

Centinela Valley school district spends more than double the state average on administration

By Rebecca Kimiich, The Daily Breeze
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Administrative costs are among highest in the state District spends more than double the state average on district administration



The same school district that made Jose Fernandez perhaps the most highly compensated superintendent in California last year also spends two-and-a-half times the state average on its administration as a whole.

The Centinela Valley Union High School District spent an average of \$1,150 per student on districtwide administrative costs in the 2011-12 school year, the latest year for which such data is available, according to the California Department of Education. California school districts spent an average of \$468 per student in 2011-12.

Centinela's administrative spending figure was the second highest among the more than 80 school districts in Los Angeles County, following the single-school Gorman Elementary School District.

The four previous school years show similarly high administrative spending at Centinela, according to the Department of Education. The figures are for districtwide spending only and do not include the administration at individual high schools.

But what is driving the spending isn't exactly clear.

Of the \$6.9 million that Centinela spent on district administration in 2011-12, a little more than half was for salaries and benefits. The rest went toward legal fees, consulting services, travel and conferences as well as other "services and operating expenditures."

Ron Hacker, assistant superintendent of business services, said spending on financial consultants and legal fees is largely responsible for the higher spending, although he could not provide specific figures. The Daily Breeze requested information regarding Centinela's attorneys' fees three weeks ago and is still awaiting a response.

"We are working hard to reduce legal and those other expenditures," Hacker said.

Centinela Valley has been under fire since it was revealed in a Daily Breeze report on Feb. 9 that Superintendent Jose Fernandez received \$663,000 in total compensation last year. As a result of the criticism, Fernandez announced at a school board meeting Tuesday that he would voluntarily cut several perks from his salary through the end of the fiscal year, resulting in a salary of \$295,000.

Despite that announcement, a steady stream of parents, students and residents blasted school board members about Fernandez's contract for more than two hours at the board meeting. They also criticized board members for giving Fernandez a \$910,000 low-interest home loan in 2012, even though he was in the middle of his second bankruptcy."

"You should all be ashamed of yourselves. There is no justification for the reckless spending. The damage has been done. There is only one solution — Mr. Fernandez needs to resign immediately. ... The school board members, you also need to resign," Hawthorne resident Regina Dinnell told the board, echoing the sentiments of many members of the public.

Some of those who attended the meeting also questioned how much other administrators make and asked why the district isn't spending more on books and students.

Hacker and other district officials said that while spending on districtwide administration might be higher than average, spending on instruction is slightly above average as well.

In 2011-12, the district spent \$5,615 per student on instruction. The state average was \$5,475.

Spending also was slightly above average on instruction-related services, which included expenses for the technical and logistical support for teachers such as research and staff development (\$1,189 at Centinela and \$1,029 statewide), pupil services (\$851 at Centinela and \$687 statewide) as well as books and supplies (\$366 at Centinela and \$340 statewide).

"It would (be) false and unfair ... to conclude or imply that because of its administrative costs Centinela Valley is shortchanging students. ... The big picture reveals that Centinela Valley has the right spending priorities. Its focus is on students," said John Schwada, a public relations consultant hired by the district in late February for a fee of \$175 an hour. Schwada's contract cannot exceed \$24,000.

Teachers Union President Jack Foreman disagreed with the district notion that high spending on administration is acceptable if matched by above-average spending on instruction.

"That is the stupidest thing I have ever heard in my life," he said. "It has come out in the Breeze's own articles that we are a very high-needs community. We need above-average spending to improve the education for these kids we are serving. So if our test scores and social problems and our high-needs students are not adequately being met, that funding should go toward filling that gap, not toward administration."

The district's test scores — while on the rise — remain the lowest among all 80 school districts in Los Angeles County. Its dropout rate — while improving — now sits at 24 percent, according to the latest available figures from the state.

About 72 percent of students at Centinela qualify for free/reduced lunch and about 24 percent of students at Centinela are considered English language learners. Hacker and Schwada pointed to these figures as one reason Centinela's administrative spending is so high.

"There are costs associated with having a lot of students from a community with a lot of poverty," Hacker said.

For example, the district covers the cost of insurance for students participating in organized sports — a cost that might be paid by parents in more affluent districts, he said.

Hacker also said the smaller size of the district, which serves about 6,600 students, contributes to higher administrative spending.

"There are efficiencies of scale in everything," he said.

Still, Centinela spends twice as much on district administration as similar-size districts with similar-size populations of English language learners and students who qualify for free or reduced lunch.

Medium-size school districts — those with 3,000 to 10,000 students — that have a similar number of students qualifying for free or reduced lunch (70 to 80 percent) spent, on average, \$550 on district administration, still less than half what Centinela spent. Likewise, medium-size districts with a similar number of English language learners students (20 to 30 percent) spent, on average, \$547.

Administrative costs are also typically higher for high school districts, according to experts. Still, among 80 high school districts in the state, only eight had higher administrative spending than Centinela.

And while most high school districts direct 6 percent of their budgets to district administration, Centinela directed 11 percent of its budget toward administration.

Foreman said the district spends too much on consultants and lawyers for functions that could be done by district staffers.

"Even this public-relations guy, that is crazy, too. We're spending \$24,000 on him. This is a school system — that is money that needs to go primarily to the classroom," he said.

Hacker said the district two years ago was still paying for outside consultants to help it through a fiscal crisis it faced in 2008 and had unusually high-legal expenses due to "protracted legal battles." Spending on both has been reduced this year, he said.

The district was on the brink of bankruptcy in 2008 and, with nearly \$1 million in deficit spending, the Los Angeles County Office of Education stepped in to manage the district's finances.

"In (20)11-12, we were still on the tail end of a fiscal crisis. We were no longer under county control, but we had outside people helping us get our house in order," Hacker said. "We have weaned ourselves off those.

"We are making concerted efforts to reduce our legal — we inherited some things and some long, protracted battles that we had to get through. We are past a lot of that. We are not the same district we were two years ago."

The district also has worked to reduce its workers' compensation claims in an effort to reduce the cost of its workers' compensation insurance, Hacker said. It was recently honored by the Alliance of Schools for Cooperative Insurance Programs for these efforts.

Foreman and Hacker both said districtwide staffing levels are appropriate.

"I see no evidence that they were overstaffed," Foreman said. "Especially during those financial crisis years — they had very thin staff in that building."

Centinela is made up of just three high schools — Lawndale, Leuzinger and Hawthorne — but Fernandez's compensation in 2013 more than doubled his peers in larger South Bay districts and was larger than even Los Angeles Unified School District Superintendent John Deasy.

Salaries of three Centinela assistant superintendents are closer to those of nearby and similarly sized districts. Assistant Superintendent of Human Resources Bob Cox and Assistant Superintendent of Educational Services Allan Mucerino and Hacker have base salaries of \$152,625.

By comparison, the Culver City Unified School District, which is similar in size, the base salary of assistant superintendents ranges from \$113,579 to \$132,875, according to its salary schedule.

At El Monte Union High School District, which is demographically similar to Centinela but has a slightly larger student population, assistant superintendents' base salary ranges from \$126,664 to \$133,497, according to its salary schedule. And, at nearby El Segundo Unified, assistant superintendents' base salary ranges from \$124,950 to \$139,944.

None of the figures includes longevity pay.

Centinela assistant superintendents receive a longevity salary increase of 3 percent at five, 10, 15, 20 and 25 years. They also receive pay raises when either certified or contract employees do. And they receive a \$600 monthly car allowance, a \$200 monthly cellphone allowance, health benefits and life insurance, according to Hacker's contract.

Hacker's total 2013 compensation was \$163,474, Cox's was \$162,225 and Mucerino's was \$164,938, according to the Los Angeles County Office of Education.

Their work year is 240 days — 25 days more than Fernandez's work year — and they receive 24 days of paid vacation.

In addition, various directors in Centinela's district administration start at a base salary of \$98,898, which grows to \$121,914 after 3.5 years.

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