

**FEASIBILITY STUDY
FOR A REQUEST TO TRANSFER TERRITORY
FROM
PAJARO VALLEY UNIFIED SCHOOL DISTRICT
TO
LOMA PRIETA JOINT UNION SCHOOL DISTRICT AND
LOS GATOS-SARATOGA JOINT UNION HIGH SCHOOL DISTRICT**

November, 2013

Santa Clara County  Office of Education

**Prepared for the
Santa Clara County Committee on School District Organization**

by

**The Office of the Superintendent
Santa Clara County Office of Education**

Dr. Xavier De La Torre, Superintendent

**Transfer of Territory from
Pajaro Valley Unified School District to
Loma Prieta Joint Union School District and
Los Gatos-Saratoga Joint Union High School District**

**Santa Clara County Committee on School District Organization
Feasibility Report**

Background

A petition to transfer territory from Pajaro Valley Unified School District (PVUSD) to Loma Prieta Joint Union School District (LPJUSD) and Los Gatos-Saratoga Joint Union High School District (LGSJUHSD) has been presented to the Santa Clara County Committee on School District Organization (County Committee). See Appendix A for a copy of the petition.

The territory proposed for transfer includes seven (7) parcels on Ormsby Cutoff in Watsonville in the Santa Cruz Mountains. A map of the territory proposed for transfer and a list of the Assessor Parcel Numbers (APNs) with street addresses can be found in Appendix B.

Petitioners have stated that they are requesting to be transferred into the LPJUSD and LGSJUHSD due to the following reasons:

- Schools in LPJUSD and LGSJUHSD are substantially closer compared to the home schools in PVUSD,
- A hardship to parents who work in Silicon Valley,
- Community identity with the Loma Prieta mountain community,
- Kids in the area proposed for transfer currently attend LPJUSD.

Position of the School Districts

PVUSD and LPJUSD have no written opposition to the transfer request; LGSJUHSD opposes the request. See Appendix C for a copy of the resolution from LGSJUHSD.

Timeline

The public hearings, mandated by Education Code section 35705, were held on August 6, 2013 in PVUSD and September 18, 2013 at the district offices of LPJUSD. Appendix D contains a copy of the notice of the public hearings, description of petition, and transcripts from the public hearings held in Santa Clara County.

Feasibility Study Process

The purpose of this study is to analyze the feasibility of the proposed territory transfer from PVUSD to LPJUSD/LGSJUHSD under the ten criteria used by the State Board of Education in approving proposed territory transfers and to present the data and information on which the analysis is based. The Feasibility Report expresses no view on whether the petition should be granted. This decision remains within the discretion of the County Committee, as discussed herein.

The ten criteria under which the territory transfer is analyzed are contained in Education Code Section 35753. They include the following:

1. The reorganized districts will be adequate in terms of number of pupils enrolled.
2. The districts are each organized on the basis of a substantial community identity.
3. The proposal will result in an equitable division of property and facilities of the original district or districts.
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.
5. Any increase in costs to the state as a result of the proposed reorganization will be insignificant and otherwise incidental to the reorganization.
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.
7. Any increase in school facilities costs as a result of the proposed reorganization will be insignificant and otherwise incidental to the reorganization.
8. The proposed reorganization is primarily designed for purposes other than to significantly increase property values.
9. The proposed reorganization will continue to promote sound fiscal management and not cause a substantial negative effect on the fiscal status of the proposed district or any existing district affected by the proposed reorganization.
10. Any other criteria as the board (i.e. State Board of Education) may, by regulation, prescribe.

Petitioners and/or affected school districts may appeal to the State Board of Education the decision of the County Committee (Education Code section 35710.5). Petitioners have five days and school district have 30 days to notify the County Committee of intent to appeal. Within 15 days of this notification, appellants must file a statement of reasons and factual evidence supporting the appeal. The County Office of Education will transmit the appeal to the State Board of Education along with a complete administrative record of the proceedings.

1.0 CRITERION 1

California Education Code Section 35753 (a) (1) – The reorganized districts will be adequate in terms of number of pupils enrolled.

This topic is governed by Title 5, California Code of Regulations, Section 18753 (a), which states that an elementary school district should have a projected enrollment of 901 students, and a high school district should have a projected enrollment of 301 students on the date the boundary change becomes effective for all purposes. Current student enrollments (taken from the 2012-2013 California Basic Educational Data System (CBEDS) report) for each of the affected school districts are depicted in Table 1.

Table 1 – 2012-2013 CBEDS Enrollments of Affected School Districts

School District	Enrollment
PVUSD	20,001
LPJUSD	453
LGSJUHSD	3,232

Source: CDE, 2012 -2013 District CBEDS Report.

There are currently no school-age children in the area proposed for transfer (two students who will live in the area currently attend school in LPJUSD). The transfer of territory, if approved, would not now or in the future significantly impact the enrollment of the affected school districts.

The study team recommends that Criterion 1 is met.

2.0 CRITERION 2

California Education Code Section 35753 (a) (2) - The districts are each organized on the basis of a substantial community identity.

The California Code of Regulations (CCR) § 18753 (a) (2) suggests using the following criteria to determine whether a district is organized on the basis of substantial community identity:

- (a) Isolation;
- (b) Geography;
- (c) Distance between social centers;
- (d) Distance between school centers;
- (e) Topography;
- (f) Weather; and
- (g) Community, school, and social ties, and other circumstances peculiar to the area.

No single factor is likely to determine that community identity exists. The County Committee probably will need to examine several attributes of the population and the makeup of the territory in question to make a judgment on this condition. Some indicators that the Committee might study include types of housing, parks and recreation facilities and programs, sports activities, transportation patterns, geopolitical factors, and shopping patterns.

- a. Similarity of architecture, size, and style of homes can create a sense of community identity. A homogeneous housing development would likely generate a sense of community among the residents.
- b. The usage patterns of parks and school facilities for recreation programs and sports activities for youth can indicate a community identity.
- c. Traffic patterns and public transportation systems and routes may have an impact on community identity.
- d. Geopolitical factors such as topography and city council, county supervisor, and special district electoral districts might also create a sense of community among the citizens of an area. Post office names and zip code areas also could contribute.
- e. Neighborhood and regional shopping patterns are often well defined and play a part in the way people see themselves.
- f. There is no legal necessity that school district boundaries match city boundaries.

(Source: California Department of Education, *District Organization Handbook* (August 2006) p. 84-85).

2.1 Community Identity of Affected School Districts

PVUSD and LPJUSD each have a substantial “mountain” community identity. Additionally, LGSJUHS, due to its feeder school districts such as LPJUSD and the Lakeside School District, has some identity with the mountain community. This shared identity with the Santa Cruz Mountains coupled with the small transfer area and district boundaries that rarely follow any geographic boundary mitigates any potential negative effect on the affected districts’ community identity if the transfer is approved.

2.2 Community Identity of Area Proposed for Transfer

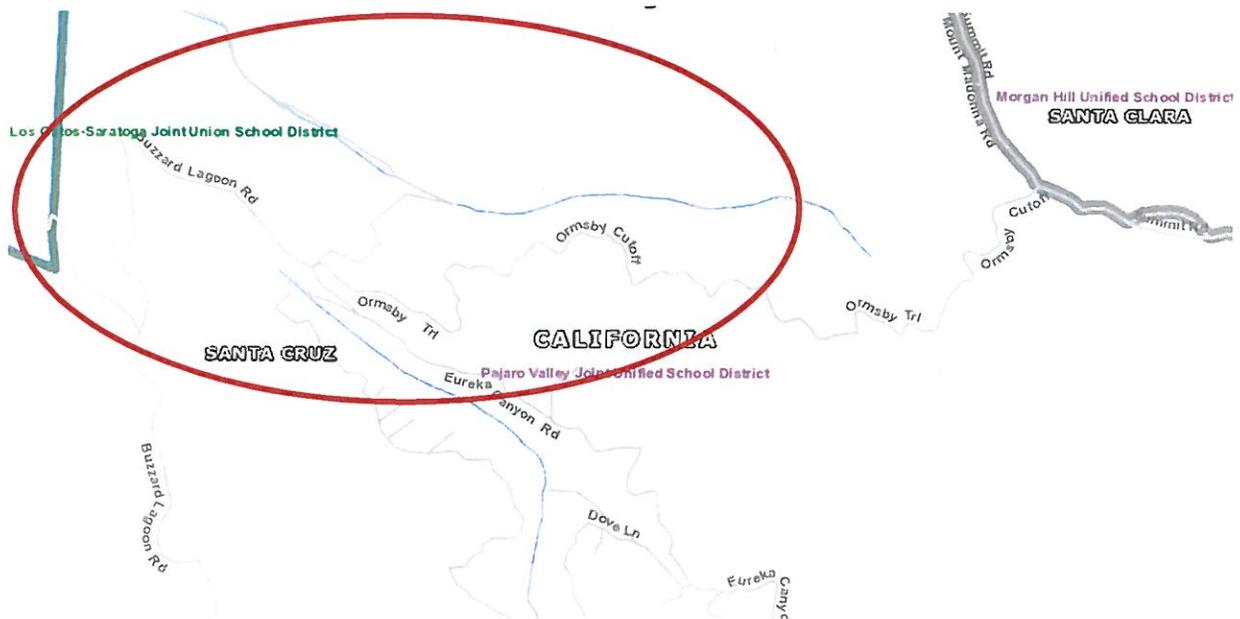
A. Isolation and Geography

The seven parcels proposed for transfer are located on Ormsby Cutoff in Watsonville, Santa Cruz County. The route to the area proposed for transfer and schools in Watsonville is via Eureka Canyon Road. Eureka Canyon Road to the schools in the affected districts is approximately 10 miles. The road is steep with many curves and is a single lane road in many sections. It is also subject to road closures in inclement weather. Additionally, there is a section that warns drivers of logging trucks.

The most used access to and from the area proposed for transfer to the LPJUSD is via Highland Way to Summit Road. Although similar to Eureka Canyon Road in terms of terrain, travel on Highland Way is shorter. Additionally, petitioners work in Santa Clara County and therefore would not need to travel roundtrip on Highland Way. Travel to schools in Watsonville would require petitioners to travel back up Eureka Canyon Road or travel Highway 1 to Highway 17 north.

Alternate routes from the area proposed for transfer to PVUSD would likely be via Highland Way to Summit to Highway 17 towards Watsonville. This alternate route would take approximately one hour and would bring petitioners past the LPJUSD. An alternate route to LPJUSD would be Ormsby Cutoff to Mt. Madonna/Summit Road/Loma Prieta Way if Highland Way is closed. This alternate route would take approximately 35 minutes.

Figure 1. Area Proposed for Transfer



B. Distance from Social Centers

Petitioners have stated that they primarily identify themselves with the Loma Prieta mountain community. The petitioners further state that they view themselves as a part of the suburban and urban areas of the Silicon Valley and the peninsula as they work in those areas.

Residents of the area most likely drive to whatever social centers and retail centers that best fit their needs. Therefore, due to personal preferences the significance of distance is diminished since residents will choose shopping and social centers that best meet their needs.

C. Distance from School Centers

Table 2 – Distance and Time to School Centers

Schools	Distance (Miles)	Time (Minutes)
Elementary Schools		
Loma Prieta (LPJUSD)	9	22
Bradley (PVUSD)	10	30
Middle Schools		
C.T. English (LPJUSD)	9	22
Aptos Junior High (PVUSD)	16	38
High Schools		
Los Gatos (LGSJUHSD)	18.7	36
Aptos High School (PVUSD)	15	36

County Committee Staff drove area roads on October 28, 2013.

Travel time is subject to change due to changing conditions on Highway 17 and local roads. The times that parents would be taking students to and from school on regular school days coincides with the heavy traffic caused by the commute from Santa Cruz to San Jose and the surrounding communities and the return commute in the afternoon and evening.

Student access to the Los Gatos-Saratoga High School may be facilitated by parents who are able to provide transportation to the school while on their way to and from work or other activities in the greater San Jose area. Petitioners have stated that they work in Santa Clara County.

Students who reside in the area proposed to be transferred are not eligible for bus transportation to PVUSD schools as service ends at Rider Road which is approximately 8 miles from the area proposed for transfer. The closest bus stop for students in the area proposed for transfer is approximately 5.5 miles according to Patti Smart of the LPJUSD.

Summary of Travel Issues

For elementary and middle school students, travel distance and time to LPJUSD are shorter than the travel distance and time to PVUSD schools. Additionally, students travelling to LPJUSD schools do not need to travel on the highway as they would need to do when travelling to PVUSD schools (unless an alternate route was taken).

For high school students, the travel distance to either Los Gatos or Scotts Valley high schools is approximately the same and students must travel on Highway 17 if attending either school (unless an alternate route is taken). However, due to heavy commute traffic northbound on Highway 17, the travel distance is approximately eight minutes longer to Los Gatos High than Scotts Valley High during the morning commute. Travel to and from Scotts Valley High is in the opposite direction of the commute traffic so commute time was not calculated for Scotts Valley High.

D. Topography

Both PVUSD and LPJUSD serve residents of adjacent mountain communities. As such, both districts are quite similar in terms of topography.

E. Weather

Weather is the same throughout the area and can affect commute time and safety on mountain roads leading to PVUSD and LPJUSD/LGSJUHS D schools.

F. Community, School, and Social Ties and other Circumstances

The territory proposed to be transferred has ties with the Santa Clara County schools, work places and communities. This sense of community identity by the residents of the territory to be transferred is not present for schools or communities in PVUSD according to petitioners.

The study team recommends that Criterion 2 is met.

3.0 CRITERION 3

California Education Code Section 35753 (a) (3) - The proposal will result in an equitable division of property and facilities of the original district or districts.

Property, Funds, and Obligations

There is no real property located in the territory proposed for transfer – therefore, no such property will be divided.

Bonded Indebtedness

Table 3 illustrates the general obligation bonds that have been approved by voters in the affected school districts.

Table 3 – General Obligation Bonds by Affected School District

School District	Amount (in millions)	Date Approved
PVUSD	\$150	November 2012
LPJUSD	-	-
LGSJUHS	\$79	June 1998

Source: School Services of California, California News/bond election results 2005-2013.

Pursuant to Education Code Section 35575, if the transfer were to be approved, the territory would drop any liability for outstanding bonded indebtedness in PVUSD and would assume its share of liability for outstanding bonded indebtedness in LPJUSD and LGSJUHS.

Parcel Tax Revenue

LGSJUHS has a parcel tax that went into effect on July 1, 2011. The tax is \$49 per parcel for six years; it is set to expire in 2016. If the transfer is approved, residents within the area proposed for transfer would assume the obligation of the LGSJUHS parcel tax.

In November 2013 the LPJUSD passed a parcel tax assessment of \$164 per parcel for six years. Additionally, LPJUSD currently has a parcel tax assessment of \$150; according to the district, this special assessment will be collected each tax year without a Gann election if the District has a statutory Gann appropriations capacity. LPJUSD has a writ of mandate requesting both Santa Clara and Santa Cruz Counties to continue to assess the \$150 and they foresee this parcel tax assessment continuing.

There are 7 parcels located in the area proposed for transfer, assuming there are no senior exemptions and Supplemental Security Income or other exemptions, also assuming the transfer is approved and becomes effective July, 2014 for tax purposes, LGSJUHS would gain approximately \$343 per year in parcel tax income for two years and LPJUSD would gain \$1,148 per year for six years as a result of the new parcel tax and an additional \$1,050 annually for the existing parcel tax.

Property Tax Revenue

The exchange of property tax revenue as a result of reorganization is determined pursuant to Section 99 of the Revenue and Taxation Code. Subdivision (b) requires the county assessor to notify the county auditor within 30 days of receiving notification of the change of the assessed valuations of the territory to be reorganized. The county auditor then estimates the amount of property tax generated from the territory and notifies the governing boards of the affected school districts. Subdivision (i) of Section 99 of the Revenue and Taxation Code states that the governing boards of the districts must negotiate a property tax exchange within 60 days of receiving notification from the county auditor or the County Board of Education will determine the exchange.

In most cases, all of the tax revenue from the territory being reorganized would be transferred to the district receiving the territory. However, it is clear from Section 99 of the Revenue and Taxation Code that the tax revenues transferred are subject to negotiation.

Conclusion

Existing law, in terms of the Education and Revenue and Taxation codes, provides the guidelines necessary to divide property, funds, and obligations of the districts. No real property of the affected districts is within the area proposed for transfer. The transfer of responsibility in terms of bonded indebtedness is addressed by Education Code Section 35575. Transfer of property tax revenues is controlled by the Revenues and Taxation Code Section 99.

The study team finds that Criterion 3 is met.

4.0 CRITERION 4

California Education Code 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.

School districts have a constitutional obligation to prevent racial and ethnic segregation and to alleviate the harmful effects of segregation. As such, any school district reorganization should not isolate minority students and deprive all students of an integrated educational experience.

The information on racial/ethnic groups in the affected districts is taken from the 2010-2011 California Basic Educational Data System (CBEDS) report. The racial/ethnic group categories used by CBEDS are:

- American Indian or Alaskan Native - A person having origins in any of the original peoples of North America and who maintain cultural identification through tribal affiliation or community recognition.

- African American - Not of Hispanic origin, a non-Hispanic person having origins in any of the black racial groups of Africa.
- Asian - A person having origins in any of the original peoples of the Far East, Southeast Asia, or the Indian subcontinent.
- Pacific Islander - A person having origins in any of the original peoples of the Polynesian, Micronesian, or Melanesian Islands.
- Filipino - A person having origins in any of the original peoples of the Philippine Islands.
- Hispanic - A person of Mexican, Puerto Rican, Cuban, Central or South American, or other Spanish culture or origin, regardless of race.
- White - Not of Hispanic origin, a non-Hispanic person having origins in any of the original peoples of Europe, North Africa, or the Middle East.
- Multiple/No Response - Reports aggregated data from districts and schools that have decided to allow parents or students to identify more than one race or ethnicity or not make any identification.

Racial/ethnic designation was not indicated on data collection form.

Tables 4 and 5 depict the percentage and number of students in each of the racial/ethnic groups in the three affected school districts.

Table 4 - Race/Ethnicity of Students in Affected Districts by Number

	American Indian	Asian	Pacific Islander	Filipino	Hispanic/Latino	African American	White	Mult./No Response
PVUSD	39	183	28	188	16,093	99	3,347	24
LPJUSD	5	29	0	4	32	2	357	24
LGSJUSD	4	942	5	19	229	8	1,768	257

Source: CDE, CBEDS, 2012-13.

Table 5 - Race/Ethnicity of Students in Affected Districts by Percentage Number

	American Indian	Asian	Pacific Islander	Filipino	Hispanic/Latino	African American	White	Mult./No Response
PVUSD	0.2%	0.9%	0.1%	0.9%	80.5%	0.5%	16.7%	0.1%
LPJUSD	1.1%	6.4%	0%	0.9%	7%	0.4%	78.8%	5.3%
LGSJUSD	0.1%	0%	29%	0.6%	7%	0.2%	54.7%	8%

Source: CDE, CBEDS, 2012-13.

There are currently no school-age children in the area proposed for transfer (two students who will live in the area currently attend school in LPJUSD). If the transfer of territory were approved the number of students would be relatively small and the impact would not be significant enough to disrupt the racial/ethnic balance of the affected school districts.

The potential number of students that could reside in the area proposed for transfer is low compared to the overall enrollment of the affected districts. No matter the ethnic/racial makeup of those potential students, it would not be enough to disrupt the racial/ethnic balance of the affected districts nor would it be enough to affect the ability of each district to educate their students in an integrated environment.

The study team recommends that Criterion 4 is met.

5.0 CRITERION 5

California Education Code Section 35753 (a)(5) – Any increase in costs to the state as a result of the proposed reorganization will be insignificant and otherwise incidental to the reorganization.

The State Board of Education has not adopted a regulation to implement this criterion. However, the *School District Organization Handbook*, 2006 edition, published by the State Department of Education, suggests that the following factors be considered in analyzing whether the proposal will increase state costs:

- a. Whether implementation of the proposal would change one or more of the affected districts' basic aid status.
- b. Additional state costs for school facilities.
- c. Other state special or categorical aid programs and any increased state costs if students transferring would qualify in the gaining district and not in the losing district.
- d. The additional costs to the state if costs per student for special or categorical programs are higher in the gaining district.
- e. The effect on the districts' home-to-school and special education transportation costs and state reimbursements.

- f. Increased costs resulting from additional schools becoming eligible for “necessary small school” funding pursuant to Sections 42280 through 42289.”

Cost Factors

- 1. **Whether the implementation of the proposal would change one or more of the affected districts’ basic aid status.**

The territory proposed for transfer has an assessed valuation of approximately \$1.8 million generating total tax revenues of approximately \$21,000. PVUSD is not a basic aid school district and therefore approval of the territory transfer would not cause PVUSD to lose its basic aid status.

- 2. **Additional state costs for school facilities.**

The number of students that would attend school in the future is small and would not generate additional state costs of school construction for either LPJUSD or LGSJUHSD.

- 3. **Other state special or categorical aid programs and any increased state costs if students transferring would qualify in the gaining district and not in the losing district.**

Generally, state categorical aid is generated on the basis of individual needs of students. Any student eligible for categorical aid would take that state categorical money with them to the receiving districts if the transfer were to be approved. Since the amount per student for any particular categorical aid program is determined by the state and not the district, any increase in funding to the receiving districts for students eligible for categorical aid would be offset by the decrease in categorical funding from the districts losing the territory. Because the current school age students residing in the area proposed for transfer already attend LPJUSD and LGSJUHSD and the potential number of students in the areas is small it does not appear that the territory would generate additional categorical aid funding as a result of the transfer.

- 4. **The additional costs to the state in costs per student for special or categorical programs are higher in the gaining district.**

As stated above, there is no evidence that categorical aid programs in PVUSD cost any more in state funding than those same programs in LPJUSD or LGSJUHSD.

- 5. **The effect on the districts home-to-school special education transportation costs and state reimbursements.**

There are no students in the area proposed for transfer that rely on special education transportation.

6. Increased costs resulting from additional schools becoming eligible for “necessary small school funding...”

All of the schools in the affected school districts are within 15 miles of other schools. The transfer of territory will not result in the creation of additional necessary small schools nor will it relegate existing schools to necessary small school status.

The study team recommends that Criterion 5 is met.

6.0 CRITERION 6

California Education Code Section 35753 (a)(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.

There are currently no school-age children in the area proposed for transfer (two students who will live in the area currently attend school in LPJUSD). If the area were to be approved for transfer there would be no immediate change in the educational programs of the school. The potential number of students who could live within the area to be transferred would not significantly impact the educational programs or the ability of the districts to promote sound education performance in the affected schools.

Due to the small number of potential students from the territory proposed to be transferred, the study team recommends that the proposed transfer of territory will not significantly impact the teacher-pupil staffing ratio, class size, or academic offerings in the affected schools and districts.

The study team recommends that Criterion 6 is met.

7.0 CRITERION 7

California Education Code 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.

No regulations have been adopted under this criterion; however, according to the CDE's School District Organization Handbook, the discussion should provide a concise analysis of the availability of school facilities to house the pupils in the portion of the district being reorganized.

The Handbook provides that, in the case of a territory transfer, the study “should address whether the school district receiving the new students has adequate facilities to house them. If new facilities are required, the study should address how facilities will be funded” (CDE School District Organization Handbook, 89).

In addition, the Handbook recommends that the following areas should also be addressed:

- a. Local bonding capacity. It should be determined whether the territory transfer reduces the assessed valuation of a district to a point where the bonding capacity might be impaired.
- b. Developer fees. An analysis should be made of how income from developer fees might be affected. Whether developer fees have already been paid, whether they have increased or decreased because of the district losing or gaining the territory, and the impacts of the territory transfer should be determined.
- c. School property. If there is school property in the area to be transferred, the impact on each district should be determined. If a school is to be transferred, it should be determined how the district losing the school will compensate for the loss of the facilities. If school sites are involved, it should be determined how each district’s facility plan will be affected.
- d. School capacity. The analysis should take into consideration whether the schools are operating on traditional, single, or multi-track schedules.
- e. Condition of existing facilities. The analysis should distinguish between permanent and portable buildings, the age of the facilities, whether they have been well or poorly maintained or modernized, whether they have had technological upgrades, and the conditions of the mechanical systems on the school site (e.g. HVAC).
- f. State School Facilities Program. It should be determined how the loss and gain of pupils will affect school districts’ eligibility for state building funding.

7.1 Discussion

Bonding Capacity

The bonding capacity of PVUSD is approximately \$300 million, the loss of approximately \$1.8 million in assessed valuation is minimal and would not lower the assessed valuation of PVUSD to a point where their bonding capacity would be negatively impacted.

Developer Fees

There will be no developer fees associated with the proposed transfer.

School Property

There is no school property within the area proposed for transfer.

School Capacity

There are currently no school-age children in the area proposed for transfer (two students who will live in the area currently attend school in LPJUSD), the proposed territory transfer would not result in any immediate impact on school capacity.

Condition of Existing Facilities

According to the most recent School Accountability Report Card (2010-11) for Los Gatos High School, all aspects of facilities received a rating of “good” and that there are no apparent problems. This information is based on the use of the Facilities Inspection Tool from the Office of Public School Construction. According to the most recent School Accountability Report Cards (SARC) for Loma Prieta Elementary and C.T. English Middle School the condition of the school facilities is excellent. A new building was completed in 2002 and the condition of that facility is considered exemplary.

State School Facilities Program

If the proposed transfer is approved, there will be no effect on any affected school district’s eligibility for state building funding.

The study team recommends that Criterion 7 is met.

8.0 CRITERION 8

California Education Code Section 35753 (a)(8) - The proposed reorganization is primarily designed for purposes other than to significantly increase property values.

The purpose of Criterion 8 is to ascertain whether the primary reason for proposing the transfer of territory is for financial advantage to the owners.

Based on the original petition and statements made by the petitioners, there is no indication that this request is primarily designed to increase property values, rather the primary reasons are community identity and hardship in terms of travel.

The study team recommends that Criterion 8 is met.

9.0 CRITERION 9

California Education Code Section 35753 (a)(9) - The proposed reorganization will continue to promote sound fiscal management and not cause substantial negative effect on the fiscal status of the proposed district or any existing districts affected by the proposed reorganization.

There are no regulations on this subject. The CDE's School District Organization Handbook provides the following:

The county committee should review and consider any potential revenue gains or losses resulting from community development, agency agreements or other pass-through agreements, loss of incremental taxes, Mello-Roos Community Facility District funds, parcel taxes, certificates of participation, basic aid, tax overrides, mitigation agreements with developers, and any other categorical or specialized funds (e.g. Public Law 874 funds and Timber Reserves).

(CDE's School District Organization Handbook, 90.)

Average Daily Attendance

There are currently no school-age children in the area proposed for transfer (two students who will live in the area currently attend school in LPJUSD) so there would be no immediate loss of ADA.

Basic Aid Status

The territory proposed for transfer has an assessed valuation of approximately \$1.8 million generating total tax revenues of approximately \$21,000. PVUSD is not a basic aid school district and therefore approval of the territory transfer would not cause PVUSD to lose its basic aid status.

Parcel Tax

PVUSD has a parcel tax of \$48 per parcel for three years that was effective July 1, 2012; the parcel tax is set to expire in 2015.

LGSJUHSD has a parcel tax that went into effect on July 1, 2011. The tax is \$49 per parcel for six years; it is set to expire in 2016. If the transfer is approved, residents within the area proposed for transfer would assume the obligation of the LGSJUHSD parcel tax.

LPJUSD currently has a parcel tax assessment of \$150; according to the district, this special assessment will be collected each tax year without a Gann election if the District has a statutory Gann appropriations capacity. LPJUSD has a writ of mandate requesting both Santa Clara and Santa Cruz Counties to continue to assess the \$150 and they foresee this parcel tax assessment continuing indefinitely.

If the transfer is approved, it would be effective (for tax purposes) by July 1, 2015; the parcel tax for PVUSD is set to expire in 2015 therefore there would be no impact on the PVUSD parcel tax income. LGSJUHSD and LPJUSD each have a parcel tax as stated above, assuming there are no senior exemptions and Supplemental Security Income or other exemptions, also assuming the transfer is approved and becomes effective July, 2015 for tax purposes, LGSJUHSD would gain approximately \$294 in parcel tax income for one year and LPJUSD would gain \$900 annually.

Assessed Valuation

The territory proposed for transfer has an assessed valuation of approximately \$1.8 million which will not significantly reduce the overall assessed valuation of the PVUSD.

The study team recommends that Criterion 9 is met.

10.0 CRITERION 10

Any other criteria as the board (i.e. State Board of Education) may, by regulation, prescribe.

No other criteria were considered.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

Public Resources Code Section 21000 requires that public agencies review and document the environmental implications of their activities and actions. An activity or “project” under Public Resources Code Section 21065 is defined as follows:

“Project” means an activity which may cause either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, and which is any of the following:

- (a) An activity directly undertaken by any public agency.
- (b) An activity undertaken by a person which is supported, in whole or in part, through contracts, grants, subsidies, loans, or other forms of assistance from one or more public agencies.
- (c) An activity that involves the issuance to a person of a lease, permit, license, certificate, or other entitlement for use by one or more public agencies.

The petition to transfer property was filed with the Santa Cruz County Committee on School District Organization, and they are therefore considered the lead agency for CEQA issues. It is the understanding of this study team for the Santa Clara County Committee that a Notice of Exemption will be submitted to the County Clerk of Santa Cruz County.

CONCLUSIONS

The nine criteria discussed in Sections 1.0 through 9.0 represent minimum criteria (*Hamilton v. State Board of Education*, [1981] 117 Cal.App.3d 132; Cal.Rptr. 748) that the County Committee is required to examine prior to approving/disapproving a request to transfer territory from one school district to another. The study team has analyzed the nine criteria and found that each has been met. However, if the County Committee determines that all nine conditions are substantially met, it has the discretion, but not the obligation, to approve the proposal. If all nine criteria are found to be met by the County Committee, they may choose to approve the proposed transfer if a compelling reason exists for the transfer or, conversely, may choose not to approve the transfer if a compelling reason exists not to approve it.

APPENDIX A

Joshua & Kazuko McKee 1075 Ormsby Cutoff, Watsonville, CA 95076

Michael C. Watkins
Santa Cruz County Superintendent of Schools
Santa Cruz County Office of Education
400 Encinal Street
Santa Cruz, CA 95060

Re: Request to Transfer Property
APN: 106-331-25

Dear Mr Watkins:

We are requesting the transfer of our property from the Pajaro School District into the Loma Prieta Joint Union Elementary School District and the Los Gatos-Saratoga Joint Union School District.

Our reason for requesting the transfer of our property is as follows:

Loma Prieta is the closest school to us, and is on the way to our work. For us to drive down to Bradley, would cost us at least 2 hours of extra driving per day added to a commute that is already 45 minutes long each way to Cupertino. We have a Watsonville address but are very close to the summit at the top of Eureka Canyon. Our kids have always gone to Pre-school next to Loma Prieta school and so most of their friends are going there too.

The people who live on this unique property, generally stay at the top of the mountain for what they need, and generally work over the hill. It saves a lot of gas to stay on the mountain rather than go up and down it.

I think Loma Prieta will always be the most convenient school for everyone who lives in this area and have already talked to a few of my neighbours who also would be interested in switching school districts.

Thankyou for your consideration in this matter.

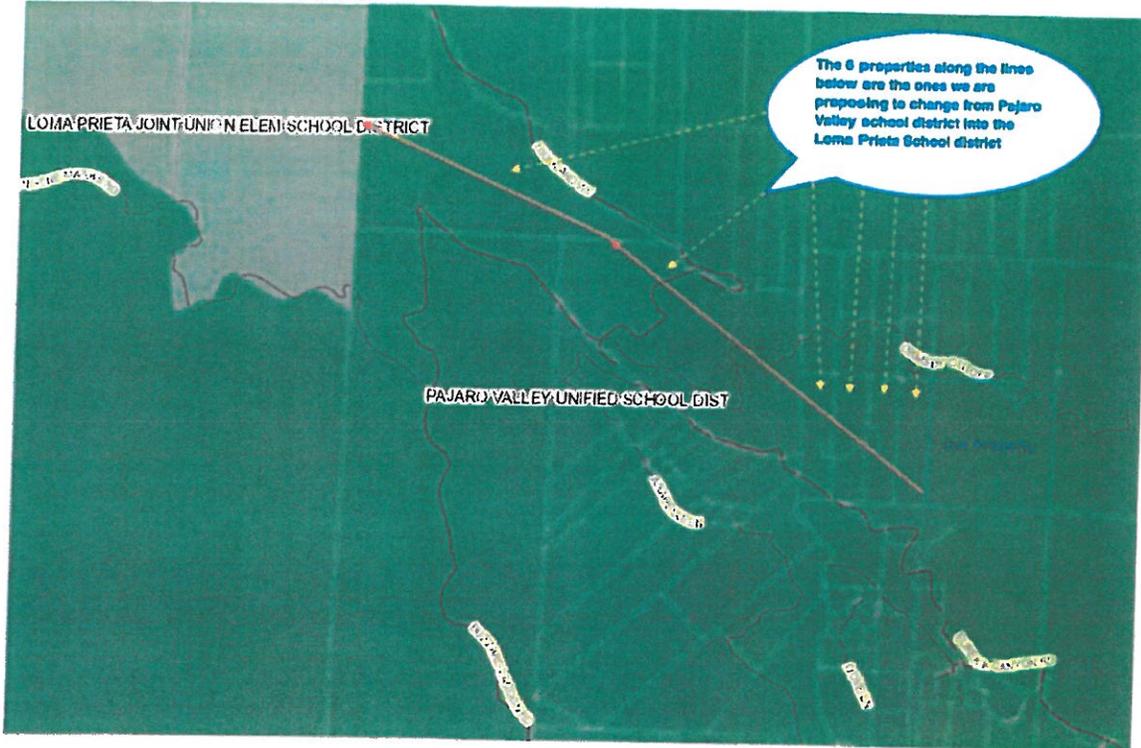
Sincerely,


Joshua McKee - Chief Petitioner



This would mean a great deal to us and alleviate some significant hardships, so thanks for your consideration,

Joshua & Kazuko McKee



RECEIVED
AUG 08 2013
BY: *SM*

Hello:

RESIDENTIAL HOUSE:

106-331-14 Ronald & Diana Wohnoutka 605 Ormsby Cutoff, Watsonville, CA 95076
106-331-11 Keith Chastain & Sherry Paul 895 Ormsby cutoff, Watsonville, CA 95076

VACANT LAND:

106-29-116 Robert Kurtz Louden MAIL: 14285 Saratoga Ave, Saratoga, CA 95070
106-331-01 Kent Uhlenhopp & Clarence Clark MAIL: PO Box 251, Campbell, CA 95008
106-331-13 Angela Young MAIL: PO Box 1368, Haiku, HI 96708
106-331-12 Michael Longo MAIL: 2868 Peach Tree St, Hemet, CA 92545

We are your neighbors up the street at 1075 Ormsby. We have had a rough time with the Loma Prieta school district folks as we are apparently 6 parcels over from their district, meaning they want us to go to Bradley with our 5 and 4 year old kids. This just is not feasible as it would be an extra 90 minutes of driving each day to go there and then to work in the opposite direction. It also would not allow us enough time to work and get to school in time to pick up our kids. Another factor is that the community we feel we are in, is all along the summit and clustered around the summit store and Loma Prieta school, so all our kids friends are going to Loma Prieta.

Loma Prieta is the closest school geologically to all of us, and I imagine you probably feel it should serve the community your parcel is in also.

I was instructed by the superintendent of the board of education in santa cruz to inform you of my request to transfer from Pajaro Valley Unified School District into the Loma Prieta Joint Union District, and see if you wish your parcel to move over also. I can only move my parcel over if it is possible to draw a straight line(like the red line below) from my parcel to other connecting parcels that will touch the Loma Prieta school district boundary. Your parcel is one of the 6 parcels in Pajaros school district that is inbetween mine and the Loma Prieta school district boundary.

If you would like to move your parcel to Loma Prieta Joint Union Elem School District, please sign and date your consent on the form I have provided.

If you have questions, feel free to call me(Josh McKee) at one of the numbers below:

Cell: 415-465-1004

Work: 408-974-8857



I, Angela Young, consent to changing my Parcel number (APN: 106-331-13) from the Pajaro Valley Unified School District, into the Loma Prieta Joint Union Elem School District.

Signed:

Angela Young: *Angela Young*

Date: 11-20-12

RECEIVED
AUG 08 2013
BY: *[Signature]*

I, Robert Kurtz Louden, consent to changing my Parcel number (APN: 106-29-116) from the Pajaro Valley Unified School District, into the Loma Prieta Joint Union Elem School District.

Signed:

Robert Kurtz Louden: *R. K. Louden*

Date: *11/12/12*



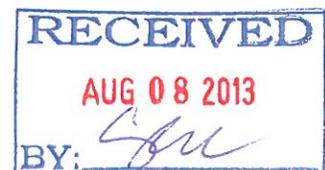
I, Ronald & Diana Wohnoutka, consent to changing my Parcel number (APN: 106-331-14) from the Pajaro Valley Unified School District, into the Loma Prieta Joint Union Elem School District.

Signed:

Ronald Wohnoutka: Ronald Wohnoutka

Diana Wohnoutka: Diana Wohnoutka

Date: 11-12-12



I, Michael Longo, consent to changing my Parcel number (APN: 106-331-12) from the Pajaro Valley Unified School District, into the Loma Prieta Joint Union Elem School District.

Signed:

Michael Longo: Michael Longo

Date: Nov 10 2012



I, Keith Chastain and/or Sherry Paul, consent to changing my/our Parcel number (APN: 106-29-116) from the Pajaro Valley Unified School District, into the Loma Prieta Joint Union Elem School District.

Signed:

Keith Chastain: *Keith Chastain*

Date: *1/1/2013*

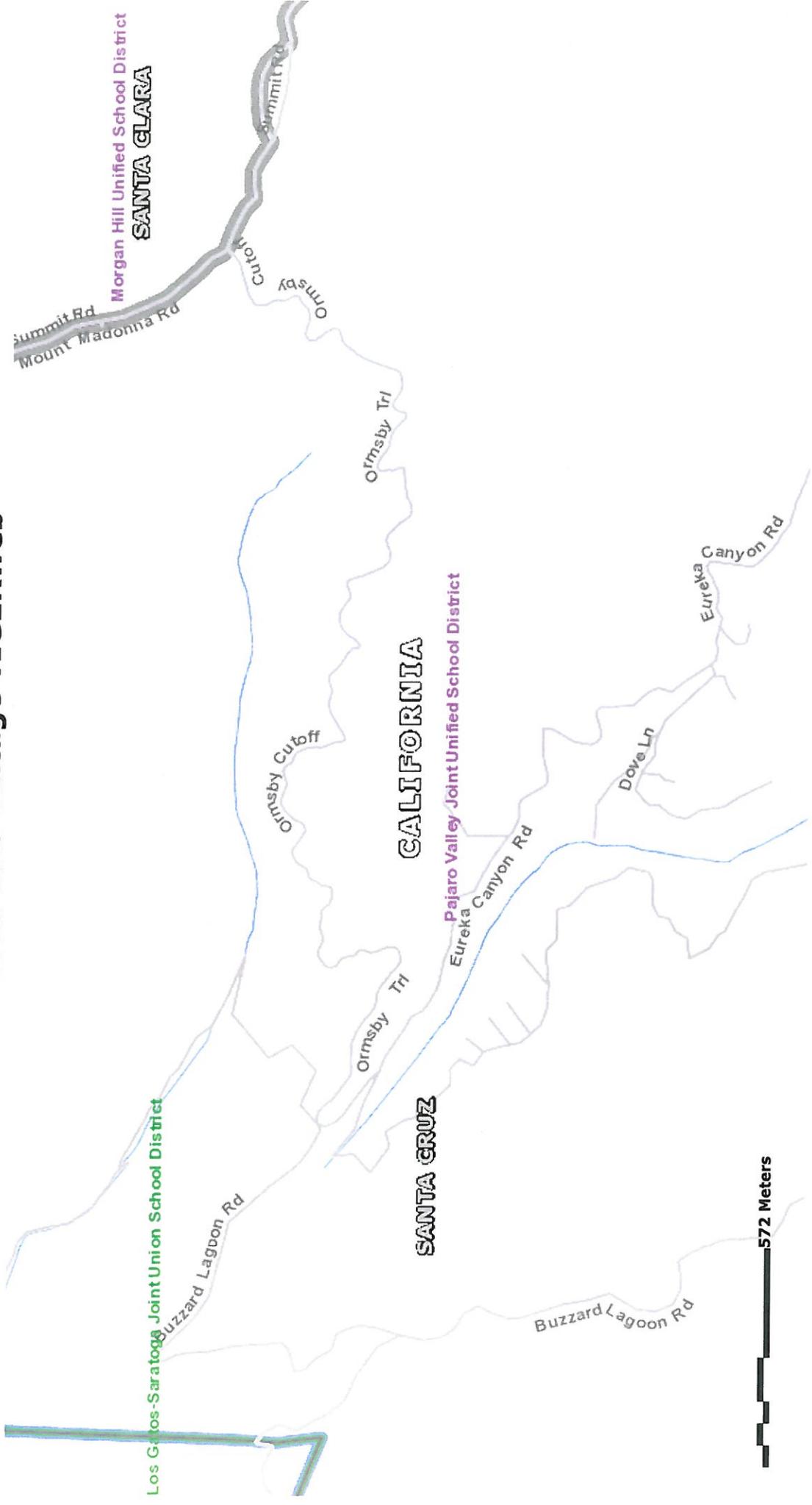
Sherry Paul: *Sherry Paul*

Date: *1-1-2013*



APPENDIX B

2013 BAS Vintage TIGERweb



Morgan Hill Unified School District
SANTA CLARA

Los Gatos-Saratoga Joint Union School District

Pejaro Valley Joint Unified School District

CALIFORNIA

SANTA CRUZ

572 Meters

APN	Address
106-331-25	1075 Ormsby Cutoff, Watsonville
106-331-14	605 Ormsby Cutoff, Watsonville
106-331-11	895 Ormsby Cutoff, Watsonville
106-29-116	Vacant Land
106-331-01	Vacant Land
106-331-13	Vacant Land
106-331-12	Vacant Land

APPENDIX C

LOS GATOS-SARATOGA UNION HIGH SCHOOL DISTRICT
Resolution #13-03
Transfer of Territory
From the Pajaro Unified School District to the
Loma Prieta Joint Union Elementary School District and the Los Gatos-Saratoga Union
High School District

WHEREAS, the Santa Cruz County Committee on School District Organization has received a petition to transfer seven (7) parcels located in Santa Cruz County from the Parajo Unified School District under the jurisdiction of the Santa Cruz County Office of Education to the Loma Prieta Joint Union Elementary School District and the Los Gatos-Saratoga Union High School District, which are under the jurisdiction of the Santa Clara County Office of Education.

WHEREAS, California Education Code section 35700 stipulates that an action to reorganize one or more school districts is initiated by filing, with the county superintendent of schools, of a petition signed by at least 25 percent of the registered voters in inhabited territory proposed to be reorganized, the owners of the uninhabited territory proposed to be reorganized, or by a majority of the members of the governing boards of each of the districts that would be affected by the proposed reorganization;

WHEREAS, the Chief Petitioner of the petition is Joshua McKee, resident of one of the seven (7) parcels, inhabited and uninhabited, to be reorganized by transfer to the Loma Prieta Joint Union Elementary School District and the Los Gatos-Saratoga Union High School District;

WHEREAS, the Santa Cruz County Committee on School District Organization held a public hearing on August 6, 2013, on the petition; Los Gatos-Saratoga Union High School District did not receive a 10-day notice as required by law as set forth in Education Code section 35705;

WHEREAS, Education Code section 35702 specifies that persons securing signatures to a petition of electors to reorganize school districts shall attach an affidavit that all persons who signed the petition did so in the presence of the affiant and that the signature is the genuine signature of the person whose name it purports to be; the petition to transfer the seven (7) parcels does not include such an affidavit;

WHEREAS, California Education Code section 35709 stipulates that the county committees on school district organization may grant a petition if the conditions enumerated in Education Code Section 35753 are substantially met and the petition is to transfer inhabited territory of less than 10 percent of the assessed valuation of the district from which the territory is being transferred and all of the governing boards have consented to the transfer;

WHEREAS, the transfer does not meet the conditions of Education Code Section 35753;

WHEREAS, provisions for the exchange of property tax revenue are set forth in Revenue and Taxation Code Section 99(h) and provide that upon the aforementioned transfer becoming

effective for all purposes, the property tax revenues generated by the aforementioned territory shall be attributable to the tax rate areas within the district(s) which receive the territory that is transferred;

WHEREAS, the property transfer is designed to result in significant increase in property values causing financial advantage to property owners because the territory was transferred from one school district to adjoining districts;

WHEREAS, the property proposed for transfer is remotely located in the County of Santa Cruz and its transfer from the Pajaro Valley Unified School District to the Loma Prieta Joint Union Elementary School District and the Los Gatos-Saratoga Union High School District would not result in districts that are organized on the basis of a substantial community of identity;

WHEREAS, the Los Gatos-Saratoga Joint Union High School District is currently experiencing and projecting substantial future enrollment growth which will likely require additional classrooms and facilities construction, with potential bond-financing;

WHEREAS, the approval of the transfer would set precedence for future transfers of territory into the Los Gatos-Saratoga Joint Union High School District, exacerbating growth and potentially disrupting its educational program;

NOW, THEREFORE BE IT RESOLVED, that by a vote of the majority of the members, the Governing Board of the Los Gatos-Saratoga Joint Union High School district declares that the petition to transfer territory is not in conformance with law, and further, that it is not in the best interest of our school district to accept this transfer of property.

PASSED AND ADOPTED by the Governing Board of the Los Gatos-Saratoga Joint Union High School District, County of Santa Clara, State of California, this 10th day of September, 2013, by the following vote:

AYES: Trustees Chang, Ramezane, Rossi, Tseng

NOES:

ABSTAIN/ABSENT: Trustee van Zuiden abstaining

I, Katherine Tseng, Clerk, of the Governing Board, do hereby certify that the foregoing is a true and correct copy of the resolution adopted by the Governing board of the Los Gatos-Saratoga Joint Union High School District at the meeting of September 10, 201, and maintained on file in the office of said Board.

 Clerk of the Board

APPENDIX D

NOTICE OF PUBLIC HEARINGS

ON:

**A PROPOSED TRANSFER OF TERRITORY
FROM
PAJARO VALLEY UNIFIED SCHOOL DISTRICT
TO
LOMA PRIETA JOINT UNION SCHOOL DISTRICT AND
LOS GATOS-SARATOGA JOINT UNION HIGH SCHOOL DISTRICT**

The Santa Clara County Committee on School District Organization will conduct a public hearing to obtain public response to a request to transfer 7 parcels from Pajaro Valley Unified School District to Loma Prieta Joint Union School District and Los Gatos-Saratoga Joint Union High School District.

The public hearing will be held at the following location and time:

**Wednesday, September 18, 2013 4:00 p.m.
Loma Prieta Joint Union School District - Community Room
23800 Summit Road
Los Gatos**

For more information regarding the process and public hearings,
contact Suzanne Carrig at (408) 453-6869.

**DESCRIPTION OF PETITION
PAJARO VALLEY UNIFIED SCHOOL DISTRICT
TO
LOMA PRIETA JOINT UNION SCHOOL DISTRICT AND
LOS GATOS-SARATOGA JOINT UNION HIGH SCHOOL DISTRICT**

Education Code Section 35705.5 requires that the County Committee on School District Organization make available to the public and to the governing boards affected by the petition a description of the petition, including:

1. The rights of the employees in the affected districts to continued employment.
2. The revenue limit per unit of average daily attendance for each affected district and the effect of the petition, if approved, on such revenue limit.
3. Whether the districts involved will be governed, in part, by provisions of a city charter and, if so, in what way.
4. Whether the governing boards of any proposed new district will have five or seven members.
5. A description of the territory or districts in which the election, if any, will be held.
6. Where the proposal is to create two or more districts, whether the proposal will be voted on as a single proposition.
7. Whether the governing board of any new district will have trustee areas and, if so, whether the trustees will be elected by only the voters of that trustee area or by voters of the entire district.
8. A description of how the property, obligations, and bonded indebtedness of existing districts will be divided.
9. A description of when the first governing board of any new district will be elected and how terms of office for each new trustee will be determined.

Description of Petition

The proposal requests a transfer of seven (7) parcels from Pajaro Valley Unified School District to Loma Prieta Joint Union School District and Los Gatos-Saratoga Joint Union High School District. A map of the territory proposed for transfer and a list of the Assessor Parcel Numbers (APNs) are attached.

The chief petitioner is:

Joshua McKee
1075 Ormsby Cutoff
Corralitos, CA 95076

1. *The rights of the employees in the affected districts to continued employment:*

Not applicable to the current proposal. The rights of the employees to continued employment will not be affected by the proposed territory transfer.

2. *The revenue limit per unit of average daily attendance for each affected district and the effect of the petition, if approved, on such revenue limit.*

The revenue limit per unit of average daily attendance is not calculated here due to the implementation of the Local Control Funding Formula. However, there are two public school students in the area proposed for transfer currently attending school in the Pajaro Valley Unified School District. The Loma Prieta Joint Union School District and the Los Gatos-Saratoga Joint Union High School District are both basic aid school district and therefore there would be not impact on t those school districts. Pajaro Valley Unified School District is a per-pupil funded district.

3. *Whether the districts involved will be governed, in part, by provisions of a city charter and, if so, in what way.*

Not applicable to the current petition.

4. *Whether the governing boards of any proposed new district will have five or seven members.*

Not applicable to the current petition.

5. *A description of the territory or districts in which the election, if any, will be held.*

If an election is required, the election area will be the area proposed for transfer. This specification is subject to change pending information obtained in the public hearings [EdC § 35705], completion of the feasibility report [EdC § 35710], and approval of the petition [EdC § 35706].

Pursuant to the provisions of California Education Code section 35710.1, notwithstanding any other provision of law, an election may not be called to vote on a petition to transfer territory if the election area for that petition, as determined pursuant to Section 35732, is uninhabited territory as described in Section 35517.

6. *Where the proposal is to create two or more districts, whether the proposal will be voted on as a single proposition.*

Not applicable to the current petition; the petition does not propose the creation of any new district(s).

7. *Whether the governing board of any new district will have trustee areas and, if so, whether the trustees will be elected by only the voters of that trustee area or by voters of the entire district.*

Not applicable to the current petition.

8. *A description of how the property, obligations, and bonded indebtedness of existing districts will be divided.*

The area proposed for transfer contains no public school property or buildings. The plans and recommendations of the County Committee on School District Organization would stipulate the division of any other property, funds or obligations (except bonded indebtedness) affected by the proposed transfer. The County Committee may use any equitable means to divide the property, funds and obligations, including assessed valuation, average daily attendance (ADA), or value and location of property. [EdC §§ 35560, 35736]

If the territory is transferred, it will drop any liability for outstanding bonded indebtedness of the district of which it was formerly a part and assume its proportionate share of the outstanding bonded indebtedness of the district of which it becomes a part. [EdC § 35575]

Provisions for the exchange of property tax revenue are set forth in Revenue and Taxation Code Section 99 (i).

9. *A description of when the first governing board of any new district will be elected and how terms of office for each new trustee will be determined.*

Not applicable to the current petition; this petition does not propose the creation of any new district(s).

Santa Clara County
Committee on School District Organization
Public Hearing
September 18, 2013
4:00 p.m.
Proposed Transfer of Territory from
Pajaro Valley Unified School District to
to
Loma Prieta Joint Union School District and
Los Gatos-Saratoga Joint Union High School District

Location: Loma Prieta Joint Union School District
23800 Summit Road, Los Gatos

Committee Members Present:
Nejleh Abed
Michele van Zuiden

County Office Staff Present:
Suzanne Carrig

Prior to hearing public comments, staff member Suzanne Carrig reviewed the public hearing process and the description of the transfer proposal. A review of the transfer area map was done by the committee and petitioner.

Joshua McKee, Chief Petitioner:

Mr. McKee made the following statements:

- Stated that his two children currently attend school in Loma Prieta.
- Had moved to the area in question to farm.
- When property was first purchased, the family was told the property was within the Loma Prieta district – information was obtained by Lexington. At this time they were already building a home on the property and it was almost complete.
- Bradley school in Pajaro Unified is the home school and it's a 20-30 minute commute the opposite way – both parents work for Apple in Cupertino. Bradley is located in Watsonville.
- Family requested an interdistrict transfer agreement and they were denied by Loma Prieta and denied by the Santa Clara County Board on appeal.
- A second property was purchased that is within Loma Prieta – family currently resides there but would like to return to the home they built.
- Community identity of the property is the Loma Prieta community.
- Loma Prieta is the closest school to the property.

Corey Kidwell, Superintendent, Loma Prieta Joint Union School District

Ms. Kidwell made the following comments:

- Stated that there is no official position from her board at this time.
- There was an error in noticing the first public hearing in Santa Cruz
- Last week was the first time the board met since finding out about the transfer
- The district was made aware of the transfer request shortly after school began
- There's no position yet as the district is looking at the possibility of another public hearing in Santa Cruz.

Member Nejleh Abed:

Asked why the interdistrict transfer was denied.

Ms. Kidwell:

Ms. Kidwell stated that, as a policy, the district denies interdistrict requests, the family appealed but they were denied by the county board. She stated that the district is impacted; they currently have over 500 students which is large for them. They are a basic aid district and this year are only receiving a total of \$200,000 from the state.

Member Abed:

Asked about the capacity at the school.

Ms. Kidwell:

Stated that they are out of classroom space at the elementary school.

Frank Biehl, Committee Chair:

Stated that since the district is basic aid, wouldn't the property bring additional tax revenue to the district.

Ms. Kidwell:

Stated that they would but by their estimate, the tax revenue from the area would be a total of \$8,600 per year and would bring two additional students; the current expense per student is approximately \$10,000.

Member Abed:

Member Abed asked about the number of students – asking if there were only two. Ms. Abed also asked about the surrounding parcels and whether or not they had students.

Mr. McKee:

Mr. McKee stated that his two children are the only students. He stated that the other parcels are vacant. He was unaware of the status of the parcels to the north of the transfer area but stated that there may only be one home there.

Ms. Kidwell:

Ms. Kidwell stated that more detailed maps of the area are necessary because the current maps do not seem to adequately illustrate the roads in the transfer area.

There was a short discussion about the roads in the area and the surrounding land of the transfer area.

Jeff Anderson, Los Gatos-Saratoga Joint Union High School District:

Mr. Anderson made the following comments:

- LGSJUHSD is in a similar position as Loma Prieta – they also heard about this issue late.
- The district also did not know about the Santa Cruz public hearing
- The issue is still new to us
- Los Gatos High School especially is impacted – the district is going out for a G.O. bond.
- At this time the enrollment at the high school is 1,791 which exceeds capacity by 91 students.
- There is some concern that there are other parcels that could potentially be developed and have future students.

Staff provided a brief overview of the reasons why the information regarding the transfer was received late.

Mr. McKee:

Mr. McKee stated that it's common sense from his standpoint since Loma Prieta is the closest school and it's on the way to everything the family does – work, etc. The home school in Pajaro Valley is in Watsonville which is about 30 minutes away while the commute to Loma Prieta is 15-20 minutes and on their way to work.

Ms. Kidwell:

Asked that it would be good to know how the property and surrounding area is zoned.

The public hearing ended at 4:30 p.m.

**Santa Cruz County Committee on
School District Organization
Pajaro Valley Unified School District
Human Resource Conference Room
294 Green Valley Rd.
Watsonville, CA 95076**

**PUBLIC HEARING MINUTES
August 6, 2013
2:30 p.m.**

Proposal to Transfer Territory from
Pajaro Valley Unified School District
To
Loma Prieta Joint Union Elementary School District and
Los Gatos-Saratoga Joint Union High School District

Committee Members Present: Dana Sales, Chair, Gina Locatelli, Sandra Nichols,

1. **Introduction by Committee Chairperson**
Chairperson Sales called the meeting to order at 2:30 p.m.
2. **Explanation of Guidelines by Chairperson**
The only audience member present was the petitioner, Mr. McKee. Mr. Sales briefly explained the process to Mr. McKee, beginning with a public hearing being held in each district. Mr. Sales explained that because the petition requested a transfer from Santa Cruz County to Santa Clara County, the Santa Clara County Committee on School District Organization would also have to hold a public hearing.
3. **Presentation of Proposal by Staff**
Cindy O'Conner provided a brief overview of the petition.
4. **CEQA Comments**
Mr. McKee commented that because Loma Prieta Elementary School is closer to his home, there would be a decrease in traffic and fuel.
5. **Statements by Petitioner(s)**
Mr. McKee stated the reason for his petition is very simple - it is about saving time in their day and spending more time with their children. Mr. McKee stated that driving to Watsonville each day would present a significant strain. Mr. McKee noted that there are only two other lots within the petition that are inhabited. One family's children are grown and the other is a retired couple.
6. **Statements by Affected School Districts**
There were no statements from the affected school districts.

7. **Statements from the Public**

There was no statement from the public.

Chairperson Sales adjourned the meeting at 2:12 p.m.