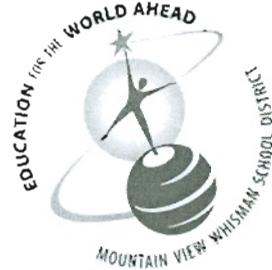


**Superintendent**  
Maurice Ghysels, Ed.D.

**Associate Superintendent**  
Mary Lairon, Ph.D.

**Assistant Superintendent**  
Stephanie Totter

**Chief Financial Officer**  
Craig A. Goldman



**Board of Trustees**

Edward D. Bailey  
Stephen R. Olson  
Philip D. Palmer  
Fiona Walter  
Ellen Wheeler

**FILED**

SEP 17 2009

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

September 8, 2009

To Whom It May Concern:

Attached are responses from the Mountain View Whisman School District regarding the Grand Jury's Final Report, "Who Really Benefits from Education Dollars? (Hint: It's Not the Students)."

**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*

The Mountain View Whisman 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 trustee stipends are and will remain low, benefits 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 Mountain View Whisman School District Board of Trustees, as well as a number of local boards, already have reduced travel and conference costs, and strive to incur such costs only when there are significant benefits to the districts.

To add additional clarification, the District does not provide medical benefits for Trustees, but they may opt for vision and dental benefits at a cost of \$7,994.84 per year. The district only makes pension contributions as required by law.

**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*

The District will continue to provide vision and dental benefits for Board members. The District's contribution is not "overly generous" when weighed against the duties of the position, and the importance of attracting qualified candidates. Eliminating benefits 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.

Bullet 2 of the recommendation has been implemented. The District Board of Trustees has taken steps to minimize travel and conference costs.

Regarding Bullet 3, pension contributions through CalPERS or Cal STRS is not optional if salary compensation is provided.

Based on the Grand Jury's data, the compensation for Mountain View Whisman trustees is the least among school districts in the county.

## **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*

The Mountain View Whisman School District disagrees with the finding. In 2008-09, superintendent compensation costs represent less than 0.59 percent of the District's total annual budget of \$39,140,818. Santa Clara County school districts face considerable challenges in attracting and maintaining qualified applicants for superintendent positions. 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.

Based upon the Grand Jury report, the total compensation for the Mountain View Whisman School District superintendent is in the bottom third of all superintendents in the 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.*

The recommendation will not be implemented because it is not warranted. It is unrealistic to expect superintendents to renegotiate their benefits, and impractical to believe such a renegotiation would not hinder recruitment and retention in these crucial positions.

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.

The Grand Jury's recommendation does serve as a reminder to all trustees to carefully scrutinize benefit packages offered to superintendents in future contracts.

### **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.*

Superintendent salaries often are related to the size of the district, but that is only one of a myriad of factors that determine compensation. Also, many superintendent evaluations do typically take student academic performance into consideration.

### **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.*

The recommendation has been partially implemented, in that many superintendent evaluations do typically take student academic performance into consideration. The remainder of the recommendation will not be implemented because it is not warranted. Tying superintendent salaries to district size would be a simplistic and counterproductive approach to finding and retaining district leaders who are best suited for the particular characteristics and challenges of a given district. There are many other factors other than size that come into play when compensating leadership—a superintendent's tenure, the characteristics of the students served by the districts, the nature of the community, etc.

Also, to a large extent the process of hiring a superintendent is tied to the circumstance of the time; a district, whether large, small or in-between, cannot choose to hire a superintendent when market conditions are favorable. Given the crucial nature of the position, districts try to fill the job with a highly qualified candidate as expeditiously as is reasonable.

### **Finding 4**

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

The price of hiring a search firm, weighed against the benefit of bringing in a strong pool of highly qualified candidates, does not seem "costly." A more costly approach would be to undertake anything less than an intensive search for the right candidate. The current superintendent is in his 5<sup>th</sup> year of tenure in Mountain View Whisman School District.

### **Recommendation 4**

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

The recommendation will not be implemented because it is not warranted. The Board is not currently undertaking a superintendent search, but will consider this option when the time is appropriate.

Superintendent search firms do survey local leadership when attempting to fill local openings. However, qualified candidates are not always available locally. To conduct a local "preliminary search," separate from an all-out search, would only delay the process and potentially leave vacant for longer than necessary a district's most important leadership position.

#### **Finding 5**

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

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.*

The recommendation has not yet been implemented, but will be implemented by the District in the future.

#### **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.*

To draw cost-benefit conclusions on the basis of superintendent costs per student can be a highly misleading approach. The finding needs additional data related to administrative costs of varying size districts.

#### **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.*

Local boards and trustees cannot implement the recommendation because under the California education code, consolidation of school districts is relegated to the people who live in the school district. Should communities wish to join with other communities to create larger school 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 in the past to consolidate, but for the most part they have established a strong tradition and preference for local control of school districts. Mountain View Whisman School District is a result of a consolidation of two district, which took place in 2001.

Sincerely,



Philip Palmer  
President, Board of Trustees