
SENATE COMMITTEE ON EDUCATION

Senator Connie Leyva, Chair

2019 - 2020 Regular

Bill No: SB 585 **Hearing Date:** April 10, 2019
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Urgency: No **Fiscal:** Yes
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Subject: Education governance: school district reorganization: unified school districts: report.

SUMMARY

This bill requires the California Department of Education to prepare a plan for a transition so that, as of July 1, 2025, all school districts will be unified school districts.

BACKGROUND

Existing law:

- 1) Prescribes procedures for school district reorganization, depending on the type of reorganization (transfer of territory, unification, etc.) and the method by which the reorganization was initiated (petition, school board resolution). (Education Code § 35700 et seq.)
- 2) Requires there to be in each county a county committee on school district organization (except in a county that is also a city). (EC § 4000)
- 3) Prohibits and action to reorganize a school district from being initiated or completed without the consent of a majority of all of the members of the governing board of the affected district if both of the following conditions apply to the school district:
 - a) It has obtained an emergency apportionment loan from the State, but the Superintendent of Public Instruction has determined that a state administrator is no longer necessary, and has restored, before the effective date of this section, the legal rights, duties, and powers of the governing board of the school district.
 - b) It has a pupil population of 70 percent of which is from either a “lower income household” or “very-low income household.” (EC § 35706.5)

Process for unification when affected school districts agree on reorganization

- 4) Establishes a process whereby reorganization petitions are submitted to the county superintendent of schools, and requires the county superintendent to examine the petition within 30 days of its filing and, if the superintendent finds it to be sufficient and signed as required by law, transmit the petition simultaneously to the county committee on school district reorganization and to

the State Board of Education. (EC § 35704)

- 5) Requires the county committee to, within 60 days after receipt of the petition, hold one or more public hearings at a regular or special meeting in each of the districts affected by the petition. (EC § 35705)
- 6) Authorizes the county committee to approve the petition and order that the petition to be granted if the county committee finds that specified conditions are met and the governing board of each of the affected districts consents to the petition. (EC § 35709, § 35710)
- 7) Requires the county superintendent of schools, within 35 days after receiving notification of approval of the petition by the county committee, to call an election as specified. (EC § 35710.51)

Process for unification when affected school districts do not agree on reorganization

- 8) Establishes a process whereby reorganization petitions are submitted to the county superintendent of schools, and requires the county superintendent to examine the petition within 30 days of its filing and, if the superintendent finds it to be sufficient and signed as required by law, transmit the petition simultaneously to the county committee on school district reorganization and to the State Board of Education (SBE). (EC § 35704)
- 9) Requires the county committee to, within 60 days after receipt of the petition, hold one or more public hearings at a regular or special meeting in each of the districts affected by the petition. (EC § 35705)
- 10) Requires the county committee, within 120 days of the first public hearing on the petition, to recommend approval or disapproval of a petition. (EC § 35706)
- 11) Requires the county committee to expeditiously transmit the petition and its recommendations to the SBE, and requires the SBE to hear the issue of the petition at a public hearing. (EC § 35707, § 35708)
- 12) Authorizes the SBE to approve proposals for the reorganization of school districts if the SBE has determined, with respect to the proposal and the resulting school districts, that specified conditions are substantially met. (EC § 35753).
- 13) Requires the SBE, upon approval of a petition, to give notice to the county superintendent of schools, and requires the county superintendent of schools to call an election within 35 days of receiving notice from the SBE. (EC § 35755, § 35756)

ANALYSIS

This bill:

- 1) Requires the California Department of Education to prepare a detailed plan for a transition so that, as of July 1, 2025, all school districts existing in the state on

that date will be unified school districts.

- 2) Requires the plan to specify all of the district changes that will be necessary to accomplish the transition.
- 3) Requires the California Department of Education (CDE), in preparing the plan, to consider but not limit itself to all of the following topics:
 - a) Geographic factors, including respect for district boundaries to reflect longstanding communities, and to take into consideration factors such as the boundaries of existing school districts, city limits, county lines, the location of major highways and mass transit, and schoolbus routes.
 - b) Academic factors, taking into consideration factors such as the location of high-performing schools and low-performing schools and the communities they serve.
 - c) Financial factors, taking into consideration the varying tax bases, levels of indebtedness, and status of the districts as declining or growing in enrollment.
 - d) The ethnic composition of the pupils enrolled in the districts, taking into consideration the need to avoid disparate impacts on ethnic communities.
- 4) Requires the CDE to submit the plan, along with pertinent findings and recommendations, in the form of a written report to the chairpersons of the education policy committees of the respective houses of the Legislature by January 1, 2021.
- 5) Prohibits a reorganization of a unified school district from resulting in the conversion of any territory of that unified school district into territory of a school district of a different kind.
- 6) Deletes as an option the deunification of a school district, which includes the conversion of all or part of a unified school district into one or more new high school districts.

STAFF COMMENTS

- 1) ***Need for the bill.*** According to the author, "California has over a thousand school districts in the state, roughly only a third of which are unified school districts. Unified school districts can provide greater educational opportunities and programs along with a single coordinated curriculum for students throughout their K-12 experience. Financially, unified school districts are also able to save on costs and direct more funds into the classroom with the ability to pool funds for bulk ordering of instructional materials, transportation, etc. further cost

savings would also result from the creation of a single streamlined administration resulting in eliminating unnecessary bureaucracy and improving accountability.” A 2011 report conducted by the Legislative Analyst’s Office “found an inherent conflict of interest in the process of consolidation or unification when local school boards are required to give approval of these efforts. In requiring the Department of Education to prepare the plan for unifying school districts the process would be provided more objective oversight.”

- 2) ***Current makeup of school districts.*** According to information on the California Department of Education’s website, there are 344 unified school districts, 524 elementary districts, and 76 high school districts. From 1971-72 through 2016-17, there was a 102 percent increase in the number of unified districts, a 184 percent decrease in the number of elementary districts, and a 41 percent decrease in the number of high school districts. Over this period, the total number of school districts has decreased.
- 3) ***How are districts reorganized?*** There are four types of reorganization that are most common:
 - a) Territory transfers: transfer of a portion (or portions) or all of one district to another.
 - b) Formations of new school districts: Typically, these are unifications that involve (1) reorganizing entire elementary and high school districts or portions of them into unified districts serving kindergarten through grade twelve or (2) reorganizing or splitting an existing unified district into two or more new unified school districts. Although unification is the most frequent new district formation, new elementary or high school districts also may be formed from combinations of existing districts.
 - c) Unifications with components (i.e., Thompson unifications): Unifications where one or more of the feeder elementary school districts are completely within a high school district and are excluded from action to unify the portion of the high school district in which it is contained. The governing board of the elementary school district must receive approval for exclusion from the agency approving the unification (either the county committee in school district organization or the State Board of Education).
 - d) Lapsations of districts: When certain conditions are met (most typically when the average daily attendance of a district falls below specified levels), the county committee on school district organization is required to lapse the district and annex its entire territory to one or more adjoining districts.

Existing law generally provides two paths for school district reorganization relative to unification. When certain conditions are met and the affected districts agree on the reorganization, the county committee has the

authority to approve or disapprove the petition. When those conditions are not met or the affected districts do not agree on the reorganization, the county committee recommends approval or disapproval to the State Board of Education, which then makes the decision to approve or disapprove the petition.

Under both scenarios, the county superintendent and county committee on school district reorganization have a role and public hearings are held.

This bill requires the California Department of Education (CDE) to prepare a detailed plan for a transition so that, as of July 1, 2025, all school districts existing in the state on that date will be unified school districts.

Staff recommends an amendment to clarify that this bill does not require the plan to be implemented by July 1, 2025.

This bill provides no opportunity for county superintendents, county committees on school district reorganization, or the governing boards of school districts to have any input on the plan or its implementation. Should the bill state legislative intent, or impose a requirement, that the CDE convene an advisory group of school districts to inform CDE's development of the plan?

- 4) ***Elements to be considered in a reorganization plan.*** This bill requires the CDE, in preparing the plan, to consider specified topics, such as geographic, academic, financial factors and ethnic composition. Many of the issues that exist when there are several elementary school districts that feed into a high school district appear to include instructional misalignment, philosophical and cultural differences, and no requirement for coordination between local school districts. Should the CDE be required to consider the makeup of and dynamic between elementary school districts and high school districts?
- 5) ***Legislative Analyst's Office (LAO) report.*** The *Supplemental Report of the 2010–11 Budget Act* directed the LAO to study school district consolidation and determine whether the state should more actively promote consolidating small districts into larger districts. This report addressed the merits of consolidation, spending patterns, student performance, incentives and disincentives to consolidate, and concluded that “neither the academic research nor our own review offers persuasive evidence that consolidating small districts would necessarily result in substantial savings or notably better outcomes for students.”

The LAO found that small districts currently tend not to pursue consolidation because the state provides fiscal incentives for districts to remain small and disincentives for consolidation. The report found that these incentives are strongest in very small school districts, which on average receive more than twice as much funding per pupil compared to middle and large sized districts. The LAO also found that “certain state laws, including those related to environmental reviews and district staffing, coupled with community preferences for small districts, serve as

disincentives for districts to consolidate.” The report made several recommendations:

- a) Increase the minimum threshold for district size to at least 100 students.
 - b) Eliminate fiscal incentives for districts to remain small.
 - c) Eliminate some additional fiscal disincentives for districts to consolidate:
 - i) Clarify that most consolidations can waive California Environmental Quality Act review requirements.
 - ii) Eliminate statutory two-year salary and position protections for classified staff.
 - d) Strengthen eligibility requirements to ensure the state provides extra funding only to small schools that truly are necessary.
 - e) Consider instituting minimum threshold for school size.
- 6) **Prior legislation.** AB 803 (Hadley, 2015) would have established procedures for an action to form a new district within the boundaries of a single school district within a single county. AB 803 failed passage in the Assembly Education Committee.

AB 480 (Harper, 2015) would have required the Fiscal Crisis and Management Assistance Team to conduct a study on the potential benefits and impacts of school district unification. AB 480 was held in the Assembly Appropriations Committee.

SUPPORT

None received

OPPOSITION

None received

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