlo Park CESD to house its student population. The CDE does not consider any effects from future territory transfer in analysis of this condition. However, the CDE’s concern with the issue of potential future territory transfers is addressed in Section 7.2.

##### Ravenswood CESD Bonding Capacity

Approval of the proposed territory transfer will result in the loss of AV for the Ravenswood CESD of almost $25 million, according to estimates provided by the County Superintendent. This represents a very small portion of the total AV of the district. Table 7 displays the district’s total AV value from 2011–12 to 2016–17.

***Table 7: Ravenswood CESD Assessed Valuation***

| Year | Assessed Valuation | Percent Annual Growth |
| --- | --- | --- |
| 2011–12 | $ 3,361,771,749 | N/A |
| 2012–13 | $ 3,304,675,125 | -1.7% |
| 2013–14 | $ 3,431,600,910 | 3.8% |
| 2014–15 | $ 3,621,545,219 | 5.5% |
| 2015–16 | $ 4,107,165,374 | 13.4% |
| 2016–17 | $ 5,102,154,822 | 24.2% |

*Source:* *Ravenswood CESD (8/31/2017)*

Total AV of the Ravenswood CESD has increased significantly since 2011–12—growing by almost 52 percent since 2011–12 (compared to 42 percent growth in the Menlo Park CESD over the same time period). The 2016–17 AV of territory proposed for transfer ($24.8 million) is less than one half of a percentage point of the total AV of the Ravenswood CESD. This small loss of AV should not have significant negative effects on the bonding capacity of the district, especially given the recent significant increases in AV experienced within the district.

As with the issues regarding Menlo Park CESD school capacity, the County Committee and the affected districts express concerns that future territory transfers could significantly reduce the bonding capacity of the Ravenswood CESD. Again, the CDE does not consider any effects from future territory transfer in analysis of this condition, but will address the issue of potential future territory transfers in Section 7.2.

##### Conclusion

Given the few students that would be generated from the O’Connor neighborhood, it is the CDE’s opinion that the proposed territory transfer would have insignificant effects on Menlo Park CESD’s capability to house its current or future student populations. It also is the CDE’s opinion that the bonding capacity of the Ravenswood CESD would not be significantly affected due to loss of the relative small AV of the area. Therefore, the CDE disagrees with the County Committee and finds that this “Increase in Facility Cost” condition is substantially met.

### 6.3 Promotes Sound Fiscal Management

*EC* Section 35753(a)(9): 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.

#### 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 15440-15466, are recommended for evaluation of the financial conditions of the affected districts.

#### County Committee Action

Staff from the County Office presented the following information to the County Committee:

* Both affected elementary school districts collect annual revenue through voter approved parcel taxes.[[14]](#footnote-14) If the territory transfer is approved, the Ravenswood CESD would lose about $6,000 annually, while the Menlo Park CESD would gain approximately $25,000 annually.
* The Menlo Park CESD is a basic aid district and would incur additional costs to educate any students generated from the territory proposed for transfer. The Ravenswood CESD is a Local Control Funding Formula District and would lose state funding for any student that the district would lose due to the territory transfer.

The Menlo Park CESD superintendent noted that its costs to educate students would increase from $127,000 to $167,000 annually due to the additional students from the transfer area. The Ravenswood CESD superintendent stated that every dollar of revenue for the district is important because (1) enrollment in the district is declining and that decline is projected to continue; and (2) the district’s tax base per student is the lowest in the county.

Members of the County Committee made a number of observations before taking action, including:

* There is a substantial negative financial effect on the districts.
* Property taxes from the transferred area would not cover costs to educate the students from that area for the Menlo Park CESD.
* The lower bonding capacity of the Ravenswood CESD is a concern.

After discussions, the County Committee voted (9-0, with one abstention) that this condition is not substantially met.

#### Appeal

The appellants argue that the proposed territory transfer will not have any significant adverse financial effect on either the Menlo Park CESD or the Ravenswood CESD. Specifically, the appellants note that:

* The removal of territory from the Ravenswood CESD, due to the transfer, would result in an insignificant reduction in the district’s AV (approximately one half of a percent). Additionally, there is significant current and projected growth in the Ravenswood CESD tax base. Over the previous two years, single family median home prices in the Ravenswood CESD have increased by 76 percent, far greater than the 42 percent increase in the Menlo Park CESD. Significant new residential and commercial growth in the district is projected.
* A maximum of seven children would attend the Menlo Park CESD from the transfer area (not the twelve projected by the district). Using the district’s own education costs per student, total costs would be $93,100 annually. Moreover, these costs will be offset by the flow of property taxes from the transfer area to the district.
* The Menlo Park CESD will benefit from additional donations to the Parent-Teacher Organization and the Menlo Park-Atherton Education Foundation (suggested contribution is $1,500 per student, and all families in the transfer area would contribute).

#### CDE Findings/Conclusion

The CDE notes that any additional costs to the Menlo Park CESD to educate students from the transfer will be minimal. Since the district is an excess tax district, it will receive property tax revenue from the transfer area to offset any increase in costs. As noted in Section 6.2, the AV growth of the district over the past five years has increased significantly (42 percent) and has far exceeded enrollment growth over that same period (10.4 percent). The district also will receive parcel tax revenue ($360 per parcel) from the transfer area for at least the next six years.

The Menlo Park CESD is a fiscally healthy district. The district submitted a positive certification[[15]](#footnote-15) in its Second Interim Financial Report for fiscal year 2016–17. The County Superintendent concurred with that positive certification noting that: (1) the district has a reserve for economic uncertainties of over 17 percent of total expenditures (minimum reserve level for a district this size is three percent); (2) cash flow projections indicate positive cash balances for all months of 2016–17 and 2017–18; and (3) assumptions upon which multi-year projections are based appear reasonable.

Although the Ravenswood CESD also submitted a positive certification in its Second Interim Financial Report for fiscal year 2016–17, the fiscal health of this district is a different story from that of the Menlo Park CESD. Although the County Superintendent concurred with the 2016–17 positive certification, she did note that (1) the district has the minimum reserve level for economic uncertainties of three percent; (2) the district has an operating deficit of $1.5 million for the 2016–17 year, which is projected to reoccur for the 2018–19 year (a balanced budget was projected for 2017–18 due to certificated staffing reductions of approximately $2.5 million); and (3) the district’s parcel tax is scheduled to expire by July 2018 and, if not reauthorized by voters, may force the district to implement further spending reductions.

The County Superintendent expressed significant concerns regarding the fiscal status of the Ravenswood CESD, primarily because of significant declines in student funded average daily attendance (due to declining enrollment) for 2016–17—these significant declines are expected to continue for at least the two subsequent years. Regarding the Ravenswood CESD enrollment declines, the CDE notes that the district has seen enrollment drop by almost 22 percent since 2007–08. Table 8 displays the annual enrollment and growth over this 10-year period.

***Table 8: Ravenswood CESD 10-year Enrollment***

| Year | Enrollment | Percent Annual Growth |
| --- | --- | --- |
| 2007–08 | **4,936** | **N/A** |
| 2008–09 | **4,554** | **-7.7%** |
| 2009–10 | **4,385** | **-3.7%** |
| 2010–11 | **4,285** | **-2.3%** |
| 2011–12 | **4,296** | **0.3%** |
| 2012–13 | **4,077** | **-5.1%** |
| 2013–14 | **4,030** | **-1.2%** |
| 2014–15 | **4,216** | **4.6%** |
| 2015–16 | **4,058** | **-3.7%** |
| 2016–17 | **3,853** | **-5.1%** |

*Source:* *CALPADS*

More recent events highlight the fiscal difficulties of the Ravenswood CESD. The district requested an independent comprehensive review of its budget and financial condition. This independent review found that the Ravenswood CESD will be faced with fiscal insolvency within a year if significant budget reductions do not occur. In response, the district governing board adopted a Fiscal Reform Package containing budget cuts for the 2018–19 school-year to address a projected $3.3 million shortfall for that year due to ongoing deficit spending in the district and the long-term enrollment decline the district has experienced, and is projected to continue to experience. The County Superintendent continues to closely monitor the fiscal health of the district.[[16]](#footnote-16)

Although the CDE shares the concerns of the County Superintendent regarding the fiscal health of the Ravenswood CESD, the loss of one student from the district and slightly over $6,000 in annual parcel tax should not significantly add to the district’s fiscal difficulties. CDE understands that some of the local concerns about negative fiscal effects on the districts are related to the effects that future territory transfers may have. As with the “education in an integrated environment” condition addressed in Section 6.1 and the “facility cost” condition addressed in Section 6.2, the CDE does not consider any effects from potential future territory transfers in analysis of this condition. The CDE will address its concerns with the Ravenswood CESD’s current fiscal condition and the issue of potential future territory transfers in Section 7.2.

Given the above considerations, the CDE does not support the County Committee’s finding that the proposed transfer will have substantial negative fiscal effects on affected school districts. The CDE determines that this fiscal condition is substantially met.

### 6.4 Summary

CDE staff does not find sufficient support in the issues raised in the appeal or in the administrative record to justify overturning the unanimous decision of the County Committee to disapprove the territory transfer proposal. The CDE finds that:

* The County Committee substantially complied with all requirements for public hearings and consideration of information regarding the proposal.
* The CDE finds no compelling educational reason to support overturning the action of the County Committee (see Section 7.1 for potential compelling reasons considered by the CDE).
* The CDE notes that there are numerous concerns with the proposed transfer (identified in Section 7.2) that support the County Committee’s action to disapprove the transfer.

## 7.0 Compelling Reasons and Concerns

Approval of a territory transfer 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 SBE may consider compelling reasons offered by affected districts, petitioners and appellants, community members, and the CDE in making its determination to approve a territory transfer. It also may consider any concerns raised by these same parties in a determination to disapprove the transfer.

The Menlo Park CESD, the Ravenswood CESD, and the petitioners/appellants supporting the territory transfer have offered a number of reasons and concerns regarding the proposed transfer, some of which have been included in other sections of this report. In this section, the CDE will summarize the potential compelling reasons and concerns it considers most relevant.

### 7.1 Compelling Reasons for Approval

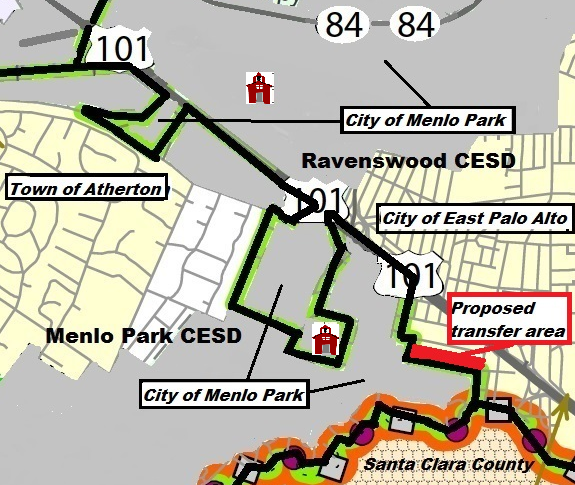
The SBE, even if it determines the transfer fails to substantially meet *EC* Section 35753 conditions, may consider any issue it determines to be compelling as a reason to reverse the County Committee’s disapproval action, including the following:

* Timing of neighborhood annexation into the city of Menlo Park: The neighborhood is part of the Willows community that transferred in 1983. Because the neighborhood was not part of the city of Menlo Park at the time of the Willows territory transfer petition, it was not included in the transfer that was approved at the election. However, the neighborhood was annexed into the city of Menlo Park prior to the election (see Section 2.3).
* Community identity: the proposed transfer area is (1) part of the city of Menlo Park; (2) directly across the street from other residences in the Menlo Park CESD; and (3) within walking distance of the new Laurel Upper Campus serving third through fifth grade students.
* Quality education: Petitioners claim the Ravenswood CESD cannot provide the quality education that their students deserve.
* The territory transfer may bring students from this neighborhood back to the public education system.
* Uniqueness: The neighborhood is small, with few students, and its unique circumstances will not set a precedent for future transfers.

### 7.2 Concerns Regarding Moving the Proposal Forward

The SBE, even if it determines the transfer substantially meets *EC* Section 35753 conditions, may consider any concerns that warrant disapproving the proposal, including (but not limited to) the following:

* *Tinsley* Settlement Order: The goal of the *Tinsley* Settlement Order is “to further equal educational opportunities” primarily by “reducing minority racial isolation among or between the students of the respondent districts’ elementary schools,” and the Order further directs the SBE to assist these school districts in efforts to achieve that goal. The territory transfer would result in granting nonminority residents of the Ravenswood CESD the right to attend school in the Menlo Park CESD. Although, as noted in the “Conclusion” of Section 6.1, the CDE does not find that this would be directly contrary to the *Tinsley* Settlement Order, the CDE is concerned that approval of the transfer could be viewed as violating the spirit of that Order.
* *Tinsley* student transfers: Petitioners note that almost 86 percent of the students in the area proposed for transfer are minority students. These minority students, who are residents of the Ravenswood CESD, already are eligible, under the *Tinsley* VTP, to apply for admittance into the Menlo Park CESD.
* Enrollment growth: The Menlo Park CESD is projecting construction of new residences within its boundaries. New students from these homes, in addition to the district’s requirements to accept up to 24 Ravenswood CESD minority students annually under the *Tinsley* VTP, may place significant pressure on the district’s future ability to house its students.
* Fiscal effects: The Ravenswood CESD currently is experiencing significant financial difficulties due to declining enrollment. Enrollment declines are projected to continue and the district governing board has adopted a Fiscal Reform Package to guide budget reductions and avoid insolvency. The SBE may consider that any negative fiscal effect on the district, even the projected small effect of the current territory transfer, is a concern significant enough to warrant disapproval of the transfer.
* Precedent setting: Significant areas of the city of Menlo Park remain within the Ravenswood CESD (see Figure 3) and, historically, a large portion of that city has been transferred out of the district. Approval of the transfer of an additional portion of the city of Menlo Park may set a precedent for future transfers.

***Figure 3: City of Menlo Park Territory in the Ravenswood CESD  
****Source map: U.S. Census Bureau, 2010*

This is the map key symbol depicting Ravenswood CESD schools located in the city of Menlo Park. Ravenswood CESD schools located in the city of Menlo Park

Solid shading that depicts territory of the city of Menlo Park in Figure 3. Solid shaded area depicting city of Menlo Park territory

* Public policy: Piecemeal transfers of territory may result in school district boundaries that make little sense, which can reflect poor public policy. See Figure 3, which depicts the current boundary between the districts.
* Increased property values: Although the County Committee determined (and the CDE agrees) that the proposed transfer is not primarily due to a desire to increase property values, the affected districts note the likelihood that increased property values play a major role in the reasons for the transfer proposal. Chief petitioners note that home buyers do pay “a premium to be in a prestigious community” such as theirs. However, they further claim that the rationale for the territory transfer is their desire to “have a quality public education within their neighborhood” for their children, and not a desire to increase their property values.

## 8.0 Staff Recommended Amendments

The SBE has authority to amend or add certain provisions to any petition for reorganization. The CDE recommends only one provision be added to the petition if the SBE overturns the action of the County Committee by approving the appeal: the determination of the area of election. The following information details the CDE recommendation regarding this provision.

### 8.1 Area of Election

The County Committee voted to expand the area of election (should the territory transfer be approved) to include all voters in both the Menlo Park CESD and the Ravenswood CESD. The County Committee was not required to specify an election area and, if it had not, the area proposed for reorganizationwould be the “default” election area (*EC*Section 35732). Regardless, the SBE may alter either the County Committee’s specified election area or the “default” election area, but the alterations must comply with the “Area of Election Legal Principles” in Section 8.2 below.

If the SBE approves the appeal (thus triggering a local election for approval of the territory transfer proposal), the SBE must determine the territory in which this election will be held (*EC* Section 35756).

### 8.2 Area of Election Principles

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 we 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.

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

Discussion of other judicial activity in this area is warranted. In a case that preceded *LAFCO,* the California Supreme Court invalidated an SBE reorganization decision that approved an area of election that was limited to the newly unified district. As a result, electors in the entire high school district were entitled to vote (*Fullerton Joint Union High School District v. State Board of Education* [1982] 32 Cal. 3d 779 [*Fullerton*]). The *Fullerton* court applied strict scrutiny and required demonstration of a compelling state interest to justify the exclusion of those portions of the district from which the newly unified district would be formed.

The *Fullerton* case does not require that the SBE conduct a different analysis than that described above. The *LAFCO* decision disapproved the *Fullerton* case, and held that absent invidious discrimination, the rational basis approach to defining the election area applied. In this matter of the transfer of territory from the Ravenswood CESD to the Menlo Park CESD, no discrimination, segregation, or racial impacts are identified. Accordingly, the *LAFCO* standard and analysis applies.

### 8.3 Recommended Area of Election

CDE staff finds that the transfer of territory would have no significant effect on the voters in either the remaining Ravenswood CESD or the receiving Menlo Park CESD. Although the CDE has concerns that the proposed transfer of territory is contrary to the spirit of the *Tinsley* VTP, and notes that both districts are respondent districts of this plan, there is no finding that the proposed transfer would affect the present or nonspeculative future racial composition of either district. Therefore, there is no reason relative to the territory transfer itself to expand the election area beyond the area proposed for transfer. The CDE recommends that the election area for the territory transfer, should the SBE approve the appeal, be the territory proposed for transfer.

## 9.0 State Board of Education Action

Subdivision (c) of *EC* Section 35710.5 provides that the SBE, upon receiving an appeal from an action of a County Committee, may review the appeal (either in conjunction with a public hearing or based solely on the administrative record) or ratify the County Committee’s decision by summarily denying review of the appeal. Since the CDE does not find any rationale to summarily deny review of the appeal and the practice of the SBE has been to hear all appeals in conjunction with a public hearing, the assumption in this section is that the SBE will conduct a public hearing as part of its review.

### 9.1 State Board of Education Options

The SBE has the following options for this territory transfer appeal:

* The SBE will review the appeal in conjunction with a public hearing
* Following review of the appeal, the SBE must affirm or reverse the action of the County Committee.
* If the proposal will be sent to election, the SBE must determine the territory in which the election is to be held.
* The SBE may reverse or modify the action of the County Committee in any manner consistent with law.
* The SBE may request additional information regarding the appeal or the territory transfer, and choose not to take action until a later meeting.
* The SBE, pursuant to *EC* Section 35720, may direct the County Committee to formulate plans and recommendations for an alternative reorganization. The County Committee then would report back to the SBE regarding its actions.

### 9.2 Recommended Action

The CDE recommends that the SBE deny the appeal, thus affirming the action of the County Committee to disapprove the proposal to transfer territory from the Ravenswood CESD to the Menlo Park CESD. Should the SBE decide to approve the appeal, and overturn the County Committee’s unanimous decision to disapprove the territory transfer proposal, the CDE recommends that the SBE establish the territory proposed for transfer as the election area.

1. The Menlo Park CESD and Ravenswood CESD both are component elementary districts of the Sequoia Union High School District. [↑](#footnote-ref-1)
2. Pursuant to *EC* sections 35709 and 35710, a county committee may approve a territory transfer only if it finds that the conditions in *EC* Section 35753 are substantially met. [↑](#footnote-ref-2)
3. The *Tinsley* lawsuit was initiated in 1976 but took about a decade to wend through the court system to its conclusion. [↑](#footnote-ref-3)
4. The Settlement Order states, in part: *The Board of Education of the State of California and the Santa Clara and San Mateo County Superintendents of Schools are directed to assist the respondent school districts to carry out this Order.* [↑](#footnote-ref-4)
5. The Menlo Park CESD is an excess tax district (i.e., basic aid district, funded by local tax revenue) and does not receive per student funding from the state. [↑](#footnote-ref-5)
6. At the time of the appeal, only one student from the area proposed for transfer attended the Ravenswood CESD. Only one student from the area currently attends the Ravenswood CESD. [↑](#footnote-ref-6)
7. All minority groups are combined into one numerical category for analysis. Further, racial/ethnic groups identified as minority are not necessarily numerical “minorities.” This is consistent with the California Supreme Court’s definition of segregation. [↑](#footnote-ref-7)
8. At the time the territory transfer petition was considered by the County Committee, Laurel Elementary School was a K-3 school. For the 2016–17 school year, a second campus for the school (Laurel Upper Campus) was opened for grades three through five, while the original school site was renamed the Laurel Lower Campus for kindergarten through second grade. Students from both campuses are combined for the Laurel Elementary School enrollment value. [↑](#footnote-ref-8)
9. In addition to the Menlo Park CESD and the Ravenswood CESD, these districts include the Belmont-Redwood Shores Elementary School District (ESD), the Las Lomitas ESD, the Portola Valley ESD, the Redwood CESD, the San Carlos ESD, the Woodside ESD (all in San Mateo County), and the Palo Alto Unified School District (Santa Clara County). [↑](#footnote-ref-9)
10. The *Tinsley* VTP envisioned students from outside the Ravenswood CESD requesting transfer into the district in addition to Ravenswood CESD students requesting transfer to the other respondent districts. However, as of 2016, 4,066 Ravenswood CESD students requested transfer out of the district with only two students requesting transfer into the Ravenswood CESD. [↑](#footnote-ref-10)
11. *Tinsley et al. v. Palo Alto Unified School District, the State of California et al*. ([1979] 91 Cal .App. 3d 871; 154 Cal. Rptr. 591). [↑](#footnote-ref-11)
12. The School District Organization Handbook was prepared through the joint efforts of the SBE, the California County Superintendents Educational Services Association, the Fiscal Crisis and Management Assistance Team, and the CDE. It is online at: <https://www.cde.ca.gov/re/lr/do/>. [↑](#footnote-ref-12)
13. Pursuant to *EC* sections 15102 and 15268, an elementary school district’s total general obligation bond indebtedness (bonding capacity) is limited to 1.25 percent of its AV. [↑](#footnote-ref-13)
14. A Menlo Park CESD parcel tax ($360/parcel) was renewed by voters for a seven year period at the March 2017 election. The Ravenswood CESD parcel tax ($196/parcel) was renewed by the district’s voters for eight years at the June 2018 election. [↑](#footnote-ref-14)
15. A positive certification is assigned when the district has certified that it will meet its financial obligations for the current fiscal year and two subsequent fiscal years. [↑](#footnote-ref-15)
16. In her response to the Ravenswood CESD’s 2017–18 First Interim Financial Report, the County Superintendent concurs with the district’s positive certification submittal with the understanding that the Fiscal Reform Package is implemented within the timelines indicated by the district. [↑](#footnote-ref-16)