

California Department of Education

Executive Office

SBE-003 (REV. 11/2017)

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# California State Board of Education January 2019 Agenda Item #04

## Subject

Appeal from an Action of the Santa Clara County Committee on School District Organization to Disapprove a Petition to Transfer Territory from the Union School District and the Campbell Union High School District to the Los Gatos Union School District and the Los Gatos-Saratoga Joint Union High School District.

## Type of Action

Action, Information, Public Hearing

## Summary of the Issue(s)

The Santa Clara County Committee on School District Organization (County Committee) disapproved a petition to transfer territory from the Union School District (SD) and the Campbell Union High School District (UHSD) to the Los Gatos Union School District (USD) and the Los Gatos-Saratoga Joint Union High School District (JUHSD). Pursuant to California *Education Code* (*EC*) Section 35710.5, the chief petitioners for the territory transfer proposal submitted an appeal to the California State Board of Education (SBE) from the County Committee’s action.

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

In 1999, the SBE considered a similar appeal (involving County Committee disapproval of a proposed transfer of the same territory). At that time, the SBE unanimously 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 Union SD and the Campbell UHSD to the Los Gatos USD and the Los Gatos-Saratoga JUHSD.

## Brief History of Key Issues

The Santa Clara County Superintendent of Schools (County Superintendent) received a petition signed by at least 25 percent of the voters living in the Alta Vista neighborhood, located in the foothills of the Santa Cruz Mountains and the town of Los Gatos. The petition is to transfer the 59 parcels in this neighborhood from the Union SD and the Campbell UHSD to the Los Gatos USD and the Los Gatos-Saratoga JUHSD. Chief petitioners state the two primary reasons for requesting transfer are: (1) the neighborhood has a very strong sense of identity with the Los Gatos community and the current school district boundary isolates them from this community; and (2) students from the neighborhood have a significantly more dangerous commute to schools in the Union SD and the Campbell UHSD than they would have to schools in the Los Gatos USD and the Los Gatos-Saratoga JUHSD.

The County Committee determined that two of the nine minimum threshold conditions of *EC* Section 35753(a) are not substantially met[[1]](#footnote-1), each on a unanimous vote. Those conditions are:

* *EC* Section 35753(a)(6): *The proposed reorganization will continue to promote sound education performance and will not significantly disrupt the educational programs in the affected districts*.
* *EC* Section 35753(a)(7): *Any increase in school facilities costs as a result of the proposed reorganization will be insignificant and otherwise incidental to the reorganization*.

The County Committee subsequently disapproved the proposed transfer of territory from the Union SD and the Campbell UHSD to the Los Gatos USD and the Los Gatos-Saratoga JUHSD on a unanimous vote.

The CDE reviewed the entire administrative record provided by the County Superintendent (including summaries and transcripts of public hearings and meetings, documentation prepared by chief petitioners and affected school districts, and information presented to the County Committee by Santa Clara 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 “educational program” and the “facility costs” 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—primarily that the historical interest and activity in transfers from the Campbell UHSD to the Los Gatos-Saratoga JUHSD, along with the circumstances of the current transfer proposal, likely would encourage additional territory transfer requests (see Attachment 2 for more detail).

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 Union SD and the Campbell UHSD to the Los Gatos USD and the Los Gatos-Saratoga JUHSD.

## 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 Alta Vista neighborhood at its June 1999 meeting. The SBE unanimously affirmed the County Committee’s action to disapprove the transfer at that time.

## 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 (27 pages)

**Attachment 2**: Santa Clara County West Valley Reorganizations (7 pages)

# ATTACHMENT 1 Analysis of Administrative Record

**Appeal from an Action of the  
Santa Clara County Committee on School District Organization  
to Disapprove a Petition to Transfer Territory from the  
Union School District and the Campbell Union High School District  
to the Los Gatos Union School District and the  
Los Gatos-Saratoga Joint Union High School District**

## 1.0 Recommendation

The California Department of Education (CDE) recommends that the State Board of Education (SBE) affirm the action of the Santa Clara County Committee on School District Organization (County Committee) to disapprove the proposal to transfer territory from the Union School District (SD) and the Campbell Union High School District (UHSD) to the Los Gatos Union School District (USD) and the Los Gatos-Saratoga Joint Union High School District (JUHSD).

## 2.0 Background

### 2.1 Affected Districts

The territory of the Union SD comprises portions of the city of San Jose, the town of Los Gatos, and unincorporated Santa Clara County (including the community of Cambrian Park). The Campbell UHSD, in addition to the areas described within the Union SD, includes the city of Campbell and portions of the cities of Santa Clara and Saratoga.

Territory of the Los Gatos USD includes a large portion of the town of Los Gatos, as well as portions of the city of Monte Sereno and unincorporated Santa Clara County. In addition to the territory described in the Los Gatos USD, the Los Gatos-Saratoga JUHSD includes portions of the cities of Saratoga and Cupertino. A general area map portraying the affected districts and municipalities can be found on page 2 of Attachment 2.

The Union SD is a kindergarten through eighth grade (K-8) district that is a component of the Campbell UHSD, while the Los Gatos USD (also a K-8 district) is a component of the Los Gatos-Saratoga JUHSD.

The largest racial/ethnic category in all affected districts is “White,” with Union SD at 45.5 percent, the Campbell UHSD at 38.6 percent, the Los Gatos USD at 66.4 percent, and the Los Gatos-Saratoga JUHSD at 51.2 percent. Table 1 depicts the percentage of students in the most populous California Longitudinal Pupil Achievement Data System (CALPADS) racial/ethnic categories for each of the school districts.

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

| District | Asian | Hispanic | White | Two or More | Other\* |
| --- | --- | --- | --- | --- | --- |
| Union SD  (K-8 enrollment: 5,793) | 26.3% | 16.5% | 45.5% | 9.2% | 2.5% |
| Campbell UHSD  (9-12 enrollment: 8,043) | 16.5% | 35.1% | 38.6% | 3.7% | 6.1% |
| Los Gatos USD  (K-8 enrollment: 3,163) | 18.2% | 8.0% | 66.4% | 4.8% | 2.5% |
| Los Gatos-Saratoga JUHSD  (9-12 enrollment: 3,425) | 30.6% | 7.6% | 51.2% | 9.6% | 1.1% |

*Source:* *2017*–*18 CALPADS*

\* *The “Other” category includes “African American,” “American Indian or Alaska Native,” “Filipino,” and “Pacific Islander.” Students in the “Not Reported” CALPADS category are omitted from calculations for this table.*

### 2.2 Historical Actions Related to the Appeal

#### Early Transfers of Territory

Since the mid-1990s, the County Committee (and the SBE through the appeal process) has been addressing requests to transfer territory from the Campbell UHSD (and its component elementary districts) to the Los Gatos-Saratoga JUHSD (and, to a lesser degree, the Fremont UHSD and its component Cupertino USD). From these early years to the present, the Campbell UHSD (and its component districts) have been concerned about the “cascading” effect of territory transfer approval (i.e., concerned that approval of one territory transfer, which would have minimal effects on any affected district, would lead to a “cascade” of additional transfers that ultimately would deplete the Campbell UHSD [and its component districts] of sufficient assessed valuation and student population to have significant negative effects on the districts).

In response to the number of requests to transfer territory from the Campbell UHSD, the Santa Clara County Superintendent of Schools (County Superintendent), in 1997, contracted with an independent consultant to study reorganization options regarding the Campbell UHSD boundaries. This study included not just an analysis of the effects of territory transfers but also “piecemeal” adjustments to existing boundaries. The study found that continuing erosion of the Campbell UHSD boundary through territory transfers would have significant negative effects not only on the Campbell UHSD (and its component districts) but also on the Los Gatos-Saratoga JUHSD (and its components). The findings in the study added vociferous opposition from the Los Gatos and Saratoga districts (and the residents of those districts) to the existing opposition of the Campbell districts and residents toward proposed district reorganizations.

In response to the negative findings of the study, and the lack of school district and community support for territory transfers, the County Committee voted unanimously not to support territory transfers from the Campbell UHSD unless exceptional circumstances existed. The County Committee also adopted guidelines for these exceptional circumstances, which primarily addressed home to school transportation issues (e.g., distance and safety). This action by the County Committee was welcomed and supported in newspaper editorials appearing in the San Jose Mercury News, the Los Gatos Weekly Times, and the Saratoga News.

More detailed information regarding the area-wide study findings and responses is included as Attachment 2.

#### Prior Appeal Involving the Same Territory

In June 1999, 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. This unanimous action to disapprove the territory transfer took place a year after the above-described area-wide study. After reviewing the appeal, the CDE recommended that the SBE affirm the County Committee action. The SBE unanimously denied the appeal, thus affirming the decision of the County Committee to disapprove the territory transfer.

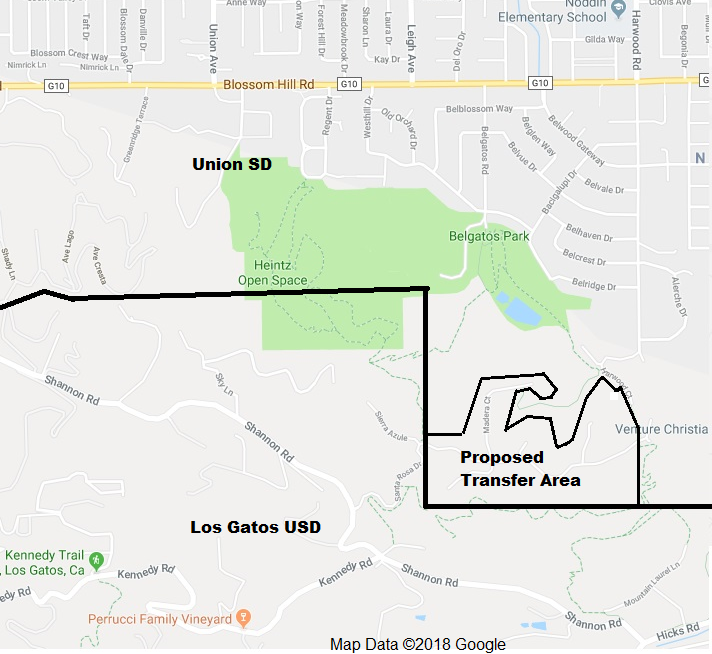
### 2.3 Territory Transfer Proposal

The proposal is to transfer 59 parcels (Alta Vista) located on the hillsides at the base of the Santa Cruz Mountains (in the southern portion of the town of Los Gatos). Santa Rosa Road is the single access route into Alta Vista, connecting the neighborhood to Shannon Road (see Figure 1 on following page). The proposal was submitted to the County Superintendent in the form of a petition signed by at least 25 percent of the voters residing within this area.

Petitioners’ reasons for the territory transfer are:

* Commute routes between petitioners’ homes and schools in the Union SD and the Campbell UHSD are less safe than routes to Los Gatos USD and Los Gatos-Saratoga JUHSD schools.
* Members of the Alta Vista community share a very strong sense of community identity with their neighbors in the Los Gatos USD and with the town of Los Gatos. Transfer of their homes into the Los Gatos USD would remove “awkward and isolating division” within their neighborhood.
* The territory transfer proposal meets all *EC* Section 35753 conditions.

***Figure 1: Map of Area Proposed for Transfer***



*Sources: Base map (Google Maps); School district boundaries (U.S. Census Bureau)*

## 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 Union SD and one within the boundaries of the Los Gatos USD. 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 substantially 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 two of the nine required conditions of *EC* Section 35753—both findings were a result of a unanimous vote. Those conditions are:

* *The proposed reorganization will continue to promote sound education performance and will not significantly disrupt the educational programs in the affected districts*.
* *Any increase in school facilities costs as a result of the proposed reorganization will be insignificant and otherwise incidental to the reorganization*.

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, who 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

The governing boards of all four affected school districts adopted resolutions opposing the proposed transfer of territory for a number of common reasons, including.

* Transfer of territory from the Union SD and the Campbell UHSD will result in an increased financial obligation to remaining property owners for the general obligation bonds of these districts.
* The loss of assessed valuation will have a significant negative long-term effect on the fiscal resources of the Union SD and the Campbell UHSD because of the loss of assessed valuation and per student funding.
* Transfer of the territory into the Los Gatos USD and the Los Gatos-Saratoga JUHSD will result in significantly increased property values for the petitioners.
* Approving the transfer proposal will set a precedent for future transfers from the Campbell UHSD.

In addition to the above common concerns expressed by all four affected districts, the Los Gatos USD and the Los Gatos-Saratoga JUHSD are concerned that additional territory transfers into the districts will negatively affect the districts’ facility needs, disrupt the educational programs of the districts, and threaten the safety and health of current and future students in the districts. The districts already are facing a wave of future residential growth and the current general obligation bond programs approved by district voters to address this growth are not designed to accommodate students from outside the current boundaries of the districts.

## 5.0 Reasons for the Appeal

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

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

Petitioners note that any overcrowding concerns in the Los Gatos USD and the Los Gatos-Saratoga JUHSD have been resolved. Regardless, the addition of the few students from the proposed transfer area would not disrupt the educational programs in those districts (see Section 6.1 for additional information).

* *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 Los Gatos USD and the Los Gatos-Saratoga JUHSD can easily incorporate the relatively few students from the proposed transfer area into district schools (see Section 6.2 for additional information).

Appellants also claim that there exist compelling reasons to approve the territory transfer, including community identity, safety of home-to-school commutes, and racial diversity (see Sections 6.3, 6.4, and 6.5 for further information regarding these issues).

## 6.0 CDE Analyses of *Education Code* Conditions

CDE staff 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 proposed reorganization will continue to promote sound education performance and will not significantly disrupt the educational programs in the affected districts*.
* *Any increase in school facilities costs as a result of the proposed reorganization will be insignificant and otherwise incidental to the reorganization.*

For its analysis of the proposal, the CDE conducted its own studies of the above two conditions, using information provided by the County Superintendent, the four affected school districts, and the chief petitioners.

The recommendations of the County Superintendent, and actions of the County Committee, regarding the “educational program” and “increased facility cost” conditions both were based upon a determination that the proposed transfer would contribute to overcrowding conditions in the Los Gatos USD and the Los Gatos-Saratoga JUHSD. As noted in the report prepared by the County Superintendent:

* Approval of the territory transfer would not affect the quality of the education programs offered at the affected districts but would compound the issue of overcrowding in the Los Gatos USD and the Los Gatos-Saratoga JUHSD, thus disrupting the educational programs of both districts.
* Enrollment at all Los Gatos USD schools, which would incorporate the proposed transfer area in their attendance areas, already exceed recommended capacities. Additional students transferring into the district will compound the issue of overcrowding and student placement in those schools, especially at the single middle school in the district.

Although the issue of overcrowding in the Los Gatos USD and the Los Gatos-Saratoga JUHSD schools is the single basis for the County Superintendent recommendation that both the “educational program” and “increased facility cost” conditions are not substantially met, the CDE analysis also will address other issues within those conditions in order to provide background and balance to its analyses.

The County Committee determined that the remaining seven *EC* Section 35753 conditions are substantially met—however, chief petitioners have raised a number of issues in their appeal that touch on those conditions. In response, the CDE will examine the issues of community identity, safety of home-to-school commutes, and racial diversity.

Findings and conclusions regarding the above issues, including discussions of relevant *EC* Section 35753 minimum threshold requirements and any related Title 5 *California Code of Regulations* (5 *CCR*) factors, are contained in the following subsections.

### 6.1 Educational Programs

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

#### Standard of Review

The SBE regulation regarding this condition (5 *CCR* 18573[a]][5] requires a description of the programs that would be adversely affected by the territory transfer. Additionally, the *School District Organization Handbook[[2]](#footnote-2)* recommends that analysis of the condition include (1) existing reviews of the affected districts or schools (e.g., School Accountability Report Cards) and (2) previous academic performance.

#### County Committee Action

Staff from the Santa Clara County Office of Education (County Office) presented the following information to the County Committee:

* Each of the affected school districts provide a sound educational program for their students and the transfer, if approved, would not be expected to significantly impact the quality of those programs.
* In the short-term, both the Los Gatos USD and the Los Gatos-Saratoga JUHSD likely would be able to place the 11 public school students from the transfer area (six elementary and five high school students)[[3]](#footnote-3). However, it is unlikely that the Los Gatos USD would be able to place the elementary students from the transfer area in schools closest to their homes, due to overcrowding issues.
* In the long-term, potential increased numbers of students would compound the overcrowding problem at both the Los Gatos USD and the Los Gatos-Saratoga JUHSD. The districts (and residents of the districts) noted in public hearings that classrooms are full and, in some cases, current district students are unable to attend their neighborhood school due to overcrowding.
* Enrollment at both the Los Gatos USD and the Los Gatos-Saratoga JUHSD has increased each year since 2006–07 and the districts claim that existing facilities are overcrowded to the point that teaching and learning are negatively affected.

The County Committee unanimously voted that this minimum threshold requirement is not substantially met.

#### Appeal

The chief petitioners argue that this condition is substantially met since the relatively few students in the neighborhood can be housed in the existing facilities of the Los Gatos USD and the Los Gatos-Saratoga JUHSD without disruption to educational programs. Petitioners also note that the Union SD has more significant educational capacity issues at neighborhood schools (e.g., more portable classrooms, long wait-lists for programs with high demand and educational benefit, and many multi-use rooms and shared classrooms). For these reasons, plus the fact that Union SD enrollment growth exceeds enrollment growth in the Los Gatos USD, transfer of the students would be beneficial to the Union SD.

#### CDE Findings/Conclusion

##### Education Performance

All high schools in the two affected high school districts demonstrate good performance on the California Accountability Model graduation rate indicator (see Table 2). The proposed transfer area is within a “Free Zone” in both the Branham and Leigh high school attendance areas, giving students the option to consider either Branham High School or Leigh High School as their assigned school of residence. If transferred, the territory would be within the attendance boundaries of Los Gatos High School. However, both high school districts offer intra-district open enrollment, so resident students of each district can apply to attend any high school in that district (assuming space is available at the requested school).

***Table 2: State Indicator for Graduation Rate (Status and Change)[[4]](#footnote-4)***

| High School | Status | Change |
| --- | --- | --- |
| Branham (Campbell UHSD) | High | Maintained |
| Del Mar (Campbell UHSD) | High | Maintained |
| Leigh (Campbell UHSD) | High | Declined |
| Prospect (Campbell UHSD) | High | Maintained |
| Westmont (Campbell UHSD) | High | Declined |
| Los Gatos (Los Gatos-Saratoga JUHSD) | Very High | Maintained |
| Saratoga (Los Gatos-Saratoga JUHSD) | Very High | Declined |

*Source:* *Fall 2017* *California Accountability Model*

All elementary schools in both the Los Gatos USD and the Union SD also perform very well as measured by the California Accountability Model. Tables 3 and 4 depict elementary school performance on the state indicators for English-Language Arts and Math. The proposed transfer area currently is within attendance area for Noddin School in the Union SD. If transferred, the territory likely would be within the attendance boundaries of Blossom Hill School in the Los Gatos USD—however, due to overcrowding issues at that school, students from the transfer area may be required to enroll at Lexington School.

***Table 3: State Indicator for English-Language Arts (Status and Change)***

| Elementary School | Status | Change |
| --- | --- | --- |
| Alta Vista (Union SD) | Very High | Increased |
| Carlton (Union SD) | Very High | Declined |
| Guadalupe (Union SD) | Very High | Increased |
| Leitz (Union SD) | High | Maintained |
| Noddin (Union SD) | Very High | Declined |
| Oster (Union SD) | Very High | Increased |
| Blossom Hill (Los Gatos USD) | Very High | Declined Significantly |
| Daves (Los Gatos USD) | Very High | Maintained |
| Louise Van Meter (Los Gatos USD) | Very High | Increased |
| Lexington (Los Gatos USD) | High | Declined Significantly |

*Source:* *Fall 2017* *California Accountability Model*

Middle schools in both districts perform equally well with both the Dartmouth and Union middle schools of the Union SD maintaining at a “Very High” performance level for English-Language Arts, while performance for the single Los Gatos middle school (Raymond J. Fisher) also was in the “Very High” status.

***Table 4: State Indicator for Math (Status and Change)***

| Elementary School | Status | Change |
| --- | --- | --- |
| Alta Vista (Union SD) | Very High | Increased |
| Carlton (Union SD) | Very High | Increased |
| Guadalupe (Union SD) | Very High | Maintained |
| Leitz (Union SD) | Very High | Increased |
| Noddin (Union SD) | Very High | Increased |
| Oster (Union SD) | Very High | Increased |
| Blossom Hill (Los Gatos USD) | Very High | Maintained |
| Daves (Los Gatos USD) | Very High | Maintained |
| Louise Van Meter (Los Gatos USD) | Very High | Maintained |
| Lexington (Los Gatos USD) | High | Declined |

*Source:* *Fall 2017* *California Accountability Model*

As with the English-Language Arts indicator, middle schools in both districts perform equally well on the Math indicator with all three schools at a “Very High” status.

##### Disruption to Educational Programs

As noted previously, the recommendation of the County Office to the County Committee that the proposed transfer would result in disruption to the educational programs of the Los Gatos USD and the Los Gatos-Saratoga JUHSD was based upon an issue of overcrowding of schools in those districts.

Both the Los Gatos USD and the Los Gatos-Saratoga JUHSD claim that (1) schools in their respective districts already are overcrowded, (2) future residential growth will fuel further enrollment increases, and (3) overcrowding in the schools threaten the quality of teaching and learning in the districts. Table 5 depicts historical enrollment growth in these two districts.

***Table 5: Historical Enrollment Growth***

| Year | Los Gatos USD | Los Gatos-Saratoga JUHSD |
| --- | --- | --- |
| 2012–13 | 3,188 | 3,232 |
| 2013–14 | 3,261 | 3,261 |
| 2014–15 | 3,320 | 3,302 |
| 2015–16 | 3,335 | 3,311 |
| 2016–17 | 3,263 | 3,368 |
| 2017–18 | 3,163 | 3,425 |

*Source:* *2017–18* *CALPADS*

As can be seen in the above table, enrollment in the Los Gatos USD had been steadily increasing, growing by almost five percent from 2012–13 to 2015–16, but has declined over the previous two years. This two-year drop has resulted in an overall five-year decline in enrollment by almost one percent for the Los Gatos USD. The decline in district enrollment was noted in an independent 2016–17 enrollment projections report[[5]](#footnote-5) prepared for the district and, according to that report, enrollment declines are expected to continue for at least the next five-year period for the Los Gatos USD.

Currently, the trend for enrollment decline in the Los Gatos USD is limited to the elementary school level (kindergarten through fifth grade) as middle school enrollment continues to increase each year (growing by 12.6 percent over the previous five years). The district’s enrollment study projects a stabilizing enrollment at the middle school level for the next few years but, as the declining elementary school population moves through the grade levels, eventual declines in middle school enrollment also will be evident.

Regardless, enrollment levels in the Los Gatos USD exceed the reported student capacities of schools in the district. Capacity at the only middle school in the district (Raymond J. Fisher) is reported at 1,140, while current (2017–18) enrollment is 1,288. Similarly, the reported combined capacity of the elementary schools is 1,858 and the current (2017–18) elementary school enrollment of 1,875 slightly exceeds that value.

Enrollment in the Los Gatos-Saratoga JUHSD has increased steadily every year for the past five years (see Table 4) and the most recent enrollment study for that district projects enrollment to increase an additional eight percent by 2019–20. However, the enrollment declines in the high school district’s component elementary school districts (enrollment in the Saratoga USD also is declining) likely will eventually reach the high school level.

As with the Los Gatos USD, enrollment in the high school district exceeds reported capacities of the district’s two high schools (Los Gatos and Saratoga high schools). The reported capacity at Los Gatos High School is 1,768 (2017–18 enrollment is 2,061) and capacity of Saratoga High School is 1,193 (2017–18 enrollment is 1,354). The Los Gatos High School capacity, for the 2018–19 school year, has been increased by the construction of 15 new classrooms, using funding from passage of a 2014 $99 million general obligation bond (which also will be used to address other facility needs within the district).[[6]](#footnote-6)

##### Conclusion

All four affected school districts maintain sound educational programs (as measured by the California Accountability Model) and the CDE agrees with the County Office finding that the proposed transfer should not significantly affect the quality of those programs. However, the CDE does disagree with the County Office finding that the addition of a few students (currently, four at the elementary/middle school level and four at the high school level) would disrupt the educational programs of the Los Gatos USD and the Los Gatos-Saratoga JUHSD.

Although schools in both districts currently are over capacity, the addition of four students to each district should not substantially disrupt the educational programs in either district. Elementary school students from the transfer area may need to travel further to a school (other than their school of residence) due to overcrowding concerns—but, there is no identifiable reason to assume that that circumstance should disrupt any school’s educational program. Additionally, declining enrollment in the Los Gatos USD and construction/improvement of facilities in the Los Gatos-Saratoga JUHSD mitigate many current concerns regarding overcrowding in the districts.

The CDE recommends that this “education program” condition is substantially met, and disagrees with the County Committee’s recommendation that the condition is not substantially met. The CDE does recognize that much of the unease the districts, the County Office, and the County Committee have with this minimum threshold requirement stems from concerns that additional transfers of territory will be encouraged by approval of the current transfer—and potential effects from future transfers likely have been incorporated into the local analysis of this “educational program” condition. Although the CDE does share this concern regarding encouragement of future transfers, that concern is not part of the CDE analysis of the minimum threshold requirement for this specific territory transfer proposal. Instead, the concern regarding encouragement of future transfers will be addressed in Section 7.2.

### 6.2 School Facility 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* 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 the following information:

* If the transfer is approved, the Union SD and the Campbell UHSD would lose approximately $1.5 million in bonding capacity, while the Los Gatos USD and the Los Gatos-Saratoga JUHSD would gain an identical amount in bonding capacity.
* Both the Los Gatos USD and the Los Gatos-Saratoga JUHSD have experienced increasing enrollment each year since 2006–07, and those increases should continue (although at a slower rate).
* All schools in the Los Gatos USD and the Los Gatos-Saratoga JUHSD (with the exception of Lexington Elementary School in the Los Gatos USD) have student enrollments that exceed the capacity of the schools.
* According to the recent School Accountability Report Cards, schools in the Los Gatos USD and the Los Gatos-Saratoga JUHSD are in overall good condition.
* At the time of the County Office study, there were 11 public school students (six kindergarten through eighth grade and five ninth though twelfth grade) residing in the territory proposed for transfer. The County Office noted that student generation factors used by the affected districts suggest that as many as 23 students could be generated from the area.

The County Office recommended to the County Committee that the additional students from the proposed transfer area will have negative effects on the Los Gatos USD, stating that these additional students “will compound the issue of crowding and student placement within the attendance areas as well as compound the issue of overcrowding at the Fisher Middle School, the only middle school in the district.”

The County Committee voted unanimously that this “facility cost” condition is not substantially met.

#### Appeal

Appellants state that the proposed transfer area will remove less than 1.5 percent of the bonding capacity of the Union SD and the Campbell UHSD. Such a small percentage, coupled with the increasing assessed valuation of property in the area, “would not significantly impact school facilities costs.”

From interviews that the appellants conducted with registrars and principals of the affected schools, they determined that no school in the Los Gatos USD is overcrowded. Appellants argue that there is sufficient room in the schools to handle far more students than would be generated from their neighborhood.

Appellants claim this condition is substantially met.

#### CDE Findings/Conclusion

The CDE, in the previous section, has already addressed the overcrowding issue—determining that declining enrollment in the Los Gatos USD and the facility construction and improvement programs of the Los Gatos-Saratoga JUHSD will help to mitigate existing concerns of overcrowding in the districts’ schools.

Specifically, regarding the County Office concern that students from the proposed transfer area will compound overcrowding in the Los Gatos USD, that district’s enrollment study (an updated version of the one reviewed by the County Office) projects that Los Gatos USD enrollment will decline by over 230 students between 2017–18 and 2020–21 (the earliest year that the proposed territory transfer would go into effect if approved). That loss would more than offset any additional students generated from the proposed transfer area.

While both the Union SD and the Campbell UHSD would lose over $125 million in assessed valuation from loss of the proposed transfer area (and over $1.5 million in bonding capacity), the CDE notes that overall assessed valuation (and bonding capacity) in the two districts has increased by 40 percent from 2012–13 to 2017–18. Over that time period, the assessed value of property in the Union SD has increased by over $2.5 billion, while growing by over $12.5 billion in the Campbell UHSD.

##### Conclusion

Given the relatively few students that would be generated from the proposed transfer area, it is the CDE’s opinion that the territory transfer would have insignificant effects on Los Gatos USD and Los Gatos-Saratoga JUSD capabilities to house their current or future student populations. It also is the CDE’s opinion that the bonding capacity of the Union SD and the Campbell UHSD would not be significantly affected due to loss of the relative small assessed valuation of the area and the current overall increases to districtwide assessed valuation. Therefore, the CDE disagrees with the County Committee and finds that this “increased facility cost” condition is substantially met.

As with the previous “educational program” condition, the CDE does recognize the existing local concerns that approval of this territory transfer will encourage future transfers—and that the projected effects of such future transfers will cause significant problems regarding overcrowding in the Los Gatos USD and the Los Gatos-Saratoga JUSD, as well as significant loss of bonding capacity for the Union SD and the Campbell UHSD. These concerns will be addressed in Section 7.2.

### 6.3 Community Identity

#### Appellants’ Position

Chief petitioners note that their neighborhood (all homes have Los Gatos addresses) shares a strong sense of community identity with the town of Los Gatos as well as the Los Gatos USD and the Los Gatos-Saratoga JUSD, for numerous reasons, including:

* Residents work, shop, and engage in social activities in the town of Los Gatos.
* The community is isolated from the Union SD and the Campbell UHSD, since there is no direct route to those communities. There originally was an access route (Harwood Road) leading down the hill from the neighborhood but that access now is available only through a locked fire gate—which completely blocks unauthorized vehicle traffic.
* Children in the neighborhood have no opportunities to meet other children in surrounding Los Gatos neighborhoods at school.

#### CDE Findings

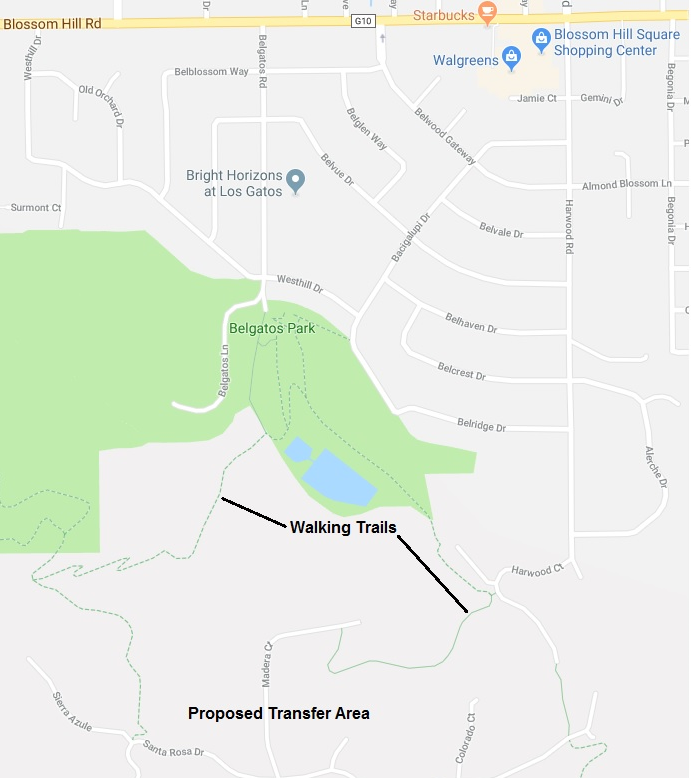
The CDE agrees with the chief petitioners that they are isolated from the Union SD and the Campbell UHSD. However, that isolation is due to the fact that the neighborhood is located on a hill in the foothills of the Santa Cruz Mountains and is accessed by a single road (Santa Rosa Drive) that goes up that hill. Area residents must travel a narrow two-lane road to any shopping or recreational activity, whether in Los Gatos or in communities surrounding Union SD schools (see Section 6.4 for more detail). Thus, it is CDE’s opinion that the proposed transfer area is equally isolated from the town of Los Gatos (and Los Gatos schools).

The CDE further agrees with the chief petitioners that their shared Los Gatos addresses contribute to a sense of community identity with the town of Los Gatos and, by extension, the Los Gatos USD and the Los Gatos-Saratoga JUSD. However, there exists a significant portion of the town of Los Gatos that also is within the boundaries of the Union SD and the Campbell UHSD—thus, the proposed transfer area also shares a sense of community identity with those portions of the town of Los Gatos and, by extension, the Union SD and the Campbell UHSD.

Appellants note that there is no direct access by car to any community in the Union SD. Harwood Road, which would be the only the direct access route (see Figure 2) is closed to the proposed transfer area by a fire gate. However, as noted previously, this area is connected to all shopping, recreational or social venues by a narrow two-lane road, regardless of whether those venues are located within the Los Gatos USD or the Union SD. Although nearby residential developments are in the town of Los Gatos and the Los Gatos USD, they also are located on hilly locations accessible only by a narrow two-lane hillside road.

The CDE also notes that, in terms of transportation related issues, the proposed transfer area shares a sense of community identity with communities surrounding the schools of the Union SD through Belgatos Park and the walking trail system of that park and the surrounding Open Space areas (see Figure 2). The proposed transfer area is connected to Union SD communities through these trails and connecting surface streets—a connection that does not exist between the proposed transfer area and other Los Gatos communities. In fact, real estate listings for homes of the neighborhoods in and around the proposed transfer area (including homes located in the Los Gatos USD) highlight the ability to walk to the “Starbucks on Blossom Hill Road” by way of the walking trail system as “the ultimate integration of nature and suburban life.”

***Figure 2: Proximity of Proposed Transfer Area to Other Union SD Communities***



*Source map: Google © 2018*

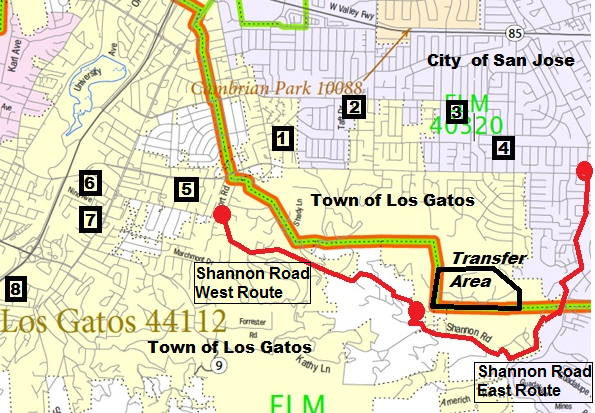
Given the above information, it is CDE’s opinion that the proposed transfer area (although somewhat isolated from all surrounding communities due to its physical location) does share community identity with both the Los Gatos USD/Los Gatos-Saratoga JUHSD and the Union SD/Campbell UHSD communities.

### 6.4 Home-to-School Commute Safety

#### Appellants’ Position

Chief petitioners cite safety of home-to-school commutes as a “major concern and motivation” for their territory transfer request. They claim that the route that their students “must use” to get to schools of the Union SD and the Campbell UHSD involves traveling the eastern route of Shannon Road (labeled on the map in Figure 3 as “Shannon Road East Route”), which has 11 blind turns and involves driving into the morning sun going to school and afternoon sun returning from school. This route eventually empties onto a four-lane major access road, followed by a major intersection at which traffic must turn left to access Union SD and the Campbell UHSD schools (labeled as numbers 1 through 4 on the map).

***Figure 3: Commute Routes from Proposed Transfer Area***



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

Petitioners note that the routes to schools of the Los Gatos USD and the Los Gatos-Saratoga JUHSD involve travel along a much safer Shannon Road route (labeled on the map in Figure 3 as “Shannon Road West Route”). The route to these schools (labeled as numbers 5 through 8 on the map) then “avoids major intersections and follows bike lanes and sidewalks from small roads.”

#### CDE Findings

The two Shannon Road commute routes labeled on the map in Figure 3, begin at the intersection of Shannon Road and Santa Rosa Drive (the access road that leads up the hill to the proposed transfer area). The “Shannon Road East Route,” as depicted on the map, follows along Shannon Road, Hick Road, and Camden Avenue terminating at the intersection with Blossom Hill Road. The “Shannon Road West Route” terminates at the intersection of Shannon Road and Short Road.

Although chief petitioners highlight the blind turns on the “Shannon Road East Route,” they fail to note that Shannon Road, whether traveling east or west from their neighborhood, is a narrow two-lane road with no shoulder (drop-offs or hillsides border the road in both directions). Additionally, the road has a continuous “solid double-yellow line” in both directions, which prohibits passing (due to continuous blind spots along the road). The CDE is unclear about the reasoning behind the chief petitioners’ reference to the bike lanes and sidewalks leading to Los Gatos USD and the Los Gatos-Saratoga JUHSD schools since, in the CDE’s opinion, it is not reasonable (and certainly not safe) for students to bike or walk from their neighborhood to access these bike lanes and sidewalks.

Regardless, there is an alternate route for students from the proposed transfer area to access schools in the Union SD and the Campbell UHSD. When comparing home-to-school routes, chief petitioners fail to note that these schools also can be accessed by using the “Shannon Road West Route” (see Figure 3). At the terminus of the “Shannon Road West Route,” schools of the Los Gatos USD and the Los Gatos-Saratoga JUHSD are accessed by going west and south, while Union SD and the Campbell UHSD schools can be accessed by going north and east. As can be seen on the map in Figure 3, schools in either direction are geographically comparable. The information in Table 6 highlights this comparability.

***Table 6: Distance and Travel Time to Schools Using Shannon Road West Route***

| Map Key | School | Distance | Travel Time\* |
| --- | --- | --- | --- |
| 1 | **Alta Vista Elementary** | 2.8 miles | 7 minutes |
| 2 | **Union Middle** | 3.2 miles | 8 minutes |
| 3 | **Leigh High** | 4.1 miles | 8 minutes |
| 4 | **Noddin Elementary** | 4.0 miles | 9 minutes |
| 5 | **Blossom Hill Elementary** | 2.4 miles | 5 minutes |
| 6 | **Fisher Middle** | 2.6 miles | 6 minutes |
| 7 | **Van Meter Elementary** | 2.6 miles | 6 minutes |
| 8 | **Los Gatos High** | 3.7 miles | 12 minutes |

\* Travel time is measure by traffic apps between 7:30 a.m. and 8 a.m. on school days.

As can be seen in Table 6, there are no significant differences between the distances and travel times to schools. For elementary schools, the proposed transfer area currently is in the Noddin School attendance area (Union SD) and likely would be in the Blossom Hill School attendance area if transferred to the Los Gatos USD. Noddin is four miles away (nine minute commute) and Blossom Hill is 2.4 miles away (five minute commute). Since both elementary districts offer open enrollment (subject to school enrollment restrictions), the closest alternate elementary school also is shown on the map (Figure 2) and Table 6. Travel time to the closest Union SD school (Alta Vista) is seven minutes and travel to the Los Gatos USD school (Van Meter) is six minutes). The CDE also notes that all other Union SD schools (three elementary and one middle) are within an 11 minute commute from the proposed transfer area. The two remaining Los Gatos USD schools (Daves Avenue and Lexington) are 13 and 17 minute commutes, respectively.

Distances to middle schools (Union and Fisher) also are equivalent, while the travel time to Los Gatos High School is longer than the travel time to Leigh High School (Campbell UHSD). Although Los Gatos High School is geographically closer, the increased travel time is due to that school’s proximity to the area’s only on-ramp to Highway 17 (Santa Cruz Highway) and heavier traffic on Los Gatos Boulevard.

Finally, numerous examinations of the student commute routes from the area proposed for transfer have been conducted, both for the current appeal and the appeal heard by the SBE in 1999. The County Office, as well as CDE staff, examined commute routes for the current appeal. The County Office and the SBE itself[[7]](#footnote-7) examined the routes in 1999. In all instances, the determination was that there is no difference in commute route safety from the proposed transfer area regardless of school attendance.

The CDE agrees with all previous determinations that, regardless of district of attendance, there are no significant differences in commute safety issues.

### 6.5 Racial Diversity

#### Appellants’ Position

Legal counsel for the chief petitioners asserts that opposition to the territory transfer is partially a racially motivated action fueled by a desire to exclude “diverse students from a substantially all white community.” Legal counsel further claims that the student makeup of Los Gatos is over 84 percent white, while the residents of the proposed transfer area are only 65 percent white and include people from a wide variety of races and cultures. Thus, chief petitioners note that approving the territory transfer will improve diversity in the Los Gatos schools.

#### CDE Findings

As depicted in Table 1, the percentage of white students in the Los Gatos USD is 66.4 percent (also, Los Gatos High School has 66.5 percent white students)—not over 84 percent as claimed by the appellants. Thus, the percentage of white students in the district (according to the CALPADS). is equivalent to the percentage of white students in the proposed transfer area (as stated by the chief petitioners). In the CDE’s opinion, approval of the territory transfer will have no effect on student diversity in the Los Gatos USD.

### 6.6 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 affected school districts 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:

* Community identity: (See discussion in Section 6.3).
* Safety of home-to-school commute: (See discussion in Section 6.4).
* Improvement in Los Gatos USD diversity: (See discussion in Section 6.5).
* Uniqueness: Chief petitioners argue that the proposed transfer will “realign a neighborhood surrounded by other neighborhoods in the Los Gatos USD and the Los Gatos-Saratoga JUHSD,” and 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:

* Encouragement of future transfers[[8]](#footnote-8): Significant areas of the town of Los Gatos remain within the Union SD and the Campbell UHSD. Historically, there has been significant interest and activity regarding transfers from the Campbell UHSD to the Los Gatos-Saratoga JUHSD (see Attachment 2).
* Enrollment growth: Future additional transfers into the Los Gatos USD and the Los Gatos-Saratoga JUHSD may result in overcrowding in schools of those districts and resultant deterioration of educational programs.
* Fiscal effects: Future additional transfers from the Union SD and the Campbell UHSD may result in significant negative financial effects. Both districts could lose significant assessed valuation resulting in declining bonding capacity and increased property taxes for residents shouldering a larger share of the districts’ bonded indebtedness. Moreover, the Campbell UHSD currently is an excess tax (or basic aid) district, so loss of assessed value directly results in reduced funding.
* Public policy: Piecemeal transfers of territory may result in school district boundaries that make little sense, which can reflect poor public policy.
* Increased property values: The County Committee determined (and the CDE agrees) that the proposed transfer is not primarily due to a desire to increase property values. However, the affected districts note that increased property values likely play a major role in the petitioners’ desire for the transfer, especially given the lack of any other compelling reasons for the transfer.

## 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 disapprove the proposed territory and, therefore, did not take any action regarding establishing an election area. 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 Union SD and the Campbell UHSD to the Los Gatos USD and the Los Gatos-Saratoga JUHSD, 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 Union SD and Campbell UHSD or the receiving Los Gatos USD and Los Gatos-Saratoga JUHSD. The CDE finds no reason to believe that the proposed transfer would affect the present or future racial composition of any affected district, or have any significant negative fiscal effect. 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.

However, the SBE may consider the concerns of districts, and residents of these districts, that the proposed transfer could encourage future transfer proposals. As detailed in Attachment 2, there historically have been significant concerns by residents throughout all the affected districts regarding potential territory transfers from the Campbell UHSD to the Los Gatos-Saratoga JUHSD. If the SBE reverses the County Committee and approves the territory transfer, it may consider that a reasonable nexus exists between widespread public concerns and an expanded election area.

## 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 Union SD and the Campbell UHSD to the Los Gatos USD and the Los Gatos-Saratoga JUHSD. 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.

# ATTACHMENT 2 Santa Clara County West Valley Reorganizations

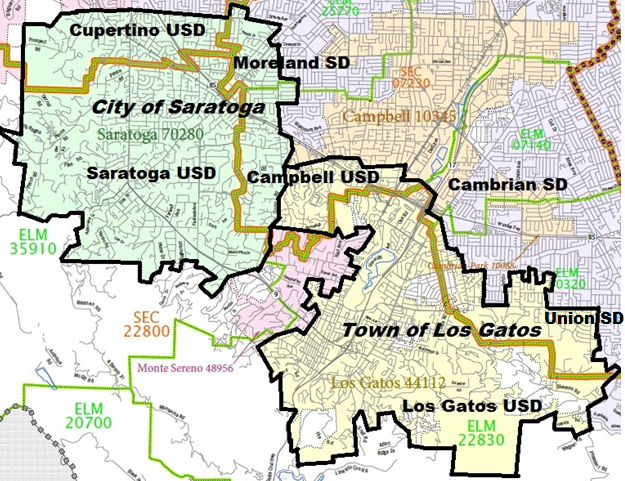
## Background

For the past 20-25 years in Santa Clara County, the Campbell Union High School District (UHSD), along with its component elementary school districts, has been the center of territory transfer requests along its western boundary, which it shares with the Los Gatos-Saratoga Joint Union High School District (JUHSD) (and its Los Gatos Union School District [USD] and Saratoga USD components) and the Fremont UHSD (and its Cupertino USD component).

There are a number of reasons for this, including:

* A history of approvals of interdistrict transfer requests among the districts. However, a number of factors led to the interdistrict transfers becoming less available, including (1) student population growth due to the economic expansion in Silicon Valley and influx of new residents; (2) fiscal concerns in school districts (including excess tax districts that do not receive increased funding for additional students[[9]](#footnote-9)); Proposition 13, which restricted the ability of school districts to construct facilities with local tax revenue; and (3) class size reduction practices, which further exacerbated the school capacity problem.
* The explosive growth of technology and Silicon Valley in the 1980s brought a large influx of employees for the high tech sector from areas outside of California. Many were unfamiliar with the concept of school districts not matching city boundaries (which is very common in California) and assumed that, if they bought a home in a given city they would be within the school district that shared that city name. Realtors often blurred the distinctions by noting the ease with which interdistrict transfers could be attained.
* As noted above, the school district boundaries in this area do not match city and town boundaries. There are large portions of the town of Los Gatos and the city of Saratoga within the Campbell UHSD (see Figure 1). Residents of Los Gatos and Saratoga, who are not also residents of the Los Gatos USD and the Saratoga USD, believe they do not receive full advantage of Los Gatos and Saratoga residency when they are in the Campbell UHSD.

***Figure 1: Los Gatos Town Boundaries and Saratoga City Boundaries***

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Source Map: United States Census Bureau, 2010

(<https://www.census.gov/geo/maps-data/maps/2010ref/st06_sch_dist.html>)

Key to Boundary Lines on Map

Map key for city or town boundary. City/Town Boundary

Map key for high school district boundary line. High School District Boundary

Map key for elementary school district boundary line. Elementary School District Boundary

* The town of Los Gatos and the cities of Saratoga and Cupertino are considered much more affluent than the cities of Campbell and San Jose (see Table 1), which comprise the remainder of the Campbell UHSD.

***Table 1: Select Census Data[[10]](#footnote-10) for Affected Municipalities***

| Census Data Element | Los Gatos Town | Saratoga City | Cupertino City | Campbell City | San Jose City |
| --- | --- | --- | --- | --- | --- |
| Per Capita Income | $74,855 | $79,870 | $60,040 | $51,269 | $37,845 |
| Percent Bachelors Degree or Higher | 65.5% | 77.0% | 76.6% | 51.5% | 40.2% |
| Median Home Value | $1,338,400 | $1,742,900 | $1,214,300 | $804,500 | $658,000 |

* Although the academic performance of the Campbell UHSD and its component elementary districts exceeds state averages, the academic performance of the schools in the Cupertino, Los Gatos, and Saratoga USDs is perceived to be superior. Table 2 displays California Assessment of Student Performance and Progress (CAASPP)[[11]](#footnote-11) data for affected elementary school districts.

***Table 2: Percent CAASPP Standards Exceeded or Met***

| Elementary School District | District Enrollment | English/ Language Arts | Math |
| --- | --- | --- | --- |
| Cambrian SD | 3,514 | 66.1% | 56.3% |
| Campbell Union SD | 7,465 | 53.4% | 48.3% |
| Moreland SD | 4,780 | 68.3% | 62.3% |
| Union SD | 5,751 | 77.9% | 75.7% |
| Cupertino Union SD | 18,598 | 84.3% | 86.2% |
| Los Gatos Union SD | 3,263 | 79.2% | 76.7% |
| Saratoga Union SD | 1,906 | 86.9% | 90.1% |

* The combination of higher levels of affluence and academic performance often results in property values in the Cupertino, Los Gatos, and Saratoga USDs that are 10 to 20 percent higher than in the neighboring Campbell UHSD.

## Early Transfer Requests from the Campbell UHSD

In 1994, the Santa Clara County Committee on School District Organization (County Committee) approved a request to transfer territory from the Campbell USD and the Campbell UHSD to the Saratoga USD and the Los Gatos-Saratoga JUHSD. The County Committee approved the proposal over the opposition of the Campbell districts, who claimed that such approval would open the “floodgates” to additional transfer requests out of the districts. In response to this concern, the County Committee expanded the election area to the entire Campbell USD.[[12]](#footnote-12) At this time, both the Saratoga USD and the Los Gatos-Saratoga JUHSD supported the transfer.

The Campbell districts appealed the County Committee’s action to approve the transfer to the California State Board of Education (SBE), while chief petitioners for the transfer proposal similarly appealed the expansion of the election area. Both appeals were pulled from SBE consideration after the districts and the chief petitioners negotiated an agreement allowing the transfer to occur after certain conditions were met.

Following this initial proposal, the Santa Clara County Office of Education (County Office) reported receiving 17 inquiries regarding territory transfers from residents of the portion of the city of Saratoga that is in the Campbell districts. These inquiries resulted in the County Committee receiving five territory transfer proposals.[[13]](#footnote-13) It disapproved all five—however, two of these disapprovals were appealed to the SBE. The SBE overturned the County Committee’s action to disapprove the first appeal, allowing the transfer to be approved following an election only in the area proposed for transfer. The second appeal was heard by the SBE a few months later at the same meeting it considered a Santa Clara County request to waive timelines for processing territory transfer proposals pending a comprehensive study of reorganization issues. The SBE affirmed the action of the County Committee regarding this second appeal.

Following this SBE action, additional proposals to transfer territory out of the Campbell UHSD were filed with the County Office, with interest expanding beyond the portion of the city of Saratoga that is in the Campbell UHSD to the portion of the town of Los Gatos in the Campbell UHSD. These transfer proposals, along with formal action by the Saratoga City Council to support the transfer of all property within the city of Saratoga to the Saratoga USD, and the support for previous transfer proposals from the Los Gatos and Saratoga USDs, raised concerns by the County Office and the County Committee that the “piecemeal”[[14]](#footnote-14) approach to changing the boundaries of the school districts was not sound policy.

The County Office and the County Committee approved a comprehensive study of school district reorganization options for the entire west valley of Santa Clara County, which included 13 school districts (over one-third of the districts in the county). To allow for the proper focus on this area-wide study, the Santa Clara County Board of Education (County Board) requested that the SBE waive the timelines required for the County Committee to act on territory transfer proposals until after the study had been completed. The SBE approved the County Board’s request at its June 1997 meeting.

## West Valley Study of District Reorganization Options

The County Office contracted with an independent consultant for a study of reorganization options for the west valley of Santa Clara County (West Valley Study). This study included not just an analysis of the comprehensive effects of territory transfers but also unification options and “piecemeal” adjustments to existing boundaries. In February 1998, the Santa Clara County Superintendent of Schools (County Superintendent) notified the SBE of the study results and the County Committee’s response to the study, along with public reception.

The study noted numerous negative effects on school districts due to the removal of the municipal portions of Los Gatos and Saratoga from the Campbell UHSD, with the Los Gatos and Saratoga districts particularly hard hit. Those negative effects included:

1. The Los Gatos and Saratoga districts would experience significant increases in student population without commensurate school facilities, resulting in increased overcrowding of schools and future costs for new facilities.
2. Residents of the Los Gatos and Saratoga districts would experience increased property taxes due to shifts of bonded indebtedness into the districts.
3. Per pupil funding would decline for the Los Gatos and Saratoga districts.

While the Campbell UHSD (along with its component districts and residents of those districts) already opposed the idea of transferring territory out of the districts, the findings in the study gave rise to additional, and even more vociferous, opposition from the Los Gatos and Saratoga districts (and the residents of those districts) toward proposed district reorganization. Throughout the course of the study, the County Office received, in writing, over 2,800 responses from area residents regarding the possibility of territory transfers. Over 2,500 of those responses were in opposition to the idea of territory transfers and fewer than 300 were in support. Overwhelming opposition also was expressed at the numerous public hearings conducted by the County Committee.

Regarding “piecemeal” adjustments to the existing boundaries, the general finding in the West Valley Study was that “reorganization of portions of the territories of the … school districts will shift community identity problems rather than resolve them.” Absent any viable global reorganization options that are supported by the communities and the districts, the study noted that current boundaries “may be optimal.”

In response to the negative findings of the study and the lack of school district and community support for territory transfers, the County Committee voted unanimously not to support territory transfers in the West Valley area unless exceptional circumstances existed. The County Committee also adopted guidelines for these exceptional circumstances, which primarily addressed home to school transportation issues. This action by the County Committee was supported in newspaper editorials appearing in the San Jose Mercury News, the Los Gatos Weekly Times, and the Saratoga News.

Although no boundary adjustments resulted from the West Valley Study, the study did lead to a number of efforts to address some of the concerns raised, including:

* The County Office worked with the Santa Clara County Association of Realtors to address the practice of touting proximity to Los Gatos and Saratoga schools when marketing Los Gatos and Saratoga homes located in the Campbell UHSD.
* In collaboration with the Santa Clara County Assessor, the County Office developed one of the first internet sites in the state to allow potential home buyers to enter an address and determine the school district(s) of residence.
* Affected districts and municipalities worked more closely with local community organizations (e.g., Little League) to address issues regarding residency, participation, and communication.

## Territory Transfers Subsequent to West Valley Study

The County Superintendent, in her February 1998 communication to the SBE, noted that the County Committee likely would continue to receive territory transfer requests from this area despite the findings in the West Valley Study and the actions of the County Committee—and that the SBE likely would continue to receive appeals from future County Committee actions on territory transfer proposals.

Since the West Valley Study, the SBE has received 11 appeals from actions of the County Committee to disapprove territory transfers from the Campbell UHSD (including the three on the current SBE agenda). The action of the County Committee has been affirmed by the SBE in each of these previous appeals.

1. 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-1)
2. 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-2)
3. For the 2017–18 school year, four students from the transfer attended the Union SD and four students attended the Campbell UHSD. [↑](#footnote-ref-3)
4. For more information regarding the graduation rate state indicator and the meaning of “status” and “change”, see the CDE’s California Accountability Model website at <https://www.cde.ca.gov/ta/ac/cm/>. [↑](#footnote-ref-4)
5. See Los Gatos USD *Student Population Projections (School Year 2016/2017 Report)* at <https://1.cdn.edl.io/kZRU8EfxJ47H0gzREhYvuTfdX1eilaUjAOGYzdplqrwREaxC.pdf>. [↑](#footnote-ref-5)
6. For more information, see the Los Gatos-Saratoga JUHSD *Master Plan* at <http://www.lgsuhsd.org/UserFiles/Servers/Server_87205/File/Home/Master-Plan-Executive-Summary-REVISED-20140421.pdf>. [↑](#footnote-ref-6)
7. Susan Hammer, SBE member in 1999 (and one year removed from completion of her second term as mayor of the city of San Jose), conducted her own examination of commute safety issues and reported to the SBE at the 1999 hearing that the proposed transfer area is “geographically isolated, but safety is not the key issue…. There are dangers in driving to any of the schools.” *Source: June 1999 SBE minutes*. [↑](#footnote-ref-7)
8. The CDE notes that Susan Hammer, SBE member in 1999 (and former mayor of the city of San Jose), reported to the SBE at the 1999 hearing that, if the transfer was approved, “there would undoubtedly be other reorganization proposals from similarly situated areas.” *Source: June 1999 SBE minutes*. [↑](#footnote-ref-8)
9. For 2018–19 Advance Apportionment purposes, the Campbell UHSD, the Los Gatos-Saratoga JUHSD, and the Fremont UHSD are all excess tax districts, along with the Campbell USD and all component elementary districts of the Los Gatos-Saratoga JUHSD (<https://www.cde.ca.gov/fg/aa/pa/ada75701819.asp>). [↑](#footnote-ref-9)
10. U.S. Census population estimates (July 1, 2017) at <https://www.census.gov/quickfacts>. [↑](#footnote-ref-10)
11. For more detail, see the CDE’s CAASPP website at <https://www.cde.ca.gov/ta/tg/ca/>. [↑](#footnote-ref-11)
12. *Education Code* (*EC*) Section 35710 requires an election for a territory transfer if an affected district opposes the transfer. *EC* Section 35732 provides the County Committee the authority to expand an election area beyond the default election area, which is “the territory proposed for reorganization.” [↑](#footnote-ref-12)
13. The County Office also reported that the County Committee had addressed only six territory transfer proposals from the entire county over the previous 10 years. [↑](#footnote-ref-13)
14. County agencies believed that this “piecemeal” approach did not allow for a comprehensive look at what, in the opinion of these agencies, was a clear intent to transfer all Los Gatos and Saratoga municipal territory from the Campbell UHSD to the Los Gatos-Saratoga JUHSD. Small transfers by themselves did not cause significant concerns regarding the minimum standards (*EC* Section 35753) and the county agencies wanted a more comprehensive analysis of their effects on school district reorganization in the area. [↑](#footnote-ref-14)