

School District Consolidation: A Snapshot

Commonly, school district consolidation or the sharing of superintendent services is brought forward when budgets become constrained. This document intends to summarize the process, pros and cons at a very high level. In reality the work towards consolidation is cumbersome and lengthy, often taking up to 10 years to complete legally and up to an additional decade to bring the two cultures of the districts together and truly function as a single entity.

HISTORY

California had over 3000 school districts at one point due to the local nature of school district formation in the state historically. Marin had 48. In the 1900s, particularly in the post war era through the early 1970s, consolidation/unification was supported by state funding that encouraged and paid for the reorganization efforts of districts. Since the 1980's as a result of lack of state financial support substantially fewer districts have reorganized. Today there are about 1000 districts in California and 17 in Marin.

TYPES OF REORGANIZATION:

1. Territory Transfers: a portion of one district is absorbed by another. (For example, east Corte Madera is served by two districts. A hypothetical territory transfer between Reed District and LCMSD could allow east Corte Madera residents to be served by one district.)
2. Formations of New Districts: through consolidation of like-kind districts, splitting or reorganization of existing districts or unifications of elementary and high school districts.

PROCESS:

Set by Ed Code and approved locally by the *County Committee on School District Organization* ([Link to CCSDO](#)) and the general Electorate. The County Committee responds to petitioners of consolidation, boards who wish to explore consolidation or at the direction of itself to complete feasibility studies etc. Individuals on this committee are elected by trustees in the county and represent all supervisorial districts, plus a single at-large seat.

Reorganizations can be requested by:

1. Citizens who petition at a rate of 10% or 25% of the electorate
2. School Boards of single or multiple districts.
3. Local Agencies (city councils etc)

Each of these means of request follows a different path to approval as prescribed by law. The path includes:

-feasibility studies, financial studies, public hearings, and finally voter approval. ([CDE Guide to Consolidation Here](#))

CONDITIONS OF REORGANIZATION:

There are nine conditions that must be met to receive approval.

1. Adequate enrollment
2. Organized on the basis of a substantial community identity
3. Proposal results in an equitable division of property/facilities between original districts
4. Reorganization allows for an integrated environment that does not promote segregation.
5. Increase in costs to the state will be insignificant.
6. Sound educational performance and no significant disruption to learning programs already in place.
7. Facilities cost increases will be minimal.
8. Reorganization is for a purpose other than to increase property values.
9. Other criteria as set by state.

FINANCIAL CONSIDERATIONS OF CONSOLIDATION AND/OR UNIFICATION:

There are many considerations around consolidation beyond the financial. Of note are cultures, pedagogy, special education services, student performance etc.

1. Greatest benefits are for “small” school districts defined in CA as less than 1,000 students.
2. Loss of excess property taxes often occur in merged districts. This occurs most often when a “Basic Aid” district reorganizes with a “LCFF” district or via territory transfers.
3. Reduction in administrative overhead can occur but it has been smaller than predicted in almost every case and overall salary expenses tend to rise. (See #8.) Larger districts tend to require more administrative positions (For example and Assistant Superintendent of HR etc.)
4. Parcel taxes, currently up to 30% of local district funding sources in Marin, are nullified leaving at least one calendar year without such funding before the newly formed district’s electorate can reinstate a tax via the ballot. This can be accomplished with a single two step election process similar to the 2021 recall effort of Governor Gavin Newsom. *However, with parcel taxes passing at only 35% pre pandemic this is a very risky gambit for many districts and one that could devastate funding locally.*

5. Loss/Gain of certain categorical funding areas due to new percentages of students in various categories. This is often a loss in districts that have consolidated as districts serving a higher percentage of unduplicated pupils have access to higher levels of federal funding which is lost when those rates of pupils change.
6. Costs of the consolidation process are high including CEQA studies, hearings and elections and staffing necessary to facilitate the process.
7. Newly formed districts cannot lay off or reduce salaries of classified employees until 2 years post consolidation possibly resulting in overstaffing. With most Marin districts living “close to the cuff” this could be a challenge.
8. Salary costs typically go up across the board as salary tables of the most highly compensated district become the new norm in the collective bargaining agreement. This typically occurs across all positions and employee groups including administrative leadership.
9. Bonding capacities are affected especially when one district has more outstanding bonds than another.

INTERIM STEPS:

Shared services are an interim step towards aligning resources and sharing costs. Districts across the county participate in many shared services especially in the areas of health, special education, specialists, information services (payroll etc), curriculum/professional development, legislative action/lobbying efforts, healthcare purchasing, and others.

Sharing of a superintendent or other district office administrator. This is something that needs to come at the beckon of two boards and a person who is willing to administer two different districts with two different boards. This is a very difficult, time consuming position that few are interested in taking on, in large part because of the dual boards with diverse sets of goals, priorities and time including the investments in the LCAP and other state required engagements. Another significant time consuming element includes collaboration with up to four bargaining units, four contracts, and four sets of negotiations. Additionally, and often overlooked, some administrative positions are critical because of the cost savings they directly generate. For example a strong, competent Special Education administrator can run a program that results in excellent service delivery and substantially less costly legal proceedings or settlements. This position requires the ability to focus on all cases in a district typically.

FURTHER CONSIDERATIONS:

1. We must continue to find ways to maximize our resources and ideally move towards fewer districts in California. However current law, especially as it relates to parcel taxes and collective bargaining, makes this a difficult process.
2. Districts that have consolidated or unified (San Diego, Madera, Santa Cruz and Monterey for example) did not save significantly (in fact minimally) due to the uptick in salaries that occurs with consolidation.
3. In 2018 two local districts and the Marin County Office of Education looked at what would be involved in a consolidation should both communities choose to pursue it. A partial feasibility study was conducted and concluded that initial data did not provide a compelling reason to move forward with a deeper feasibility analysis. The study further emphasized the benefit of further collaboration between the two districts prior to pursuing a reorganization.
4. The Marin Efficiency and Effectiveness Committee meets monthly to discuss increasing shared services and sharing best practices in fiscal and educational management of schools.
5. Parents who enjoy leadership at the local level and would need, as voters, to approve any changes are often the largest detractors from consolidation. That said, strong parent support and advancement of such efforts could have a favorable outcome.