



MORGAN HILL UNIFIED SCHOOL DISTRICT

15600 CONCORD CIRCLE • MORGAN HILL, CA 95037 • (408) 201-6023

FILED

SEP 15 2009

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

August 31, 2009

The Honorable Jamie Jacobs-May
Presiding Judge
Santa Clara County Superior Court
191 North First Street
San Jose, CA 95113

Dear Judge Jacobs-May:

The Morgan Hill Unified School District's response to the Grand Jury's Final Report, "Who Really Benefits from Education Dollars? (Hint: It's Not the Students)" is attached.

Please do not hesitate to call if you have questions.

Sincerely,

A handwritten signature in blue ink that reads "Donald C. Moody". The signature is fluid and cursive, with the first name being particularly prominent.

Donald C. Moody
President, Board of Education

cc: Mr. Don Kawashima, Foreperson, 2008-09 Civil Grand Jury
Dr. Alan K. Nishino, Superintendent, MHUSD

Morgan Hill Unified School District
Response to Grand Jury Report, "Who Really Benefits?"
September 2009

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*

(2) Disagree partially with finding – local decision.

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*

(4) Recommendation will not be implemented because it is not warranted or is not reasonable – Board of Trustee benefits are a local decision.

* * * * *

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*

(2) Disagree partially with finding – these areas are local decisions.

Recommendation 2

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

- (4) Recommendation will not be implemented because it is not warranted or is not reasonable – this is a local decision and situations will determine contract content.

* * * * *

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.

- (2) Disagree partially with finding – this is a local decision and it depends on the situation

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.

- (4) Recommendation will not be implemented because it is not warranted or is not reasonable – this is a local decision and it depends on the situation

* * * * *

Finding 4

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

- (2) Disagree wholly with finding – this is a local decision. The hiring of a superintendent is the most important job of a board. They should use all resources to assist them in hiring the best superintendent for their district.

Recommendation 4

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

- (4) Recommendation will not be implemented because it is not warranted or is not reasonable – many times the hiring of a superintendent is time sensitive and going through a preliminary local search may not be necessary or produce effective results.

Finding 5

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

- (1) Agree with finding with the exception of the term "tremendous"

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.

- (4) Recommendation will not be fully implemented because it is not warranted or is not reasonable – this is a local decision. Although we agree that County Counsel may be appropriate for certain areas, the hiring of attorneys is situational and a district always wants to hire the best firm that may specialize in a certain area. Just as one would not go to a general practitioner to have heart surgery, nor would a district go to a general counsel when the situation requires expertise and experience in a specific area. Not all situations should have to go through County Counsel first.

* * * * *

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.

- (1) Agree with finding with the exception of the term "excessively"

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.

- (1) Recommendation has been implemented – in 1966, the Morgan Hill Unified School District was formed by unifying the existing high school district with its elementary feeder districts.