



THE OCHOA & MOORE LAW FIRM

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SCHOOL DISTRICT REORGANIZATION AND OTHER OPTIONS  
FOR THE  
CAYUCOS ELEMENTARY SCHOOL DISTRICT  
  
A CONSULTANTS REPORT

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## CAYUCOS ELEMENTARY SCHOOL DISTRICT

### OBJECTIVES OF ORGANIZATION

We seek to reorganize the Cayucos Elementary School District to achieve the following objectives:

1. Maintain local control over the high school program for our students.
2. Utilize the property tax revenues from Cayucos territory for the education of the students residing in Cayucos (money follow the student).
3. Enhance the community of interest between Morro Bay and Cayucos.

## CAYUCOS ELEMENTARY SCHOOL DISTRICT

### LIST OF REORGANIZATION OPTIONS

The following is a list of options available for the reorganization of the Cayucos Elementary School District. The options are listed in descending order of complexity of implementation; the higher the option is on the list, the more difficult it would be to implement.

We have attempted to list for discussion all possible options; the presence of an option on the list does not necessarily indicate that Ochoa and Moore recommend that option.

1. Secure legislation to transfer Cayucos ESD from a component of Coast USD to a component of San Luis Coastal USD.
2. Secure an Agreement to transfer Cayucos ESD from a component of Coast USD to a component of San Luis Coastal USD.
3. Unify Cayucos ESD with San Luis Coastal USD – CESD goes away.
4. Unify Cayucos ESD into its own K-12 district.
5. Withdraw CESD from CUSD as a stand-alone elementary district.
6. Unify Cayucos ESD into Coast USD – CESD goes away.
7. Negotiate an agreement between Cayucos ESD, Coast USD and San Luis Coastal USD covering interdistrict attendance, transportation and sharing of tax revenues.
8. Convert Cayucos ESD into a K-12 charter district.
9. Create a Cayucos 8-12 charter school.
10. Maintain the status quo with Cayucos ESD as a component of Coast USD.

Each of the options has advantages and disadvantages as outlined in the following chart.

Our preliminary estimate of whether the option meets the criteria for reorganization set forth in Education Code Section 35753 is set forth in a table following the next chart.

**CAYUCOS ELEMENTARY SCHOOL DISTRICT**

**EVALUATION OF REORGANIZATION OPTIONS**

<b>Option</b>	<b>Advantage(s)</b>	<b>Disadvantage(s)</b>
1. Legislation to transfer CESD to SLCUSD	<ul style="list-style-type: none"> <li>-Maintains CESD as separate elementary district.</li> <li>-Guarantees high school students in SLCUSD.</li> <li>-HS property tax revenues follow students to SLCUSD.</li> </ul>	<ul style="list-style-type: none"> <li>-Requires inter-district agreement to attend CUSD.</li> <li>-HS program controlled by SLCUSD.</li> <li>-Reduces program in CUSD.</li> <li>-Increases property tax in CESD.</li> </ul>
2. Agreement to transfer CESD to SLCUSD	<ul style="list-style-type: none"> <li>-Maintains CESD as separate elementary district.</li> <li>-Guarantees high school students in SLCUSD.</li> <li>-HS property tax revenues follow students to SLCUSD.</li> </ul>	<ul style="list-style-type: none"> <li>-Requires inter-district agreement to attend CUSD.</li> <li>-HS program controlled by SLCUSD.</li> <li>-Reduces program in CESD.</li> <li>-Increases property tax in CESD.</li> </ul>
3. Unify CESD with SLCUSD	<ul style="list-style-type: none"> <li>-Guarantees attendance in SLCUSD.</li> <li>-HS property tax revenues follow students.</li> </ul>	<ul style="list-style-type: none"> <li>-CESD goes away.</li> <li>-Inter-district agreement to attend CUSD.</li> <li>-CUSD loses HS property tax revenues.</li> <li>-Loss of local control.</li> <li>-Increase property tax.</li> </ul>
4. Unify CESD by itself.	<ul style="list-style-type: none"> <li>-Small High School.</li> <li>-Local control over K-12.</li> <li>-HS property tax revenues stay in Cayucos.</li> <li>-Enables family choice through MOUs.</li> </ul>	<ul style="list-style-type: none"> <li>-Small High School.</li> <li>-Build some HS facilities</li> <li>-Requires Inter-district attendance agreements to CUSD and SLCUSD.</li> </ul>
5. Stand-alone Elementary District	<ul style="list-style-type: none"> <li>-Maximizes 9-12 attendance options.</li> <li>-Keeps local control over elementary program</li> </ul>	<ul style="list-style-type: none"> <li>-HS property tax revenues go to other government agencies.</li> </ul>
6. Unify CESD into CUSD	<ul style="list-style-type: none"> <li>-Smoother transition 8<sup>th</sup> to 9<sup>th</sup> grade.</li> <li>-Eliminates expense of CESD district office and board.</li> </ul>	<ul style="list-style-type: none"> <li>-CESD goes away.</li> <li>-Loss of local control over K-8 program.</li> <li>-AV goes to CUSD.</li> </ul>
7. Three way district agreement (MOU)	<ul style="list-style-type: none"> <li>-Establishes rights on attendance, transportation and revenue sharing.</li> <li>-Avoids reorganization process.</li> <li>-Easier to amend than reorganization.</li> <li>-May be implemented quickly</li> </ul>	<ul style="list-style-type: none"> <li>-Less permanent than reorganization.</li> <li>-Difficult to make permanent.</li> </ul>

<b>Option</b>	<b>Advantage(s)</b>	<b>Disadvantage(s)</b>
8. Convert CESD to K-12 Charter District	<ul style="list-style-type: none"> <li>-Maximizes flexibility in building K-12 program.</li> <li>-Does not require approval of CUSD, SLCUSD, or CCSDO.</li> </ul>	<ul style="list-style-type: none"> <li>-No added income for HS.</li> </ul>
9. Create 8-12 Charter School	<ul style="list-style-type: none"> <li>-HS program flexibility.</li> <li>-Local Control of HS program.</li> <li>-Small high school.</li> <li>-Does not require approval of CUSD, SLCUSD, or CCSDO.</li> </ul>	<ul style="list-style-type: none"> <li>-No HS property taxes.</li> <li>-Requires facilities.</li> <li>-Small high school.</li> </ul>
10. Maintain Status Quo	<ul style="list-style-type: none"> <li>-Least complicated option.</li> <li>-Vote for CUSD Board.</li> <li>-Good HS Program.</li> <li>-Local Control over K-8.</li> </ul>	<ul style="list-style-type: none"> <li>-Distance from Coast HS.</li> <li>-No guarantee of attendance in SLCUSD.</li> </ul>

CAYUCOS ELEMENTARY SCHOOL DISTRICT

CONDITIONS FOR APPROVAL OF REORGANIZATION PROPOSALS  
EDUCATION CODE SECTION 35753

The general conditions for approval of a district reorganization proposal are found in Education Code Section 35753. Note that there are two qualifications to the conditions listed. First, the conditions should be substantially met, not absolutely met. Second, the proposal may be approved if the criteria cannot be applied literally and circumstances warrant approval of the proposal.

Section 35753 (a) The state board may approve proposals for the reorganization of school districts if the state board has determined, with respect to the proposal and the resulting school districts, that all of the following conditions are substantially met:

(1) The reorganized districts will be adequate in terms of number of pupils enrolled.  
(Title 5, CCR Sect. 18573: Elementary: 301; High School: 901; Unified: 1501)

(2) The school districts are each organized on the basis of a substantial community identity.

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

(4) The reorganization of the school districts will preserve each affected district's ability to educate pupils in an integrated environment and will not promote racial or ethnic discrimination or segregation.

(5) Any increase in costs to the state as a result of the proposed reorganization will be insignificant and otherwise incidental to the reorganization.

(6) The proposed reorganization will continue to promote sound education performance and will not significantly disrupt the educational programs in the affected districts.

(7) Any increase in school facilities costs as a result of the proposed reorganization will be insignificant and otherwise incidental to the reorganization.

(8) The proposed reorganization is primarily designed for purposes other than to significantly increase property values.

(9) The proposed reorganization will continue to promote sound fiscal management and not cause a substantial negative effect on the fiscal status of the affected district.

(10) Any other criteria that the state board may, by regulation, prescribe.

(b) The state board may approve a proposal for the reorganization of school districts if the state board determines that it is not practical or possible to apply the criteria of this section literally, and that the circumstances with respect to the proposals provide an exceptional situation sufficient to justify approval of the proposals.

