



California State Board of Education July 2017 Agenda

Proposed Formation of a
New Unified School District
from the Huron Portion of the
Coalinga-Huron Unified School District
in Fresno County



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State Superintendent
of Public Instruction

Local Actions

- Initiated by petition signed by 25% of voters in Huron community.
- Fresno County Committee conducted public hearings and review of proposal.
- County Committee voted that four of nine minimum threshold conditions for approval are not substantially met.
- County Committee recommends that the SBE disapprove the proposal.



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Student Population

2015–16 CALPADS ENROLLMENT

District	Elementary	Middle	High
Coalinga-Huron	2,171	1,000	1,183
Proposed Huron	874	367	436
Remaining Coalinga	1,297	633	747



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Overview of SBE Process

- CDE will present findings of fact and recommendations regarding nine minimum threshold conditions.
- The conditions represent minimum standards for approving a proposal.
- However, SBE has considerable flexibility if it determines there are exceptional circumstances to justify approval of a proposal.



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Overview of SBE Process

- Public hearing
- Action:
 - Disapprove proposal (e.g., threshold conditions are not met or no compelling reason to move forward).
 - or
 - Determine there is a compelling reason to move the proposal forward for local actions on CEQA.



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Minimum Threshold Conditions

Education Code Section 35753 **conditions with no significant local concerns:**

- Adequate district size
- Substantial community identity
- No significant costs to state
- Not designed to increase property value

CDE recommends that all above conditions are substantially met.



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Minimum Threshold Conditions

Equitable Division of Assets

CDE Findings:

- There is no support for the new district receiving a share of unissued bonds.
- A Huron district should have proportional liability for existing bonded indebtedness.

CDE recommends that this condition is substantially met under *EC* defaults.



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Minimum Threshold Conditions

Preserves Ability to Educate Students in an Integrated Environment

- Coalinga-Huron USD is 89.5% minority.
- Elementary/middle school student populations not affected by proposal.
- Coalinga High School currently is 88.5% minority.



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Minimum Threshold Conditions

Preserves Ability to Educate Students in an Integrated Environment

HIGH SCHOOL MINORITY STUDENT ENROLLMENT

High School	Percent Minority
Current	88.5 %
Proposed Huron	99.8 %
Remaining Coalinga	81.9 %

CDE recommends this condition is not substantially met.



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Minimum Threshold Conditions

Continues to Promote Sound Educational Performance

- Coalinga-Huron USD is a lower performing district.
- District has a high percentage of disadvantaged students.

	EL	FRPM
Coalinga-Huron USD	43.2%	79.9%
Coalinga Middle	24.2%	71.7%
Huron Middle	56.9%	85.8%



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Minimum Threshold Conditions

Continues to Promote Sound Educational Performance

Reorganization would result in two small high schools (Current enrollment: 1,183)

- Smaller Coalinga High enrollment: 747
- Huron High enrollment: 436

County concerned that the smaller schools cannot maintain existing program levels.



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Minimum Threshold Conditions

Continues to Promote Sound Educational Performance

Cannot speculate which specialized/AP courses and activities a new district would choose to offer, but a review of similarly sized districts indicates:

- Number/variety of courses offered similar to Coalinga High School.
- Similar extracurricular activities offered.



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Minimum Threshold Conditions

Continues to Promote Sound Educational Performance

Enrollment levels should not prevent the reorganized high schools from offering numerous and diverse curricular and extracurricular options.

CDE determines this condition is substantially met.



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Minimum Threshold Conditions

School Facility Costs will be Insignificant

- A new Huron district must educate high school students in facilities it maintains: Cost for basic high school is \$35 million.
- There will be other facility needs: Administration/support services, alternative/special education programs.
- Surplus capacity at Coalinga High will increase.



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Minimum Threshold Conditions

School Facility Costs will be Insignificant

A new Huron district would have limited available funding sources for facilities:

- A new Huron district would have bonding capacity of \$31.5 million.
- Liability for at least 59% of current bonded indebtedness reduces that bonding capacity by \$13.5 million.



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Minimum Threshold Conditions

School Facility Costs will be Insignificant

CDE recommends that this condition is not substantially met because:

- Surplus capacity increases.
- Significant increase in facility costs for a new high school.
- Additional construction needs likely.
- Limited funding sources identified.



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Minimum Threshold Conditions

No Substantial Negative Effect on Fiscal Management or Fiscal Status

- Reorganization will result in additional costs for a new Huron district.
- CDE analysis does not consider additional administrative costs as a sole reason for disapproval.
- CDE prepared LCFF funding scenarios for reorganized districts.



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Minimum Threshold Conditions

No Substantial Negative Effect on Fiscal Management or Fiscal Status

- Under LCFF Transition rules for calculating funding, a new Huron district receives a lower proportionate share of LCFF funding than proportion of pupils.
- In CDE's 2015–16 scenario, a Huron district is deficit spending.



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Minimum Threshold Conditions

No Substantial Negative Effect on Fiscal Management or Fiscal Status

- In the 2016–17 scenario, Huron district deficit spending increases and the district would not meet its minimum reserve for economic uncertainties.
- Fiscal concerns exacerbated by additional expenses for a new administrative structure.



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Summary of CDE Findings

Three of the nine threshold conditions are not substantially met:

- Preserves ability to educate students in an integrated environment.
- School facility costs will be insignificant and incidental.
- No substantial negative effect on fiscal management or fiscal status.



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CDE Recommendations

- Three minimum threshold conditions are not substantially met.
- No compelling educational reason or exceptional circumstance to justify moving proposal forward.
- Support Fresno County recommendation to disapprove.



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SBE Action

- If the SBE agrees with the recommendations: Disapprove the formation of a new Huron district.
- If the SBE disagrees with the recommendations: Determine the proposal has merit and transmit it to Fresno County for CEQA compliance.