



JUNE 2003 AGENDA

SUBJECT	X	ACTION
Proposed Formation of Turlock Joint Unified School District from Turlock Joint Elementary School District and Turlock Joint Union High School District in Stanislaus County		INFORMATION
	X	PUBLIC HEARING

Recommendation:

Adopt the attached proposed resolution (Attachment 2) approving the petition to form a new Turlock Joint Unified School District (SD) from Turlock Joint Elementary SD and Turlock Joint Union High SD in Stanislaus County

Summary of Previous State Board of Education Discussion and Action

The State Board of Education has not heard this item previously.

Summary of Key Issue(s)

Three elementary school districts (Chatom Union, Keyes Union, and Turlock Joint Elementary) currently are component districts within the Turlock Joint Union High SD. Resolutions proposing the unification of the Turlock Joint Union High SD were submitted to the Stanislaus County Superintendent of Schools by the governing boards of the Turlock Joint Union High SD and the Turlock Joint Elementary SD (Attachment 3). These resolutions state that Chatom Union SD and Keyes Union SD will not be affected by the unification proposal and will continue to enroll their secondary students in the proposed unified district under the same terms and conditions as existed previously in the high school district (Section 35542(b)).

The Stanislaus County Committee on School District Organization (SCC) found that eight of the nine criteria in Section 35753(a) were substantially met. They found that the remaining criterion (equitable division of property) did not apply to the proposed unification. The SCC unanimously recommended approval of the Turlock unification proposal (Attachment 5).

The governing board of one of the excluded elementary districts (Chatom Union SD) opposes the unification (Attachment 6). The governing board of the other excluded elementary district (Keyes Union SD) supports the proposed unification, noting that the Keyes Union SD would not be affected by the unification and would continue to function as a feeder school to the proposed Turlock Joint Unified SD (Attachment 7).

California Department of Education staff finds that all nine criteria in *Education Code* Section 35753(a) are substantially met and recommends that the State Board of Education approve the proposal to form a Turlock Joint Unified SD. Staff’s analysis is provided as Attachment 1. A proposed resolution approving the petition is provided as Attachment 2 for the Board’s consideration.

Fiscal Analysis (as appropriate)

Based on estimated 2002-03 data, the revenue limit for the new Turlock Joint Unified SD is \$5,009 (Attachment 8). This estimated revenue limit includes adjustments for salary and benefit differentials and represents a 3.7 percent increase over the blended, or weighted average, revenue limit per ADA for the existing districts. Increases in revenue limit funding due to school district reorganization are not considered to be increased costs to the state since these funding increases are provided for in statute and are capped.

No other effects to state costs due to the reorganization have been identified.

Attachment(s)

- Attachment 1: [Report of Required Conditions for Reorganization \(Pages 1-17\)](#)
- Attachment 2: [Proposed Resolution \(Pages 1-1\)](#)
- Attachment 3: Resolution Seeking Unification of the Turlock Joint Elementary School District and the Turlock Joint Union High School District (Pages 1-9) (not available on web)
- Attachment 4: Determination of Sufficiency of the Petitions (Pages 1-2) (not available on web)
- Attachment 5: Recommendation (Pages 1-3) (not available on web)
- Attachment 6: Chatom Union School District Resolution #03-03 (Pages 1-1) (not available on web)
- Attachment 7: Keyes Union School District Resolution #02-03-11 (Pages 1-1) (not available on web)
- Attachment 8: Proposed Turlock Unification Revenue Limit Worksheet for Reorganized School Districts Based on 2002-03 Budgeted Data (Pages 1-6) (not available on web)
- Attachment 9: [Alternative Resolution \(Pages 1-1\)](#)

PROPOSED FORMATION OF TURLOCK JOINT UNIFIED SCHOOL DISTRICT IN STANISLAUS COUNTY

REPORT OF REQUIRED CONDITIONS FOR REORGANIZATION

1.0 RECOMMENDATION

Staff recommends that the State Board of Education (SBE) adopt the resolution in Attachment 2, which would approve the proposal to form a Turlock Joint Unified School District (SD) from territory of the Turlock Joint Union High SD. This proposal specifically excludes two elementary school districts, which currently are within the high school district boundaries, from the unification. *Education Code* Section¹ 35542(b) gives the SBE the authority to exclude elementary districts from a proposal to unify a high school district.

2.0 BACKGROUND

Three elementary school districts (Chatom Union, Keyes Union, and Turlock Joint Elementary) currently are component districts within the Turlock Joint Union High SD. Turlock Joint Elementary SD and Turlock Joint Union High SD are common administration districts although each district has its own separately elected governing board.

Resolutions proposing the unification of the Turlock Joint Union High SD were submitted to the Stanislaus County Superintendent of Schools by the governing boards of the Turlock Joint Union High SD and the Turlock Joint Elementary SD (Attachment 3). These resolutions state that Chatom Union SD and Keyes Union SD will not be affected by the unification proposal and will continue to enroll their secondary students in the proposed unified district under the same terms and conditions as existed previously in the high school district (Section 35542(b)).

The county superintendent of schools is required to examine resolutions for a proposed school district organization and determine whether the resolutions are sufficient and signed as required by law (*Education Code* Section 35704). On June 4, 2002, the Stanislaus County Superintendent of Schools determined that the resolutions for the unification of the Turlock Joint Union High SD, submitted by the governing boards of the Turlock Joint Union High SD and the Turlock Joint Elementary SD, were sufficient and signed as required by law (Attachment 4).

At a public hearing and deliberation meeting held June 26, 2002, the Stanislaus County Committee on School District Organization (SCC) found that eight of the nine criteria in Section 35753(a) were substantially met. They found that the remaining criterion (equitable division of property) did not apply to the proposed unification. The SCC, on an 8-0 vote (with three members absent), recommended approval of the Turlock unification

¹All subsequent statutory references are to the *Education Code* unless otherwise indicated.

proposal (Attachment 5).

California Department of Education (CDE) staff finds that all nine criteria in *Education Code* Section 35753(a) are substantially met.

3.0 REASONS FOR THE UNIFICATION

The governing boards of the Turlock Joint Elementary SD and Turlock Joint Union High SD cite the following reasons for the proposed Turlock Joint Unified SD (Attachment 3):

- (a) Continued enhancement of curriculum articulation.
- (b) Streamlined administration.
- (c) More efficient use of facilities and fiscal resources.
- (d) Increased funding.

4.0 POSITIONS OF SCHOOL DISTRICTS

4.1 Chatom Union SD

The governing board of the Chatom Union SD adopted a resolution opposing the unification (Attachment 6). The reasons given by the governing board for the opposition are:

- (a) Taxes. Currently, property tax dollars paid by Chatom Union SD property owners are designated for Chatom Union SD and Turlock Joint Union High SD. With unification, these funds would be spread to Turlock's elementary and middle schools. Taxpayer funds should stay with Chatom Union SD and Turlock high schools only.
- (b) Blended Budgets. The additional funds that the new district would receive would be blended into a new budget for salary equalization and would have to cover the needs of the elementary district's inclusion.
- (c) General Fund Impact. The high school program and services will have to share funds with Turlock's elementary and middle schools to cover their needs. The general fund will be obligated to maintain the new budgetary increases.
- (d) Representation. The structure of the new Board of Trustees will not have representatives for each geographical area.
- (e) Impact of Lack of Representation. There is no assurance that the feeder district's parents and community will have representatives needed to ensure appropriate education for our feeder students.
- (f) Conflict of Interest. There is possibly a conflict of interest with Turlock Joint Union High SD board members voting on this unification effort.

- (g) Lack of Benefits. Chatom Union SD does not recognize any benefits the district would receive from this unification.

4.2 Keyes Union SD

The governing board of the Keyes Union SD supports the proposed unification, noting that the Keyes Union SD would not be affected by the unification and would continue to function as a feeder school to the proposed Turlock Joint Unified SD (Attachment 7).

5.0 SECTION 35753 CRITERIA

The State Board of Education (SBE) may approve proposals for the reorganization of districts if the SBE has determined the proposal substantially meets the nine criteria in Section 35753. Those criteria are further clarified by Title 5, *California Code of Regulations*. Staff findings and conclusions regarding the Section 35753 and Title 5 conditions follow:

5.1 The new districts will be adequate in terms of number of pupils enrolled.

Standard of Review

It is the intent of the State Board that direct service districts not be created which will become more dependent upon county offices of education and state support unless unusual circumstances exist. Therefore, each district affected must be adequate in terms of numbers of pupils, in that each such district should have the following projected enrollment on the date the proposal becomes effective or any new district becomes effective for all purposes: Elementary district, 901; high school district, 301; unified district, 1,501. (Section 18573(a)(1)(A), Title 5, California Code of Regulations)

County Committee Evaluation/Vote

The *Unification Reorganization Conditions Report* (hereinafter referred to as “Conditions Report”) that was presented to the SCC stated that enrollment in the new unified school district would be 12,776. The Conditions Report also indicated that enrollment in the area is expected to increase by 1,856 students over the next five years.

The SCC determined that this criterion is substantially met.

Staff Findings/Conclusion

As stated previously, a new unified district is adequate in terms of number of pupils if projected enrollment is 1,501 or greater on the date the proposal becomes effective or any new district becomes effective for all purposes. The following table compares enrollments of the current high school district and its component elementary districts with the enrollments in the districts after unification. All enrollment figures are based on information from the 2002-03 California Basic Educational Data System (CBEDS).

Current District Organization	
<i>District</i>	<i>Enrollment</i>
Turlock Joint Elementary	8,933
Turlock Joint Union High	4,340
Chatom Union	678
Keyes Union	1,868
Proposed District Organization	
<i>District</i>	<i>Enrollment</i>
Turlock Joint Unified	13,273
Chatom Union	678
Keyes Union	1,868

Enrollment in the proposed Turlock Joint Unified SD significantly exceeds the required 1,501. Additionally, historical trends show that enrollment in the affected districts has increased by almost 15 percent over the past five years, and enrollment projections suggest that this growth will continue.

Although Chatom Union is a direct service district under the proposed district organization, this circumstance would not be created by the proposed unification since Chatom Union currently is a direct service district.

Staff concludes that this criterion is substantially met.

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

Standard of Review

The following criteria from Section 18573(a)(2), Title 5, California Code of Regulations, should be considered to determine whether a new district is organized on the basis of substantial community identity: isolation; geography; distance between social centers; distance between school centers; topography; weather; community, school and social ties; and other circumstances peculiar to the area.

County Committee Evaluation/Vote

The Conditions Report indicates that there exist no issues related to the proposed reorganization that would have a negative effect on community identity. This report further finds that the new unified school district would predominantly focus on service to the Turlock vicinity (about 85 percent of existing students reside in the City of Turlock) and would result in an enhanced sense of community identity in Turlock.

The SCC determined that this criterion is substantially met.

Staff Findings/Conclusion

The new unified school district would correspond to the boundaries of the existing high school district. Therefore, a distinct educational community already exists within

the boundaries of the proposed unified school district. In the past, this educational community has played an important role in establishing the community identity of the Turlock area. The new unified school district should continue that role.

Additionally, the City of Turlock area corresponds significantly with the area of the Turlock Joint Union SD and this would not change with the formation of a Turlock Joint Unified SD.

Staff finds that the proposed district would be organized on the basis of a substantial community identity since it would correspond to existing school district boundaries and would primarily serve an existing distinct community (City of Turlock).

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

Standard of Review

To determine whether an equitable division of property and facilities will occur, the California Department of Education reviews the proposal for compliance with the provisions of Education Code sections 35560 and 35564 and determines which of the criteria authorized in Section 35736 shall be applied. The California Department of Education also ascertains that the affected districts and county office of education are prepared to appoint the committee described in Section 35565 to settle disputes arising from such division of property. (California Code of Regulations, Title 5, Section 18573(a)(3))

County Committee Evaluation/Vote

The Conditions Report indicates that, since the proposal is to combine districts, there will be no need to divide property or allocate bonded indebtedness. At the time of the proposal, the Turlock Joint Union High SD had outstanding general obligation bonds from 1997, Measure N, totaling \$35 million. According to the proposal, the bonded indebtedness will not be divided if the unification is approved. The geographic areas consisting of the Turlock Joint Union High SD will continue to remain liable for all obligations and debts incurred.

The SCC agreed that this criterion does not apply to the proposed unification.

Staff Findings/Conclusion

Staff concludes that this criterion has been met. Staff agrees that there will be no need to divide property and that geographic areas consisting of the Turlock Joint Union High SD shall continue to remain liable for the outstanding general obligation bonds.

However, although the Turlock Joint Elementary SD had no bonded indebtedness at the time of the proposal, any new debt incurred prior to the unification will remain the liability of the geographic areas consisting of the Turlock Joint Elementary SD, unless the voters within the new unified district agree to assume the additional debt. Any bonded indebtedness of the Keyes Union SD and the Chatom Union SD will remain

with those districts and not be a liability of the new unified school district.

5.4 The reorganization of the districts will not promote racial or ethnic discrimination or segregation.

Standard of Review

In Section 18573(a)(4), Title 5, California Code of Regulations, the State Board of Education set forth five factors to be considered in determining whether reorganization will promote racial or ethnic discrimination or segregation:

- (a) 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 were approved.*
- (b) 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.*
- (c) The school board policies regarding methods of preventing racial and ethnic segregation in the affected districts and the effect of the proposal or petition on any desegregation plan or program of the affected districts, whether voluntary or court ordered, designed to prevent or alleviate racial or ethnic discrimination or segregation.*
- (d) The effect of factors such as distance between schools and attendance centers, terrain, 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.*
- (e) 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.*

County Committee Evaluation/Vote

The following table summarizes the October 2000 CBEDS enrollment data presented in the Conditions Report:

District	Minority Students	White Students
Turlock Joint Union Elementary SD	50.8%	49.2%
Turlock Joint Union High SD	43.0%	57.0%
Turlock Joint Unified SD	48.3%	51.7%

The Conditions Report further notes the following:

- (a) Except for the Filipino and White categories, all racial/ethnic groups have increased in number over the past 10 years.
- (b) Numbers of Hispanic students have grown 13 percent while the numbers of White students have declined 16 percent over the past 10 years.

- (c) All districts currently have policies of nondiscrimination and equal opportunity.
- (d) There exist no factors that may have an effect on the feasibility of integration in the proposed unified school district.
- (e) The unification will not materially affect the duty of the governing board to alleviate discrimination or segregation.

The Conditions Report concludes that the proposed unification will not promote racial or ethnic discrimination or segregation. The SCC agrees that this criterion is substantially met.

Staff Findings/Conclusion

The current (October 2002 CBEDS) percent of minority students in Turlock Joint Union High SD and its three component elementary districts is depicted in the following table. The percent of minority students in a new Turlock Joint Unified SD also is displayed.

District	Percent Minority Students
Turlock Joint Union Elementary SD	54.3%
Turlock Joint Union High SD	46.5%
Chatom Union SD	45.6%
Keyes Union SD	46.9%
Turlock Joint Unified SD	51.8%

The unification proposes a consolidation of the Turlock Joint Union High SD and Turlock Joint Union Elementary SD. Both Chatom Union SD and Keyes Union SD will continue to operate their own K-8 programs and send secondary students to the Turlock Joint Unified SD under the same terms and conditions as existed previously in the high school district. Thus, the proposed unification will not cause any student to move from one school to another.

Staff agrees with the findings in the Conditions Report that the proposed unification will not negatively affect (1) the districts' duty to take steps to alleviate any segregation of minority pupils in schools and (2) any factor that may have an effect on the feasibility of the integration of affected school. Given the lack of negative effects and the fact that no students will be displaced or transferred to different schools as a result of the proposal, staff finds that this criterion is substantially met.

5.5 The proposed reorganization will not result in any substantial increase in costs to the state.

Standard of Review

Education Code sections 35735 through 35735.2 mandate a method of computing revenue limits without regard to this criterion. Although the estimated revenue limit is provided in this section, only potential costs to the state other than those mandated by

sections 35735 through 35735.2 are considered in analyzing a proposal for compliance with this criterion.

County Committee Evaluation/Vote

The Conditions Report contained a calculation of the base revenue limit per average daily attendance (ADA) that will result from the formation of the proposed unification and determined that increase in state costs is well within the range allowed by *Education Code Sections 35735 through 35735.2.*

The SCC determined that this criterion is substantially met.

Staff Findings/Conclusion

Based on estimated 2002-03 data from the Conditions Report and the CDE School Fiscal Services Division (SFSD), the blended Turlock Joint Elementary SD and Turlock Joint Union High SD revenue limits, including enhancements due to salary and benefit differentials, result in an estimated revenue limit per ADA of \$5,009 for the new district. The blended, or weighted average, revenue limit per ADA is revenue neutral and does not result in an increase in state costs. It is only the adjustment for salary and benefit differentials that yields new revenues. The revenue limit computation is included as Attachment 8. As stated previously, increases in revenue limit funding due to reorganization are not considered to be increased costs to the state since these funding increases are provided for in statute and are capped.

Should the proposed district become effective, the county office of education, in consultation with the SFSD Principal Apportionment Unit, will calculate the actual revenue limit, including cost of living and any other adjustments, based on second prior fiscal year data (2002-03 ADA and revenue limit funding for a July 1, 2004, effective date).

Neither the proposed unified district nor any excluded district would receive any significant increases in state funding. Staff agrees with the SCC's finding that this criterion is substantially met.

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

Standard of Review

The proposal or petition shall not significantly adversely affect the educational programs of districts affected by the proposal or petition, and the California Department of Education shall describe the districtwide programs, and the school site programs, in schools not a part of the proposal or petition that will be adversely affected by the proposal or petition. (Section 18573(a)(5), Title 5, California Code of Regulations)

County Committee Evaluation/Vote

The Conditions Report states that the proposed unification will:

- a) Result in continued enhancement of curriculum articulation.
- b) Augment efforts to better integrate elementary and secondary programs.

The SCC determined that this criterion is substantially met.

Staff Findings/Conclusion

Currently, the Turlock Joint Elementary SD and Turlock Joint Union High SD operate under a common administration, an arrangement that can help promote the articulation of curriculum from the elementary program to the secondary program. Establishing a unified school district with a single governing board will have the potential to further enhance the articulation of curriculum.

Moreover, no students will be displaced or transferred to different schools as a result of the proposal. Thus, the unification should have minimal effect (if any) on the implementation of the educational program at the school site level.

Staff agrees with the SCC's finding that this criterion is substantially met.

5.7 The proposed reorganization will not result in a significant increase in school housing costs.

County Committee Evaluation/Vote

The Conditions Report contains the following findings:

- a) All real property in the Turlock Joint Elementary SD and Turlock Joint Union High SD will become property of Turlock Joint Unified SD.
- b) Turlock Joint Union High SD has no real property outside of Turlock Joint Elementary SD.
- c) Funding sources and management responsibility of the Mello-Roos district will not change.
- d) Unification will not affect the number of schools needed to house student growth.

The Conditions Report concludes that the proposed unification will not result in a significant increase in school housing costs. The SCC agrees that this criterion is substantially met.

Staff Findings/Conclusion

Since no students will be displaced or transferred to different schools as a result of the proposal, no additional facilities will be required as an immediate consequence of the

unification. The Turlock school districts are experiencing considerable growth in the student population, which could necessitate construction of additional facilities in the future. However, these new facilities will be a consequence of the enrollment growth rather than the unification. As such, any need for new facilities will exist whether or not the Turlock school districts unify.

A Mello-Roos district is solely within the boundaries of the Turlock Joint Elementary SD. The unification should have no effect on its funds or management.

Given these considerations, staff agrees with the finding of the SCC that this criterion is substantially met.

5.8 The proposed reorganization is not primarily designed to result in a significant increase in property values causing financial advantage to property owners because territory was transferred from one school district to an adjoining district.

County Committee Evaluation/Vote

The Conditions Report notes that:

- a) The district initiated the unification.
- b) The unification would consolidate two separate entities.
- c) There should be no change in property values as a result of the unification

The SCC agrees that this criterion is substantially met.

Staff Findings/Conclusion

No evidence was presented to indicate that the proposed formation of the Turlock Joint Unified SD would increase property values in the petition area. Nor is there any evidence from which it can be discerned that any increase in property values could be the primary motivation for the proposed unification. Staff concludes this criterion has been substantially met.

5.9 The proposed reorganization will not cause a substantial negative effect on the fiscal management or fiscal status of the proposed district or any existing district affected by the proposed reorganization.

County Committee Evaluation/Vote

The Conditions Report identified potential cost savings that will be generated as a result of the unification. Specifically, the unification will eliminate shared cost formula and negotiations, reduce duplication of services, and provide consistent goals, objectives, and procedures for fiscal management.

The SCC determined that this criterion is substantially met.

Staff Findings/Conclusion

The Turlock Joint Elementary SD and Turlock Joint Union High SD operate under a common administration, with the districts sharing the same superintendent, business manager, and other office staff. As a unified district, the fiscal management or fiscal status should not be negatively affected.

The governing board of Chatom Union SD has expressed concerns that the proposed unification would result in Chatom taxpayer funds and high school program funds being redirected to Turlock Joint Unified SD elementary and middle schools (Attachment 6). Chatom Union SD's concerns appear unwarranted. Under the assumption that Chatom Union SD will be excluded from the unification, Chatom's base revenue limit (state revenues and local taxes) will not be affected. Chatom will continue to receive revenue limit funding for their elementary and middle school programs.

As a result of the unification, the new unified district will receive a blended, or weighted average, revenue limit. Additionally, this blended revenue limit is adjusted for salary and benefit differentials (see 5.5 above). Thus, the unified district will receive more revenue limit funding than would be received by both the Turlock Joint Union High SD and the Turlock Joint Elementary SD. As a result, the unified district will have more funds that may be used for programs. Although the high school program, which includes students that feed in from Chatom Union SD and Keyes Union SD, will be funded from the same budget as the Turlock's elementary and middle school programs, the increased revenue limit funds should be sufficient to maintain all current programs.

Staff agrees with the SCC's finding that this criterion is substantially met.

6.0 COUNTY COMMITTEE SECTION 35707 REQUIREMENTS

Section 35707 requires the county committee to make certain findings and recommendations and to expeditiously transmit them along with the reorganization petition to the SBE. These required findings and recommendations are:

6.1 County Committee Recommendation for the Petition

A county committee must recommend to the SBE approval or disapproval of a petition for unification. The SCC voted 8-0 (with three members absent) to recommend approval of the proposal to form Turlock Joint Unified SD (Attachment 5).

6.2 Effect on School District Organization of the County

A county committee must report to the SBE whether the proposal would adversely affect countywide school district organization. The SCC determined that the proposal would not adversely affect countywide school district organization (Attachment 5).

6.3 County Committee Recommendation

A county committee must submit to the SBE its opinion regarding whether the proposal complies with the provisions of Section 35753. The SCC found that eight of the nine criteria in Section 35753(a) were substantially met. They found that the remaining criterion (equitable division of property) did not apply to the proposed unification (Attachment 5).

7.0 STAFF RECOMMENDED AMENDMENTS TO THE PETITION

The SBE has authority to amend or add certain provisions to any petition for unification. This section contains CDE staff recommendations for such amendments.

7.1 Article 3 Amendments

Petitioners may include, and the county committee or SBE may add or amend, any of the appropriate provisions specified in Article 3 of the *Education Code* (commencing with Section 35730). These provisions include:

Membership of Governing Board

A proposal for unification may include a provision for a governing board of seven members. The unification plan approved by the petitioning districts includes such a provision (Attachment 3).

Trustee Areas

The proposal for unification may include a provision for establishing trustee areas for the purpose of electing governing board members of the unified district. Neither the petitioning districts nor the SCC has included a provision for trustee areas. The unification plan specifically calls for governing board members to be elected at-large (Attachment 3).

The governing board of the Chatom Union SD, in its resolution opposing the proposed unification (Attachment 6), listed a concern that the structure of the new board of trustees for the unified district will not have representatives for each geographical area. The Chatom Union SD governing board further indicated that this lack of representation means that there is no assurance that the new unified district board of trustees will have representatives from the Chatom area to ensure that its secondary students receive an appropriate education. However, the current Turlock Joint Union High SD governing board members are not elected by trustee areas.

Election of Governing Board

A proposal for unification may include a provision specifying that the election for the first governing board be held at the same time as the election on the unification of the school district. The petitioning districts have included the following provision in the unification plan (Attachment 3).

The first governing board of trustees of the new unified school district will be elected at the same election as the reorganization proposal. The following method will be used to determine the terms of office of the initial members of the board of trustees.

Candidates must declare for either an initial four (4) year term or for an initial two (2) year term. A candidate cannot declare for both a four (4) year term and for a two (2) year term.

- a) The four (4) candidates receiving the highest number of votes for the initial four (4) year term shall be elected.*
- b) The three (3) candidates receiving the highest number of votes for the initial two (2) year term shall be elected.*

After the initial term, succeeding terms will be four (4) years.

Computation of Base Revenue Limit

A proposal for reorganization of school districts must include a computation of the base revenue limit per ADA for each reorganized district. The submittal by the SCC contained a computation of the base revenue limit for Turlock Joint Unified SD based upon 2001-02 data. Working with staff from the Turlock school districts, CDE staff obtained an estimated base revenue limit based on 2002-03 data. This base revenue limit computation of \$5,009 per ADA is contained in Attachment 8.

Division of Property and Obligations

A proposal for the division of property (other than real property) and obligations of any district whose territory is being divided among other districts may be included. Since no district is divided as a result of the current unification proposal, there will be no division of property and obligations.

Method of Dividing Bonded Indebtedness

A proposal for unification may include a method of dividing the bonded indebtedness other than the method established in Section 35576 for the purpose of providing greater equity in the division. No current bonded indebtedness will be divided as a result of the unification proposal.

CDE Staff Recommendation for Article 3 Amendments

CDE staff recommends that the SBE approve the Article 3 provisions that were included in the unification proposal by the petitioning districts. These provisions are (1) a governing board comprised of seven members and (2) the initial election of governing boards members to be held at the same time as the election on the unification proposal.

7.2 Area of Election

A provision specifying the territory in which the election to reorganize the school

districts will be held is one of the provisions under Article 3 (see 7.1 above) that the SBE may add or amend. However, the inclusion of this provision is highlighted since Section 35756 indicates that, should the SBE approve the proposal, the SBE must determine the area of election.

The area proposed for reorganization is the entire Turlock Joint Union High SD. Thus, the “default” election area is the entire high school district (Section 35732). The SBE may alter this “default” election area if it determines that such alteration complies with the following area of election legal principles.

Area of Election Legal Principles

The Local Agency Formation Commission (LAFCO)² court decision provides the most current legal interpretations to be followed in deciding the area of school district reorganization elections. This decision upheld a limited area of election on a proposal to create a new city, citing the "rational basis test." The rational basis test may be used to determine whether the area of election should be less than the total area of the district affected by the proposed reorganization unless there is a declared public interest underlying the determination that has a real and appreciable impact upon the equality, fairness, and integrity of the electoral process, or racial issues. If so, a broader area of election is necessary.

In applying the rational basis test, a determination must be made as to whether:

- a) There is a genuine difference in the relevant interests of the groups, in which case an enhancement of the minority voting strength is permissible.
- b) The reduced voting area has a fair relationship to a legitimate public purpose. The fair relationship to a legitimate public purpose is found in *Government Code* Section 56001, which expresses the legislative intent "to encourage orderly growth and development," such as promoting orderly school district reorganization statewide that allows for planned, orderly community-based school systems that adequately address transportation, curriculum, faculty, and administration. This concept includes both:
 - 1) Avoiding the risk that residents of the area to be transferred, annexed, or unified might be unable to obtain the benefits of the proposed reorganization if it is unattractive to the residents of the remaining district; and
 - 2) Avoiding islands of unwanted, remote, or poorly served school communities within large districts.

However, even under the rational basis test, a determination to reduce the area of election would, according to LAFCO, be held invalid if the determination constituted an invidious discrimination in violation of the constitutional Equal Protection Clause (e.g., involving a racial impact of some degree).

²*Board of Supervisors of Sacramento County, et al., v. Local Agency Formation Commission (3 Cal. 4th 903, 1992)*

CDE Staff Recommendation for Area of Election

The SBE may reduce the election area from the entire Turlock Joint Union High SD if it determines that such reduction is in accordance with the above area of election legal principles. Although the reorganization proposal calls for the exclusion of Chatom Union SD and Keyes Union SD from the unification process, staff recommends the entire Turlock Joint Union High SD as the area of election should the SBE approve the unification proposal. The Turlock Joint Unified SD will provide the secondary education program for students residing within the Chatom Union SD and Keyes Union SD. Voters within these two excluded elementary school districts also will vote for governing board members of the unified district and general obligation bond measures targeted for secondary facilities.

7.3 Exclusion of Component Elementary Districts

Education Code Section 35542(b), added by Chapter 1186, Statutes of 1994, provides that:

“[A]n elementary school district that has boundaries that are totally within a high school district may be excluded from an action to unify those districts if the governing board receives approval for an exclusion from the State Board of Education. Any elementary school district authorized by the State Board of Education to be excluded from an action to unify, may continue to feed into the coterminous high school under the same terms that existed before any action to unify . . .”

Circumstances of Current Unification Proposal

This unification proposal specifically states that Chatom Union SD and Keyes Union SD are unaffected by the unification proposal, thus assuming exclusion of these component elementary districts from unification of the high school district. However, it is clear from Section 35542(b) that only the SBE has authority to approve exclusion of component elementary districts and that such exclusion is discretionary.

CDE Staff Recommendation for Exclusion of Component Districts

CDE staff recommends the exclusion of Chatom Union SD and Keyes Union SD from the proposed unification. Exclusion of the component elementary districts is supported because:

- (a) The districts ready to unify can proceed without being impeded by the opposition of the smaller component districts.
- (b) This form of unification allows continued self-determination by the voters of the excluded component elementary districts.
- (c) The residents of the excluded component elementary districts may continue to enroll their children in the new unified school district under the same terms and

conditions as existed previously in the high school district.

- (1) Voters in the excluded component elementary districts will participate in the election of governing board members for the unified district.
 - (2) Voters in the excluded component elementary districts will participate with the voters in the unified district in voting in any future bond elections affecting high school facilities just as they did in the previous high school district and will pay their prorated shares for any such bond issues passed as they did in the previous high school district.
- (d) Any component elementary district excluded from the unification action may at any time in the future unify with the new unified district if such action is initiated by local voters or by school board resolution and is subsequently approved by the SBE and local voters.
- (e) Statute specifically allows the SBE to exclude component elementary districts from an action to unify a high school district.

Additionally, since Chatom Union SD is not in support of the unification, failure to exclude Chatom may invalidate the entire unification proposal. Inclusion of Chatom in the unification would make that district an affected district. Section 35700(d) requires that a proposal for unification be approved by a majority of the governing board members of districts affected by the proposal.

8.0 STATE BOARD OF EDUCATION OPTIONS

For this unification proposal, SBE options are outlined in Sections 35542(b), 35753, 35754 and 35756:

- (a) The SBE shall approve or disapprove the proposal.
- (b) The SBE may approve the proposal if it determines all the criteria in Section 35753(a) have been substantially met.
- (c) The SBE may approve the proposal pursuant to Section 35753(b) if it determines the criteria in Section 35753(a) are not substantially met but it is not possible to apply the criteria literally and an exceptional situation exists.
- (d) If the SBE approves the proposed unification, it may exclude the Chatom Union SD and the Keyes Union SD from the unification (Section 35542(b)).
- (e) If the SBE approves the proposed unification, it may amend or include in the proposal any of the appropriate provisions of Article 3, commencing with Section 35730 of the *Education Code*. In this case, the petitioning districts have added provisions that the new governing board will have seven members elected at-large and that the first governing board election be held at the same time as the election on unification.
- (f) The SBE must determine the area of election (Section 35756). As previously discussed, staff recommends the territory of the entire high school district as the area

of election if the SBE should choose to approve the petition.

9.0 RECOMMENDED ACTION

Staff recommends that the SBE approve the proposed unification of Turlock Joint Union High SD and the Turlock Joint Elementary SD only if it also excludes the Chatom Union SD and the Keyes Union SD from the unification. Failure to exclude these component elementary districts would eliminate a key component of the locally developed unification plan and possibly invalidate the entire unification proposal. Staff further recommends that the SBE approve provisions that the governing board of the new district have seven members elected at-large and that the initial election of the governing board be held at the same time as the election on unification. Finally, staff recommends that the SBE determine the election area to be the entire Turlock Joint Union High SD. A proposed resolution addressing all the above recommendations is included as Attachment 2.

An alternative resolution is provided as Attachment 9 should the SBE decide to disapprove the unification proposal.

CALIFORNIA STATE BOARD OF EDUCATION
June 2003

PROPOSED RESOLUTION

Petition to Form the Turlock Joint Unified School District
from the Turlock Joint Elementary School District
and the Turlock Joint Union High School District

RESOLVED, that under the authority of *Education Code* Section 35754, the proposal to form a new unified school district from the Turlock Joint Elementary School District and the Turlock Joint Union High School District, which was filed on or about July 16, 2002, with the Stanislaus County Superintendent of Schools pursuant to *Education Code* Section 35700(a) and Section 35542(b), is hereby approved.

RESOLVED further, that the base revenue limit per unit of average daily attendance for the new unified district is estimated to be \$5,009.67 and shall be recalculated using second prior fiscal year data from the time the unification becomes effective for all purposes; and be it

RESOLVED further, that the Chatom Union School District and the Keyes Union School District shall be excluded from the action to unify the high school district and residents of these excluded elementary districts may continue to enroll their children in the new unified school district under the same terms and conditions as existed previously in the high school district; and be it

RESOLVED further, that the governing boards shall consist of seven members elected at-large, with the first governing board elections held at the same time as the election on the unifications; and be it

RESOLVED further, that the State Board of Education shall direct the county superintendent of schools to call for the election and sets the area of election to be the territory of the entire Turlock Joint Union High School District; and be it

RESOLVED further, that the Secretary of the State Board of Education shall notify, on behalf of said Board, the Stanislaus County Superintendent of Schools, the chief petitioners, the Chatom Union School District, and the Keyes Union School District of the action taken by the State Board of Education.

CALIFORNIA STATE BOARD OF EDUCATION
June 2003

ALTERNATIVE RESOLUTION

Petition to Form the Turlock Joint Unified School District
from the Turlock Joint Elementary School District
and the Turlock Joint Union High School District

RESOLVED, that under the authority of *Education Code* Section 35754, the proposal to form a new unified school district from the Turlock Joint Elementary School District and the Turlock Joint Union High School District, which was filed on or about July 16, 2002, with the Stanislaus County Superintendent of Schools pursuant to *Education Code* Section 35700(a) and Section 35542(b), is hereby disapproved; and be it

RESOLVED further, that the Secretary of the State Board of Education notify, on behalf of said Board, the Stanislaus County Superintendent of Schools, the chief petitioners, the Chatom School District, and the Keyes School District of the action taken by the State Board of Education.