

Follow Up to Public Comment at 4/4/2019 Board Meeting

From:

To: robert.haley@sduhsd.net; beth.hergesheimer@sduhsd.net; melisse.mossy@sduhsd.net; maureen.muir@sduhsd.net; joyce.dalessandro@sduhsd.net; kristin.gibson@sduhsd.net

Cc: bryan.marcus@sduhsd.net; mark.miller@sduhsd.net; tina.douglas@sduhsd.net; cindy.frazee@sduhsd.net

Date: Friday, April 5, 2019, 07:10 PM PDT

At the school board meeting I asked a few questions with respect to the new policies. I wanted to share those questions in writing with back up information and also address a response Dr. Haley shared with another community member earlier this week.

Item 12 4/4/2019 Board Meeting Questions for the Board and Dr. Haley:

1. How does the District plan to ensure board policy is enforced moving forward?
2. When will the public be provided a copy of "agreement to grant district the right to audit group's financials" as stated in AR 1230#6
3. Why does BP1230 not specifically state Foundation(s)? Note: there seems to be confusion by the foundations -- they act as if they are above policies so does school site personnel (specifically Coppo). The Board needs to be clear about Foundations -- the Foundation is just a glorified "booster" on the extra-curricular side that does not follow booster rules or best practices.
4. Will there be a certain time in the year when the Board will require the annual authorization for the foundation to continue to fund raise on behalf of the District as stated in AR1230.
5. AR1230 - Rules to be followed by school-connected organization #4 - no commingling of funds. Right now funds are co-mingled. Public School Sponsored activities are 100% the funding responsibility of the public school. What does it cost to run sports, dance, debate, robotics, etc at our public schools. If there is a shortfall -- then the foundations should raise money and "donate" what is raised to benefit the public school activities. This is not happening.
6. AR1230 - States the organization shall not hire or directly pay district employees. This is happening now. How will we ensure this is not happening. The District has current Policy that states this; yet it is still happening. How will this policy be enforced?
7. What reporting mechanism will the District enforce to ensure the public is not being taken advantage of by the Foundations that operate in the name of the Schools? Over the past 3 years there is at least \$15M unaccounted for at the Board level. BP3290 states all donations have to be accepted by the school board.

Dr. Haley - early this week you wrote the following about our Foundations in a response to another community member:

1. By law, foundations are separate legal entities with their own bylaws and federal reporting requirements.
2. It is legal for them to be on district campuses and is very common in the State of California. This is similar to many schools giving space for PTAs and booster groups.

Comment - As you saw from research by [redacted] the practices by our District Foundations are not common practice in San Diego County like District. How are you going to ensure that best practices are followed by both the District and Foundations going forward?

3. Foundations do report to their boards, the school principals and the district. The individual principals meet with their Foundation Executive Directors and Board of Director Presidents regularly. The Superintendent, the Chief Business Official and the principals collectively meet on a quarterly basis with the Foundation Executive Directors and Board of Directors Presidents.

Comment - Foundation board meetings are private meetings. What exactly are the foundations "reporting" to the school principal and the district? The public is constantly asking for transparency regarding the flow of money between the Foundation and the District and the approvals being granted by the "site principals". This call for transparent practices continues to be ignored. When will the needs of the school be revealed to the public and the plan the foundation creates every year to fill that gap? The Foundation(s) state through their 990s, they pay out millions for programs to District Schools but only thousands are donated through the proper channel and transparent to the public? Why?

4. We do account for the donations we receive and ensure they are compatible with the school plans and the district's vision and policies. This is done at both the site and district level.

Comment - If this statement is accurate and you are following board policies then the Foundations may be committing fraud; since they state they are paying out for program services to District schools. The District stated in a public record on 1/22/2019 that all donations that have gone to the board are in the gift logs. So you are telling us that over \$15M of donations have never been approved by the school board? Or are you telling me that the Foundations are stating in their IRS documents that they give money to the school but they are not actually doing that? According to

Again, I support the role of Education Foundation in public education. However, abuses of power in our District have led me to conduct an analysis of Education Foundations (EF) in our District area and in San Diego County Board of Education "SD County" District 5 "District 5" concludes that San Dieguito Union High School District "San Dieguito" is the only School District in District 5 that allows its EFs complete access to District resources. I have developed a spreadsheet that tracks School Districts and their respective EF (s) and will make this data available upon request.

Here is a summary of my process and what I have discovered thus far.

First, I checked the SD County website and downloaded their list of School Districts (44). San Diego County is divided into five Districts. San Dieguito is in North County Coastal - District 5.

I initiated the investigation with the EFs in District 5 as it contains the most likely peer group.

Secondly, I checked and cross-checked District, School and EF websites to determine the level of separation between the entities.

Third, I checked each School District website to determine if there was an EF connected to that District identified on the District website.

And then, I contacted the School District and asked a series of questions about the EFs and their relationship to the School District.¹

For Districts with school site fundraising model EFs² vs. District wide fundraising models³, I then checked each school website and contacted each school site to confirm the relationship between the District/School and the EF.

Finally, I checked each individual website for the EF (s) affiliated with either the District or the school. I also contacted each EF to confirm my findings and resolve any unanswered questions.

Here is some relevant information.

In District 5, there are 13 School Districts⁴ for the purposes of this analysis and to avoid double counting Poway Unified School District "PUSD" or "Poway" data, I have included all 38 Poway schools in our District 5's analysis.⁵

Here are my initial findings;

In 13 School Districts, there are 37 non-profit EFs.

¹ If I did not see an EF listed on the website, I confirmed that there were no EFs associated with said District. There are four such School Districts in District 5: Oceanside, Fallbrook Union, Fallbrook Unified and Vallecitos.

² Poway and San Dieguito

³ Rancho Santa Fe, Del Mar Union, Solana Beach

⁴ San Diego County Board of Education Districts 4 and 5 share PUSD

⁵ School Districts in District 5: San Dieguito Union, Del Mar Union, Solana Beach, Encinitas Union, Cardiff, Rancho Santa Fe, Fallbrook Union High, Fallbrook Union Elem, Vallecitos, Oceanside, Poway Unified, Bonsall and Carlsbad

This seems like a lot of EFs for 13 Districts, I understand.

Bear in mind that PUSD has a District Wide EF (to resolve disparities in equity) and individual EFs for almost every school. There are 38 schools in the PUSD with a total of 25 EFs.⁶

Of the these 37 EFs, only 2 School Districts allow the EF to occupy office space on District Property.⁷

Of the 37 EFs, two other School Districts allow the EF to occupy office space on school campuses.⁸

Of 37 EFs, only one school district allows the EF complete access.

Complete access includes use District email, phone, resources (including access to the District server), access to District parent and student database and use of facilities to house the EF office (s) and employee benefits (such as front row graduation seating).

Can you guess which school District? Yes, that's right. San Dieguito.

Pie charts depicting the data follow.

Conclusion:

As the pie charts demonstrate, the argument that all the school districts treat their affiliated education foundations the same as San Dieguito is false.

From this data, one could extrapolate that our District and their Foundations are linked in a manner that exceeds the best practices for both EF and School Districts. I urge the District to conduct a full investigation and remediate the situation immediately.

It is important to recognize that in order to protect the School District's "free" public education status, the District must remain independent of the EF. In order to protect the EF's non-profit status, the EF must remain free of District oversight and management.

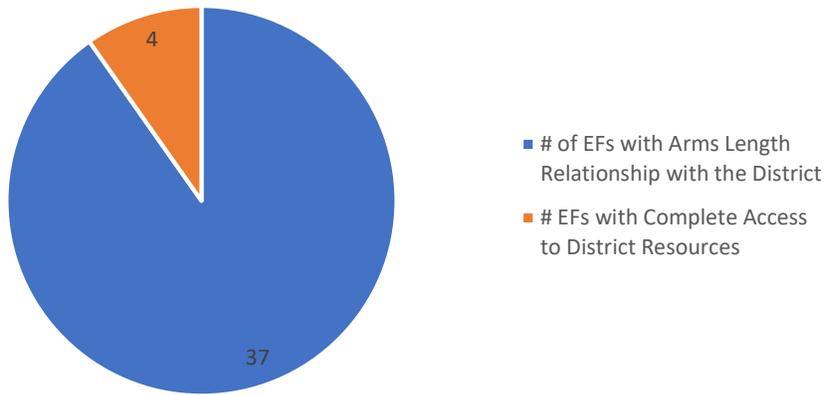
Why is this important? As past President of the Canyon Crest Academy Foundation, I know that this unfettered access to District resources has provided both the Executive Director and the Foundation with significant leverage over the school district. As a result, the District has allowed both illegal and inappropriate activities to occur on our campuses and in our District. These offenses may include, but are likely not limited to, misuse of public funds, misappropriation of public funds, bribery and extortion, harassment, abuse of power and other abuses.

⁶ Not all schools have their "own" EF. The PUSD Foundation (PUSDF) is housed at a District facility but is not located on a school campus. The majority of the school specific EFs have a mail box and voice mail access to phone systems at the school sites, but to my knowledge, none are physically housed on school sites. At a quick glance, it appears that the EFs are housed on school facilities because their mailing addresses are the same, but when I checked with each school, I was told that there were no facilities allocated to the Foundation. I confirmed this information with the EF as well. None. A representative from PUSD confirmed this information and confirmed that while there is a generic Board Policy regarding EF (s), there is no board policy that specifically addresses the matter of housing EF (s) on school campus(es).

⁷ Rancho Santa Fe; District wide, and Poway; District wide,

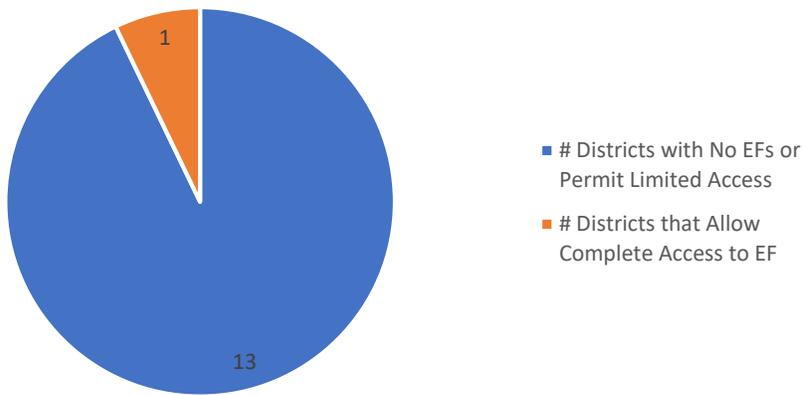
⁸ Del Mar Union School District offers the Del Mar Education Foundation (a District wide Fundraising model) use of excess facility space at Ashley Falls Elementary School. San Dieguito offers four EFs (school site fundraising model) at their respective school sites.

District 5 Education Foundation Analysis



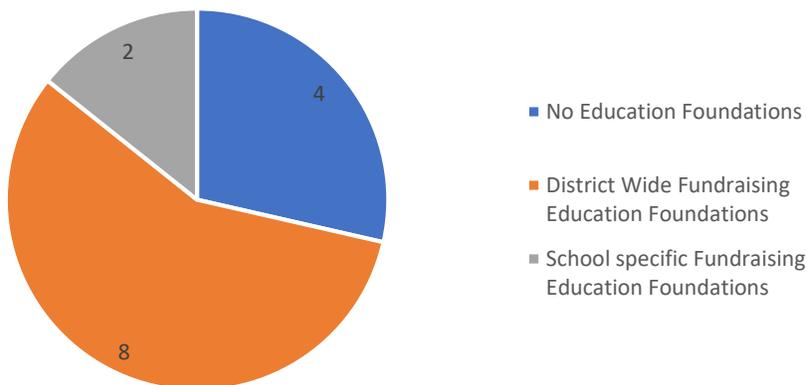
The above chart depicts the relationship between the Education Foundations and their School District in District 5.

District 5 District Resource Access Analysis



This chart depicts the relationships of School Districts and their affiliated Education Foundations regarding access to resources in District 5.

District 5 Fundraising Type Analysis



This chart depicts the Fundraising Types in the Districts in District 5. Poway is represented twice as this District allows both types.