



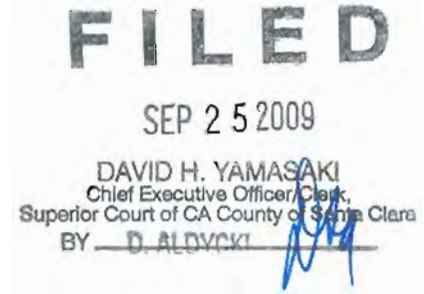
# UNION SCHOOL DISTRICT

5175 Union Avenue, San Jose, CA 95124-5434  
Phone 408-377-8010 • Fax 408-377-7182  
www.unionsd.org

Jacqueline Horejs, Ed.D.  
Superintendent

September 21, 2009

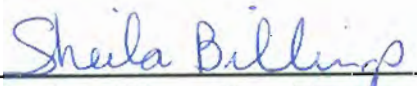
Don Kawashima, Foreperson  
2008-2009 Civil Grand Jury  
Superior Court Building  
191 North First Street  
San Jose, CA 95113

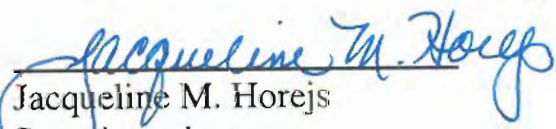


Dear Mr. Kawashima:

Attached please find Union School District's response to your final report dated June 24, 2009, "Who Really Benefits from Education Dollars."

Respectfully,

  
Sheila Billings, President  
Board of Trustees  
Union School District

  
Jacqueline M. Horejs  
Superintendent  
Union School District

Enclosure

**UNION ELEMENTARY SCHOOL DISTRICT**  
**Response to Grand Jury Findings and Recommendations**  
**“Who Really Benefits?”**

**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*

Union Elementary School District disagrees with the finding. Trustees in USD do not approve “overly generous benefits” to themselves. Board members provide countless volunteer hours beyond the time dedicated to Board meetings and school events. 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 and pension contributions are among the only avenues available to attract and keep qualified candidates.

Union Elementary School District has already reduced travel and conference costs and has historically ensured that all of these types of expenditures are not excessive.

**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 recommendation to eliminate health benefits for Board Members will not be implemented because it is not warranted. As noted previously, because the compensation for trustees is low, benefits are one of the only ways school districts can recruit and retain highly qualified members of the community to serve in these important roles.

The recommendation to minimize travel and conference costs has been implemented.

The recommendation to eliminate pension contributions will not be implemented because it is neither warranted nor feasible. CalPERS requires pension contributions if salary compensation is provided.

**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*

Union Elementary School District disagrees with this finding. The Superintendent's salary and benefits in Union Elementary School District is lower than the average of neighboring districts of similar size. School Boards face considerable challenges in attracting and maintaining qualified applicants for the demanding and high profile position of superintendent. The high cost of living in Silicon Valley necessitates the type of compensation packages that will attract and retain high quality leaders. In the vast majority of cases, the benefits are not "overly generous," but in line with the realities of market supply and demand.

**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 be partially implemented. On an annual basis, the Board of Trustees in Union Elementary School District carefully reviews salary and benefits agreements during the Superintendent's performance evaluation.

**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.*

Union Elementary School District disagrees with the finding. Superintendent salaries are usually related to the size of the district. In addition, most superintendents have academic performance and improvement goals tied to their evaluations and potential salary increases.

**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 Union Elementary School District, the Board of Trustees has established success indicators and priorities for the Superintendent which

include students' progress and quantifiable metrics. Progress toward those is taken into consideration in annual performance evaluations.

The remainder of the recommendation will not be implemented because it is not warranted. Many factors in addition to size of a district need to be considered when determining leadership compensation. Prior experience, an area's comparable compensation agreements, unique challenges facing districts, and other factors need to be considered when determining fair compensation for top leadership.

**Finding 4**

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

Union Elementary School District disagrees with the finding. Some districts do conduct their own searches. Oak Grove School District recently hired an internal candidate for its vacant Superintendent position, and Luther Burbank School District in San Jose utilized the services of the Santa Clara County Office of Education for its most recent search.

**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. Some districts already do informal preliminary searches to identify potential internal candidates. Unfortunately, qualified candidates are not always available locally. It is important that Boards of Trustees have the discretion to recruit successors for retiring or dismissed Superintendents in a manner they believe will result in finding the most qualified candidate.

**Finding 5**

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

Although we are unaware of the hiring practices of other districts, Union Elementary School District agrees with this finding. School districts are faced with complex legal issues that require legal expertise, in some cases at great cost to the district. Costs are related to expertise, the amount of time expended, and the quality of the service received.

**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 been implemented. Union Elementary School District uses County Counsel for all cases in which specialized expertise of other firms is not required. We are unaware of the legal practices and requirements of other districts.

**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.*

Union Elementary School District disagrees with the finding because it is based on an erroneous assumption that Superintendent costs should be justified on a per student basis.

**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.*

The recommendation will not be implemented. Under the California education code, voters who reside in the school district are responsible for determining whether or not districts should consolidate. A vote of the electorate is required to change district organization. A relatively recent proposal to unify elementary and high school districts in west San Jose was resoundingly defeated by voters. Voters in the Union Elementary School District community have a strong preference for local control of schools.