



OFFICE OF THE
UTAH STATE AUDITOR

September 20, 2013

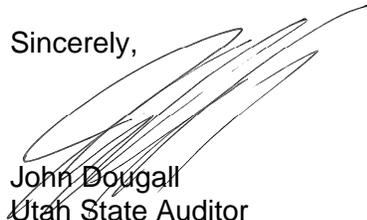
John Robson
215 South State Street, Suite 1200
Salt Lake City, Utah 84111

On June 18, 2013, you submitted a GRAMA request to the Office of the Utah State Auditor asking for the following:

- "1. Any correspondence, email or other communication between the office of the Utah State Auditor and any other party regarding the Board of Education of Salt Lake City School District or the Salt Lake City School District (collectively referred to as the "District").**
- 2. Records related to any complaints about the District received by the Office of the Utah State Auditor from any individual or entity.**
- 3. Any documents provided to the Office of the Utah State Auditor under the its hotline program that relate to the District."**

We previously denied you access to documents pertaining to a complaint received by our office dated June 4, 2013 because the records are part of an on-going investigation and are protected under Utah Code § 63G-2-305(10) and (16). However, the complainant recently released his letter of complaint to the Salt Lake City School District, and publicly; therefore, this document is no longer considered "protected." As such, we have attached a copy of the letter of complaint from Michael Clara.

Sincerely,



John Dougall
Utah State Auditor



J. Michael Clára
Salt Lake City School Board
District Two

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4 June 2013 [revised]

HAND DELIVERED

The Honorable John Dougall
Auditor, State of Utah
Suite E310, East Office Building
Utah State Capitol Complex
Salt Lake City, Utah 84114

**COPY FOR YOUR
INFORMATION**

Re: Salt Lake City School District

Dear Mr. Dougall,

I am currently serving as a member of the Salt Lake City Board of Education. I am requesting that your office conduct an audit on the financial practices of the Salt Lake City School District.

As a member of the school board, I have a statutory responsibility to vote on a budget (**Title 53A Chapter 3 Section 402, Utah Code**). During this budget process, the Superintendent and Business Administrator provided the School Board with inconsistent and contradictorily financial information and student data.

Unfortunately, the School Board is scheduled to vote on the proposed budget this evening. I will be forced to cast a vote against the proposed budget, as the Superintendent and Business Administrator have peddled unreliable and questionable information about the District's finances.

Their actions have robbed me of the ability to represent the people that elected me to office. They have also interfered with my duties as a public servant by employing tactics of misdirection, misrepresentation and refusing to respond to questions I have posed in public meetings or in private emails during this four month budget process. Thus denying me the ability to make an informed decision (vote).

While I could cite multiple examples of their maladministration, I offer four separate financial incongruities for your consideration:

"Local school boards are the bedrock of our society, yet they are invisible to the public"

Señor Florez -Deseret News

Student Enrollment

During this budget process, the School Board was never presented with, nor allowed to discuss alternatives to increasing property taxes.

On **March 19, 2013**, School Board meeting, Ms. Robert's stated that 'our District was receiving less funding because our student population is not increasing'.

In this same meeting, I made the point that we should look at closing a school because our student population is declining. Ms. Roberts advised the Board that 'student enrollment was not on the decline and was actually increasing'. The Superintendent confirmed her statement and said that student enrollment was increasing because the school district offers 'choice'.

On **May 7, 2013**, during the budget discussion of the school board meeting, I asked if we had looked at closing an elementary school due to a decrease in student enrollment. The Salt Lake Tribune quoted me: "Board member Michael Clara wanted to know whether administrators had considered closing schools" (Salt Lake School District: Status Quo Will Take A Tax Increase –May 10, 2013).

On **May 17, 2013**, I received a copy of the proposed budget, the executive summary states that we have lost 231 students compared to last year.

On **May 21, 2013**, in the School Board meeting, I once again made the point that if student population is decreasing, we should look at closing a school as state funding is dependent on student growth.

Our current guidelines is to have 550 students per Elementary School. We could close three elementary schools utilizing that standard. Yet this alternative was quickly dismissed by the utterance of false statements as to student population within our district.

Superintendent and Business Manager's Contract

On **April 29, 2013**, I received a letter in the mail from a District employee advising me that the Business Administrator Janet Roberts and Superintendent McKell Withers receive a \$29,000.00 annual bonus each year under the budget title of "additive".

On **April 30, 2013**, I met with McKell Withers and Janet Roberts asking them to confirm the information in the letter. They denied the information that was given. I also asked them for copies of their contract. They gave them to me and asked that I not share the contract with anyone. I explained that I thought the contracts were already public information as the school board had voted on them.

Following that meeting, I discovered that there is no public record of the School Board taking a vote on the contracts. I did however, find a record of the School Board voting to re-appoint both the Superintendent and the Business Administrator at the June 5, 2012 School Board meeting.

The minutes of that meeting have an attachment of the recommendation to reappoint the two. This item was placed on the consent agenda and required no discussion from the school board.

In addition to the lack of a public vote on the contracts, the Superintendent's contract has the following language:

"This Employment Contract was approved by a vote of the Board of Education of Salt Lake City School District at a public meeting duly held on June 5, 2012, and has been made part of the minutes for that meeting".

Questions I pose to your office:

- Does a vote to reappoint constitute a vote on the contract?
- Why isn't the contract part of the public record as stated?
- Is the contract valid if it was not voted on?
- What steps does the board need to take in order to rectify this situation?

Title I Funding

On **April 22, 2013**, I was notified by district employees that they felt that Titled I funding was being used inappropriately. They reported to me that they work as Academic Math Coaches and that they are paid out of Title I funding, yet are required to work in non-Title I schools.

I looked up the information on the District's web page; in the Title I section, it states that the District expended \$644,220.00 on Academic Language Arts and Math Coaches, which they are reporting pays for 8.5 FTE.

Under the Math department section of the web page, it listed 15 Academic Math Coaches, showing that they are indeed working at both Title I and non-Title I Schools.

On **May 1, 2013**, I sent an email to the Salt Lake City School District, Business Administrator, Ms. Janet Roberts, asking for the number (how many employed) and funding source for the District's Academic Math Coaches.

On **May 2, 2013**, Ms. Robert's replied to the email and provided me and the entire school board with an attachment stating the funding source of the Academic Math Coaches:

- 9.0 FTE - Funded by Title I
- 2.5 FTE - Funded by Title II
- 2.5 FTE - Funded by School Improvement Grant (Federal)

On **May 8, 2013**, I filed a Title I violation complaint with the District's Title I Department and with the Title I office of USOE. The complaint was filed on the basis that the District was supplanting Title I funds instead supplementing local funding for Title I Schools. This issue was also a topic of discussion during the May 7, 2013 School Board meeting.

On **May 28, 2013**, I received a response from the Salt Lake City School District's Office of Title I stating that the Academic Math Coaches are actually funded out of Title I, Title II and K-3 Reading:

- 5.0 FTE - Funded by Title I
- 6.25 FTE - Funded by Title II & K-3 Reading

I have asked Ms. Roberts to please provide me a definitive explanation as to why there is such a wide discrepancy on how Title I funds are being expended. Ms. Roberts has refused to provide me an explanation.

Minimum School Program Funds

Title 53A Chapter 3 Section 402 section 2 of the Utah Code states the following:

Local school boards shall spend minimum school program funds for programs and activities for which the State Board of Education has established minimum standards or rules under Section 53A-1-402.

In the **May 7, 2013** School Board Meeting, Salt Lake City School District Administrator Janet Roberts stated that "*the legislature did not step up to the plate and fully fund growth...*" She showed us a power point slide (see meeting minutes) titled: **Impact of 2013 Legislative Session** with three columns on it. The first column is labeled "Failure to Fully Fund Growth (required to not cut current program).

Janet went on to explain that the District would need to increase taxes by 3.6 million in order to meet the shortfall created by the legislature etc. . .

On her power point slide she shows Enhancements For Accelerated Students. Ms. Roberts stated that this program would be cut if we did not increase taxes. She stated that \$220,000.00 would cut from the program because the legislature did not "fully fund growth" and we would need to cut \$35, 676 because the WPU Shortfall.

Following this meeting the Salt Lake Tribune reported that the Salt Lake School District was considering raising taxes by 3.6 million dollars. Many of my neighbors contacted me and explained that they were on a fixed income. They also questioned why there is a 'shortfall' if the legislature gave school districts more money than what they had received in recent years.

I created a financial grid of sorts, where I plotted the documents given to us in the school board meetings. I then plotted the conflicting information.

As a result of these inquiries, I began to examine the budget documents more closely. I met with representatives of USOE and the Office of Legislative Research. Through those meetings I discovered that the Salt Lake City School District was actually receiving more state money than the previous year. I also discovered that Enhancements for Accelerated Students was slated to receive \$1,018.00 more dollars than it did the previous year. Yet, Ms. Roberts reported in the May 7th, school board meeting that this program was losing \$220,000.00 because the legislature's 'Failure to Fully Fund Growth'. Even odder, is that the total allocation for this program is \$205,638.00 for 2014.

In the **May 21, 2013** School Board Meeting I asked for clarification on this discrepancy. Ms. Robert's initially said that she did not have the budget paperwork with her and that I should have called her on the telephone with this question. Contrary to Ms. Robert's instructions to the Board,

In spite of the fact that in the May 7th school board meeting, Ms. Robert's advised us verbally and via a power point slide that she would answer any outstanding questions at the meeting of the 21st, she was not prepared to do so.

In reference to Enhancement for Accelerated Student's program she also stated that I 'misunderstood' what she said in the May 7th meeting. She said that this program 'did not lose money because of the legislatures failure to fund growth (see her power point slide), it is because the program increased in cost by \$220,000.00 dollars'. Later in the meeting she claimed that this \$220,000.00 figure was due to a 'fund balance'. Both of these explanations are contrary to the initial explanation she proffered in the school board meeting on May 7th. Namely, that the program would be cut if we did not raise taxes because the legislature failed to fully fund growth.

The Superintendent stated words to the effect that I needed to rely more on their 'budget expertise' and less on 'state data'. At one point in the meeting the superintendent said "you are just wrong in your conclusions". I replied "I am not offering conclusions, I am asking questions".

This meeting culminated in the Tribune publishing a story titled: "**Tensions mount as Salt Lake School Board Talks Tax Hike**". The sub-title of the story stated: "**SLC school board member wants more clarity on tax-hike plan**" (May 21, 2013).

Following the meeting I did not hear back from the superintendent or the business administrated and on **May 28, 2013**, I sent an email to Ms. Roberts with a link to a video podcast, once again asking the questions that I posed in the May 21st meeting.

On **May 29, 2013**, Ms. Roberts replied to with a list of questions that she had gleaned from my podcast. She requested that I meet with her and her staff in order to go over the remaining questions that I had. I agreed to a meeting.

On **May 31, 2013**, I arrived at Ms. Robert's office for the 1:00 p.m. scheduled meeting. Before I could even sit down I was accused of wearing a wire. I was insulted by the implication so I left the meeting.

Later that day I sent an email to Ms. Robert's asking her to respond in writing to my questions. Which she did.

On **June 2, 2013**, I sent Ms. Roberts a list of follow up questions because her responses to my initial questions raised even more red flags.

As of **June 4, 2013**, I have received no response to these questions and the School Board is scheduled to vote on the budget this evening.

Conclusion

The majority of the time, the responses to my budget questions are dominated by self-congratulatory talk about "professionalism", as if they are trying to convince themselves that all is well.

The attitude of the Superintendent is best described as follows:

"We're the professionals. We know. You don't. We have credentials. You don't. End of discussion."

The problem with that attitude, is that there is no countervailing power to insist on something akin to professional results in student achievement or in financial transparency.

The citizens of Salt Lake City deserve transparency and integrity from their school government. Instead it appears that we have a school system that has evolved into a pathological bureaucracy. Which I define as an organization whose structure and operations have subverted its own mission statement. This same management philosophy has produced a school board that is expected by the bureaucracy, to exercise titular authority only.

The Superintendent and Business Manager's inability and/or refusal to answer my budget questions only serves to make a mockery of the public office which I hold. If I were to allow my questions to go unanswered, I too would be complicit in betraying the public's trust. I am therefore, compelled to file this request for an audit with your office.

Shalom,



J. Michael Clára
Board Member, District 2

Enclosures

