California Department of Education
School District Organization Handbook
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# CHAPTER 2HISTORY OF SCHOOL DISTRICT ORGANIZATION IN CALIFORNIA

This chapter will be useful to community members, school district administrators, and county committees on school district organization alike to know the history of the changes in school district organization. The chapter discusses the various methods used over the years by the Legislature to attempt consolidation and overall reduction in the number of school districts.

NOTES:

The guidance in this handbook is not binding on local educational agencies or other entities. Except for statutes, regulations, and court decisions that are referenced herein, the handbook is exemplary, and compliance with it is not mandatory (see California *Education Code* Section 33308.5).

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## A. Brief History of School District Organization

### 1. Early 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.

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.

### 2. 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 another 18 percent, to a total of 2,111 districts.

### 3. Early Attempts to Establish Incentives for Reorganization

Among the recommendations of the Commission on School Districts was a proposal that unified school districts be rewarded with a higher level of support. Incentives for unification included state assistance for capital outlay and transportation.

In 1950, a law was enacted to provide state funding for the excess cost of transportation incurred as a result of unification, including the purchases of buses. The funding was limited to the first five years of the existence of a unified school district.

In 1951, the funding level for unified school districts was increased by $5 per unit of average daily attendance (ADA) for the first five years of existence. This amount was hardly enough to interest any but the most needy of school districts.

In 1953, the funding level of a unified school district formed by county committee recommendation was increased by 5 percent in the first year; but each year thereafter it was diminished by 1 percent until the district was back to normal funding levels. This change did provide a substantial increase for the first year but was temporary and diminishing in value. It did have some beneficial influence, and a number of districts were formed with the temporary increased support in mind.

In 1959, the Legislature provided both an incentive and a deadline in the form of a new law. The incentive was that unless reorganization was achieved locally, the California Department of Education would initiate the action.

The new statute required that on or before September 15, 1964, each county committee must have submitted to the State Board of Education a master plan of school district organization for its county—to consist either of a system of unified school districts or of such organization as would constitute an intermediate step to unification. If the county committee failed to submit such a plan, the California Department of Education would do so by September 15, 1965. This action caused an increase in the number of plans reaching the State Board of Education, and the number of proposals approved by electors increased.

In spite of these legislative attempts at reorganization, 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.

### 4. Reorganization and Assembly Bill 145

In 1964, major new legislation was passed in the form of a bill introduced by Assemblyman Jesse Unruh, which offered new incentives for school districts that reorganized and new disincentives for districts that chose not to reorganize. This bill; 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.

This bill made its position clear by providing a statement of intent that the unified school district should be the ultimate form of school district organization in the state. Thus minimum standards for both numbers of students and geographical size were established for school district organization.

A school district could be divided into two or more unified districts. However, each resulting district must be adequate in size and financial ability and not deviate materially in wealth (assessed valuation) per pupil in ADA from the district from which it was created.

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.

### 5. The Thompson Bill, Senate Bill 1537

In the 1994 session of the State Legislature, Senate Bill (SB) 1537 was enacted, making significant adjustments to school district organization statutes. The bill, affecting reorganizations approved by the State Board of Education after January 1995, makes it possible for a high school district to unify without affecting all of the feeder elementary school districts by allowing individual component elementary school districts to request that the State Board of Education exclude them from a unification of the high school district in which they are located (*EC* 35542[b]). The effect of the legislation is that elementary school districts can exist within the boundaries of a unified school district. Voters in those districts that wish to unify are not impeded if the residents of one or more component school districts opt not to be included in the process.

The computation of a newly unified school district’s funding was also clarified by SB 1537, adding a step-by-step procedure to calculate a revenue limit for the newly unified school district. This procedure included (1) a process to blend the revenue limits of the former districts, (2) a potential inclusion of an adjustment for salaries and benefits of the former districts, limited to a maximum increase of 10 percent over the blended revenue limit, (3) a provision that an elementary school district that unifies did not actually receive all of the additional unified school district revenue limit income until it houses and educates its own high school students (the school of attendance received credit for the ADA of the secondary students in the interim), and (4) an annual review process by the California Department of Education if the new school district was unable to house all of its own secondary students within five years after unification. Enactment of the Local Control Funding Formula of 2013 repealed the funding computations of SB 1537.

### 6. Attempts to Reorganize Los Angeles Unified School District

Legislative attempts to divide the Los Angeles Unified School District (LAUSD) have been made since at least the 1970s when enabling legislation was introduced and passed but vetoed by Governor Reagan. Since then, hearings have been held and bills introduced to no effect until 1995, when two measures were signed into law on the issue. Assembly Bill 107 (*EC* 35700[b], 35721[b]) lowered the threshold for the number of petition signatures required to initiate a school district reorganization petition, while Senate Bill 699 (*EC* 35730.1) imposed conditions that must be met by any new school district created from LAUSD.

### 7. The Carter Bill, Assembly Bill 174

In the 2009 session of the State Legislature, Assembly Bill 174 was enacted, allowing unification proposals supported by all affected local education agencies 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. (*EC* 35710)

Chapter 5 of this handbook provides a more detailed description of the local approval process for unification proposals.

### 8. Changes to Territory Transfer Appeal Process

On July 1, 2020, legislation went into effect to reduce the number of county committee actions on territory transfers that can be appealed to the State Board of Education. Prior to this date, any action of the county committee to either approve or disapprove a territory transfer could be appealed. Under the new legislation only county committee actions to approve a territory transfer are eligible for appeal.

This action by the legislature continued the trend to provide more local authority over the school district reorganization process (see the above discussion of the Carter Bill).

### 9. Results of Reorganization

The impact of voluntary reorganization has not been dramatic. From 1971–72 through 2020–21, the total number of school districts declined as indicated in Table 2.1.

***Table 2.1: Change in Number of School Districts***

| School District Type | 1971–72 | 2021–22 | Change |
| --- | --- | --- | --- |
| Unified | 242 | 345 | +103 |
| Elementary | 709 | 519 | -1874 |
| High | 117 | 76 | -41 |
| Total | 1,068 | 940 | -128 |

Since 1931–32, when there were 3,595 school districts in California, the total number of districts has decreased by 2,655, or almost 74 percent. The pace of change in school district organization may have slowed, but it is still proceeding at a steady rate.

### 10. 2002 California Master Plan for Education

In 1999, the Legislature passed Senate Concurrent Resolution 29, which called for the creation of a new Master Plan for Education. This Master Plan, finalized in 2002, contains recommendations that the State take steps to bring all school districts into unified structures and that the Legislature develop fiscal and governance incentives to promote local communities organizing their schools into unified districts.

Enabling legislation will be required to enact any of the recommendations in the Master Plan. Therefore, the effects of these recommendations on school district organization, if any, cannot be determined at this time.

### 11. Local Control Funding Formula

Chapter 47, Statutes of 2013 (Assembly Bill 97)—enacted as part of the 2013–14 budget package—made major changes to the way the state funds school districts. The goal of this new school finance system, known as the Local Control Funding Formula (LCFF), is to significantly simplify how state funding is provided to school districts. Under LCFF, revenue limits and most state categorical programs are eliminated. School districts receive funding based on the demographic profile of the students they serve and gain greater flexibility to use these funds. The LCFF funding targets consist of grade span-specific base grants plus supplemental and concentration grants that provide additional funds based on student demographic factors such as low income, English learner, and foster students.

Thus, as noted in section 5, there no longer is an increase to funding allocations as a result of school district reorganizations. It remains to be seen how the loss of this financial incentive will affect school district reorganization efforts.

## B. California School District Organization Data

Table 2.2 shows the number of each type of school district in California, by selected years, since 1932. It also indicates the total number of districts in each of the years shown. Following the table is a list of events (by the year the event occurred) that either were designed to affect the number of districts in the state or signify milestones in the historic reduction in numbers of districts statewide.

***Table 2.2: Number of School Districts, by Type and by Selected Years***

| Year | Unified | Elementary | High | Total |
| --- | --- | --- | --- | --- |
| **1932** | N/A | N/A | N/A | 3,579 |
| 1940–41 | 40 | 2,512 | 265 | 2,817 |
| 1945–46 | 46 | 2,248 | 260 | 2,554 |
| 1950–51 | 67 | 1,779 | 245 | 2,091 |
| 1955–56 | 92 | 1,533 | 233 | 1,858 |
| 1960–61 | 119 | 1,316 | 221 | 1,636 |
| 1963–64 | 155 | 1,179 | 201 | 1,535 |
| 1964–65 | 164 | 1,129 | 196 | 1,489 |
| 1965–66 | 191 | 998 | 168 | 1,357 |
| 1966–67 | 228 | 829 | 132 | 1,189 |
| 1967–68 | 235 | 752 | 120 | 1,107 |
| 1970–71 | 240 | 712 | 118 | 1,070 |
| 1971–72 | 242 | 709 | 117 | 1,068 |
| 1973–74 | 251 | 689 | 114 | 1,054 |
| 1974–75 | 253 | 680 | 115 | 1,048 |
| 1979–80 | 263 | 664 | 115 | 1,042 |
| 1985–86 | 271 | 645 | 112 | 1,028 |
| 1986–87 | 278 | 635 | 112 | 1,025 |
| 1987–88 | 279 | 633 | 112 | 1,024 |
| 1988–89 | 283 | 623 | 111 | 1,017 |
| 1989–90 | 287 | 613 | 110 | 1,010 |
| 1990–91 | 288 | 612 | 110 | 1,010 |
| 1991–92 | 291 | 609 | 109 | 1,009 |
| 1992–93 | 296 | 601 | 109 | 1,006 |
| 1993–94 | 302 | 593 | 104 | 1,002 |
| 1994–95 | 305 | 590 | 106 | 1,001 |
| 1995–96 | 309 | 586 | 104 | 999 |
| 1996–97 | 310 | 585 | 104 | 999 |
| 1997–98 | 315 | 580 | 99 | 994 |
| 1998–99 | 323 | 572 | 93 | 988 |
| 2004–05 | 329 | 562 | 88 | 979 |
| 2009–10 | 334 | 546 | 83 | 963 |
| 2014–15 | 343 | 527 | 77 | 947 |
| 2021–22 | 345 | 519 | 76 | 940 |

***List of events related to numbers of districts depicted in Table 2.2***

1940–41: Passage of coterminous boundary laws

1963–64: Passage of unification laws 1963-64

1971–72: Last mandated unification election

1979–80: Passage of voluntary reorganization laws

1985–86: Seventy-eight percent decrease in elementary school districts in 50 years

1985–86: Sixty-three percent decrease in high school districts in 50 years

1985–86: Seventy-two percent decrease in number of school districts in 50 years

1995–96: Thompson Bill enacted

2009–10: Carter Bill enacted

2014–15: Local Control Funding Formula enacted