



2008-2009 SANTA CLARA COUNTY CIVIL GRAND JURY REPORT

WHO REALLY BENEFITS FROM EDUCATION DOLLARS? (Hint: It's Not the Students)

Issues

- Are the school Boards of Trustees in Santa Clara County good stewards of our education dollars?
- Is the money allocated to education directly benefiting the children in the classroom, or Superintendents/Chancellors, Boards of Trustees and Attorneys?
- Does our county really need 34 elementary and secondary school and four (4) community college districts to provide our students with a quality education?
- Are the cumulative compensation and benefits provided to Boards of Trustees and Superintendents/Chancellors overly generous?

Summary

Investigations by the 2008-2009 Civil Grand Jury brought to light instances of excessive school district spending. There are citizens' complaints, reports of significant budget problems, and unusual contract buyouts. These and other issues pertaining to district finances compelled the Grand Jury to conduct this investigation. This effort involved the review of publicly available information (contracts, expense reports, financial statements, audits, etc.) and interviews with district personnel.

All schools are facing unprecedented financial crises, creating the prospect of severe budget cutbacks. For example, prior to the May 19, 2009 special election, Governor Schwarznegger had already proposed deep cuts...."Billions of dollars would be cut from K-12 schools, potentially shortening the school year by a week, while financial aid for college students would be reduced." {Sacramento (AP) May 26, 2009} These cuts will likely result in major staff reductions (teachers, counselors, librarians and other support staff), increased class size, elimination of numerous programs (sports, arts and music) and other extracurricular activities.

Despite the draconian budget cuts facing the schools in the coming months, there appears to be little inclination on the part of the Districts to reduce or even limit the amounts paid to Superintendents/Chancellors, Assistant Superintendents, Presidents, and Boards of Trustees. It is difficult to understand or support continuing these generous administrative expenses, while at the same time teachers, staff and programs are being cut.

Methodology

The Grand Jury requested the following information from each school district in the County, including the Santa Clara County Office of Education and the four Community College Districts:

- Superintendent/Chancellor contracts and gross salary, plus the cost of benefits
- Superintendent/Chancellor monthly expenses
- Stipend and cost of benefits for each member of the Board of Trustees
- Legal fees per month and all contracts with law firms
- All contracts with Superintendent search/consulting firms
- Annual budget and 2007/2008 financial reports
- Number of students in the district.

All districts responded with copies of the documents requested. However, the information provided was not consistently complete. For example, only 14 of the 38 districts provided data on health benefits.

Background

Santa Clara County Schools are divided into 34 districts and four Community College Districts, each of which is governed by a Board of Trustees (Board) and managed by a Superintendent or Chancellor. The number of Trustees for each school district varies from five to seven. The school and community college districts hire their own legal representation.

Boards of Trustees

School Board trustees are locally elected individuals who govern the community's public schools on a part time basis. They generally meet once or twice a month to conduct district business and receive a modest stipend for attending Board meetings. Board of Trustees stipends are determined by California Education Code Section 35120. Other Board of Trustees benefits such as health benefits are discretionary and not required by the Education Code. It is the Board's responsibility to set a clear direction for the district.

The cumulative stipends and full health benefits (vision, medical, dental) for most trustees and their dependents in all 34 districts and four Community College Boards equaled approximately \$1.615 million for the 2008-2009 Fiscal Year. Not all trustees avail themselves of these health benefits. (See Appendix 1 for a table of Board of Trustees compensation and benefits in 2008/2009).

District Superintendents / Chancellors

The superintendent is hired by the Board of Trustees to manage the day-to-day operations of the K-8/K-12 districts as its chief executive. The superintendent should ensure that all students in their district receive appropriate academic programs and services. Chancellors are hired by the Community College District Boards of Trustees to perform many of the same functions.

Their general roles and responsibilities are to:

- Provide a safe and healthy learning environment.
- Direct and manage school district staff.
- Implement and manage the district's long range plans.
- Liaise with members of the district and community.

The following table sets forth a partial list of salary and benefits received by superintendents and chancellors.

**Table 1
K-12 Superintendent Partial Compensation FY2008/2009**

K-12 School District (includes only K-12 students)	# Students	# Schools	Salary	Bonus	Health Insurance (medical, dental, vision)	Car Allowance	Technology (personal IT)	Annuity	Housing Allowance	Total Compensation	Total Cost per Student
Alum Rock Union	13,562	28	\$ 190,126	---	\$ 18,406	\$ 7,800	---	---	---	\$ 216,332	\$ 15.95
Berryessa Union	8,265	14	\$ 132,825	---	data not provided	\$ 8,100	---	---	---	\$ 140,925	\$ 17.05
Cambrian	3,053	6	\$ 170,000	---	\$ 10,386	\$ 6,000	---	---	---	\$ 186,386	\$ 61.05
Campbell Union	7,333	13	\$ 260,934	---	data not provided	---	---	---	---	\$ 260,934	\$ 35.58
Campbell Union High School	7,779	8	\$ 227,646	---	\$ 15,205	\$ 6,000	---	---	---	\$ 248,851	\$ 31.99
Cupertino Union	16,971	25	\$ 230,000	\$ 15,000	data not provided	\$ 7,800	---	\$ 15,000	---	\$ 267,800	\$ 15.78
East Side Union	26,008	25	\$ 225,000	---	\$ 14,056	---	---	---	---	\$ 239,056	\$ 9.19
Evergreen	13,333	18	\$ 200,679	---	\$ 14,832	---	---	\$ 10,835	---	\$ 226,346	\$ 16.98
Franklin McKinley	9,781	17	\$ 200,000	---	data not provided	\$ 7,200	---	---	---	\$ 207,200	\$ 21.18
Fremont Union	10,228	7	\$ 271,975	---	data not provided	\$ 7,200	---	\$ 12,000	---	\$ 291,175	\$ 28.47
Gilroy Unified	10,116	17	\$ 187,500	---	\$ 13,591	\$ 7,200	---	\$ 5,625	---	\$ 213,916	\$ 21.15
Lakeside Joint School District	89	1	\$ 115,254	---	---	---	---	---	---	\$ 115,254	\$ 1,294.99
Loma Prieta Union	450	2	\$ 163,890	---	data not provided	\$ 15,124	---	\$ 10,750	---	\$ 189,764	\$ 421.70
Los Altos	4,161	9	\$ 206,595	---	\$ 22,872	\$ 3,000	---	---	---	\$ 232,467	\$ 55.87
Los Gatos-Saratoga Joint Union	3,155	3	\$ 185,869	---	\$ 13,470	\$ 7,200	---	---	---	\$ 206,539	\$ 65.46
Los Gatos Union	2,587	5	\$ 185,400	---	data not provided	\$ 5,232	---	---	---	\$ 190,632	\$ 73.69
Luther Burbank	524	1	\$ 150,000	---	data not provided	\$ 6,600	---	---	---	\$ 156,600	\$ 298.85
Metro Ed	12,478	4	\$ 179,562	---	\$ 10,646	\$ 7,200	---	---	---	\$ 197,408	\$ 15.82
Milpitas Unified	9,682	15	\$ 207,104	---	data not provided	\$ 6,000	---	---	---	\$ 213,104	\$ 22.01
Montebello Elementary	9	1	\$ 46,444	---	data not provided	---	---	---	---	\$ 46,444	\$ 5,160.44
Moreland Elementary	3,873	6	\$ 196,033	---	\$ 6,800	\$ 7,800	---	---	---	\$ 210,633	\$ 54.38
Morgan Hill Unified	9,402	16	\$ 200,077	---	\$ 6,000	\$ 7,800	---	---	---	\$ 213,877	\$ 22.75
Mountain View - Los Altos Union	3,617	4	\$ 210,330	---	data not provided	\$ 6,000	---	---	---	\$ 216,330	\$ 59.81
Mountain View - Whisman	4,298	8	\$ 183,854	---	data not provided	\$ 6,000	---	---	---	\$ 189,854	\$ 44.17
Mt Pleasant Elementary	2,970	5	\$ 165,724	---	data not provided	\$ 6,000	---	---	---	\$ 171,724	\$ 57.82
Oak Grove Elementary	11,899	20	\$ 239,367	\$ 8,000	data not provided	\$ 8,400	\$ 2,400	---	---	\$ 258,167	\$ 21.70
Orchard Elementary	802	1	\$ 139,682	---	\$ 17,253	---	---	---	---	\$ 156,935	\$ 195.68
Palo Alto Unified	10,931	20	\$ 248,063	---	data not provided	\$ 9,000	---	---	---	\$ 257,063	\$ 23.52
San Jose Unified	30,912	53	\$ 225,000	---	data not provided	\$ 6,000	---	---	---	\$ 231,000	\$ 7.47
Santa Clara COE	3,854	-	\$ 285,000	---	\$ 11,516	\$ 12,000	---	\$ 20,000	---	\$ 328,516	\$ 85.24
Santa Clara Unified	14,151	25	\$ 185,562	---	data not provided	\$ 7,200	---	---	---	\$ 192,762	\$ 13.62
Saratoga Union	2,348	4	\$ 135,000	---	data not provided	\$ 7,200	---	---	\$ 48,000	\$ 190,200	\$ 81.01
Sunnyvale	6,003	11	\$ 220,000	---	data not provided	\$ 4,800	---	---	---	\$ 224,800	\$ 37.45
Union	4,421	8	\$ 170,000	---	data not provided	\$ 4,800	---	\$ 4,800	---	\$ 179,600	\$ 40.62
Total	269,045	---	\$ 6,540,495	\$ 23,000	\$ 175,033	\$ 200,656	\$ 2,400	\$ 79,010	\$ 48,000	\$ 7,068,594	---
Maximum	30,912	---	\$ 285,000	\$ 15,000	\$ 22,872	\$ 15,124	\$ 2,400	\$ 20,000	\$ 48,000	\$ 328,516	\$ 5,160.44
Average	7,913	---	\$ 192,368	\$ 11,500	\$ 13,464	\$ 7,166	\$ 2,400	\$ 11,287	\$ 48,000	\$ 207,900	\$ 26.27
Minimum	9	---	\$ 46,444	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 46,444	\$ 7.47

**Table 2
Community College Chancellor Partial Compensation FY2008/2009**

Community College	# Students	# Schools(Sites)	Salary	Car Allowance	Housing Allowance	Total	Total Cost per Student
Foothill-DeAnza CCD	44,510	2	\$ 230,438	\$ 6,324	---	\$ 236,762	\$ 5.32
Gavalin Joint CCD	9,717	1	\$ 238,500	\$ 12,000	---	\$ 250,500	\$ 25.78
San Jose-Evergreen CCD	19,318	2	\$ 278,575	---	---	\$ 278,575	\$ 14.42
West Valley-Mission CCD	22,000	2	\$ 240,000	\$ 12,000	\$ 24,000	\$ 276,000	\$ 12.55
Total	95,545	7	\$ 987,513	\$ 30,324	\$ 24,000	\$ 1,041,837	---
Maximum	44,510	---	\$ 278,575	\$ 12,000	\$ 24,000	\$ 278,575	\$ 25.78
Average	23,886	---	\$ 246,878	\$ 10,108	NA	\$ 260,459	\$ 10.90
Minimum	9,717	---	\$ 230,438	\$0	\$0	\$ 236,762	\$ 5.32

Assistant superintendents and community college presidents are awarded contracts with benefits similar to their respective superintendents and chancellors. For example, the presidents of West Valley and Mission Colleges each receive \$18,000 for housing allowances and \$6,000 for car allowances.

Legal Representation and Expenses

School districts utilize the services of various legal firms to:

- Prepare, review and advise on contracts
- Assist with negotiations (union, staff, construction, compensation, mediation and defense)
- Provide legal counsel on issues such as public relations, special education, and State and Federal statutes
- Provide representation in litigation
- Train Board of Trustees and staff

A small number of law firms represent a majority of districts. Some districts have legal firms on retainer contracts in addition to their standard hourly charges. As an example, one district has over \$882,341 in retainer contracts (to date) for 2008/2009.

Legal expenses incurred by school districts include, but are not limited to, retainer fees, hourly fees, settlement costs, judgments, and associated costs and expenses. Legal fees were in excess of \$7,000,000 for 2007/2008. (See Appendices 2 through 4 for tables of legal fees).

The Santa Clara County Counsel has attorneys who specialize in education law and several school districts are currently availing themselves of these services. These school districts employ the County Counsel at substantially lower rates than those charged by private law firms.

Discussion

Despite the prospect of impending budget cuts, it appears that school districts are paying stipends, large salaries and extraordinary benefit packages to Superintendents/Chancellors, Assistant Superintendents, Presidents, and Boards of Trustees. Generous salary increases, which appear unrelated to performance, are routinely provided to Superintendents (while many private sector companies are reducing compensation).

Based on the partial data provided by the school districts, the average 2008/2009 annual compensation (including benefits) for K-12 superintendents is at least \$203,887. The total 2008/2009 compensation for superintendents is at least \$67,006,577, and potentially hundreds of thousands of dollars more if all benefit data were provided. The highest paid superintendent is at the Santa Clara County Office of Education (\$337,000). Fifty-five percent (55%) of superintendents have a total compensation exceeding \$200,000 and 91% have total compensation exceeding \$150,000. Only four superintendents have total compensation less than \$150,000.

The average 2008/2009 compensation (salary, car and housing allowances) for chancellors is at least \$260,459. The 2008/2009 compensation for chancellors is at least \$1,041,837. All chancellors are paid in excess of \$236,000 per year.

Many Board Members and Superintendents receive housing allowances, loans with zero or low-interest rates, full family health care, and other insurance benefits. Some of these benefits continue after the person leaves the district or retires.

Districts pay significant fees to a small number of private law firms who handle their legal affairs under separate agreements. Many legal issues are common across districts, indicating that it would be beneficial to consolidate efforts to realize cost savings.

Trustees

There are approximately 200 trustees, most of whom receive a stipend which is determined by California Education Code Sections 35120-35124. However, health benefits, travel compensation (meals, lodging, mileage and airfare), and reimbursement for conference costs are controlled by each Board. Health benefits in most cases also cover the trustees and their families. In many districts, the full costs of these health benefits are absorbed by the district. In contrast, teachers and other classified employees are required to pay significant portions of the cost of their health benefits.

The trustees vote upon their own benefits and set their own travel agendas. Public awareness and oversight of Board spending is minimal.

Superintendents/Chancellors

All superintendents/chancellors in Santa Clara County work under complex contracts approved by the Boards. Superintendent/Chancellor salaries vary widely and do not appear to be commensurate with the size of the districts, the number of students, or the number of schools they manage.

Although many superintendents' base salaries are already high, additional incremental benefits significantly inflate their base salaries. In some instances, superintendents can choose to take cash in lieu of certain benefits, which is added to their salaries and inflates their pension benefits. These extra benefits are usually not visible to the public. They include:

1. Interest-free loans up to one million dollars
2. Housing allowances
3. Contract buyouts
4. Merit increases
5. Performance bonuses
6. Guaranteed longevity increases
7. Guaranteed annual step increases (predetermined)
8. Auto allowances – insurance, maintenance, gas, tires
9. Mileage allowances
10. Per diem payments when out of the district
11. Technology allowances for personal computers and cell phones
12. Professional memberships and subscription allowances
13. Reimbursements to attend meetings/conferences (hotel, meals, transportation, entertainment)
14. Salary increases automatically triggered by increases in teachers' salaries which are in addition to other guaranteed salary increases.
15. Pension allowances (in addition to regular STRS/PERS contributions)
16. Advanced degree stipends
17. Lifetime medical insurance benefits
18. Annual physicals

(Note: This is not a complete listing of perquisites (perks) that appear in the contracts)

Generous as these terms are, there were some notable perquisites that went far beyond what typically appear in most superintendent contracts, which are listed below:

- Loans totaling one million dollars each to superintendents at zero interest or below market interest rates. (Palo Alto and County Office of Education)
- The Saratoga Union School District Superintendent receives an annual housing allowance of \$48,000.
- Annual housing allowance of \$24,000 is paid to the West Valley-Mission Community College Chancellor. The Presidents of West Valley and Mission (who report to the Chancellors) receive an annual housing allowance of \$18,000 each.
- The San Jose-Evergreen Community College District Chancellor receives a one-time \$147,000 bonus upon completion of the four-year contract.
- Six-figure dismissal buyouts for the following districts: Luther Burbank, Alum Rock, Fremont Union High School District.
- The Superintendent at Franklin McKinley receives fully paid (premiums paid by the school district) life insurance coverage totaling \$500,000.
- Superintendents frequently conduct working lunches and dinners at the most expensive restaurants in the county at taxpayer expense.

As an example, the Cupertino Union School District Superintendent's contract of July 2006 through June 2010 provides:

- Base Salary – \$230,000 with a one-time signing bonus of \$15,000
- Merit increase for satisfactory performance equivalent to the increase granted to certificated personnel for the prior school year
- \$15,000 paid annually for a tax shelter annuity that increases by 2% of the base salary each year
- Fully paid health benefits equal to certificated management personnel
- Payment up to \$3,000 a year for life insurance and disability insurance
- Fully paid annual physicals
- 25 days annually of paid vacation; unused vacation can accumulate up to 25 days
- Annual expense limit of \$5,000
- Car Allowance of \$7,800 annually plus out of County mileage.
- Termination without cause will result in payment of 18 month's salary at his current base salary.

Note: Assistant Superintendents/Presidents/Directors often earn similar compensation packages as Superintendents/Chancellors.

Another expense is the use of search firms to fill Superintendent and Chancellor vacancies. There are 38 school districts, most of which have one or more assistant superintendents, yet the Boards of Trustees routinely continue to hire search firms at an average cost of \$30,000 each to locate qualified successors for retiring or dismissed superintendents.

Legal

The cost of legal services provided by 21 of the districts was in excess of \$7,000,000 in the 2007/2008 school year. Legal expenses for the 2008/2009 year which ends June 30, 2009 are already in excess of \$6,200,000. In addition, many utilize the same five to six law firms, all under separate contracts. One firm used by six districts has already billed in excess of \$1,400,000 for the 2008/2009 school year (see Appendix 2). A concern is that 38 County of Santa Clara districts are not leveraging their buying power to negotiate lower fees.

Since Santa Clara County Counsel fees on average are lower than private firms used by Santa Clara County school districts in 2008/2009, there are opportunities for Districts to utilize them for legal services. For example, Santa Clara Unified, East Side Union, and San Jose-Evergreen Community College currently use County Counsel as legal counsel. Note: Hourly rates have not been published for private legal firms due to their proprietary nature.

Conclusion

Based on the rising concern of California's budget cuts, politicians, unions, and members of the community must seek ways to retain teachers, maintain current operations, and reduce cuts to the classroom. Potential funding cuts could have a significant impact on the quality of education that our students receive.

It appears that there is very little scrutiny of Board expenses, Superintendent/Chancellor compensation packages, and legal services costs. The governing boards have not properly focused on reining in the salaries and benefits paid to Superintendents/Chancellors. In this current economic climate it is difficult to rationalize the escalating salaries and benefits, million dollar housing allowances, and annuity payments as vital to attract and retain qualified Superintendents and Chancellors.

Boards of Trustees hire costly search firms to recruit successors for retiring or dismissed superintendents, before doing a preliminary search within the local area. There are numerous assistant superintendents in Santa Clara County and neighboring counties, who may be qualified for a superintendent position and should be given consideration.

Boards of Trustees should conduct an in-depth review of all costs to determine where reductions can be made without negatively impacting the education of our children. Approximately 85%-90% of a school district's budget is spent on staff, including teachers, administrators and support employees. Teachers, classified and support staff are typically targeted when discussions of budget cuts are raised. The Superintendent/Chancellor compensation should be an area of particular scrutiny, given their generous salary and benefit packages. Further, legal fees and Board of Trustees stipends and benefits are additional areas where districts should look to reduce costs.

District consolidation could reduce Superintendent/Chancellor and Boards of Trustees expenses. The resulting savings could be used to retain teachers, programs, and maintain smaller class sizes. Other large counties operate with far fewer districts than Santa Clara County (e.g. San Diego, San Francisco). For example, San Francisco County encompasses 55,000 K-12 students, 102 schools, 34 preschools, 9 charter schools, and 8 county schools. There are only seven school board members and one superintendent.

Findings and Recommendations

Finding 1

Boards of Trustees approve overly generous benefits to themselves which include the following:

- Fully paid health benefits for trustees and their families (often exceeding those of teachers and/or with no payment ceiling)
- Excessive travel and conference costs
- Pension contribution

Recommendation 1

Boards 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

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 superintendents
- 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 of the district
- Personal technology allowances
- Professional memberships and subscription allowances
- Excessive travel and entertainment expenses
- Salary increases automatically triggered by increases in teacher's 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.

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.

Finding 4

Boards of Trustees hire costly search firms to recruit successors for retiring or dismissed Superintendents/Chancellors.

Recommendation 4

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

Finding 5

Boards of Trustees approve the hiring of multiple private attorneys, in some cases at a 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.

Finding 6

The operation of 34 K–12 school districts and four (4) community college districts creates excessively high management and administrative costs. Five K-12 school districts have excessively high Superintendent costs per student which is reflective of the district's having only one or two schools.

Recommendation 6

A consolidation of districts should be considered to reduce the numbers and costs of Superintendents/Chancellors, Boards of Trustees, administrative staff and overhead.

**Appendix 1
Board of Trustees 2008/2009 Compensation**

District	#	Total Stipend	Medical Benefits	457 Contribution	Total Compensation
Alum Rock	5	\$24,000	\$82,675		\$106,675
Berryessa	5	\$14,400	\$11,332		\$25,732
Cambrian	5	\$0	\$41,546	\$4,800	\$46,346
Campbell Union	5	\$14,400	\$46,456		\$60,856
Campbell Union HS	5	\$14,400	\$43,314		\$57,714
Cupertino	5	\$12,000	\$0		\$12,000
Cupertino Union	5	\$23,800	\$28,581		\$52,381
East Side Union	5	\$45,000	\$51,056		\$96,056
Evergreen	5	Not provided			
Foothill CC	5	\$45,000	\$64,559		\$109,559
Franklin McKinley	5	\$15,510	\$28,673		\$44,183
Fremont Union	5	\$24,000	\$97,180		\$121,180
Gavilan CC	7	\$21,168	\$0		\$21,168
Gilroy	7	\$20,160	\$94,706		\$114,866
Lakeside	5	Not provided			
Loma Prieta	5	\$0	\$0		\$0
Los Altos	5	\$24,000	\$0		\$24,000
Los Gatos-Saratoga	5	\$14,400	\$28,504		\$42,904
Luther Burbank	5	Not provided			
Metro Education	6	Not provided			
Milpitas Union	5	\$17,640	\$54,740		\$72,380
Montebello	3	Not provided			
Moreland	5	\$14,400	\$58,740		\$73,140
Morgan Hill Unified	7	\$20,160	\$0		\$20,160
Mt Pleasant	5	\$17,280	\$63,646		\$80,926
Mtn.View - Los Altos	5	\$16,560	\$38,528		\$55,088
Mtn.View - Whisman	5	\$15,120	\$0		\$15,120
Oak Grove	5	\$24,000	\$10,709		\$34,709
Orchard School	5	\$7,200	\$8,893		\$16,093
Palo Alto	5	\$24,000	\$0		\$24,000
San Jose Unified	5	\$14,400	\$58,482		\$72,882
Santa Clara Unified	5	\$26,460	\$52,014		\$78,474
Saratoga Union	5	\$12,000	\$32,842		\$44,842
SCCOE	7	\$45,161	\$71,536		\$116,697
Sunnyvale	5	\$14,400	\$0	\$0	\$14,400
Total		\$581,019	\$1,068,702	\$4,800	\$1,654,531

Appendix 2

K-12 and Community College Legal Firms with Highest Billing for FY 07/08 & 08/09 (partial expenses)

	# Schools	Legal Fees
Miller Brown Dannis	6	\$ 1,881,132
Ruiz & Sperow	3	\$ 788,449
Garcia, Calderon Ruiz	2	\$ 776,888
Burke Williams Sorenson	3	\$ 693,014
Lozano Smith	4	\$ 621,877
Atkinson, Addison, Loya	5	\$ 365,493
Fagen, Friedman & Fulfrost	2	\$ 323,651
Hopkins & Carley	5	\$ 246,852
County Counsel	2	\$ 89,281
Little Mendelson	3	\$ 74,855
Herrero & Pizarro	2	\$ 59,487
McArthur Levin	2	\$ 45,985

Appendix 3
Community College (CCD) Partial Legal Expenses FY 07/08 & 08/09

	Contract Hourly Rate (\$'s)			Expense
	Sr Attorney	Attorney	Paralegal	
Foothill-De Anza CCD				
Curiale Hirschfield Kranek				Not provided
General Counsel Ass.				
GRM				
Marilyn Kaplan				
T Klein Ass.				
McCarthy & Berlin				
Law Off Wm Rappaport				
Shope & Finkelstein				
Jaret & Jaret				
Total				
Gavilan Joint CC				
Atkinson, Addison, Loya				\$6,062
Fagen, Friedman & Fulfrost				\$14,109
Bingham				Not provided
Total				\$20,171
San Jose-Evergreen CCD				
County Counsel		198	78	Not provided
Fagen, Friedman & Fulfrost	210-220	190-200	100-150	
Littler Mendelson	285-290	185-240		
Miller, Dannis & Brown	210-265	185-215	110-125	
Total				\$142,462
West Valley-Mission CCD				
Atkinson, Addison, Loya	195	185	135	\$266,334
Public Agency Law Group	185-210		80-95	\$53,814
Shope & Finkelstein	200			\$1,169
Total				\$321,317
Total CCD Legal Expenses				\$2,839,284

Note: Hourly rates have not been published for private legal firms due to their proprietary nature.

**Appendix 4
K-12 Legal Expenses FY 07/08 & 08/09**

	Expense
Alum Rock Union	
Lozano Smith	\$302,473
Miller Brown Dannis	\$193,777
Garcia, Calderon Ruiz	\$126,351
Ruiz & Sperow	\$385,974
Burke Williams Sorenson	\$58,654
Total	\$1,067,229
Berryessa Union	
Cambrian	
Kronick Moskowitz	\$64,878
McArthur Levin	\$28,175
Total	\$93,053
Campbell Union	
Total	\$1,571,079.0
Campbell Union High School	
Atkinson, Addison, Loya	\$28,097.0
Littler Mendelson	\$36,356.0
Lozano Smith	\$25,407.0
McArthur Levin	\$17,810.0
Total	\$107,670.0
Cupertino Union	
Miller, Dannis & Brown	Not provided
McArthur Levin	
Littler Mendelson	
Kronick Moskowitz	
East Side Union	
Garcia, Calderon Ruiz	\$650,537
Miller, Dannis & Brown	\$3,243
County Counsel	\$2,686
Total	\$656,466
Franklin McKinley	
Lozano Smith	Not provided
Miller Brown Dannis	
Liebert, Cassidy, Whitmore	
Total	\$249,287
Fremont Union	
Fagen, Friedman & Fulfroost	Not provided
Littler Mendelson	
Lozano Smith	
Miller Brown Dannis	
Zampi & Associates	
Total	\$407,670

**Appendix 4
K-12 Legal Expenses FY 07/08 & 08/09**

	Expense
Gilroy Unified	
Atkinson, Addison, Loya	Not provided
Garcia Calderon Ruiz	
Total	\$299,044
Lakeside Joint	
Fagen, Friedman & Fulfroost	Not provided
Zampi & Associates	
Loma Prieta Joint Union	
Littler Mendelson	\$40,448
Total	\$40,448
Los Altos	
Hopkins & Carley	\$5,684
Miller Brown Dannis	\$44,813
Fagen, Friedman & Fulfroost	\$30,318
Total	\$80,815
Los Gatos - Saratoga	
Public Const-- Law	Not provided
Lozano Smith	
Fagen, Friedman & Fulfroost	
Miller Brown Dannis	
Herrero & Pizarro	\$26,702
Hopkins & Carley	\$22,067
Total	\$48,769
Los Gatos Union	
Lozano Smith	Not provided
Miller Brown Dannis	
Fagen, Friedman & Fulfroost	\$293,333
Atkinson, Addison, Loya	\$15,000
Total	\$308,333
Luther Burbank	
Herrero & Pizarro	\$32,785
Hopkins & Carley	\$34,712
Total	\$67,497
Metropolitan Education	
Manat, Phillips & Phillips	Not provided
Lozano Smith	
Burke Williams Sorenson	\$2,636
Littler Mendelson	\$4,052
Total	\$6,688
Milpitas Union	
Moreland	
Morgan Hill	
Miller Brown Dannis	\$526,900
Total	\$526,900

**Appendix 4
K-12 Legal Expenses FY 07/08 & 08/09**

	Expense
Mountain View-Los Altos Union	
Mountain View Whisman	
Hopkins & Carley	\$35,964
Total	\$35,964
Mt Pleasant Elementary	
Miller Brown Dannis	
Lozano Smith	
Fagen, Friedman & Fulfroost	Not provided
Total	\$58,850
Oak Grove Elementary	
Orchard Elementary	
Palo Unified	
San Jose Unified	
Law Office of Nive Gau	\$25,000
Lozano Smith	\$137,750
Miller Brown Dannis	\$423,500
Orbach Suraez	\$21,091
Ruiz & Sperow	\$207,000
Samuelson Wilson & Roe	\$19,000
Atkinson, Addison, Loya	\$50,000
Total	\$883,341
Santa Clara COE	\$ 276,647.00
Santa Clara Unified	
County Counsel	\$86,595
Hopkins & Carley	\$148,425
Miller Brown Dannis	\$10,377
Scholl/college Legal	\$1,314
D Hunter	\$6,671
See Notice of Errata Sue Bardet	\$5,000
Total	\$258,382
Santa Clara Unified	Not Provided
Saratoga Union	Not Provided

**Appendix 4
K-12 Legal Expenses FY 07/08 & 08/09**

	Expense
Sunnyvale	
Miller, Brown & Dannis	\$395,496
Total	\$395,496
Union	
	Not Provided
Total K-12 Legal Expenses	
	\$7,439,628

Note: Hourly rates have not been published for private legal firms due to their proprietary nature.

This report was **PASSED** and **ADOPTED** with a concurrence of at least 12 grand jurors on this 15th day of June, 2009.

Don Kawashima
Foreperson

Mary Nassau
Secretary