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Creating Extraordinary Futures

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DAVID H. YAMASAKI
Chief Executive Officer/Clerk,
Superior Court of CA County of Santa Clara
BY D. ALDYCKI

September 22, 2009

Mr. Don Kawashima, Foreperson
2008-09 Civil Grand Jury
Superior Court Building
191 North First Street
San Jose, CA 95113

Dear Mr. Kawashima and Members of the Civil Grand Jury

RE: Cambrian School District Response to Santa Clara County
Schools "Who Really Benefits from Education Dollars?"

Following is our response to the findings.

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*

Response

The Cambrian School District disagrees with the finding. It is difficult for school districts to attract competent and dedicated candidates for the challenging and highly scrutinized role of trustee. Since Cambrian trustees do not receive stipends, benefits and pension contributions are among the only avenues available to attract and keep qualified candidates. Most board members provide countless volunteer hours beyond the time dedicated to board meetings and office events.

The Cambrian School District has already reduced travel and conference costs, and strives to incur such costs only when there are significant benefits to the district.

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

The recommendation to reduce travel and conference costs has already been implemented. The Cambrian School District has always been conservative in regards to travel conference costs. Given the current budget situation, they have taken steps to minimize travel and conference costs by asking staff to reduce travel and conference attendance.

The remainder of the recommendation will not be implemented because it is not warranted. Health benefits and pension contribution policies in the Cambrian School Districts are not “overly generous” when weighed against the duties of the position, and the importance of attracting qualified candidates. Eliminating them would place greater stress on the governance of districts, by discouraging incumbents from staying, and by discouraging new, qualified candidates from running for the seats.

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 of 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*

Response

The Cambrian School District disagrees with the finding. The superintendent is responsible for and oversees public school operations that have a combined annual revenue of over \$23,000,000.00. The high cost of living in the area, coupled with extreme demands and pressures of the position, have created a

market in which compensation packages offering certain benefits are viewed as a necessity. In the vast majority of cases, the benefits are not “overly generous,” but in line with the realities of market supply and demand.

Looking at the average salaries of superintendents in the Far West region of the United States, a study entitled “Salaries and Wages in California Public Schools 2008-2009” by ACSA/Foundation for Educational Administration and Educational Research Service, Table B3) found the average salary was \$172,646—about \$20,000 less than the average salary in Santa Clara County of \$192,368. Given the extreme cost of living disparity in Silicon Valley as compared to the average of the rest of the Far West region, an additional \$20,000 here, combined with an attractive set of benefits, would not seem “overly generous.”

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

The Board of Trustees carefully reviewed benefits when hiring the most recent superintendent. Elements of the benefit section were modified and/or eliminated at this time. Out of the 16 benefits listed in finding 2, our current superintendent receives only three. One of these is for contract buy-out, which is authorized by Education Code. For these reasons and the fact that we have a fair contract, the Cambrian School District feels it is unrealistic to expect the superintendent to renegotiate benefits, and impractical to believe such a renegotiation would not hinder recruitment and retention in the future.

Demand for qualified people who can fill these positions is very high. In the current market, incumbents who face reduced benefits can and will leave for similar positions in other districts or states where the benefits are intact; or for positions in the private sector, where compensation packages far exceed those in school districts.

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.

Response

The Cambrian School District respectfully disagrees with the finding. The superintendent's salary is related to the size of the district, but that is only one of a myriad of factors that determines compensation. In a smaller district a superintendent has less staff and therefore must manage and be

knowledgeable about many more areas of the district. Additionally, our superintendent's salary is reasonable when compared to similar sized districts.

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

The superintendent's contract does take into account the size of the Cambrian School District as well as the number of schools, teachers, and students in the district. The superintendent must receive a satisfactory evaluation, in writing, from the board annually in order to receive salary increases specified. Students' academic progress is one of the factors given high consideration in the board's evaluation. To this extent, the Cambrian School District agrees with the recommendation that Boards of Trustees should ensure salaries and increases are tied to the number of schools, teachers, students and the district's students' progress.

Finding 4

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

Response

Hiring a superintendent for a school district is one of the most important tasks a Board of Trustees undertakes. While there are costs involved in using search firms, these amounts are small when one considers the stakes involved and the fact that superintendents are typically in their positions for many years. Board members are typically inexperienced in superintendent searches and the existing staff of a school district are not always best positioned to recruit and employ their supervisor.

Recommendation 4

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

Response

In the spring of 2009, the Cambrian School District Board discussed the best way to find a superintendent whose skills matched the needs of our high performing district. After careful deliberation and interviews with leading search firms, the Board entered into a contract with Leadership Associates. The search firm's role in the process allowed the district to attract candidates from the local area and beyond. In the end, the superintendent who was hired had experience in a high performing district similar to Cambrian, but was employed in Southern California at the time. Further, had Leadership

Associates not led a search outside the area, this person would not have known about the position. These search firms bring value to both sides; districts and candidates. For these reasons, the Cambrian School District respectfully disagrees with the recommendation that 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.

Response

School districts often are involved in complex legal issues that require legal expertise in sub-sections of the Education Code, requiring considerable specialized legal capacity, time and energy.

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

Quality legal advice depends on two elements missing from the recommendations of the Grand Jury. The first is an extensive knowledge of the district. Given the wide variety of school districts and their challenges, it is difficult to envision County Counsel possessing the breadth of knowledge and experience to provide the high level of support districts need on high-stakes legal issues. Beyond knowledge of the district, the satisfactory resolution of complex legal issues requires experience with and comfort in the relationships between district employees, board members, and members of the community. The benefits of these elements far outweigh any marginal cost difference in legal costs.

The Cambrian board does review and monitor rates for legal services. They are always exploring ways to control legal costs.

Finding 6

The operation of 34 K-12 school districts and four 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 districts having only one or two schools.

Response

The Cambrian School District is not in a position to judge the districts identified. However, we feel that our superintendent's contract is fair based upon the number of schools and the additional responsibilities placed upon administration given the smaller staff. Smaller districts have less staff and

many of the same reporting and compliance requirements of larger districts placing a higher work load on Superintendents in these districts.

Recommendation 6

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

Response

The recommendation cannot be implemented by local boards and trustees, because under the California Education Code, consolidation of districts is relegated to the people who live in the district. Should communities wish to join with other communities to create larger K-12 or community college districts, the process is clearly spelled out in the Education Code, under which a vote of the electorate can change district organization.

In Santa Clara County, voters from a few districts have chosen to consolidate in the past, but for the most part, they have established a strong tradition and preference for local control.

Sincerely,



Gary Chronert
Board President
Cambrian School District



Deborah Blow, Ed.D.
Superintendent
Cambrian School District