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Enrollment decline, budget worries add urgency to consolidation talk across Santa Cruz County's 10 school districts

Hillary Ojeda

14–18 minutes

Quick Take

The backlash over Live Oak School District's budget cuts has renewed questions among teachers, parents and even some trustees over whether Live Oak – and other school districts like it – should be folded into neighboring districts to save money. The idea also has its critics.

The backlash over [Live Oak School District's budget cuts](#) has renewed questions among teachers, parents and even some trustees over whether Live Oak – and other school districts like it – should be folded into neighboring districts to save money.

Suggestions about merging some of Santa Cruz County's 10 school districts have percolated in small circles across the region for years. But as declining enrollment thins classrooms and [the state weighs potential cuts to education funding](#) to help balance its books, some school districts are facing an existential crisis, fueling an added sense of urgency.

Because funding is largely based on enrollment, districts lose money when enrollment declines. As a result, some have resorted to not filling staff vacancies, or, in Live Oak's situation, making layoffs to make ends meet.

The county's public schools are set to see [enrollment drop](#) by more than 21% – or more than 8,000 students – over the next decade, the steepest decline of any county statewide, according to recent figures from the state.

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The advertisement features a yellow background. On the left, the text 'THE DEEP READ' is stacked vertically. Below it, 'FREE EVENT!' is written. In the center, there is a circular portrait of a man with a shaved head. To the right of the portrait is a circular image of a book cover with the word 'TRUST' on it. Below the portrait, the title 'a conversation with HERNAN DIAZ' is prominently displayed. Underneath the title, the date and time 'Sunday, May 19 at 4pm' and the location 'Quarry Amphitheater, UC Santa Cruz' are listed. On the right side, 'REGISTER TODAY!' is written. In the bottom left corner, the logo for 'The Humanities Institute' is visible, and in the bottom right corner, 'UC SANTA CRUZ' is written.

County Superintendent of Schools Faris Sabbah said the county's school districts will have to make challenging decisions if enrollment continues declining as projected. Schools, Sabbah said, should be “open-minded” about the options for managing that decline, like merging districts or closing schools, to stay fiscally solvent.

However, he emphasized that the school districts will be the ones to decide how they move forward with these changes.

“I don't think that it would be appropriate for me to say, ‘You should be thinking about this option or that option,’” Sabbah said. “I think that boards should really consider a variety of different options to adapt to the changing landscape that we're experiencing.”

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Some Live Oak teachers, parents like the idea

Santa Cruz County's 10 public school districts and charter schools serve about 37,000 students and have elementary and high schools stretching from Bonny Doon down into Pajaro in Monterey County. While some like Pajaro Valley Unified School District encompass a sprawling geographic area and serve more than 15,000 students (without including charters), others like Happy Valley Elementary School District on Branciforte Drive in Santa Cruz manage just one school and around 120 students.

Sabbah said the majority of the county's school districts have developed organically over the past 150 years or so.



Pacific Elementary School in Davenport. Credit: Kevin Painchaud / Lookout Santa Cruz

“Basically single schoolhouses ended up becoming school districts and as they grew, the size of those schools grew and multiple schools were needed,” he said. “So the current distribution or structure of those school districts really has come from an organic, natural process.”

Advocates for consolidation say that organic growth has added costly administrative and political layers to the region’s education system. Each school district has a governing board and a superintendent that manages its budget and operations. The county’s mid-sized and larger districts also have a central office run by a support staff of human resources directors, chief business officers and directors of curriculum, for example.

Shoreline Middle School eighth-grade teacher Jeremy Powell has been teaching in Live Oak School District for 16 years. He argues that consolidation of school districts makes sense to reduce redundant overhead costs.

A former teachers union co-president who stepped down in the fall, Powell and union leadership started researching consolidation several years ago when they began looking at growing district offices and redundant positions across the county.

If four districts were to combine to become something like the “Santa Cruz County Public School District,” then four superintendents aren’t needed, he said. Instead, there would be one superintendent, one director of curriculum and instruction and one human resources director, for example.

“Let’s make the dollars that we get from the state and the [federal government] go farther by eliminating all these positions,” he said.

Another benefit, he added, is that a single, large district would be in a stronger position to bargain for more competitive health insurance. “We would see better rates,” he said. Insurance companies “would look at us, and say, ‘That’s a great client. I’d

really love to have those 1,000 educators under my insurance umbrella – we can make a lot of money here.”

Powell said he understands that merging districts is complicated and would likely take years to accomplish. And, he acknowledges, people feel a strong sense of identity and connection to their school district — and of course employees don’t want to be laid off as the result of a merger.

“Obviously, people’s feelings get hurt,” he said. “People at the district office, at other district offices throughout the county, don’t want to lose their jobs.”

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Attendees at a Live Oak School District governing board meeting in February at Live Oak Elementary School. Credit: Kevin Painchaud / Lookout Santa Cruz

But based on his conversations with parents and teachers, Powell says he thinks a majority of the people he's talked to support consolidation despite the time it takes and the complications.

Live Oak Elementary parent Mette Griffith said given the potential benefits of reducing overhead costs, she's generally supportive of consolidation.

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“On the surface it does seem like a good thing for the district,” she said, adding that she has yet to do in-depth research on it.

Griffith has a fourth grader, a first grader and a third child entering preschool in the upcoming year. Over the past couple of months, as the district's financial crisis unfolded, she has joined an informal group of active parents who share information about upcoming board meetings and education-related news.

One teacher told her the district could consider merging with Santa Cruz City Schools because it's larger. Some parents have raised the idea of merging with Soquel Union Elementary School District because it's close.

“The people that I have talked to have all been in favor of looking into [consolidation] and exploring that as an option,” she said. “It's definitely something that I would love to see explored and talked

about.”

Soquel Union Superintendent Scott Turnbull said he has heard from community members that some small districts should merge or be absorbed into a bigger district.

But he hasn’t had any formal discussions about merging with Live Oak and hasn’t had discussions with that district’s [outgoing superintendent, Daisy Morales](#), about it. Turnbull said his district isn’t actively exploring consolidation and he’s not certain how he feels about it himself.

“I’d have to have more information to have an informed opinion on whether it’s a good idea,” he said. “There are just too many unknowns.”



Scott Turnbull, the Soquel Union Elementary School District superintendent, in his Capitola office. Credit: Kevin Painchaud / Lookout Santa Cruz

‘Our dollars stay local’

However, there is plenty of opposition to consolidation in the county. Local officials and proponents of consolidation alike admit that the process is sensitive, complicated and will likely take years to carry

out.

In the case of Live Oak School District, board president Kristin Pfothenauer told a February meeting that merging with Soquel Union has drawbacks. Among them is the fact that [Soquel Union teachers are paid less](#) and their health benefits aren't as good as Live Oak's.

Consolidation "might be something we need to look at, but there are a lot of complications to this," she said, adding that it "will not solve our current problem."

Another downside of consolidation, Sabbah said, is that keeping the districts as they are allows the community to maintain local control. And larger school districts aren't automatically more efficient simply because they're bigger.

"I think that being able to be very thoughtful about how to prioritize the resources you have, also what kinds of resources you can rely on from the county office of education," he said, adding that among the COE's responsibilities is to help school districts find ways to cut costs.

State Sen. John Laird also sees some economic benefits of merging school districts, such as consolidating business practices and administration. But, he adds, the challenges include the loss of a community's identity.

"Many of the small school districts are the community center for their area," he said. "So yes, it makes sense to have one superintendent instead of two. But it's really hard for the community to surrender the one thing that is common to the community and holds them together."

He said the decision to consolidate is a local one and shouldn't be forced on a district: "I think the community needs to make the decision, because if they're paying a little extra, they're making the decision to pay a little extra for the value of it being a community center."

Happy Valley Elementary School District Superintendent Michelle Stewart said she couldn't think of one good reason her single-school district should consolidate with other districts.

"Absolutely not," she said about the prospect.

The tiny district employs just 25 staff, including teachers. Stewart serves as the principal and superintendent. Parents are actively involved in the school, she said.

"What we love about being Happy Valley, and our little school, is our dollars stay local," she said. If Happy Valley merged with a larger district, that could bring budget changes that might not benefit the school, Stewart said.

She added that if Happy Valley were to merge with Santa Cruz City Schools, for example, the school could end up with just one representative on a newly formed board, instead of the five it currently has: "So you really lose that local control right here."



Happy Valley Elementary School District on Branciforte Drive in Santa Cruz. Credit: Kevin Painchaud / Lookout Santa Cruz

As part of a larger district, Happy Valley likely would not be able to keep its smaller class sizes of about 17 students and an aide for each class, Stewart said. The school has a \$1.7 million endowment

fund, which would be rapidly absorbed into the budget of a merged district.

Pacific Elementary School District Superintendent Eric Gross said he doesn't think merging the district, which operates a single 160-student elementary school in Davenport, with a neighboring district is a good idea.

He imagines two likely scenarios for merging, and in both cases, Pacific Elementary loses. If Pacific Elementary was to merge with Bonny Doon Union Elementary School District, he said, the newly formed district's funding would be "watered down."

"Bonny Doon is significantly better funded than we are and so it would almost be no-go from the start for them," he added.

If Pacific Elementary were to instead merge with Santa Cruz City Schools, he imagines the district would just close down the Davenport school because of low enrollment.

Why would Santa Cruz City Schools want to pay for a principal for a school so small when the district has struggled with its own declining enrollment in recent years, he asked.

He doesn't believe the Pacific Elementary community would be interested in consolidating in the first place because they like the school as it is. About two-thirds of their students are transfers from other local districts – a sign to Gross that families are choosing the school because they like the programs and culture.

For example, the [school's lunch program](#), called FoodLab, teaches fifth and sixth graders during weekly sessions how to plan, prepare and cook lunch for the school. The students also help plant and harvest produce from the school garden.

"I think some of the things they like about us are the way we do food differently. They like that we're small and rural. They like that we have different programs," Gross said. "We have sort of a quirky way of doing things that you don't get in larger systems."

The school also has a hybrid independent study program where

students attend school in person three days a week and homeschool two days a week.



Pacific Elementary School District Superintendent Eric Gross points to roof damage at the school in Davenport. Credit: Kevin Painchaud / Lookout Santa Cruz

Consolidation likely takes years to complete

Adding to the concerns over consolidation is that the process is complicated.

It starts in one of two ways, Sabbah said: Both school boards could pass resolutions supporting consolidation, or they could both put a measure on an upcoming ballot.

District consolidations also have to be supported by the Santa Cruz County Committee on School District Organization. The committee, made up of the same people who serve on the County Office of Education board, typically addresses changes to school district boundaries. Committee members would have to make a recommendation supporting consolidation to the state's Department of Education.

The department reviews the recommendation to see if the merger

might violate any laws and whether it's in the fiscal interest of both districts. The department then conducts an environmental impact review and holds a public hearing sending the proposal to the State Board of Education for approval.

Sabbah hasn't been part of any consolidation, but said it will likely take at least several years to even get approval. From there, it would take at least a couple of additional years to finalize.

It's a "huge structural, systemic change."

Jeremy Ray, a Live Oak board member and deputy chief at the Santa Clara Fire Department, draws lessons from both the local fire community and from his experience on the school board.

"It is true that after 30 years of trying, our fire districts merged – [Central Fire and Aptos-La Selva merged](#)," he told a February public meeting. "And from what I hear, it's going pretty well. But it literally did take 30 years. "

He said if Live Oak merged with another district, it's unlikely a newly merged school board would retain all the members from both districts. The new district would likely have to hold new elections.

With almost 12 years on the Live Oak board, Ray said he's seen how difficult it is to recruit people to run for elections or serve on the board.

"I don't know whether that's the way to go," he said. "I don't know whether parents want that. I don't know whether that would be good. But, you know, hey, I'm open to all options."





Live Oak School District board member Jeremy Ray at a February board meeting. Credit: Kevin Painchaud / Lookout Santa Cruz

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