



Berryessa Union School District

DISTRICT RESPONSE TO THE 2008-2009 SANTA CLARA COUNTY GRAND JURY REPORT,

FILED

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“Who really Benefits from Education Dollars? (Hint: It’s Not the Students)”

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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 contributions*

District Response

The Berryessa Union School District disagrees with the finding. In fact, this is an expression of an opinion as no comparative or other substantive data is provided. Further terms like, overly generous and excessive are subjective words used without definition or context and, as such detract from the findings credibility.

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*

District Response

HEALTH BENEFITS FOR BOARD MEMBERS: The Berryessa Union School District will not be implementing this recommendation. BUSD has recently reviewed and revised its board policy and administrative regulations related to extending health benefits to board members. The Board determined that benefits for members was appropriate compensation, consistent with statewide practice, and the level of responsibility that board members have for providing a quality educational program for the over 8,000 students who attend the district's schools. In fact, only two of the five board members have chosen to taken benefits at a cost of \$8,902. It should also be noted that Board members are eligible for coverage that is less than any employee group. While they are offered the same policies that employees, specifically certificated employees, board members are only given benefits for themselves, not spouses or dependents. Employees are eligible for spouse and dependent coverage as well. Given the District's almost \$63 million budget that amount represents only 0.014% of that budget.

MINIMIZE TRAVEL AND CONFERENCE COSTS: The Board of Trustees does not believe that this is an issue for the district. They further believe that it is as important for them to develop their governance skills and understanding of educational and fiscal issues as it is for our employees to increase their skills. As professional development is an important goal and priority for our district employees, it is appropriate that board members participate in these types of activities as well. In fact, the total amount spent by board members for conferences and travel in 2008-2009 totaled only \$4,170. That translates to 0.0066% of the district budget. Because of the Board's sensitivity to our current fiscal condition, that amount will be less in 2009-2010 than in 2008-2009.

ELIMINATE PENSION CONTRIBUTIONS: The District does not contribute to any pension plan for any board member.

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)*
- *Advance degree stipends*
- *Lifetime medical insurance benefits*
- *Annual physicals*

District Response

The Berryessa Union School District disagrees with the finding. In fact, this is an expression of an opinion as no comparative or other substantive data is provided to support the term "overly generous" or the appropriateness of any of the benefits given. Further, the finding assumes all of the items are inappropriate, a subjective opinion made without regard for the needs of the district, requirements of the demands of the community and market place, or the negotiation to bring the highest quality educators to Santa Clara County.

Recommendation 2

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

District Response

The Board of Trustees and Superintendent will consider the opinions of the Grand Jury in future negotiations. Currently, the fact of the matter is that the Superintendent neither has the great majority of the benefits listed by the Grand Jury in his current contract nor has asked that they be included in his contract. Those that have been included in the Superintendent's contract meet the requirements the Board has for the Superintendent. The Board and Superintendent have, and will continue to negotiate contracts that are of mutual benefit.

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.

District Response

The District disagrees with the finding and finds it contradictory to other findings of the Grand Jury. First, in Recommendation 2, the Grand Jury states that superintendents should not get performance bonuses. Here they say that compensation has no relationship with performance. Second, the county data shows that there that there is a general relationship between size of district and compensation, though other criteria also impact those salaries. Superintendent compensation in Santa Clara County compares with other California metropolttan areas. The cost of living is an additional factor that is taken into account when compensating district superintendents. This is also true when comparing teacher and classified salaries to ensure that the District is competitive and attracts talented employees. The specifics of each district differ beyond size and academic achievement (i.e. fiscal condition, labor issues, specific academic issues, cost of living). These issues, the qualifications of the applicant/superintendent, and many more go into negotiating a mutually beneficial contract between a District and Superintendent. While the issue of compensation is worth consideration and discussion by boards and superintendents, it is critical that all issues are considered, not just those of size and achievement.

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 student's progress and quantifiable metrics.

District Response

The District agrees that the criteria mentioned by the Grand Jury should be considered, along with many other variables, including the needs of the district, district revenues, etc. when negotiating salary with a superintendent. The District disagrees that they should be the only criteria. The District also disagrees with the Grand Jury's recommendation that size of district should determine salaries for any employee. If district's did that, small school districts would not be able to compete for the highest quality employees be they classified, teachers, or superintendent and that would negatively impact the quality of education students in those districts receive.

Finding 4

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

District Response

The District disagrees with the finding for a number of reasons, including:

- The finding generalizes what districts in the county do when conducting superintendent searches and issues an opinion rather than a finding based on any type of data or comparisons.
- The finding arbitrarily uses the term, "costly" without definition or criteria.
- The finding provides no justification for their opinion that districts should search locally rather than statewide or nationally.
- The finding neither gives priority nor credence to the fact that Boards of Trustees are obligated to find the best possible educators to lead their districts rather than the best available educator who happens to reside locally. This begs the question of whether saving money is more important that getting the best educator/leader for a district.

Recommendation 4

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

District Response

The District does not agree with the recommendation as a mandate, but believes it is a strategy a Boards of Trustees may wish to consider. The obligation the Board is to find the best educator/leader they can find, not the best internal or local candidate for the position. If it is determined that a wide area search is appropriate, the ability of a search firm to bring the highest quality candidates to the Board for consideration is appropriate and cost effective. Each Board should consider the options that make the most sense for their district rather than being tied to an opinion indicating that only local candidates should be recruited first because it saves money. The savings of not using a search consultant when one is indicated is penny wise, dollar foolish when the leadership of multi-million dollar educational organizations that serve thousands of children and families is at stake.

Recommendation 5

Boards of Trustees approve the hiring of multiple private attorneys, In some cases at a tremendous expense.

District Response

This is a finding that is often accurate. However, given the environment in which public schools operate, the assumption that having multiple law firms is problematic is unfounded. It is not at all unusual for any organization the size of school districts to have different attorney firms with different areas of specialization represent them. Further, Boards of Trustees are obligated to find the best representation possible to protect the interests of each district, not hire the least expensive legal counsel. If retaining the best counsel results in districts engaging more than one firm that is an appropriate decision. To assume otherwise is presumptuous and lacks a true understanding of an educational enterprise.

The District agrees that legal expenses are high. However, that is not just an issue in school districts. Again, the Grand Jury provides no comparison with other industries, public or private, to support whether legal expenses in school districts are similar, less, or more than what other industries spend. If the term, "tremendous" was intended to say we spend a lot of money on legal issues, they are correct. If they intend it to mean that it is too much or are outside the norm for other industries or for other counties in the state, they provide no evidence to support that claim.

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.

District Response

The Grand Jury makes the determination that County Counsel has expertise in the education industry. While it is true that County Counsel does have attorneys who work in the area of

educational law, it is a subjective statement to assume that they are better or worse than private firms. That is a decision districts and Boards of Trustees make based on their own experience and needs. The Berryessa Union School District will continue to use the legal counsel that have the level of expertise needed to meet our legal needs. In past years we have used County Counsel for specific tasks and may again in the future. It will also reserve the right to use outside counsel as necessary.

The District agrees that a cooperative of districts might be able to negotiate lower rates with firms that multiple districts use. That is an option for those districts to explore in the coming year.

Finding 6

The operation of 34 K-12 schools 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 reflected of the district's having only one or two schools.

District Response

The District partially agrees with the finding. The district agrees that small school districts of one or two schools may have, because of their small size, higher overhead costs, not just for administration, but in the areas of operational costs, special education, and transportation. The District does not agree with the finding that having 34 districts and 4 community college districts results in "excessively high management and administrative costs." Once again, the Grand Jury substitutes opinion for any type of factual evidence or comparative data while using subjective and sensational terms such as "excessively high" without substantiation.

Recommendation 6

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

District Response

The District does not support this overly generalized statement. Factual data on costs, staffing, actual savings through consolidation, and educational research relating to optimal school district size are not presented for consideration or support of the opinion labeled a recommendation. Without that information, the District cannot support the conclusions of the Grand Jury.

Conclusions...A District Response

It is obvious that the Grand Jury spent considerable time looking at a variety of issues related to school districts, boards of trustees and superintendents. The District found the issues worthy of honest discussion, but found the findings and recommendations lacking substantiation and rigor. The substitution of opinions for fact based findings and recommendations were disconcerting and inappropriate.

Findings based on opinion and obvious bias rather than data and research do not further the consideration of issues, but cloud them. Recommendations based on opinion rather than research and comparison data do not further the conversation on serious issues, but instead polarize discussions.

Education issues of student success and school finance are of serious concern to everyone. Addressing those issues effectively is critical. Boards of Trustees and Superintendents are doing

that in serious and constructive ways involving all our school constituencies. Solutions are difficult and yet these same board members, administrators, teachers, support personnel, parents and community are all working towards helping ensure our students have the opportunities they need to be successful...and we are succeeding! So the answer to the question posed by the Grand Jury, "Who really benefits from education dollars?" is easily answered. And the answer is that it is the students who benefit every day from the thinking, decisions, policies, and practices that boards of trustees and superintendents help implement. The Grand Jury's sarcastic sub-title is not only inappropriate, it is incorrect. It is the District's hope that in the future the Grand Jury will use a research based approach to addressing and investigating serious issues identified in this report as they did with the report on inventory. The District also hopes that future investigations are done without bias, and base both findings and recommendations on that research rather than opinions. That type of work will engender productive conversation on improving our public schools rather than clouding issues with sensational sub-titles and unsubstantiated opinion.