September 23, 2009

Don Kawashima, Foreperson
2008-2009 Civil Grand Jury
Superior Court Building
191 North First Street
San Jose, California 95113

This letter represents the Saratoga Union School District response to your letter of June 24, 2009 regarding the Grand Jury report on Who Really Benefits from Education Dollars.

The Saratoga Union School District lauds the Santa Clara County Grand Jury's investigation and report "Who Really Benefits from Education Dollars?" SUSD strongly agrees that special care is needed to manage educational dollars so they are used effectively and efficiently for the benefit of students. Unfortunately, some of the information in the report is misleading or inaccurate. With clarification, many of the Grand Jury's recommendations are sound. As part of SUSD's continuing commitment to the success of students, the board of trustees and staff of the Saratoga Union School District will incorporate the Grand Jury's guidance into the financial planning processes of the district.

**Finding 1:**
Boards of Trustees approve overly generous benefits which include the following:
- Fully paid health benefits for trustees and their families
- Excessive travel and conference costs
- Pension contribution

**Recommendation 1**
Board of Trustees should carefully review the benefits listed in Finding 1 and:
- Eliminate health benefits for Board Members
- Minimize travel and conference costs
- Eliminate pension contributions

**Response:**
Disagree
SUSD board members receive $200.00/month for their service. SUSD does not exceed the $240/month limit as stated in the California Education Code. SUSD board members are permitted to participate in the district’s health and welfare benefit program. A portion of benefit premium costs are covered by district funds. Total cost to the district in 2008-2009 was $13,146. There is no pension plan available to SUSD board members.

Finding 2:
Boards of Trustees are approving overly generous benefits to Superintendents and Chancellors, including the following:

- Auto allowances (auto leases/purchases, insurance, maintenance, etc.) to superintendent
- Housing allowances
- Million dollar housing loans at zero or below market interest rates
- Guaranteed annual step and/or longevity increases
- Signing bonuses
- Contract buyouts
- Excessive performance bonuses
- Per diem payments when out the district
- Personal technology allowances
- Professional memberships and subscription allowances
- Excessive travel and entertainment expenses
- Salary increases automatically triggered by increases in teachers’ salaries, which are in addition to other guaranteed salary increases
- Pension allowances (in addition to regular STRS/PERS contributions)
- Advanced degree stipends
- Lifetime medical insurance benefits
- Annual physicals

Recommendation 2
Boards of Trustees should carefully review and renegotiate the Superintendent/Chancellor benefits listed in Finding 2 for possible reduction and/or elimination.

Response:
Disagree
The Superintendent is the CEO of the organization and his compensation is in line with similar organizations and has similar responsibilities. The Superintendent's job is a difficult and demanding job which requires a person with proven skills and experience.

The high cost of living in the area has created a market in which compensation packages offering certain benefits are present. In the vast majority of cases, the benefits are not “overly generous,” but in line with the realities of market supply and demand.

Finding 3
Superintendent salaries and increases appear to bear no relationship to the number of schools, students, and employees they oversee, nor their district’s academic improvement.

Recommendation 3
The Board of Trustees should ensure that Superintendent/Chancellor salaries and increases take into account the number of schools, teachers, and students they oversee and are tied to the district’s students’ progress and quantifiable metrics.

Response:
Disagree
The decision to consolidate districts is in the hands of local voting citizens. Citizens overwhelmingly support local control of school districts. There is a strong preference for smaller sized school districts. Larger districts are no guarantee of better financial performance. (i.e. Oakland, Los Angeles, West Contra Costa County, San Francisco)

Finding 4:
Boards of Trustees hire costly search firms to recruit successors for retiring or dismissed Superintendents.

Recommendation 4:
Boards of Trustees should conduct a preliminary search within the local area prior to hiring search firms.

Response:
Agree
Students deserve the highest qualified person to lead the district. Board members are not qualified to be Human Resources recruiters - professional assistance and guidance is required.

**Finding 5:**
Boards of Trustees approve the hiring of multiple private attorneys, in some cases at tremendous expense.

**Recommendation 5**
All Boards of Trustees should engage County Counsel whenever possible and leverage their buying power to negotiate lower fees with private law firms.

**Response:**
Agree
Unfortunately, legal costs for school districts are high. Schools operate in an extremely complex web of regulations, rules, laws, and procedures. Professional assistance is necessary to protect the rights and safety of students and staff. SUSD is committed to minimizing legal expenses while fulfilling all educational and legal responsibilities.

Submitted on behalf of the Saratoga Union School District Board of Trustees,

[Signature]
Lane Weiss
Superintendent