

Description of the Petition to Reorganize
THE FORTUNA UNION ELEMENTARY SCHOOL DISTRICT
AND THE ROHNERVILLE SCHOOL DISTRICT
INTO
A CONSOLIDATED SCHOOL DISTRICT

SUMMARY

Pursuant to Education Code section 35700, the governing boards of the Fortuna Union Elementary School District and the Rohnerville School District (the affected school districts) have petitioned the Humboldt County Committee on School District Organization to study the proposed consolidation of the Fortuna Union Elementary School District and the Rohnerville School District.

The boundary of the reorganized elementary district would include all the territory currently within the Fortuna Union Elementary School District and the Rohnerville School District boundaries.

REASON FOR THE PROPOSED REORGANIZATION

The Fortuna Union Elementary School District and the Rohnerville School District are both kindergarten through eighth grade school districts serving students living in the greater Fortuna area. Both districts send their eighth grade graduates to the Fortuna Union High School District. The campuses of both school districts are located within the city of Fortuna and are distanced within four miles of each other.

In developing plans for shared services, the administrative staffs of the two districts, as well as the governing boards, have met to consider the potential benefits of consolidation and agree that it would be in the best long-term interests of the districts and their students. Additionally, the proposed reorganization would consolidate the boundaries of two elementary districts that serve students within the same community. Currently, the boundary line between the Fortuna Union Elementary District and the Rohnerville School District divides a housing subdivision, creating a situation in which close neighbors send their children to different school districts.

Following are descriptions of the various elements of the petition as required by Education Code Section 35705.5.

1. RIGHTS OF EMPLOYEES TO CONTINUED EMPLOYMENT FOLLOWING CONSOLIDATION

Rights of Certificated Staff

The reorganization of the school districts will not affect the classification of certificated employees already employed by either of the affected school districts. Such employees shall have the same status with respect to their classification by the district, including time served as probationary employees of the district, after the reorganization as they had prior to it.

Following are specific considerations regarding certificated employee rights in the newly formed consolidated school district.

- a. Seniority: The two distinct certificated seniority lists for the Fortuna Union Elementary School District and the Rohnerville School District would be combined (blended) into one single listing of employees. Certificated staff would appear on this list in order of their first date of paid probationary service in their prior school district, years of full-time equivalent service, and credential type. (EC 3555, 44955, 44956)
- b. Probationary/Permanent Status and Temporary Employees: The consolidation shall not affect the classification of certificated employees already employed by either school district affected. Such employees shall have the same status with respect to their classifications, including time served as probationary employees of the district, after the consolidation as they had prior to it. A permanent employee of an affected district shall be employed as a permanent employee of the new district. Unless a probationary employee is terminated prior to May 15, he or she shall be employed by the new district and the probationary status of the employee shall remain unchanged.

Since the newly formed district would exceed 250 ADA (average daily attendance), all probationary certificated staff having served two or more complete consecutive school years in their former districts would be given permanent status in the new district. (EC 3555, 44035, 44929.21)

The consolidation will not change the status of temporary employees.

- c. Surplus Personnel: If, after considering such elements as class size and program offerings, it is determined by the new school district governing board that there is a surplus in certificated staffing, reductions in personnel would occur in reverse order of seniority and would take into consideration the credentials held by staff and their qualifications to serve. Notifications of terminations for certificated personnel must occur by March 15 of the school year prior to the reductions taking effect. (EC 44949, 44951, 44955)

- d. Salary Schedule Adoption: In the interim period following the reorganization election and July 1 of the next calendar year (the date the consolidation becomes effective), the governing board of the newly formed school district is required to review the salaries paid to certificated personnel and adopt a new single uniform salary schedule. The board would have the option of raising all salaries to the highest salary schedule of the original districts or may choose to establish an entirely new salary schedule. (EC 45022, 45028)
- e. Membership in Social Security/Medicare: Federal law which became effective April 1, 1986, requires that when there is a change of employer, employees are to be subject to Medicare tax and Social Security tax (FICA). If the consolidation is approved, employees who are currently participating in State Teachers Retirement System (STRS) will continue to be exempt from FICA taxes and employees who are exempt from paying Medicare will continue to be exempt, per the Internal Revenue Service (IRS) determination that the continuing employment exception applies to the consolidation of school districts, as the teachers continue to work for the same employer under a new name.
- f. Position of Superintendents: Multi-year employment contracts between the boards and the superintendents of the Fortuna Union Elementary School District and the Rohnerville School District are nullified upon the dissolution of the districts and the creation of the new district. The superintendents of the reorganized districts may be considered by the new governing board for appointments to the newly created district superintendency or to other positions within the district for which they may be qualified. (EC 35031, 35033)

Rights of Classified Employees

The reorganization of the school district does not affect the rights of classified staff to maintain the status, accumulated leaves and other benefits which they would have had if the reorganization had not taken place. The rights of employees are determined as of the date on which the consolidation election is conducted. After the date of the consolidation election, benefits not previously conferred that are granted by the governing boards of the consolidating districts, shall not be binding on the governing board of the new consolidated district. According to Education Code Sections 35556 and 45121, the following rules apply to the classified staff transitioning to the newly formed consolidated district from the Fortuna Union Elementary School and the Rohnerville Elementary School Districts.

- a. Seniority: A single (blended) seniority list is created that reflects a common basis for seniority as determined by the governing board of the new district. Seniority may be based on either hours in class or, if so negotiated, original date of hire in the previously independent district. (EC 45308)

- b. Probationary/Permanent/Temporary Status: No change in the employee's status is permitted by the action of the consolidation. (EC 35556, 45121)
- c. Surplus Personnel: Permanent classified employees are guaranteed a minimum of two years employment and benefits beyond the date of the consolidation election even if the newly formed district's governing board determines that a surplus exists in one or more classifications of service. After the initial two-year period, reductions may occur in order of seniority in the class and in accordance with the layoff and reemployment procedures contained in law. The new governing board has the authority to make a reasonable reassignment of duties to alleviate the unnecessary duplication of services that may exist because of excess staffing. (EC 45121)
- d. Salary Schedule Adoption: In the interim period following the consolidation election and July 1 of the next calendar year (the date the consolidation becomes effective), the governing board of the newly formed school district must establish a system of uniform salaries, employee benefits, and working conditions for employees performing like services in conformity with the provisions of Education Code Section 45121. Permanent classified employees must receive for a period of two years following the date of the consolidation election salaries and benefits equal to those existing at the time of the election.
- e. Membership in Social Security/Medicare: Federal law which became effective April 1, 1986, requires that when there is a change of employer, employees are to be subject to Social Security and Medicare taxes. Therefore, classified employees of the newly formed district would contribute to Social Security and Medicare as appropriate.

Collective Bargaining Agreements

With respect to the Collective Bargaining Agreements, the interim governing board may have the choice of two options:

1a) Because the same units currently represent employees in both districts and because of prior rulings by PERB relying on the concept of Successor Employer Doctrine, the interim governing board may have the authority to recognize the exclusive representation status of the existing units for employees of the new district. If the interim governing board takes action to recognize existing units and PERB is notified of the continuation of their role, bargaining on a successor agreement may take place during the interim board period, according to an authorized PERB representative.

1b) PERB has not ruled on the Successor Employer Doctrine in a case specific to the proposed consolidation.

2) If the interim governing board determines that the new district will not automatically recognize an existing union's representation, the bargaining process cannot begin until the new district is effective. On or after July 1, 2012 the union(s) may file a representation petition presenting proof of employee support for CSEA. Once the petition is received by PERB, a notice must be posted for 15 days. This allows time for PERB to verify signatures of current employees, as provided by the new school district. Option 2 would delay the bargaining process compared to Option 1.

The interim board is advised to seek legal counsel for guidance on these options.

Statutory provisions regarding PERB's formation and its powers and duties are found in Government Code sections 3541-3541.5. Statutory provisions regarding recognition and certification of employee units are found in Government Code sections 3544-3545.

Retirees

The reorganization shall not affect the rights of retirees to receive the retirement benefits to which they were entitled at the time of their retirement from one of the reorganized districts. The obligations of the Fortuna Union Elementary District and the Rohnerville School District shall become the obligations of the newly consolidated school district. (Education Code 35736)

2. CALCULATION OF NEW REVENUE LIMITS

Background

School districts receive base funding per pupil, referred to as the "revenue limit." The funding is based upon a unique amount per pupil using actual expenditure patterns in 1972-1973. Through the years, various equalization adjustments and inflationary increases have been added to create the current per pupil amount.

Fortuna Union Elementary School District and Rohnerville School District are funded by separate, unique per pupil revenue limit amounts. Listed below is information relative to the revenue calculations for the reorganized school district.

a. Current Year (2010-2011) Base Revenue Limit (undeficited) as of June 20, 2011 (EC 35735)

	Fortuna Union Elementary School District	Rohnerville School District
<u>Computed Revenue Limit</u>		
Base Revenue Limit per ADA	\$ 6,156.02	\$ 6,115.53
ADA (Attendance)	670.41	628.25
Subtotal by district	\$ 4,127,057.37	\$ 3,842,081.72
Total Computed Revenue Limit		\$ 7,969,139.09

b. 2010-2011 Combined Revenue Limit (undeficited) for Reorganized School District (EC 35735.1(a)(1)A)

	Fortuna Union Elementary School District	Rohnerville School District
<u>Computed Revenue Limit</u>		
Total Computed Base Revenue Limit	\$ 4,127,057.37	\$ 3,842,081.72
ADA (Attendance)	670.41	628.25
Base Revenue Limit per ADA	\$ 6,156.02	\$ 6,115.53
<u>Combined Base Revenue Limit per ADA</u>		
Base Revenue Limit per ADA	\$ 6,156.02	\$ 6,115.53
Total ADA (Attendance)	670.41	628.25
Subtotal	\$ 4,127,057.37	\$ 3,842,081.72
Total Combined Base Revenue Limit		\$ 7,969,139.09
Total Combined ADA		\$ 1,298.66
Combined Base Revenue Limit per ADA		\$ 6,136.43
10% of the Blended Base Revenue Limit per ADA		\$ 613.64

c. Salary Additive for Reorganized School District
 (EC 35735.1(a)(2))

The salary additive is calculated and compared among school districts that will make up 25 percent or more of the average daily attendance (ADA) of the resulting reorganized school district. Both districts exceed 25 percent of the total ADA.

	Total Salaries and Benefits	Total FTE's	Average Salary and Benefit per FTE	Difference to be added per FTE	Total difference to be added	ADA	Difference to be added per ADA
<u>Certificated Staff</u>							
Fortuna Union Elementary School District	\$ 3,316,686.00	40.00	\$ 82,917.15				
Rohnerville School District	\$ 2,733,423.70	34.96	\$ 78,187.18	\$ 4,729.97	\$ 165,359.86	\$ 1,298.66	\$ 127.33
<u>Classified Staff</u>							
Fortuna Union Elementary School District	\$ 1,197,849.00	35.90	\$ 33,366.27	\$ 374.61	\$ 13,448.33	\$ 1,298.66	\$ 10.36
Rohnerville School District	\$ 1,088,480.55	32.26	\$ 33,740.87				
Total					<u>\$ 178,808.19</u>		<u>\$ 137.69</u>

d. Inflation Adjustment

Education Code 42238.1 defines the annual Cost of Living Adjustment (COLA) to be applied to the base revenue limit of each district. The following estimated increases would apply:

	<u>2011-2012</u>	<u>2012-2013</u>
COLA Percent	2.24%	3.20%
Estimated actual dollar increase per ADA	\$137.00	\$200.00

e. Estimated New Base Revenue Limit (undeficited) for Reorganized District in Year of Formation

2010-2011 Combined Base Revenue Limit per ADA	\$ 6,136.43
Salary Additive	
10% of the Projected Blended Base Revenue Limit per ADA	
Step B	\$ 613.64
Salary Additive per ADA	
Step C	\$ 137.69
The lesser of the Additive amount calculated in Step B or C	\$ 137.69
Subtotal	\$ 6,274.12
2011-2012 COLA Adjustment	\$ 137.00
2012-2013 COLA Adjustment	\$ 200.00
Estimated 2012-13 Base Revenue Limit	\$ 6,611.12

f. If Formation had occurred in 2010-2011, the following would be the total Base Revenue Limit:

Reorganized School District	
Revenue Limit	\$ 6,136.43
Salary Additive	\$ 137.69
Subtotal	\$ 6,274.12
ADA (Attendance)	\$ 1,298.66
Total	<u>\$ 8,147,947.28</u>
2010-2011 Fortuna Union Elementary School District and Rohnerville School District	
	<u>\$ 7,969,139.09</u>
Net Change	<u>\$ 178,808.19</u> 2.24%

g. Summary

If the reorganization had occurred in the 2010-2011 fiscal year, the total revenue limit funding for the resulting reorganized district would have been an estimated \$8,147,947; an increase of 2.24 percent over the combined funding currently earned by the Rohnerville, and Fortuna Union Elementary School Districts.

The total increase in revenue limit funding generated by consolidation is limited by law to 10 percent. This is irrespective of the cost of placing employees on a new salary schedule. For the purpose of this petition, the newly generated 2.24 percent, currently estimated at \$178,800.19, would have been the maximum amount of increase in revenue limit funding available to the reorganized district in 2010-2011.

Since the reorganized school district would be formed subsequent to the 2011-2012 fiscal year, all revenue limit funding would be eligible for cost-of-living and other adjustments provided in intervening years.

3. ELIGIBILITY FOR “DIRECT SERVICES” FROM THE COUNTY OFFICE OF EDUCATION

County offices of education receive limited funding on a per ADA (average daily attendance) basis to provide specific student services to very small school districts. Elementary districts having less than 901 ADA, and unified districts having less than 1,501 ADA are eligible to receive “direct services.” Currently, the Fortuna Union Elementary School District and the Rohnerville School District receive nurse and psychologist services from the Humboldt County Office of Education because they are small enough to qualify as “direct service” districts. The new consolidated elementary school district will exceed 901 ADA; therefore, it will not qualify as a “direct service” district.

Funding is based on prior year ADA; therefore, the new district will be eligible for direct services the first year of operation.

4. GOVERNANCE

The governance of the newly formed school district shall be as indicated by general law. The policies and procedures of the new district will be in conformance with state and federal laws pertaining to public education.

5. SIZE OF THE GOVERNING BOARDS AND HOW ELECTED

Except as otherwise provided, the governing board of a school district shall consist of five members elected at large by the qualified voters of the district. The terms of the members

shall, except as otherwise provided, be for four years and staggered so that as nearly as practicable one-half of the members shall be elected in each odd-numbered year. (EC 35012(a))

The current governing boards of the Fortuna Union Elementary and Rohnerville School Districts each have five members, elected at large within the district.

Consistent with the unanimous petitions of the governing boards of the affected districts, the newly consolidated district shall have five board members. The governing board of the Fortuna Union Elementary School District requested that the board members be elected at large within the territory of the consolidated district, while the governing board of the Rohnerville School District requested that the board be comprised of two members who reside in the territory of the former Rohnerville School District, two members who reside in the territory of the former Fortuna Union Elementary School District and one member elected at large within the territory of the consolidated district.

The County Committee on School District Organization recommends a five-member board elected by all the voters in the district. The governing board shall consist of two members who reside in the territory of the former Rohnerville School District, two members who reside in the territory of the former Fortuna Union Elementary School District and one member at large within the territory of the consolidated district.

6. DESCRIPTION OF THE TERRITORY IN WHICH THE ELECTION IS TO BE HELD

It is recommended that the election be held in the territories of the Fortuna Union Elementary School District and the Rohnerville School District. (EC 35732)

7. WORDING ON THE BALLOT

The words to appear on the ballots used for voting upon the adoption or rejection of the proposal for the reorganization shall be “Reorganization of school districts—Yes,” and “Reorganization of school districts—No,” or words of similar import.

8. DESCRIPTION OF WHEN THE NEW GOVERNING BOARDS OF THE REORGANIZED DISTRICTS WILL BE ELECTED AND HOW THE TERMS OF OFFICE WILL BE DETERMINED.

Within 15 days after the action necessary for the formation of any elementary school district is completed, the county superintendent of schools shall appoint an interim governing board. (EC35100)

Within 20 days after the appointment of the interim governing board, the county superintendent of schools shall call a meeting of the board by giving each member of the board at least 10 days' notice of such meeting by registered mail. (EC 35102)

If the reorganization is approved by the voters in the November 2011 election, the election of the first governing board will take place on the first regular election (currently scheduled on June 5, 2012) following the passage of the reorganization proposal. (EC 35737)

The majority of the members of the first elected board who receive the highest number of votes shall serve until the first Friday in December of the second succeeding odd-numbered year. The two other members' terms shall expire on the first Friday in December of the first succeeding odd-numbered year. All such members shall continue in office until their successors are elected and qualified. (EC 35105)

The existing governing boards of the Fortuna Union Elementary and the Rohnerville School Districts will serve concurrently with the newly appointed board of the consolidated district until the effective date of the consolidation. At that time, the Fortuna Union Elementary and the Rohnerville Elementary School Districts will cease to exist.

9. CONCURRENT SERVICE ON THE GOVERNING BOARDS OF THE NEW UNIFIED DISTRICT AND A REORGANIZED DISTRICT

When a member of the governing board of a school district which is being reorganized and which will cease to exist takes office as a member of the initial or interim governing board of a newly formed school district, he/she shall cease to be a member of the governing board of the district being reorganized unless he/she elects to remain a member of that board. (EC 35106)

10. BONDED INDEBTEDNESS

When any school district is in any manner merged with one or more school districts so as to form a single district by any procedure, the district so formed is liable for all of the outstanding bonded indebtedness of the district united or merged. (EC 35573)

In November 2006, the voters authorized the Fortuna Union Elementary School District (FUSD) to issue up to \$3,900,000 in General Obligation bonds. The Fortuna Union Elementary School District issued \$2,000,000 in General Obligation bonds in May of 2007. The May 2007 bond has a maturity date of August 2031. In June 2007 the District issued an additional \$1,899,984 which will mature August 2042. The principal balance as of June 30, 2010 is \$3,850,484.

The Fortuna Union Elementary School District has a secured tax rate of \$30 per \$100,000 of assessed valuation. The unsecured tax rate is also \$30 per \$100,000.

In June 2010, the voters authorized the Rohnerville School District to issue up to \$5,000,000 in General Obligation bonds. The Rohnerville School District issued \$2,000,000 in General Obligation bonds in September 2010. The bond has a maturity date of August 2035. The principal balance as of August, 2011 is \$1,970,000.

The Rohnerville School District has a secured tax rate of \$30 per \$100,000 of assessed valuation. The unsecured tax rate is also \$30 per \$100,000.

Any unsold bonds of an elementary, high, or unified school district which is included as a whole in a new school district through any kind of reorganization may be issued by the board of supervisors in the name of the new district and the proceeds derived upon the sale thereof shall be the funds of the new district. However, the proceeds derived upon the sale thereof shall be expended only for the purpose, or purposes, for which such bonds were authorized. (EC 35578)

11. DISTRIBUTION OF RECORDS, FUNDS, PERSONAL PROPERTY

All real and personal property and outstanding non-bonded debt of the Fortuna Union Elementary District and the Rohnerville School District will become the property and debt of the new consolidated school district. (EC 35736)

12. CHARTER SCHOOLS

As described above, the new consolidated school district would assume the property and obligations of the reorganizing school districts. In the opinion of California Department of Education staff, a charter school approved by the governing board of a district being reorganized would transfer to the newly formed school district, which would then be considered the chartering agency for the school. The initial date of authorization for the Charter remains in effect. The Charter does not start a new calendar with the consolidation.

With respect to providing facilities for the Charter School the following applies:

Charter School Facility Requests
(EC 47614)
(5 CCR 11969.1 et seq.)

Proposition 39, passed November 7, 2000, requires school districts, if requested, to provide facilities to charter schools with 80 or more in-district classroom ADA.

47614. (a) The intent of the people in amending Section **47614** is that public school facilities should be shared fairly among all public school pupils, including those in charter schools.

(b) Each school district shall make available, to each charter school operating in the school district, facilities sufficient for the charter school to accommodate all of the charter school's in-district students in conditions reasonably equivalent to those in which the students would be accommodated if they were attending other public schools of the district. Facilities provided shall be contiguous, furnished, and equipped, and shall remain the property of the school district. The school district shall make reasonable efforts to provide the charter school with facilities near to where the charter school wishes to locate, and shall not move the charter school unnecessarily.

Conditions of obtaining such facilities, contiguous language, district accommodation and procedures and timelines are defined by Title 5, California Code of Regulations, Facilities for Charter Schools (5 CCR 11969.1 et seq.).

13. EFFECTIVE DATE OF THE CONSOLIDATION

The consolidation would take effect on July 1 in the year following the year in which the action (the election) is completed. (EC 35534) The effective date of the consolidation is subject to Government Code 54900. This section and section 54902 require that changes of jurisdictional boundaries for districts be filed with the State Board of Equalization on or before December 1 of the year immediately preceding the year in which the assessment or taxes are to be levied.

Working with the Humboldt County Elections Office, every effort will be made to provide a certified statement ordering the change in boundaries, the legal description of boundaries and a map indicating the boundaries. If the certified election results are not available prior to the December 1 deadline, the State Board of Equalization will accept local news coverage announcing the passage of the district consolidation with the certified election results to follow as soon as available.

14. CEQA COMPLIANCE

The consolidation of Fortuna Union Elementary School District and the Rohnerville School District will have no impact on the environment. Pupil enrollments, staffing levels, school transportation patterns, hours and days of operation will remain approximately the same after the reorganization is completed. Because there will be no new facilities created and no environmental impact, the Humboldt County Committee on School District Organization will file a Notice of Exemption with the Humboldt County Clerk/Recorder.

Pursuant to Title 14, California Code of Regulations Section 15320, the reorganization qualifies for a Class 20 Categorical Exemption from the California Environmental Quality Act (CEQA). In part this section states, "Class 20 consists of changes in the organization or reorganization of local governmental agencies where the changes do not change the geographical area in which previously existing powers are exercised. Examples include but are not limited to . . . (b) consolidation of two or more districts having identical powers."

15. NAME OF THE DISTRICT

The first governing board of the new school district shall, at the first meeting of the board or as soon as practicable thereafter, name the district. The name of an elementary district shall be in the form of "_____ (using the name of the district) District." The name of an elementary school district shall not contain a number. (Education Code 35000)

16. EXPENSES OF NEW SCHOOL DISTRICT AND CLOSING COSTS FOR CURRENT SCHOOL DISTRICTS

There will be costs associated with the transition to a new school district, and there will be expenses incurred by the new school board in preparation for the new school district to be operational effective July 1, 2012. Both Fortuna Union Elementary School District and Rohnerville Elementary School District will help support these efforts with time and resources. All available resources including in-kind, direct resources, grants and/or loans should be considered during the formation of a new school district.

If needed, loans may be made from moneys in the Public School District Organization Revolving Fund to newly organized elementary school districts upon application of the governing board of any such district, certified by the county superintendent and approved by the Superintendent of Public Instruction for use by the district during the period from the date the action to form the district was completed and the date the district becomes effective for all purposes. Money loaned to the district shall be used only to meet (a) the expenses of office rental, office supplies, postage, and telephone; (b) the expenses of necessary elections required by law; and (c) the expenses of employing, the salary of, and necessary travel expenses of officers and necessary clerical help for the governing board. The loan amounts will be deducted from the apportionments made to the school district by the State Controller in order to repay the Public School District Organization Revolving Fund in the State Treasury. (EC 41360)

Approved: August 3, 2011