

Date of Hearing: April 3, 2024

ASSEMBLY COMMITTEE ON EDUCATION
Al Muratsuchi, Chair
AB 3140 (Hoover) – As Amended March 11, 2024

SUBJECT: School districts: reorganization

SUMMARY: Expands the circumstances under which a county committee on school district reorganization (county committee) may approve a petition to reorganize one or more new school districts, followed by an election in the territory of the affected districts. Authorizes the State Board of Education (SBE) to approve a petition for the reorganization of school districts that has substantially met a majority of specified criteria if the reorganization is based on a municipal boundary between two local governments and the governing bodies of the two local governments pass resolutions in support of the reorganization. Specifically, **this bill:**

- 1) Authorizes a county committee to approve a petition to form one or more new school districts in either of the following scenarios:
 - a) If all of the following conditions are met:
 - i) Requires, if the county committee approves a petition, as specified, the county committee to notify the county superintendent of schools, which is required to call an election in the territory of the affected school districts, to be conducted at the next election of any kind, as specified.
 - ii) Each county superintendent of schools with jurisdiction over an affected school district elects to grant approval authority to the county committee on school district organization for which is the secretary, and that county committee chooses to accept that authority;
 - iii) The governing board of each of the affected school districts consents to the petition; and
 - iv) The secretary of the county committee designated as the lead agency enters into an agreement on behalf of the county committee for any or all affected school districts to share among those school districts the costs of complying with the requirements of the California Environmental Quality Act (CEQA).
 - b) If a majority of the criteria specified in (10) in Existing Law, below, and the following conditions, have been met:
 - i) The reorganization is based on a municipal boundary between two local governments and the governing bodies of the two local governments pass resolutions in support of the reorganization; and
 - ii) The governing board of each of the affected school districts consents to the petition.

- 2) Authorizes the SBE to approve a proposal for the reorganization of school districts that has substantially met a majority of specified criteria (see (10) in Existing Law, below) if the reorganization is based on a municipal boundary between two local governments and the governing bodies of the two local governments pass resolutions in support of the reorganization.
- 3) Requires the SBE to make its decision regarding a proposal for reorganization, as specified, within six months of receiving the application.

EXISTING LAW:

- 1) Establishes in each county, except a county which is also a city and county, a county committee on school district organization. Specifies the number of members of the county committee based on the number of and type of school and community college districts. (Education Code (EC) 4000-4010)
- 2) Defines an "action to reorganize districts" to mean either of the following:
 - a) An action to form a new school district, which is accomplished through any of, or any combination of, the following:
 - i) Dissolving two or more existing school districts of the same kind and forming one or more new school districts of that same kind from the entire territory of the original districts;
 - ii) Forming one or more new school districts of the same kind from all or parts of one or more existing school districts of that same kind;
 - iii) Unifying school districts, including the consolidation of all or part of one or more high school districts with all or part of one or more component school districts into one or more new unified school districts; or
 - iv) Deunifying a school district, including the conversion of all or part of a unified school district into one or more new high school districts, each with two or more new component districts.
 - b) An action to transfer territory, including the transfer of all or part of an existing school district to another existing school district. (EC 35511)
- 3) Requires an action to reorganize one or more districts to be initiated upon the filing, with the county superintendent of schools, of a petition to reorganize one or more school districts signed by any of the following:
 - a) At least 25% of the registered voters residing in the territory proposed to be reorganized if the territory is inhabited. Requires, where the petition is to reorganize territory in two or more school districts, the petition to be signed by at least 25% of the registered voters in that territory in each of those districts;

- b) A number of registered voters residing in the territory proposed to be reorganized, equal to at least 8% of the votes cast for all candidates for Governor at the last gubernatorial election in the territory proposed to be reorganized, where the affected territory consists of a single school district with over 200,000 pupils in average daily attendance (ADA) and the petition is to reorganize the district into two or more districts;
 - c) The owner of the property, provided that the territory is uninhabited and the owner thereof has filed either a tentative subdivision map with the appropriate county or city agency or an application for any project, as specified, with one or more local agencies; or
 - d) A majority of the members of the governing boards of each of the districts that would be affected by the proposed reorganization. (EC 35700)
- 4) Requires, within 60 days after receipt of the petition, the county committee to hold one or more public hearings thereon at a regular or special meeting in each of the districts affected by the petition. Requires notice of the public hearing to be given at least 10 days in advance thereof to not more than three persons designated in the petition as the chief petitioners, to the governing board of all districts affected by the proposed reorganization, and to all other persons requesting notice of the hearing. (EC 35705)
- 5) Requires, within 120 days of the commencement of the first public hearing on the petition, the county committee to recommend approval or disapproval of a petition to form one or more new districts or for the division of the entire territory of a school district into two or more new or acquiring districts, as the petition may be augmented, or shall approve or disapprove a petition for the transfer of territory, as the petition may be augmented. Requires the 120-day period for approving or disapproving a petition to commence after certification of an environmental impact report, approval of a negative declaration, or a determination that the project is exempt from the California Environmental Quality Act (CEQA). (EC 35706)
- 6) Requires, except for petitions for the transfer of territory, the county committee to expeditiously transmit the petition to the SBE together with its recommendations thereon. (EC 35707)
- 7) Authorizes, if the county committee finds that if specified conditions (see (10) in Existing Law, below), the county committee to approve the petition. Requires, if the petition is approved, the county committee to notify the county superintendent of schools, who will be required to call an election in the territory of the affected districts to be conducted at the next election of any kind. (EC 35710)
- 8) Authorizes a county committee to approve a petition to form one or more new districts if the requirements of (7), above, and the following conditions, are met:
- a) Each county superintendent of schools with jurisdiction over an affected district elects to grant approval authority to the county committee on school district organization for which he or she is secretary;
 - b) The governing board of each of the affected districts consents to the petition; and the secretary of the county committee designated as the lead agency, as specified, enters into

an agreement on behalf of the county committee for any or all affected districts to share among those districts the costs of complying with the requirements of the CEQA.

- 9) Requires a petition to form one or more new districts that meets the conditions described in (8), above, but is not approved by the county committee, to be transmitted to the SBE and heard by the SBE, as specified. Requires the SBE, rather than the county committee, to be the lead agency for CEQA for each petition transmitted, including a petition disapproved by the county committee after determining the project is exempt from the CEQA. (EC 35710)
- 10) 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 all of the following conditions are substantially met. Authorizes the SBE to approve a proposal for the reorganization of school districts if the SBE determines that it is not practical or possible to apply the criteria of this section literally and that the circumstances with respect to the proposals provide an exceptional situation sufficient to justify approval of the proposals.
 - a) The reorganized districts will be adequate in terms of the number of pupils enrolled;
 - b) The school districts are each organized on the basis of a substantial community identity;
 - c) The proposal will result in an equitable division of property and facilities of the original district or districts;
 - d) The reorganization of the school districts will preserve each affected district's ability to educate pupils in an integrated environment and will not promote racial or ethnic discrimination or segregation;
 - e) Any increase in costs to the state as a result of the proposed reorganization will be insignificant and otherwise incidental to the reorganization;
 - f) The proposed reorganization will continue to promote sound education performance and will not significantly disrupt the educational programs in the affected districts;
 - g) Any increase in school facilities costs as a result of the proposed reorganization will be insignificant and otherwise incidental to the reorganization;
 - h) The proposed reorganization is primarily designed for purposes other than to significantly increase property values;
 - i) The proposed reorganization will continue to promote sound fiscal management and not cause a substantial negative effect on the fiscal status of the affected district; and
 - j) Any other criteria that the state board may, by regulation, prescribe. (EC 35753)

FISCAL EFFECT: This bill has been keyed non-fiscal by the Office of Legislative Counsel.

COMMENTS:

Need for the bill. The author states, “Parents have the right to enroll their children in schools where they reside. The geographical discrepancies in the boundaries of certain school districts, such as Elk Grove, can disadvantage the parent and children that reside in this area because they are forced to commute to school that are outside of their area. This bill will permit school district reorganizations through either the SBE or county committee so parents will be able to enroll their children in schools within their own communities and those students will no longer be subject to lengthy commutes that detract from the academic achievement.”

School district reorganization. If the reorganization of a school district is initiated by 1) a specified percentage of registered voters in the territory to be reorganized, 2) the owner of the property to be reorganized under specified conditions, or 3) a majority of the members of the governing boards of each of the school districts that would be affected by the proposed reorganization, then the county committee follows a specified process including the review of the petition, public hearings, review for CEQA compliance, and makes a recommendation of approval or disapproval to the SBE. Then, the SBE is required to consider the petition at a public hearing. If the SBE approves the petition, then the county superintendent of schools is required to call an election for this purpose.

Under specified circumstances, the county committee may also approve a petition if 1) the governing board of each of the affected school districts consents to the petition, 2) all of the affected school districts agree to share the costs of complying with the requirements of CEQA, and 3) the county superintendent elects to grant approval authority to the county committee. Under this scenario, a petition approved by the county committee bypasses the review and approval of the SBE, and the county superintendent is required to call an election in the territory of the elected school districts, to be conducted at the next election of any kind.

This bill proposes to add a scenario under which the county commission may approve a petition that next goes to the electorate (and does not include a review and approval of the SBE, unless the petition was denied by the county committee and is appealed by the petitioners). The petition would be required to meet specified criteria, including: the reorganization is based on a municipal boundary between two local governments and the governing bodies of the two local governments pass resolutions in support of the organization, the governing board of each of the affected school districts consents to the petition, and if all of the affected school districts agree to share the costs of complying with the requirements of CEQA.

This bill also authorizes the SBE to approve a petition for the reorganization of school districts that have substantially met a majority of specified criteria (see (10) in Existing Law, above) if the reorganization is based on a municipal boundary between two local governments and the governing bodies of the two local governments pass resolutions in support of the reorganization.

For specified petitions received by the SBE, this bill requires the SBE to make its decision regarding a proposal for the reorganization within six months of receiving the application. The SBE provided information stating that for the last three territory transfer items received by the SBE, it took between 36-60 months from the time the appeal came in, to when the SBE took the petition up at a meeting:

- Territory Transfer Appeal: Submitted January 2018, SBE meeting November 2022
- Territory Transfer Appeal: Submitted April 2020, SBE meeting July 2023

- Territory Transfer Appeal: Submitted May 2020, SBE meeting January 2024

History of School District Reorganization. According to a 2021 handbook produced by the California Department of Education (CDE), *School District Organization*, school district organization began with the provisions for school support established by the framers of California's Constitution in 1849. With increases in population and movement from an agricultural-based economy, the educational needs in the state grew at a rapid pace. By 1935 there were over 3,500 school districts in the state.

At about that same time, new laws made it possible to combine elementary and high school districts into a single district under one board of education defined as a "unified" school district. In addition to the process of unification, another common method of change in school district organization had been "annexation." This process has been referred to as "unionization" or "consolidation" in the past, but the basic meaning is the same. Annexation occurs when two or more like districts (e.g., two or more elementary school districts) join to form a single district through the process of reorganization.

Modern school district reorganization in California began in 1945 with the passage of the Optional Reorganization Act, drafted by the State Reconstruction and Reemployment Commission. This Act addressed the problems that resulted from the past practices of school district organization. One result of the Optional Reorganization Act was the formation of the Commission on School Districts. This commission was created to conduct surveys, establish committees, and make recommendations to the State Board of Education.

By 1945, the number of school districts in the state had been reduced to 2,568. In 1949, the Commission on School Districts was disbanded, and the responsibility for school district organization fell to the State Board of Education. Provisions were made for counties to carry on the work the commission had started. To assist the counties in this effort, the California Department of Education established the Bureau of School District Organization, which acted as an advisory group within the Division of Public School Administration. In the four years the Commission on School Districts was active, it was able to reduce the number of districts by another 18%, to a total of 2,111 districts.

Despite numerous legislative attempts at reorganization, including state funding incentives, the reluctance of people to accept unification without perceiving tangible financial benefits was considerable; but progress was made in the reduction of the number of school districts in the state. From 1935 to 1945, the total number of school districts in California decreased from 3,500 to 2,508. From 1945 to July 1, 1964, the total number of elementary and high school districts was reduced from 2,508 to 1,325. Unified school districts increased in number from 46 to 164.

In 1964, major new legislation, AB 145 (Unruh), Chapter 132, Statutes of 1964, offered new incentives for school districts that reorganized and new disincentives for districts that chose not to reorganize. AB 145, provided a mandate for unification but was primarily a financial measure. Unified school districts were to be formed according to plans formulated by the State Board of Education. To encourage voters to form unified school districts, AB 145 stipulated that the funding level for qualified unified school districts be increased by \$15 per ADA. In addition to increasing support for unified school districts, for each elementary school district that voted in favor of unification, even if the whole proposition failed, the funding level of that district would be increased by \$15 per ADA. The law required that unification had to be along high school

district boundaries, but each elementary school district had to have a “yes” vote. If one district voted “no,” the unification failed; but those voting “yes” received a bonus. These were to be permanent increases in the level of support. In 1967, the incentive was increased to give \$20 per ADA “for more efficiently organized districts.”

The Legislature granted a series of reprieves from this mandatory election until 1972 when the Master Plan in each county was voted on (with few exceptions). Through June 30, 1974, the total number of elementary and high school districts in the state was reduced to 1,048, a decrease of 529 from 1964, and the total number of unified districts increased from 164 to 253.

AB 174, (Carter), Chapter 314, Statutes of 2009, allows unification proposals supported by all affected LEAs to be approved by the county committee on school district organization and sent to a local election without coming to the State Board of Education for additional approval. Certain other conditions apply to this local approval of unification proposals.

Recommended Committee Amendments. *Staff recommends that the bill be amended as follows:*

- Extend the time in which the SBE is required to make its decision regarding specified proposals for reorganization to 24 months.
- Remove language authorizing county committees and the SBE to approve specified petitions for the reorganization of school districts that has substantially met a majority of specified criteria if the reorganization is based on a municipal boundary between two local governments and the governing bodies of the two local governments pass resolutions in support of the reorganization.

Related legislation. AB 1419 (Smyth) of the 2009-10 Session, would have required, by July 1, 2013, the reorganization of a unified school district with an annual enrollment of more than 500,000 pupils into multiple school districts enrolling no more than 50,000 pupils. This bill would have required a school district reorganization commission to be established to aid in the reorganization process and develop a reorganization plan. This bill was held in the Assembly Education Committee.

SB 69 (Runner) of the 2007-08 Session would have authorized the SBE to approve a petition for the reorganization of school districts that had substantially met a majority of specified criteria if the reorganization is based on a municipal boundary between two local governments and the governing bodies of the two local governments pass resolutions in support of the reorganization, as specified. The bill would have authorized a county committee on school district reorganization to also approve a petition to form one or more new school districts that had substantially met a majority of specified criteria if the reorganization is based on a municipal boundary between two local governments and the governing bodies of the 2 local governments passed resolutions in support of the reorganization and, the governing board of each of the affected school districts consented to the petition, as specified. This bill was held in the Senate Education Committee.

AB 146 (Smyth) of the 2007-08 Session was substantially similar to AB 1419 (Smyth) of the 2009-10 Session. This bill was held in the Assembly Education Committee.

SB 1326 (Runner) of the 2005-06 Session was substantially similar to SB 69 (Runner) of the 2007-08 Session. This bill was held in the Senate Education Committee.

AB 2071 (Richman) of the 2005-06 Session was substantially similar to AB 1419 (Smyth) of the 2009-10 Session. This bill failed passage in the Assembly Education Committee.

AB 1334 (Garcia) of the 2003-04 Session would have prohibited an action to reorganize the boundaries of a school district without the consent of a majority of all of the members of the governing board of the school district if any of the territory proposed to be reorganized was subject to a reorganization action initiated within the previous five years and the pupil population of the territory to be reorganized meet specified characteristics. This bill was held in the Assembly Education Committee.

AB 1792 (Wyland) of the 2001-02 Session would have required specified procedures to take place if, in a proposed school district reorganization, the transfer is opposed by the governing board of one or more of the districts affected with an average daily attendance of 2,500 or less. This bill was held in the Assembly Education Committee.

REGISTERED SUPPORT / OPPOSITION:

Support

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Opposition

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