



# Sunnyvale School District

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Benjamin H. Picard, Ed.D., Superintendent

**FILED**

SEP 25 2009

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

September 18, 2009

Don Kawashima, Foreperson  
2008-2009 Civil Grand Jury  
Santa Clara County Superior Court  
191 North First Street  
San Jose, CA 95113

Re: Grand Jury Report- Who Really Benefits from Education Dollars?

Dear Mr. Kawashima,

I am writing in response to your letter of June 24, 2009 to the Board of Trustees of the Sunnyvale School District. As required our responses to the Grand Jury Report Who Really Benefits from Education Dollars are submitted in compliance with California Penal Code 933.05. All responses were approved by the Board of Education at their meeting of August 20, 2009.

Should you have any questions related to this matter please do not hesitate to contact me at (408) 522-8200 ext. 202.

Sincerely,

Benjamin H. Picard, Ed.D.  
Superintendent

Enclosure

Board of Education

Jeffrey Arnett • Wendy Bockholt • Phyllis Fowler • Anita Herrmann • Nancy Newkirk

## 2008-2009 Grand Jury Report:

### Who Really Benefits From Education Dollars

#### 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*

##### Response:

Sunnyvale School District (SSD) has not provided District paid health and welfare benefits for school board members since the early 1990s. Board members have the option to purchase health benefits at their own expense through the District's group plans.

Travel and conference costs paid by the District for school board members are minimal. There is typically only one annual conference (California School Board Association's Annual Conference (CSBA) attended by most board members and occasionally board members attend other workshop/training sessions also sponsored by CSBA. CSBA provides professional development training on board member roles and responsibilities, educational policy and legal issues, and other current topics related to public education advocacy.

SSD does not contribute to pensions for board members.

##### *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.*

## 2008-2009 Grand Jury Report:

### *Who Really Benefits From Education Dollars*

**Response:**

The superintendent's job is demanding and the responsibilities are large and superintendent salaries are driven by competition and the market. The Sunnyvale School District superintendent's contract has recently been negotiated and prepared by district legal counsel in accordance with Education Code and approved by the Board of Education. The contract provides total compensation that is competitive and reflective of prevailing practices, but not excessive. The Sunnyvale School District superintendent's contract does not provide many of the items listed by the Grand Jury such as: housing allowances, housing loans, signing bonus, performance bonuses, per diem payments when out of the district, excessive travel and entertainment expenses, salary increases triggered by increases to teacher salaries, pension allowances in addition to PERS, advanced degree stipend, lifetime medical insurance benefits and district paid annual physical.

**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.*

**Response:**

Sunnyvale School District provides a total compensation package to the superintendent that is competitive and reflective of prevailing practices among Santa Clara County and California school districts of similar size. The superintendent is held responsible for an array of general, personnel and administrative functions defined within the contract. Also by contract the Board of Education holds the superintendent accountable to manage the district consistent with the approved policies which establish what the Board expects the schools to accomplish.

**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.*

**Response:**

There is a well-documented shortage of well-qualified candidates for superintendent positions. Many of the specialized search firms provide an effective recruiting, vetting and selection process and service that may be beyond the scope and capacity of the local school district to provide. When a superintendent vacancy occurs it is the goal of the Board of Education to select the best qualified candidate from the largest and most talented pool of candidates possible.

**2008-2009 Grand Jury Report:**

**Who Really Benefits From Education Dollars**

**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.*

**Response:**

School districts often are involved in complex legal issues requiring specialized expertise and considerable legal capacity and resources. Sunnyvale School District annually reviews its legal service contract for quality of service and cost in order to ensure maintaining a balance of high quality and cost effective legal counsel representation.

**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.*

**Response:**

Consolidation may provide an economy of scale and reduce overhead expense. However, consolidation of schools is a complex process and would require a thorough and thoughtful study and the involvement and support of the many stakeholders representing the affected school districts, cities and Santa Clara County. The benefits of the economies of scale would have to be weighed against a preference for local control of school districts and a tendency among the public to favor smaller districts. The Santa Clara County Office of Education currently offers many centralized services, such as, alternative schools, special education, finance and technology services. These centralized services reduce duplication of effort and overhead operating expense for school districts.