

# **UKIAH UNIFIED SCHOOL DISTRICT: A HOUSE DIVIDED**

**March 8, 2012**

## ***Summary***

The Grand Jury (GJ) received complaints questioning Ukiah Unified School District (District) financial and business practices, the process of administration decision-making, transparency, and the administration's style of leadership. The complaints documented the antagonism among the Ukiah Teachers Association (UTA) and California School Employees Association (CSEA) union members and District administration. The relationship among these entities resulted in 28 formal grievances and unusual expenditures for legal advice to District administration, at a cost never before experienced in the District.

Every complaint mentioned inadequate communication between administration, and the combination of teachers and principals. There was also a loss of individual schools' autonomy, including the use of Title I funds. Staff interviewed missed the sense of partnership they had experienced with previous administrations. The GJ investigated each of the complaints to see if they were justified and if there were common causes.

Given the challenges the District is facing, one would hope that the administration and Trustees, district employees, teachers, parents and community members would make a concerted effort to work together. Starting in 2009, an unworkable relationship developed between the Superintendent and the education community. The 2011-2012 GJ was asked to investigate this adversarial situation.

## ***Background***

Public school districts in California have been under severe pressure for several years. The District has suffered losses in funding from the State and Federal governments, increases in the number of charter schools, high truancy rates, and declining enrollment. Under the implementation of "No Child Left Behind", all but one District School is now in Program Improvement (PI), based on inadequate improvement in State test scores in math and Language Arts. This situation has the potential for the State to take-over the school district.

The current economic situation has resulted in the closing of two schools and increased class size. This situation has community members and school staff outraged that the Trustees and administration pursued their plans for building a new District Office, prior to making needed school repairs. Some additional concerns expressed by the community and school staff about the District, included unusually high legal fees, initiation of an expensive energy savings program, and a lack of oversight by a professional fiscal person.

The GJ found there was a reduction in funding for California (CA) school districts as a whole and a threat of additional mid-year state budget cuts. The District had a history of excessive staff changes in fiscal management. Concurrently, the District had shown unsatisfactory student performance improvement scores in Standardized Testing and Reporting (STAR) lower than the CA state averages. All but one school in the District was in PI, with 6 out of 10 schools in PI longer than four years. The District Assistance and Intervention Team (DAIT) was mandated by the State Department of Education (State) and assigned to make changes in the District to increase student learning and improve testing scores.

The GJ found that in the past three years the Trustees and administration took a number of unpopular unilateral economic and other actions without adequately communicating the need for these changes. School staff, parents and the community lost respect for the Board. It was reported that the staff and public's issues and opinions were unheard, ignored, and/or discounted. As a result, three new Trustees were voted to Board positions in November of 2011.

Specific complaints included:

- “Top-down management” rather than a collegial relationship
- Inconsistency between administration and staff mandated leave days
- Previous years’ budget errors
- Changing the health plan contractor contrary to Health Care Committee recommendations
- Charging administrative costs and legal fees to the health care budget, which had not been done in previous years
- The Superintendent mandating that the schools use a new standard teaching technique, without input from teachers and principals
- Requiring prior approval for individual schools to spend funds that had previously been determined at the site level
- Ordering new computer equipment for libraries and technology for classrooms without input from library staff and classroom teachers
- Instituting an expensive energy saving program without seeking available free local programs or going through a formal bidding process
- Continuing plans for a new administration building during a period of severe cutbacks
- Disallowing Trustees from participating fully in fiscal discussions and decision making if they have an immediate family member employed by the District

## ***Methods***

The GJ interviewed past and present District employees, Trustees, and members of the community with educational and financial expertise. The GJ reviewed budgets, contracts, legal documents, reports, Student Accountability Report Card (SARC), and a UTA prepared opinion questionnaire with responses.

## **Findings**

1. Mendocino County Office of Education reported that financial decisions and expenditures conformed to State regulations.
2. With a threat of 2010-2011 mid-year cuts, reduction of costs was a prudent decision. However, there was inadequate information or explanation of changes in financial practice given to employees.
3. The reserves for 2010-2011 were \$6,585,532.80, which is higher than the 3% required by the State. Considering the District's monthly payroll is over \$3.6 million, the State required 3% reserve would cover less than two months of payroll.
4. Late budgets and some fiscal errors were a result of inconsistent handling by fiscal staff.
5. In 2010, a Chief Business Officer (CBO) was hired, who produced timely, understandable budgets, and assigned charges to appropriate categories.
6. The CBO instituted a policy of prior approval of purchase orders by the Fiscal Office, a practice that had not been routinely followed in the past. This was done without adequate explanation.
7. Staff and community members reported that the current Superintendent had a "top-down" style of management, appeared to be threatened by challenges to her decisions, and used extensive legal consultation before replying to requests for information.
8. The Superintendent did not sufficiently involve principals, teachers, and other staff in decision-making processes.
9. In the face of community and staff opposition, Administration and The Board of Trustees proceeded with planning for the building of a new District Office.
10. Community members and District staff voiced concerns that serious school repairs needed to be made before a new District Office was considered. The official school repair list includes the following:
  - Eagle Peak: \$136,500
  - Calpella: \$490,200
  - Ukiah High School: \$7,770,000
  - Pomolita: \$1,175,000
  - Frank Zeek: \$729,000
  - Yokayo: \$358,000
  - Oak Manor: \$759,400
  - Nokomis: \$322,000
  - Grace Hudson: \$127,000
11. There was confusion over mandated leave days:
  - Administration took 5 days in 2009-2010
  - UTA took 5 leave days in the following year.
  - CSEA did not agree to take any leave days.
12. Prior to the 2007 school year, grievances were resolved at the school level, with only one grievance reaching the District level.
13. During the period 2007-2009, there were four grievances, all resolved with the UTA. However, during the period 2009-2011, there were 28 grievances, some of

which ended up in arbitration. Both grievance and arbitration procedures are very expensive.

14. Prior to the 2010 budget, legal fees and the cost of an administrative assistant's time had never been charged to the health plan.
15. Administration conformed to Health Insurance Portability and Accountability Act (HIPAA) regulations. However, this did not excuse the District Administration from providing more information to the District Health Committee regarding legal fees charged to the health plan.
16. Differences over selecting a health plan administrator and charges to health plan participants resulted in multiple grievances, some of which were resolved by mediation. One is currently in arbitration.
17. Language in the UTA and CSEA contracts states that the Health Committee was authorized to "...negotiate a contract with consultant and adjudicate problem claims." However, employee contracts did not clearly state that the Board of Trustees had the final fiduciary responsibility for contracts.
18. Administrative legal fees were \$899,000 in the past four years.
19. The District instituted an expensive energy saving program without seeking available free local programs or researching other, less-expensive programs.
20. The basic energy saving contract costs to date have been \$379,900 and the District is still liable for two additional payments of \$157,000 each. The Superintendent reported to the Board considerable savings from the program. However, the GJ reviewed documents showing no such savings from the first three years.
21. District Trustees who have an immediate family member employed by the District are not allowed to participate in discussions or to vote on fiscal matters affecting employees. However, Education Code section 35107 clearly allows Trustees to discuss and vote on matters affecting a class of employees rather than a unique individual.
22. Several Trustees have served many years on the Board and exhibit limited understanding of the fiscal operations of the District.
23. Public expression at meetings has been limited to the beginning of the agenda, without the Trustees responding.
24. The GJ heard testimony from many community members that the Superintendent, by maintaining a primary residence in Southern California, was not committed to the community.

### ***Recommendations***

The GJ recommends that:

1. Trustees be trained in fiscal oversight and financial management. (Finding 22)
2. Public expression at Board meetings should be held at the end of each item on the agenda, and the Board should be encouraged to respond. (Finding 23)

3. Teachers and other staff members be included in planning major changes to educational programs, processes or procedures. (Finding 8)
4. Reasons for major changes be adequately communicated to personnel affected by those changes. (Findings 2, 6, 8,10, 14-16, 23)
5. Administrators and unions be encouraged to develop a mutually respectful working relationship. (Findings 7-9, 11-13, 15, 16)
6. The health committee portion of the contracts for UTA/CSEA be amended to give clarity to designation of responsibility and authority. (Finding 17)
7. The contracts for UTA/CSEA be amended to allow mediation before arbitration if grievances cannot be resolved at the local level. (Finding 18)
8. Trustees monitor, analyze, and approve legal expenditures of the District administration. (Finding 18)
9. In the future, the Trustees should first seek out local, free programs, prior to committing to under-researched and expensive contracts that ignore or leave out a bidding process. (Findings 19, 20)
10. District legal staff consult with other districts to discover how board members, who have a spouse employed by a district, handle discussion and voting on fiscal matters. (Finding 21)
11. In the selection of a future Superintendent of Schools, the Board select a candidate who is willing to make their home in the community. (Finding 24)
12. Children's needs and safety (*e.g.* the asphalt at Pomolita school) be paramount in all administrative and Trustee decisions. (Findings 9, 10)
13. Completing all school repairs take priority over the planning and construction of a new District Office. (Findings 9,10)

### ***Discussion***

As the adversarial positions of the Union and District administration became polarized and entrenched, it was more difficult to find common ground or resolution of many issues. There was an unwillingness to see the other's point of view, widespread distrust, and an inability to focus on the financial situation and academic problems facing the District. With three new Trustees and a search for a new Superintendent, the GJ is hopeful that the unions and administration will find a better method of mutually resolving issues, in order to provide a positive model for problem solving.

***Required Responses***

District Board of Trustees (All Findings; All Recommendations)

District Superintendent of Schools (All Findings; All Recommendations)

***Requested Responses***

President Ukiah Teachers Association (Findings 7-17, 19, 23, 24; Recommendations 2-7, 13)

Local Delegate CA State Teachers Union (Findings 7-17, 19, 23, 24; Recommendations 2-7, 13)

California School Employees Association (Findings 7-17, 19, 23, 24; Recommendations 2-7, 13)