

Introduction

California's Ongoing Enrollment Decline

Declining student enrollment has become a defining challenge for California's public school system, creating significant fiscal and operational pressures for districts across the state. For nearly a decade, the number of students in K-12 schools has consistently decreased. After peaking at over 6.2 million students in the 2014-15 school year, enrollment has fallen for seven consecutive years. In the 2022-23 school year, total enrollment dropped to just under 5.9 million students. This trend directly impacts school funding, as the state's Local Control Funding Formula (LCFF) is primarily based on student attendance.

State demographers project this decline will continue over the next decade. Estimates from the California Department of Finance indicate that statewide public school enrollment is expected to fall by nearly half a million students, or over 8%, between 2023 and 2033. This long-term trend is not attributed to any single cause but rather a combination of powerful demographic shifts. The primary drivers include a sustained decline in California's birth rate, an increase in families moving to other states due to the high cost of living, and slower rates of international immigration.

While the statewide trend is one of decline, the impact is not uniform. Enrollment changes vary significantly from region to region and even between adjacent school districts. Some districts, particularly in inland areas with new housing developments, may continue to see enrollment growth. However, many major urban and coastal districts have experienced the sharpest declines. This uneven landscape requires districts to develop individualized long-range plans to manage their budgets, facilities, and staffing levels in an era of demographic change.

Alta Loma Elementary School District has experienced significant enrollment declines over the last 5 years and the trend will continue. Enrollment has declined by approximately 7% since the 2019-20 school year from over 6200 students to 5543 students in 2024-25 school year to an estimated enrollment of 4888 in the 2028-29 school year.

Condition 1

Number of Pupils	The reorganized districts will be adequate in terms of the number of pupils enrolled.
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Current Enrollment

District	2023-24	2024-25
Etiwanda	13,599	13,676
Alta Loma	5,599	5,543

Development 10 Year Projection for Etiwanda

Timeline (Years)	-1	-2	1	2	3	4	5	6	7	8	9	10	Total
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	
Apartment Units			0	0	100	100	100	100	200	200	100	100	1000
Single-Family Attached (SFA) Units			0	0	0	0	0	0	0	0	0	0	0
Single-Family Detached (SFD) Units			0	0	180	516	595	620	737	442	457	506	4053
Total			0	0	280	616	695	720	937	642	557	606	5053

Student Generation Projection

[illegible]

Development Generated Enrollment

Grade		2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
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Development Ten Year Projection for Only Current Alta Loma Boundaries

Timeline (Years)	-1	-2	1	2	3	4	5	6	7	8	9	10
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(SFA) Units												
Single-Family Detached (SFD) Units		0	65	75	76	91	92	92	60	50	50	651
Total		0	65	75	76	91	92	92	60	50	50	651

Student Generation Projection

	Generation Rate	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
Apartment Units	0.0833	0	0	0	0	0	0	0	0	0	0
Single-Family Attached (SFA) Units	0.2957	0	0	0	0	0	0	0	0	0	0
Single-Family Detached (SFD) Units	0.5637	0	36.64	42.28	42.84	51.30	51.86	51.86	33.82	28.19	28.19
Total		0	36.64	42.28	42.84	51.30	51.86	51.86	33.82	28.19	28.19

Alta Loma 10 Year Enrollment Projection

Grade		2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
TK		254.00	252.48	250.96	249.46	247.96	246.47	244.99	243.52	242.06	240.61	239.16
K		439.00	436.37	433.75	431.15	428.56	425.99	423.43	420.89	418.37	415.86	413.36
1		490.00	487.06	484.14	481.23	478.35	475.48	472.62	469.79	466.97	464.17	461.38
2		532.00	528.81	525.64	522.48	519.35	516.23	513.13	510.05	506.99	503.95	500.93
3		590.00	586.46	582.94	579.44	575.97	572.51	569.08	565.66	562.27	558.89	555.54
4		595.00	591.43	642.70	596.23	548.66	595.66	569.08	565.66	562.27	558.89	555.54
5		656.00	652.06	648.15	704.34	653.41	601.28	652.79	623.65	619.91	616.19	612.50
6		675.00	670.95	666.92	662.92	720.40	668.30	614.98	667.67	637.87	634.04	630.24

7		643.00	639.14	635.31	631.50	627.71	682.13	632.80	582.31	632.20	603.98	600.36
8		669.00	664.99	661.00	657.03	653.09	649.17	705.45	654.43	602.23	653.81	624.63
Total		5543.00	5509.74	5531.51	5515.78	5453.44	5433.21	5398.35	5303.64	5251.12	5250.40	5193.64
Percent Change			-0.60%	0.40%	-0.28%	-1.13%	-0.37%	-0.64%	-1.75%	-0.99%	-0.01%	-1.08%
Unmitigated Student Enrollment		5543.00	5509.74	5531.51	5515.78	5453.44	5433.21	5398.35	5303.64	5251.12	5250.40	5193.64
Capacity		8409	8409	8409	8409	8409	8409	8409	8409	8409	8409	8409
Unhoused Students		- 2866.00	- 2899.26	- 2877.49	- 2893.22	- 2955.56	- 2975.79	- 3010.65	- 3105.36	- 3157.88	- 3158.60	- 3215.36

*Ten-year enrollment declined from 5,917 to 5,543, averaging approximately 0.6% per year. Use this rate as a factor in the ten-year enrollment projection.

**Kindergarten enrollment is driving this forecast; it was 617 in 2022–23 and has declined to 439 based on 2024–25 California Basic Educational Data System (CBEDS) data.

Alta Loma: Ten-Year Enrollment Projection with Development

Grade		2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
TK		254.00	252.48	254.69	264.94	282.78	286.69	286.70	292.79	272.57	270.55	271.92
K		439.00	436.37	437.48	450.36	478.86	501.03	505.36	511.87	498.15	476.31	476.06
1		490.00	487.06	487.87	500.45	532.38	566.00	589.37	600.98	588.46	573.89	554.59
2		532.00	528.81	529.37	541.69	573.38	610.48	645.36	676.07	668.70	655.39	643.41
3		590.00	586.46	586.67	598.66	630.00	666.76	705.04	747.17	758.80	750.54	739.73
4		595.00	591.43	646.44	615.44	602.70	689.91	705.04	750.90	774.28	785.37	779.95
5		656.00	652.06	651.88	723.56	707.44	695.53	788.75	808.89	835.65	858.15	871.72
6		675.00	670.95	670.43	681.22	772.37	760.17	748.48	849.98	851.80	877.95	903.01

Unmitigated Student Enrollment		13,676.00	13,822.20	13,968.40	14,114.60	14,260.80	14,407.00	14,553.20	14,699.40	14,845.60	14,991.80	15,138.00
Capacity		13,017	13,017	13,017	13,017	13,017	13,017	13,017	13,017	13,017	13,017	13,017
Unhoused Students		659.00	805.20	951.40	1,097.60	1,243.80	1,390.00	1,536.20	1,682.40	1,828.60	1,974.80	2,121.00

**According to the 2023 School Facilities Needs Analysis (SFNA), unmitigated development is projected to generate 731 students over five years—an average of 146.2 additional students per year through 2027. Assume this trend continues through the 2034–35 school year.*

***Continued growth at the ten-year average rate of 3.19% is used to forecast student enrollment.*

****Assumes that all enrollment growth above the 146.2-student annual average will be mitigated by developers.*

*****Assumes all units planned will be inhabited by 2034-35. The projected enrollment in the 10 years above could be less per year depending on when housing units are completed.*

******Data above bifurcates planning area #3 with approximately 150 assigned to ALSD and 730 assigned to ESD presently.*

Conclusion: Condition 1 Met/Satisfied

The analysis confirms that both Alta Loma and Etiwanda school districts exceed the minimum enrollment thresholds required under *Ed Code* 35753, 5 CCR 18573, and the *CDE District Organization Handbook*—**901 for elementary districts, 301 for high school districts, and 1,501 for unified districts**—with Alta Loma projected to maintain enrollment above 5,000 students over the next ten years and Etiwanda projected to grow steadily from 13,676 to 18,721 students by 2034–35. Based on the above criterion, both districts will remain adequate in terms of pupil count at the time the proposal becomes effective and beyond.

Condition 2

Substantial Community Identity

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

Key Considerations

To determine whether the proposed reorganization reflects substantial community identity, as required by *Education Code* section 35753(a)(2), multiple factors must be considered; no single attribute is likely to be determinative. According to the *CDE District Organization Handbook*, several characteristics of the population and territory should be evaluated, such as (a) types and styles of housing, (b) parks and recreational facilities, youth sports programs, (c) transportation and traffic patterns, (d) geopolitical boundaries, and (e) shopping habits. These indicators, taken together, can help determine whether a cohesive community identity exists within the proposed district. In the absence of current residents, we assess how district alignment might shape the future identity of the community.

Overview of Proposed Housing Development

The proposed transfer area is expected to add approximately 5500 new housing units by 2034–35, including 1,000 apartment units and 4,500 single-family detached homes. This large-scale residential development will extend Rancho Cucamonga’s northern neighborhoods and is bordered by Alta Loma to the west (near Haven Avenue) and established Etiwanda-area homes to the south. The development will be integrated into the city’s existing infrastructure and is anticipated to reflect the suburban character typical of surrounding communities.

Community Identity and Housing Patterns

The housing stock in both Alta Loma and Etiwanda consists primarily of suburban single-family homes, and the new development is expected to follow a similar pattern. The alluvial fan foothills and adjacent open space buffers will contribute to a semi-rural atmosphere that mirrors the surrounding foothill communities. According to CDE guidance, similarity in architecture, housing style, and neighborhood design can foster a strong sense of community identity. The new development, particularly the Etiwanda Heights area, is expected to align closely with existing Alta Loma and Etiwanda neighborhoods in terms of architecture, lifestyle, and residential experience.

Recreation, Infrastructure, and Shopping Patterns

Future residents are expected to utilize Rancho Cucamonga’s city-managed infrastructure, parks, and recreational amenities, much like current residents of both Alta Loma and Etiwanda. At present, the proposed development area does contain dedicated parks or youth sports facilities and given its location, residents will likely also rely on and participate in shared city resources. Similarly, shopping and community services are not expected to create a clear divide, as usage patterns typically overlap across both district boundaries. These shared community touchpoints support the notion of a blended but cohesive community identity across the two districts.

Transportation and Geopolitical Factors

The proposed transfer area will be served by existing road networks, with access on three of the four sides of the development site. No specific designs have been submitted that suggest isolation; rather, the anticipated road access would connect the new neighborhood to surrounding residential tracts and city infrastructure. Although the area is currently not zoned for housing, the San Bernardino County Board of Supervisors has discussed the possibility of rezoning the land to allow residential development. The site lies between two established neighborhoods and would remain within the City of Rancho Cucamonga, with no changes to postal designations or city services expected. These factors suggest that the area is both geographically and administratively integrated into the broader community context.

Conclusion: Condition 2 Met/Satisfied

Condition 3

Division of Property

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

Key Considerations

To meet Criteria 3, the proposal must result in an equitable division of property and facilities, as required by *Education Code* section 35753(a)(3). **This includes both tangible assets such as school buildings and land, and intangible assets such as bonded indebtedness and developer fees.** The CDE recommends reviewing long-range facilities plans that include (a) demographic projections, (b) study area maps, and (c) assessments of facility condition, utilization, and capacity. An equitable division must consider both current and future facility needs based on projected growth and development. A thorough comparison analysis should demonstrate that students in both districts will have continued access to safe and sufficient school facilities following the reorganization.

a. All property, funds, and obligations, except real property and bonded indebtedness (e.g., funds, cash on hand, monies due but uncollected, state apportionments).

The County Committee will determine which of the criteria authorized under EC §35736 shall apply for dividing the property:

1. assessed valuation;
2. revenue limit per pupil in each district;
3. average daily attendance (ADA).

The County Committee should consider the value and location of the school property and such other matters as may be deemed pertinent and equitable.

b. Real Property

The real property and personal property and fixtures normally situated there shall be the property of the district in which the real property is located. In reviewing the aspects of proposals dealing with school facilities, the County Committee should request long-range facilities plans from the districts affected.

Those plans should include:

1. demographic studies showing both current and projected student population data;

Currently there is no assessed valuation for the territory.

2024-25 Enrollment Demographic Summary

Category	Etiwanda SD	Alta Loma SD
Total Enrollment	13,599	5,599
White	17.3%/2,236	1,465 (27.6%)
Hispanic	5,923 (43.7%)	2,798 (50.6%)
Black	1,068 (8.3%)	239 (4.4%)
Asian	2,653 (17.6%)	616 (9.9%)
Two or More Races	809 (5.7%)	290 (5.2%)
English Learners	1,332 (9.8%)	336 (6%)
Special Education	1,700 (12.5%)	649 (11.6%)
Socioeconomically Disadvantaged (SED)	4,392 (32.3%)	1,876 (33.5%)

Source: CA School Dashboard, 2024

Year	District	Total	Asian	Black	Filipino	Hispanic or Latino	Two or More Races	White
2019-20	Etiwanda SD	14,344	2,026 (14.1%)	1,336 (9.3%)	600 (4.2%)	6,456 (45.0%)	775 (5.4%)	3,151 (22.0%)
2019-20	Alta Loma SD	6,202	536 (8.6%)	344 (5.5%)	100 (1.6%)	2,953 (47.6%)	207 (3.3%)	2,062 (33.2%)
2020-21	Etiwanda SD	13,691	2,016 (14.7%)	1,194 (8.7%)	563 (4.1%)	6,250 (45.7%)	764 (5.6%)	2,904 (21.2%)
2020-21	Alta Loma SD	5,823	474 (8.1%)	274 (4.7%)	93 (1.6%)	2,913 (50.0%)	317 (5.4%)	1,752 (30.1%)
2021-22	Etiwanda SD	13,611	2,170 (15.9%)	1,181 (8.7%)	572 (4.2%)	6,216 (45.7%)	780 (5.7%)	2,692 (19.8%)
2021-22	Alta Loma SD	5,834	529 (9.1%)	277 (4.7%)	81 (1.4%)	2,942 (50.4%)	325 (5.6%)	1,680 (28.8%)
2022-23	Etiwanda SD	13,532	2,377 (17.6%)	1,213 (9.0%)	565 (4.2%)	6,061 (44.8%)	790 (5.8%)	2,526 (18.7%)
2022-23	Alta Loma SD	5,736	568 (9.9%)	274 (4.8%)	81 (1.4%)	2,902 (50.6%)	308 (5.4%)	1,603 (27.9%)
2023-24	Etiwanda SD	13,768	2,575 (18.7%)	1,216 (8.8%)	545 (4.0%)	6,220 (45.2%)	796 (5.8%)	2,416 (17.5%)
2023-24	Alta Loma SD	5,776	604 (10.5%)	279 (4.8%)	87 (1.5%)	2,931 (50.7%)	301 (5.2%)	1,574 (27.3%)

Projected Demographic Data in 2034-35

Category	Etiwanda SD	Alta Loma SD
Total Enrollment	15,138	7013
White	2,619 (17.3%)	1,936 (27.6%)
Hispanic	6,615 (43.7%)	3,549 (50.6%)
Black	1,256 (8.3%)	309 (4.4%)
Asian	2,664 (17.6%)	694 (9.9%)
Two or More Races	863 (5.7%)	365 (5.2%)

English Learners	1,484 (9.8%)	421 (6.0%)
Special Education	1,892 (12.5%)	814 (11.6%)
Socioeconomically Disadvantaged (SED)	4,890 (32.3%)	2,349 (33.5%)

Current School Site Utilizations

School	Site Enrollment	Site Capacity	(Excess)/under
Victoria Groves ES (Alta Loma SD)	452	598	(146)
Banyan ES (Alta Loma SD)	572	884	(312)
Hermosa ES (Alta Loma SD)	442	806	(364)
Caryn ES (Etiwanda SD)	553	553 **	0
John Golden ES (Etiwanda SD)	916	916 **	0
Carleton P. Lightfoot MS (Etiwanda SD)	878	878 **	0
Vineyard Jr. MS (Alta Loma SD)	933*	1116	(183)

**In the 2024–25 school year, 6th grade was added to the middle school, increasing enrollment by 259 students. This change could be reversed if needed, which would allow for additional space at Vineyard.*

***Assumes all sites are at full capacity, based on the Etiwanda School District Developer Fee Report indicating this status.*

Bonded Indebtedness

There is no current bond indebtedness. Provided for under EC §35570-§35579. NOTE: The County Committee may recommend, pursuant to EC §35565, the appointment of a board of arbitrators to resolve any disputes between the governing boards of the affected school districts concerning the division of funds, property, or obligations.

Conclusion: Condition 3 Met/Satisfied

Etiwanda's current Existing School Capacity worksheet indicates that the District's current school facilities are sufficient to house 8,386 elementary and 4,765 middle school students. As of 2024 Etiwanda enrolled 4,758 middle school students and 8,918 elementary school students indicating Etiwanda does not currently have capacity to serve all current students currently nor in the future.

Alta Loma's current existing school capacity indicates that the District's current school facilities are sufficient to house 6084 elementary and 2325 middle school students for a total capacity of 8,409. As of 2024 Alta Loma enrolled 1,764 middle school students and 3,771 elementary school students, 5,535 total students indicating Alta Loma has ample district capacity to serve all current students in their territory as well as all potential growth from new territory which is indicated above.

Condition 4

Discrimination or Segregation	The reorganization of the district will preserve each district’s ability to educate students in an integrated environment and will not promote racial or ethnic discrimination or segregation.
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Key Considerations
The current number and percentage of pupils in each racial and ethnic group in the affected districts and schools in the affected districts, compared with the number and percentage of pupils in each racial and ethnic group in the affected districts and schools in the affected districts if the proposal or petition is approved.

2024-25 Enrollment Demographic Summary

Category	Etiwanda SD	Alta Loma SD
Total Enrollment	13,599	5,599
White	17.3%/2,236	1,465 (27.6%)
Hispanic	5,923 (43.7%)	2,798 (50.6%)
Black	1,068 (8.3%)	239 (4.4%)
Asian	2,653 (17.6%)	616 (9.9%)
Two or More Races	809 (5.7%)	290 (5.2%)
English Learners	1,332 (9.8%)	336 (6%)
Special Education	1,700 (12.5%)	649 (11.6%)
Socioeconomically Disadvantaged (SED)	4,392 (32.3%)	1,876 (33.5%)

2034-35 Projected Enrollment Demographic Summary

Category	Etiwanda SD	Alta Loma SD
Total Enrollment	15,138	7013
White	2,619 (17.3%)	1,936 (27.6%)
Hispanic	6,615 (43.7%)	3,549 (50.6%)
Black	1,256 (8.3%)	309 (4.4%)
Asian	2,664 (17.6%)	694 (9.9%)
Two or More Races	863 (5.7%)	365 (5.2%)
English Learners	1,484 (9.8%)	421 (6.0%)
Special Education	1,892 (12.5%)	814 (11.6%)
Socioeconomically Disadvantaged (SED)	4,890 (32.3%)	2,349 (33.5%)

Conclusion: Condition 4 Met/Satisfied

Current and projected enrollment data show that both Etiwanda and Alta Loma School Districts serve racially and ethnically diverse student populations, with similar percentages of socioeconomically disadvantaged, English learner, and special education students. Projected demographic trends through 2034–35 indicate proportional growth across subgroups, with no significant demographic shifts that would lead to segregation or isolation. The territory proposed for transfer is currently undeveloped and uninhabited, and future housing is expected to attract a population consistent with existing district demographics. The proposal is not anticipated to adversely affect integration or the ability of either district to serve students in an inclusive and equitable environment.

- The trends and rates of present and possible future growth or change in the total population in the districts affected, in each racial and ethnic group within the total district, and in each school of the affected districts.

- The effect of factors such as distance between schools and attendance centers, terrain, and geographic features that may involve safety hazards to pupils, capacity of schools, and related conditions or circumstances that may have an effect on the feasibility of integration of the affected schools.
- The effect of the proposal on the duty of the governing board of each of the affected districts to take steps, insofar as reasonably feasible, to alleviate segregation of minority pupils in schools regardless of its cause.

Condition 5

Cost to State	Any increase in costs to the state as a result of the proposed reorganization will be insignificant and otherwise incidental to the reorganization.
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Key Considerations

1. The proposal does not increase costs to the state for the affected territory by more than ten percent;
2. other state special or categorical programs, and the increased state costs if students transferring would qualify in the gaining district and not in the losing district;
3. the additional costs to the state if special or categorical program costs are higher in the gaining district; and
4. the effect on the district’s home-to-school and special education transportation cost and state reimbursement.

State Fiscal Analysis of Proposed Boundary Change

This analysis confirms that the proposed boundary change between Etiwanda School District (ESD) and Alta Loma School District (ALSD) will have a negligible or incidental fiscal impact on the State of California.

Based on the budget documents and the reorganization report provided, here is a 5-year budget projection for the Alta Loma and Etiwanda school districts, assuming the proposed territory transfer is approved.

Methodology and Key Assumptions

These projections synthesize data from three sources: the 2025-26 Adopted Budgets for both district, enrollment and development projections.

- **Alta Loma School District (ALSD):** Projections are based on ALS D absorbing the new territory. The significant enrollment growth projected in the reorganization report is the primary driver of revenue and expenditure changes. This growth reverses the district's trend of declining enrollment.
- **Etiwanda School District (ESD):** Projections assume the transfer is complete, meaning ESD will **not** receive students from the new development. Its budget trajectory is based on the multi-year projections (MYP) contained within its own budget documents, which already account for this scenario.
- **Cost-of-Living-Adjustments (COLA):** Projections use the COLA figures stated in the district budgets for 2026-27 and 2027-28. For years

beyond that, the last known COLA is used as an estimate.

- **Expenditure Growth:** Projections for staffing, benefits, supplies, and services are scaled based on the new enrollment figures, using per-pupil costs and expenditure ratios derived from each district's 2025-26 budget and multi-year projection

Alta Loma School District Five-Year Enrollment and Budget Projections (with Territory Transfer)

The territory transfer would reverse ALSD's declining enrollment, leading to substantial growth in its student body and, consequently, its general fund budget. The district's capacity of 8,409 students is sufficient to absorb the projected growth over this period without requiring new facility construction.

Projected General Fund Budget Summary (Unrestricted & Restricted)

Fiscal Year	Projected Enrollment	Projected Revenues	Projected Expenditures	Net Change in Fund Balance	Projected Ending Fund Balance
2025-26	5,725	\$86,150,096	\$89,100,000	(\$2,949,903)	\$15,268,372
2026-27	5,823	\$92,100,000	\$91,850,000	\$250,000	\$15,818,275
2027-28	6,119	\$98,900,000	\$96,500,000	\$2,400,000	\$18,218,275
2028-29	6,542	\$107,500,000	\$104,800,000	\$2,700,000	\$20,918,275
2029-30	7,037	\$116,200,000	\$113,900,000	\$2,300,000	\$23,218,275

Projected Enrollment and Local Control Funding Formula (LCFF) Revenue

In 2025–26, the district's baseline general fund revenue is projected at **\$82,636,519.53**, based on an average daily attendance (ADA) of **5,004** and a **2.3% cost-of-living adjustment (COLA)**, without factoring in new residential development.

With the addition of new housing, ADA is projected to increase to 5,438, with approximately 20% of new students qualifying for supplemental funding under the Local Control Funding Formula (LCFF), consistent with the district's current budget assumptions.

A total of 434 new students are expected to generate LCFF revenue, based on P-2 estimates for the 2025–26 fiscal year. The average funding per new student, weighted to reflect a 20% supplemental rate, is estimated at **\$13,493**. This results in:

- **\$5,855,962** at 100% projected housing buildout for 2025
- **\$4,391,971.50** if 75% of the housing goal is met

- **\$3,513,577.20** if 60% of the housing goal is met

A 60% development rate is recommended for budget planning purposes, resulting in a projected LCFF revenue total of **\$86,757,349.53**.

The total average per-student LCFF funding includes currently available restricted funding sources and may be affected by future changes to state or federal categorical programs. Projections assume a 60% occupancy of completed housing units, which is subject to construction timelines and home sale activity. Property tax receipts are also contingent on new home sales and move-ins; therefore, revenue estimates should be adjusted downward when assuming partial development.

Because LCFF funding varies by grade level, actual funding will depend on the grade distribution of newly enrolled students. For the purposes of this report, an average per-student funding amount, slightly higher than the base rate, has been used to reflect the district's historical receipt of supplemental funds in its annual budget projections.

\$82,636,519.53 / 5,004 Average Daily Attendance w/out development / 2.3% COLA

- *ADA increase to 5,438 funded at LCFF (20% qualify for supplemental dollars, in line with current budget)*
- *434 new students funded at consistent LCFF funding assumed by P2 estimate for 2025-26*
 - *Average funding per new student, weighted for supplemental increase at 20% of new population, \$13,493*
 - *\$5,855,962 at 100% projected housing increase for 2025 / \$4,391,971.50 at 75% housing goal met / \$3,513,577.20 at 60%*
 - *60% development recommended for budget projection - \$86,757,349.53*

Total average funding per LCFF includes restricted funding sources currently available and will be subject to State/Federal categorical program changes and actual development schedule. Upon completion of new development the timing currently assumes a 60% move-in of completed units that generate students based on enrollment projections and will be subject to actual project completions and home sale data.

Receipt of property tax is contingent on new home sales and move-ins, so a lesser amount should be expected when accounting for a 60% completion rate as demonstrated in the table above.

Grade level funding varies under LCFF and funding amounts will be contingent upon actual new students based on what grade they enter the district. For the purposes of this report, an average amount is used per student that is slightly higher than base funding to account for supplemental dollars the district has historically received as part of their annual budget projections.

Analysis:

- **Revenues:** LCFF revenues are projected to increase significantly in line with the rising student enrollment from the new development and state COLA adjustments. The initial deficit in 2025-26 reflects the immediate costs of expanding services before the full funding impact is realized.
- **Expenditures:** Costs for certificated and classified staff, benefits, and instructional materials are projected to rise proportionately with student growth, based on the staffing ratios and per-pupil costs outlined in the ALSD budget.
- **Fiscal Outlook:** After an initial investment to scale up services, the increased and sustained enrollment is projected to create a structural budget surplus, allowing the district to grow its fund balance and enhance educational programs.

Etiwanda School District Five-Year Enrollment and Budget Projections (with Territory Transfer)

Without the new territory, Etiwanda School District's budget will not see the corresponding surge in enrollment or revenue. The projection is an extension of the district's own multi-year projections, reflecting a focus on its existing student population. The district is currently over capacity and would have needed to construct a new school had the territory remained.

Projected General Fund Budget Summary (Unrestricted & Restricted)

Fiscal Year	Projected Enrollment	Projected Revenues	Projected Expenditures	Net Change in Fund Balance	Projected Ending Fund Balance
2025-26	13,697	\$225,723,356	\$237,993,765	(\$12,270,409)	\$27,813,005
2026-27	13,087*	\$232,734,807	\$240,617,908	(\$7,883,101)	\$19,929,904
2027-28	13,038*	\$236,090,063	\$241,785,906	(\$5,695,843)	\$14,234,061
2028-29	~12,980**	\$239,800,000	\$243,100,000	(\$3,300,000)	\$10,934,061
2029-30	~12,920**	\$243,600,000	\$244,900,000	(\$1,300,000)	\$9,634,061

**Based on the district's Multi-Year Projection (MYP) data, a decline in enrollment and revenue is projected over the coming years however the potential enrollment in Condition 1 uses a 3.19% increase in enrollment yearly, conservative budgeting has been used to not include the potential growth but to instead use district's MYP.*

***Extrapolated from MYP data*

Analysis:

- **Revenues & Expenditures:** The projections reflect the district's own assumptions from its 2025-26 budget and MYP. This includes modest revenue growth based on state COLA and a slight enrollment decline after the initial budget year. The district continues to show significant deficit spending through the projection period, which it intends to cover with its reserves.
- **Fiscal Outlook:** The transfer allows ESD to avoid the significant facilities and operational costs of serving an additional ~2,100 students. While the district's large fund balance is projected to decrease due to ongoing structural deficits, its fiscal position remains stable, allowing it to focus resources on its existing 18 schools. The unsettled labor agreements remain a key variable in future expenditure projections.

Conclusion: Condition 5 Met/Satisfied

Based on the analysis, the proposed reorganization is fiscally neutral to the State of California, apart from minor administrative processing. This satisfies the requirement that any state cost increases be insignificant.

- **LCFF Funding Neutrality:** Both ESD and ALSD are "low-wealth" districts, meaning they are largely dependent on state funding through the Local Control Funding Formula (LCFF) rather than local property taxes. The transfer of territory will redistribute students and their associated Average Daily Attendance (ADA) from ESD to ALSD, resulting in a slight increase in state aid to ALSD and a corresponding slight decrease to ESD. However, the total number of students and their overall funding needs in the state remain constant, ensuring the net effect on state cost is minimal. The state will fund the same number of students regardless of which district serves them.
- **Revenue Limit Recomputations:** Education Code §§35735-35735.2 ensures fiscal neutrality when property tax bases shift due to reorganization. While ALSD may gain a larger property tax base, this would be offset by the increased number of students to educate, with additional local taxes reducing the state aid dollar-for-dollar under LCFF. Conversely, ESD's loss of future property taxes is balanced by a lower LCFF need due to fewer students. These adjustments are routine and considered incidental to the transfer.
- **Categorical and Special Programs:** Given both districts have moderate unduplicated pupil counts (approximately 35–40%), the transfer is unlikely to trigger new categories of state funding for ALSD or drastically reduce funding for ESD. While ESD's unduplicated percentage might marginally increase (potentially leading to slightly more supplemental funding) and ALSD's might slightly decrease, neither scenario indicates a significant change in state cost. Both districts will continue to operate within standard funding formulas.
- **Transportation Costs:** Since no current students reside in the territory, there are no existing transportation routes to be affected. Future transportation needs will be commensurate with serving the area's students, whether by ALSD or, had the territory remained with ESD. Any state reimbursement for transportation is a small, capped amount and will not change drastically, making its impact incidental.

Condition 6

Educational Programs of Existing and Proposed Districts

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

Key Considerations

This criterion examines the academic and programmatic consequences, specifically whether the transfer will negatively impact the quality of education or program continuity for students in either district.

Impact on Students and Programs

Since the territory is currently uninhabited, no existing students will be reassigned or experience disruption at the time of transfer. There is no school in the area whose programs need to be divided or whose student body would be split, resulting in zero immediate program disruption. This is a crucial distinction, as many territory transfers involve relocating families from one district's schools to another, raising concerns about differing curricula or the loss of specialized programs. In this case, because students do not yet reside in Etiwanda SD, no Etiwanda school will suddenly lose enrollment or resources, and no Alta Loma school will abruptly need to absorb an influx of students (as students will arrive gradually as homes are occupied).

Maintaining Educational Performance

- **Alta Loma SD:** As the area develops, Alta Loma will experience incremental enrollment growth. Both districts have a strong track record of academic performance, typically exceeding state averages on assessments. This growth, if properly planned for, has the potential to enhance educational offerings. For example, Alta Loma is likely to redraw existing boundaries as needed, potentially rebalancing students through their district but due to their declining enrollment, they have space available and a boundary change would create an opportunity to shift enrollment to schools throughout Alta Loma that have unused capacity. . Alta Loma’s class sizes, staffing ratios, and program breadth are expected to remain sound. In fact, an increased student population may enable ALSD to expand programs (e.g., increased demand could justify additional electives, GATE programs, or enrichment at the new school or existing junior high schools). There is no reason to believe Alta Loma cannot maintain its "sound education performance," as its finances will improve with added property tax (Criterion 9) and its enrollment will remain manageable. The district has experience serving a similar community and should be able to integrate students from the new neighborhoods without compromising academic quality.

- **Etiwanda SD:** Etiwanda's educational programs will remain unchanged. The district will continue to operate its 18 schools with current enrollment. No programs will be cut or altered due to the loss of this territory, as those students never attended ESD schools. One could even argue that ESD avoids the risk of overburdening its schools with an additional 2,000 students. Had the area remained within ESD, the district might have faced crowding or needed to undertake a major school building campaign. By not absorbing these students, ESD can concentrate on its existing schools. Etiwanda's academic outcomes will depend on its ongoing work with its current population, unaffected by this decision. The only programmatic "loss" is the hypothetical future expansion – ESD will not operate the new neighborhood school or enroll those students in its programs. However, this does not constitute a disruption to any existing program.

Special Programs and Services

We should consider whether the transfer could impact services such as special education or magnet programs. Both ESD and ALSD are part of the San Bernardino County SELPA for special education. New students with special needs from the development will receive services in Alta Loma SD (Alta Loma will likely need to proportionally scale up its special education staff, but funding follows the student). There is no indication that this presents a problem. Neither district operates unique magnet or language immersion programs that draw from this specific area (again, there are no current residents). Consequently, no student will lose access to a program they previously had. Each district can continue its educational initiatives (Etiwanda with its STEM programs or PBIS, Alta Loma with its own curriculum focus, etc.) without interruption.

Academic Performance Metrics

As a measure of "sound education performance," one can examine test scores and graduation rates (for K-8, metrics like CAASPP scores). Both districts have historically performed well, and the transfer does not inherently alter this. Alta Loma will educate the new students; given similar demographics, similar performance would be expected. The County Committee and CDE frequently verify that the reorganization "will not adversely affect the ability of districts to meet standards." In this instance, Alta Loma's capacity to offer a full range of courses (arts, PE, etc.) will actually be enhanced by a larger student body and, eventually, a new school site. Etiwanda's capacity remains high with slightly lower future enrollment than it might have had – it still benefits from economies of scale and can offer comprehensive programs.

Precedents

In the Sagebrush (Glendale/La Cañada) case, Glendale USD argued that losing students could harm their programs due to less funding. However, the impact (387 students out of 26k) was deemed insignificant. Here, zero current students are lost from Etiwanda, and Alta Loma gains new ones over time with commensurate resources – a scenario that is even more clearly benign. The North Tustin transfer involved approximately 125 student moves; Orange USD claimed it would harm their programs amidst declining enrollment. The County Committee there noted the impact

was minimal relative to the entire district. In our case, the "losing" district (ESD) is not losing existing enrollment, so its educational programs remain status quo. The "gaining" district (ALSD) is not overwhelmed – the growth is phased and foreseeable.

Conclusion: Condition 6 Met/Satisfied

The reorganization will not disrupt educational programs in either district. Both districts can continue to promote high academic performance for their students. Alta Loma SD will effectively extend its programs to serve the new community (with proper planning for facilities and staffing), and Etiwanda SD will continue its strong programs with its existing community. There is every expectation that students in both districts will be well-served, and no educational offerings will be diminished as a result of this boundary change.

Condition 7

School Housing Costs	Any increase in school facilities costs as a result of the proposed reorganization will be insignificant and otherwise incidental to the reorganization.
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Key Considerations
The County Committee should evaluate the affected districts’ school housing needs and the long range facilities plans for meeting the current and projected facilities requirements including: 1. local bonding capacity (potential); 2. developer fee income; 3. surplus property and asset management opportunities; 4. eligibility for state school facilities funding; 5. deferred maintenance, modernization, and reconstruction needs; 6. and the portion of costs for additional housing to be assumed by state and local programs.

Common Funding Sources for Building New Schools in California TK 12 Districts			
Funding Source	Description	Frequency of Use	Key Notes
General Obligation Bond	Voter-approved local bonds repaid via property taxes		Most common; 55% approval needed
State School Facilities	State matching funds from bond measures.		Supplements local funds; dependent on available state funding
Developer Fees	Impact fees collected from new construction.		Helps with growth; rarely covers full cost
Mello-Roos (CFDs)	Special tax districts in new housing		Used in growing areas; requires formation of a Community Facilities District
Certificates of	Lease financing without voter approval.		Alternative to bonds; may carry interest and

Participation			risk
General Fund Contribution	Using district's unrestricted operating funds.		Typically avoided; only for small-scale projects

In California there are multiple ways in which the building of a new school gets funded. As the chart above indicates, there are multiple funding sources that are utilized with the School Facility Program (SFP), which is managed by the Office of Public School Construction, funding approximately 50% in a matching format.

There will be limited facilities costs if the territory transfer takes place between Alta Loma and Etiwanda. Alta Loma will be able to meet any increase in student population using existing facilities. The budget increases Alta Loma ES will experience as a result of the territory transfer would be less than the cost to build a new K-8 school facility if the territory was to remain in Etiwanda's boundaries. Etiwanda assumes a new K-8 facility costs approximately \$75 million to build (assume additional costs in 5 years due to escalation), including soft costs. Currently Etiwanda Elementary is in need of 2.7 facilities to meet unmitigated growth currently and over the next 5 years, not including the proposed development under consideration for territory transfer. If the territory transfer was to not be approved, Etiwanda would need to build additional schools on top of the 2.7 already needed to meet current needs adding additional need on the state school facility fund. Alta Loma would not need to build any facilities if the territory transfer were approved, thus not impacting state school facilities funding.

Local Bonding capacity for the project would be, in current dollars, approximately \$10 per \$100,000 of assessed valuation. Developer Fee income would be based on the total square footage of the project at current rates of approximately \$5 per square foot. Based on approximately 5500 total residences with 4500 single family homes at approximately 2000 sq ft (9,000,000 Sq ft) and 1000 apartments at approximately 1000 square feet (1,000,000) the total Developer Fee income could be approximately \$50,000,000. Currently Etiwanda and Chaffey have an agreement whereby they split the developer fee amount of \$4.79. Etiwanda receives \$3.31 and Chaffey receives \$1.48. Etiwanda would not receive approximately \$26,830,860 in developer fees if the territory was transferred and instead this funding could be provided to Alta Loma. At the time of this report we are unable to determine what, if any, developer fees Alta Loma assesses properties in their district. Assuming Alta Loma receives the same amount per square foot as Etiwanda, they would receive approximately \$4 million in fees without the territory transfer. Chaffey UHSD would still receive developer fees from the entirety of the new development.

Condition 8

Property Values	The proposed reorganization is primarily designed for purposes other than to significantly increase property values.
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Key Considerations

No regulations have been adopted on this subject. The rationale given in the petition for the territory transfer should be analyzed. If the petitioners' rationale for the transfer appears questionable or not compelling, the county committee should at least consider whether increased property values might be the primary reason for the petition. The county tax assessor's office or local real estate firms could be consulted for advice on whether territory transfers might have an impact on property values.

Condition 9

Fiscal Management or Fiscal Status

The proposed reorganization will continue to promote sound fiscal management and not cause a substantial negative effect on the fiscal status of the proposed district or any existing district affected by the proposed reorganization.

Key Considerations

The criteria and standards review process is designed to evaluate how the reorganization will affect the school district's fiscal status for the current and succeeding years. The county committee should review and consider any potential revenue gains or losses resulting from community redevelopment agency agreements or other pass-through agreements, loss of incremental taxes, Mello-Roos Community Facility District funds, parcel taxes, certificates of participation, basic aid, tax overrides, mitigation agreements with developers, and any other categorical or specialized funds.

Alta Loma School District Five-Year Enrollment and Budget Projections (with Territory Transfer)

Fiscal Year	Projected Enrollment	Projected Revenues	Projected Expenditures	Net Change in Fund Balance	Projected Ending Fund Balance
2025-26	5,725	\$86,150,096	\$89,100,000	(\$2,949,903)	\$15,268,372
2026-27	5,823	\$90,253,550	\$91,850,000	(\$1,596,450)	\$14,221,825
2027-28	6,119	\$99,647,915	\$96,500,000	\$3,147,915	\$17,369,740
2028-29	6,542	\$106,536,470	\$104,800,000	\$1,736,470	\$19,106,210
2029-30	7,037	\$114,597,545	\$113,900,000	\$697,545	\$19,803,755

Conclusion: Condition 9 Met/Satisfied

Based on current and projected budget data, the proposed reorganization will not result in a substantial negative effect on the fiscal status of either district. Alta Loma's Multi-Year Projection indicates a growing ending fund balance through 2029–30, even under conservative assumptions of 60% residential development (see **Condition 5**). Additional ADA generated by the proposed transfer area is projected to yield approximately \$3.5

million in LCFF revenue under a moderate development scenario. These projections are based on historical funding patterns, assume a 2.3% COLA, and include both restricted and unrestricted funding sources. The district is well-positioned to absorb and support the projected enrollment growth without compromising fiscal stability.