

APPENDIX



NEW JERSEY ASSOCIATION OF SCHOOL ADMINISTRATORS

920 West State Street • Trenton, New Jersey 08618-5394
609.599.2900 / Fax: 609.599.9359 website: <http://njasa.net>

Testimony Before the Joint Committee on the Public Schools Regarding Salary Caps

September 16, 2014

Submitted By: Melanie Schulz, NJASA Director of Governmental Affairs

Members:

Good morning and thank you for the opportunity to speak to the issue of superintendent salary caps.

Accompanying me today are some of NJASA's officers:

President - Dr. Brian Zychowski – North Brunswick
President-Elect – Mr. Patrick Fletcher – River Dell Regional High School
Secretary – Dr. Antoinette Rath – Mount Laurel
Legislative Committee Chair – Mr. Michael Jordan - Maywood
Executive Director of NJASA – Dr. Richard Bozza
Chief Counsel of NJASA – Maria Lepore

Upfront, let me acknowledge that a consideration of chief education officers' salaries and benefits was appropriate.

However, a study of all public employee salaries and benefits would have been more equitable and would have allowed for thoughtful deliberation on both the motive and possible consequences.

To be frank, the decision made by one person (in this case the commissioner of education), with little input from the outside was not only unhealthy but profoundly imprudent.

So what have some of the consequences been?

1. This decision never took into consideration that it locked the salary and did not allow for a raise. So, you could serve in a district for many years and be making the same salary in year 10 as you did in year 1.
2. No other position in a school district is subject to the salary cap.

However, the same DOE that capped superintendent salaries does cap those salaries received by superintendents or directors of Private Schools for Students

with Disabilities – with some significant differences. I found this information on the NJ DOE website: In 2010-2011 the salary for the position of those leading Private Schools for Students with Disabilities was capped at \$216,013 and in 2013-2014 the salary cap had risen to \$244,066 which is about a 13% increase.

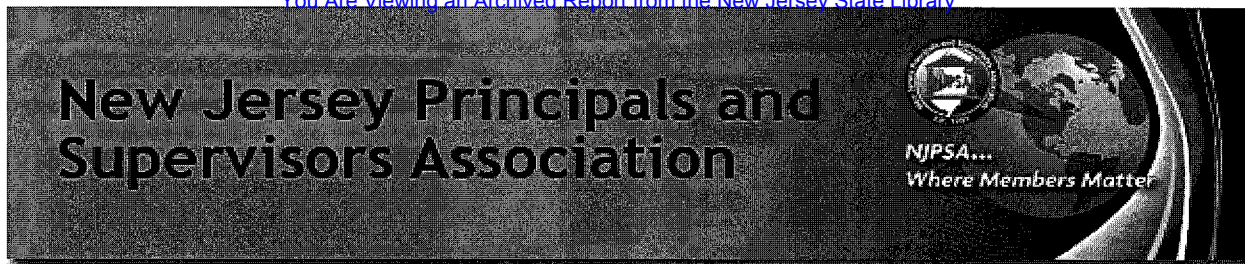
3. There were specific exemptions from the cap: county special services school districts, county vocational school districts, educational services commissions, jointure commissions and charter schools. This 2-tier system is (at a minimum) unhealthy. Further, no one can state why these groups were exempted.
4. Interim superintendence has become a way of life for many districts. This consequence actually spends more public money on a chief, since these people collect their pension as well as a per diem rate. In addition, interims can only serve for 2 year periods, another consequence that creates volatility in the district. Successful implementation of the common core, PARCC and TEACHNJ relies heavily on continuity and stability at the top. Constant management changes are both bewildering and volatile. Of all of the consequences, this is the one that can be the most damaging.

So, what has changed since the implementation of the cap, and what can we do to find common ground to make appropriate changes and bringing about good consequences?

1. The 2% tax levy caps as well as the limitation on administrative spending are the most apparent changes since the salary cap was executed. And, speaking of administrative costs, according to the National Center for Educational Statistics, New Jersey ranks as the 5th **lowest** in the nation.
2. County Executive Superintendents have to approve all contracts prior to their approval by a board of education.
3. Each school district must place all salary and benefit information on its website which allows the taxpayer complete access to these details, as well as the entire district budget.
4. Transparency is not only a buzz word, but a reality, as social media has taken over all of our lives. There is seldom a time when a decision is contemplated that someone has not Facebooked, Tweeted or Blogged about it within 5 minutes of it being uttered. In this case, the public/community is better informed (for the good or the bad) about what is happening in their school district. Decisions made in back rooms for public employees are truly a thing of the past.

In conclusion, I offer this remedy, while keeping in mind the need to be fiscally responsible and prudent:

I ask the Legislature to pass a Concurrent Resolution to urge the Commissioner of Education to amend the Regulations to end salary caps for new contracts commencing July 1, 2015. (**NEW** to be defined as those contracts that are renewals or for new hires – not renegotiated contracts.) For all contracts that are in-force on July 1, 2015 – allow salary caps to expire November, 2016. These contracts would be open to renegotiations, if they were in mid-contract term.



**NJPSA Testimony before the Joint Committee on the Public Schools
Superintendent Salary Caps
September 16, 2014**

Good morning and thank you for the opportunity to share the perspective of the statewide membership of the NJ Principals and Supervisors Association. I am Debra Bradley, Director of Government Relations for the association.

School Leadership Hierarchy

NJPSA represents the principals, assistant principals and supervisory employees who lead our schools at the school building level. We are responsible for setting the education goals of our school, working directly with teachers to enhance instruction, managing school level operations, student safety and discipline issues and the establishment of a positive school climate for learning. In contrast, superintendents and assistant superintendents provide leadership at the district level, having responsibility for the educational vision and goals, finances, facilities and overall operations of all schools in the district. Together, superintendents, district level and school level leaders make up the administrative team of a district with the superintendent serving as the chief executive of the system.

The Importance on Educational Leadership and Strong Leadership Policy

New Jersey's educational policies concerning school leaders are critically important. Strong leadership preparation programs, licensing standards, mentoring, ongoing professional development requirements and accountability systems have created a high standard of preparation/ performance for school leadership candidates in our state that has served us well. Our public schools have a solid track record of success and strong, effective instructional leadership has been directly correlated with that success in educational research.* New Jersey's public schools consistently outperform other state systems on multiple performance measures, yet we understand that not all students currently receive the high quality of education they deserve. Although New Jersey has made significant strides in closing achievement gaps among some student populations, we still have significant disparities in achievement, resources and opportunity in our communities.

This is why it is so important to attract the best and brightest school leaders to serve as superintendents and principals to lead among these challenges and perform this important and complex work. This is particularly true now as New Jersey schools strive to implement heightened education standards, prepare our students for new digital PARCC assessments and put new educator evaluation systems in practice in every school.

The Impact of Superintendent Salary Caps

It is in this context, that I share the impact of the superintendent salary caps on the work of my members at the school level. Since the enactment of the superintendent salary cap in 2011, principals and supervisors have experienced the negative impact of this salary cap policy in several key areas:

1. High Superintendent Turnover Rates

Since the enactment of the salary cap policy, there has been a significant increase in the mobility rate of experienced superintendents in many districts – either to retirement or out-of-state positions. It is true that superintendent mobility and its impact on the continuity of school leadership has been a growing problem since superintendents lost their tenure protections in 1991; however, in our experience, the salary cap instituted in February 2011, has significantly exacerbated this problem. **

Superintendents facing a major drop in their compensation at the end of their employment contract are choosing to leave their districts and even New Jersey all together in search of market rate compensation in our tri-state region. Since neighboring New York, Connecticut and Pennsylvania superintendents do not work under a stringent salary cap and reciprocity rules soften the pathway to new positions, many of New Jersey's talented and experienced superintendents have left our state for greener educational pastures. On Sunday, the Star Ledger reported that this has occurred in 97 cases since the imposition of the cap in 2011. In our view, this talent drain is a high cost to our state in exchange for limited long-term fiscal savings (a fraction of 1% of state education spending) to our state. (The Star Ledger, September 14, 2014, *Superintendents Cap Does NJ Harm*).

Over the past four years, our members have experienced first-hand, a revolving door at the top echelon of our educational leadership ranks due to the imposition of the cap. This has led to inconsistency in the educational vision of a district and inefficiency when new instructional programs/strategies are established and shortly thereafter scrapped when a new superintendent comes on board. Individuals are being promoted to the superintendent role early in their careers, bringing more novices to the role at a time of major educational reform. It can also lead to an unhealthy confusion of leadership roles where boards of education lose their focus on their statutory policy-making role and instead, become over-engaged in educational, personnel and operational decisions beyond their mission. As an association, we have represented rising numbers of members who were denied renewal to their positions by boards of education who rejected the positive evaluations and hiring recommendations of the instructional leader of the district, the superintendent.

Our members have also experienced the unintended consequences of a related phenomenon – the over-reliance by boards of education on the hiring of interim superintendents, estimated at over 40% of current sitting superintendents. Interim superintendents are usually retired superintendents who are hired on a temporary basis with an initial contract term of up to one year with option to renew for one additional year in a district (*N.J.S.A. 18A:66-53.2.*) The rationale for this law, which has been in effect since 2001, is to afford the board sufficient time to search for a permanent superintendent when a vacancy occurs. By virtue of their limited contract term, an interim superintendent generally does not have the continuity in the district or strength of position to impact the growth of a district on a long-term basis. This can have an impact on long-term planning, performance and reform. This practice promises to be even more troubling to our members this school year, when the new principal evaluation system will go into effect. Principals may be evaluated by interim superintendents with limited knowledge of the district, the community or the principal's track record of accomplishment. If an interim superintendent recommends a corrective action plan for example, he/she will likely not be there to provide the

professional support needed to assist that principal's growth in performance. Since strong instructional leadership correlates with student success, this approach to school leadership policy needs to be re-examined.

2. Negative Impact on Leadership Career Ladder

In addition, the proposed salary cap has had a negative impact on the educational career ladder by deterring successful principals, school business officials and other educators from seeking promotional opportunities to the superintendency. New Jersey needs individuals who have had successful careers as instructional and district leaders with the depth of experience in school operations, instruction, staff evaluation/management, assessment, school finance and New Jersey school law to lead our schools in the highest field level position in our system. Our members can attest to the chilling effect of the salary cap on a key promotional pathway for school leaders.

Moreover, the salary cap policy is inconsistent with New Jersey's policy goals, as evidenced in our federal educational plans (e.g. Race to the Top application, Elementary and Secondary Education (ESEA) Waiver). New Jersey's federal education plans specifically focus on creating attractive career ladders for educators as a positive human resources tool and recognized factor of school success. The disincentive of the current salary cap, which is arbitrarily based upon a single criterion (enrollment), and fails to address regional cost differences in our state, has had both a negative impact on recruitment and promotion to the superintendent role.

NJPSA Recommendation

Based upon the reasons detailed above, NJPSA recommends that New Jersey re-focus its educational leadership policies on the recruitment and retention of top-notch educators to lead our schools. We support S-1987 (Ruiz/A-2930 (Diegnan, Jasey)) legislation that would eliminate the superintendent salary cap in New Jersey as an important step towards a strong educational leadership structure in our state. We also recommend that this Committee examine the impact of the current interim law, N.J.S.A. 18A: 66-53.2(b) to consider revisions that would promote a positive career ladder for talented educators and a strengthening of the leadership expertise in our schools.

Thank you for your consideration.

Submitted by: Debra Bradley, Esq.
NJPSA Director of Government Relations

**See J. Tim Waters and Robert J. Marzano, School District Leadership that Works: The Effect of Superintendent Leadership on Student Achievement, Midcontinent Research for Education and Learning, Denver, CO (September 2006)*

***See, Cynthia J. Jahn, NJ School Boards Association, The Final Report on the Study of the Impact of the Salary Cap on Chief School Administrators, (May, 2014)*



December 21, 2010

Eric Taylor, Esq.,
New Jersey Department of Education
PO Box
Trenton, NJ

Re: Proposed Amendments to *N.J.A.C. 6A: 23A*

Dear Mr. Taylor:

The New Jersey Principals and Supervisors Association (NJPSA) submits the following comments to proposed changes to *N.J.A.C. 6A: 23A* concerning the compensation of chief school administrators/superintendents employed in New Jersey school districts.

New Jersey has a public school system to be proud of. Our public schools consistently outperform other state systems on multiple measures of school performance. Whether the issue is high quality preschool or high school graduation rates, New Jersey leads the nation in the scope and quality of programs it is providing and the results it is achieving. A quick look at the 2010 National Assessment of Education Progress (NAEP) scores demonstrates this reality. This year, New Jersey was ranked third in the nation in terms of academic achievement with particularly high scores for eighth graders in writing (first in the nation), fourth graders in writing (second highest in reading nationally), eighth graders in reading (third in the nation in scoring in highest two levels) and both age groups in math (third in the nation for eighth graders and fifth in the nation for fourth graders). *Education Week: Quality Counts 2010 Report*. We also scored the highest scores in the nation on Advanced Placement examinations. *College Board: 2010 Advanced Placement New Jersey Summary Report*. New Jersey has also been recognized for making significant strides in closing the achievement gap, particularly among African American and Latino students in our urban centers.

This track record of success is only the beginning of what we hope to achieve for our students. We recognize that not all students are receiving the high quality education they deserve and this brings us to the critical importance of attracting and retaining the best and the brightest school leaders to all of New Jersey's schools.

The quality of our educational system hinges upon the quality of the educational leadership at both the district and building levels. Educational research clearly demonstrates the linkage between the quality of leadership and school performance outcomes. Superintendents at the district level and principals at the school building level play a critical role in:

- reaching state and national performance benchmarks,
- establishing safe and secure learning environments,
- developing and leading school staff to higher achievement,

12 Centre Drive • Monroe Township, New Jersey 08831-1564
Tel: 609-860-1200 Fax: 609-860-2999 E-Mail: njpsa@njpsa.org Web: www.njpsa.org



- running effective and efficient school operational budgets and
- partnering with local communities/businesses to lead our state in the development of a well-educated citizenry and workforce.

This is important and complex work; work that both our members and the state's district level leaders are privileged to perform. It is also work that becomes more challenging on a daily basis with budget deficits, rising expectations for performance and global competition.

Accordingly, and with so much at stake, it is critical that New Jersey undertake a policy direction that attracts and retains top-notch educators to the profession of educational leadership. Yet, the proposed compensation policy that seeks to unilaterally cap superintendent's salaries achieves the exact opposite result. For the following reasons, NJPSA opposes the establishment of these arbitrary salary caps:

1. Negates Educational Career Ladder for Successful Educators

The imposition of arbitrary salary caps at the superintendent level will be a significant deterrent to principals and successful educators from seeking promotional opportunities to the superintendency. Currently, individuals who have had successful careers as supervisory employees, principals, directors or school business administrators often seek to rise to the superintendency. These effective school leaders, with a depth of experience in school operations, instruction, staff management, assessment, school finance and school law are exactly the type of candidates that New Jersey needs in the highest field level position in our system. Often these individuals further their education to seek a doctorate to enhance their knowledge and skills.

By creating a financial disincentive for promotion, New Jersey will be shutting down the career ladder of successful in-state educators, the state's most successful source of quality education leaders that we have. This approach is contrary to New Jersey's recent Race to the Top application which specifically focused on the importance of creating attractive career ladders for educators as a positive human resources tool.

Additionally, out of state superintendents in neighboring states are unlikely to be drawn to New Jersey when they can be compensated at higher levels elsewhere. This result is inconsistent with recent NJDOE proposals to loosen reciprocity rules to attract quality out of state educators to work in New Jersey schools.

2. Significant fiscal controls are in place to restrain salary costs – Let them work!

The State Legislature has already acted to limit local school costs statewide, including the area of salaries and other forms of compensation for administrators and school employees. See P.L. 2007, c. 62 and c.53. Both administrative costs and local school budgets have been significantly capped in recent years with an even more stringent 2% tax levy cap set for implementation in the 2011 budget year and beyond. Public law 2010, chapter 44 has very limited exclusions (debt service, pension/health benefit costs and some enrollment growth) and will place a strong lid on compensation for **all** school employees going forward.

Additionally, specific caps on administrative costs have long been a component of the school budget regulatory framework. With the passage of the CORE legislation in 2007 (P.L. 2007, c. 63), the Executive County Superintendents (ECS) were given broad power to review school budgets with mandatory direction to limit administrative spending before a budget could even

be presented to the voters for consideration. ECS approval hinges upon compliance with state average administrative spending levels and other criteria. In practice, New Jersey's administrative costs are among the lowest in the nation, below that of 42 other states and our spending on instructional costs and student support services exceeds the national average. See the National Center for Education Statistics.

Yet, there is more. The CORE legislation and implementing School Accountability regulations (N.J.A.C. 6A: 23A) go even further to specifically require ECS review and approval of superintendent and school business administrator employment contracts. Approval is based upon compliance with state-developed criteria that limit generous compensation packages for these district level leaders. Based upon this statutory and regulatory framework and the additional constriction of school funding levels, there is no need to further restrain spending on leadership through specific spending caps.

3. Cap based upon Enrollment Alone is Arbitrary

The work of an educational leader is complex and each community of learners presents its own unique challenges to a leader's successful performance. The nature of the student population and their educational needs, the level of community support, and local performance expectations are all relevant to leadership compensation. That is why local boards of education deliberate in developing their unique educational goals with the employment expectations of their district's leader. Regardless of this fact, the proposed salary cap seeks to base compensation on a single factor – student enrollment. This approach is arbitrary in nature, and fails to recognize the multiple factors that are relevant to important compensation decisions.

For example, a superintendent may serve in multiple roles such as principal and superintendent, a practice that is commonplace in many small districts. Superintendents also serve in such roles as Special Education Director or take on other administrative responsibilities which save the board salary costs for an additional position. We should allow local boards of education the flexibility to be creative and efficient in meeting their local leadership needs and to develop appropriate compensation packages that reflect these arrangements.

4. Regional Cost Differences Ignored

The cost of living varies greatly across New Jersey's borders. School leaders in Bergen County face a higher cost of living than those living and working in Cumberland County. Websites dedicated to corporate relocation tell us that a salary in one area of our state will only have about 65% buying power in another part of the state. The proposed salary caps ignore these differences despite the clear link between cost of living and salary levels across the country. The federal government acknowledges the high cost of living in the New York Metropolitan area and provides appropriate cost of living adjustments to compensate for this fact for individuals doing the same work. Similarly, New Jersey needs to address this fair compensation policy in this proposal or face significant distribution issues in educational leadership statewide.

Further, the proposal does not address the change in the cost of living over time via inflation or deflationary factors. One option might be to explore linking salary levels to the Consumer Price Index.

4-11-13
7/10/13

Conclusion

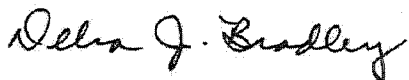
As building level leaders, we understand the critical importance of quality, consistent leadership at the district level. A recent study on the effect of superintendent leadership on student achievement highlights the need for stability and continuity in this role. See J. Tim Waters and Robert J. Marzano, *School District Leadership that Works: The Effect of Superintendent Leadership on Student Achievement*, Midcontinent Research for Education and Learning, Denver, CO (September 2006). This study shows the positive impact of longevity of a superintendent on the academic achievement of students in districts.

New Jersey already faces significant superintendent mobility issues that negatively impact our schools with superintendents generally remaining in their positions for about two and a half years out of a five year contract. The employment of "interim superintendents" in lieu of a "permanent" hire (three to five years) has become commonplace. As building level leaders, NJPSA members understand the need for a common vision and long-term, consistent leadership agenda for our schools to reach the achievement benchmarks our state demands. A rigid approach to compensation at the superintendent level will only aggravate an already shifting leadership approach at the district level to the detriment of leadership quality.

For these reasons, NJPSA opposes the application of statewide salary caps for superintendents as proposed in *N.J.A.C. 6A: 23A* and we recommend that this proposal be tabled. Such a significant policy direction should be considered after full stakeholder input by the State Board of Education pursuant to the requirements of the Administrative Procedures Act. There is no policy justification for a rush to judgment through unilateral action that bypasses the State Board of Education and the Administrative Procedures Act.

Thank you for your consideration.

Sincerely,



Debra J. Bradley, Esq.
NJPSA Director of Government Relations

9x



New Jersey School Boards Association

413 West State Street • P.O. Box 909 • Trenton, NJ 08605-0909 • Telephone: 609.695.7600 • Toll-Free: 888.88NJSBA • Fax: 609.695.0413

September 16, 2014

NJSBA Testimony to the Joint Committee on the Public Schools

RE: Superintendent Salary Caps

The New Jersey School Boards Association (NJSBA), a federation of 581 local school districts with the majority of the state's charter schools as associate members, welcomes the opportunity to provide testimony regarding the regulatory restrictions on the level of compensation a board of education may provide to its chief school administrator. The NJSBA continues to oppose the cap on superintendent salaries for the reasons cited below.

The NJSBA believes that the hiring of the chief school administrator is one of the most critical board responsibilities and that the authority to select the most appropriate and suitable candidate should continue to rest with the local board of education. As the educational leader of the local school community, the superintendent is critical in implementing the district's educational goals, vision, and direction.

To be sure, the NJSBA and its members strongly support efforts to control the growth of government spending in this state. And we also support appropriate and reasonable constraints on school employee salaries. However, the NJSBA opposes the superintendent salary cap due to the negative impact it has on the quality, stability and continuity of public education across the state. The salary cap also represents an infringement on local governance, since the authority for the management of the public schools, including the employment of the superintendent, should rest with local boards of education. Our support for repealing the cap rests not on the argument that school districts should be able to spend more money, but rather on the belief that they should have the *flexibility* to direct their limited resources in a manner that best serves the needs of students and the greater educational community.

In early 2011, the state's education commissioner adopted regulations that set the maximum salary a superintendent could earn based on the enrollment in the district he or she serves. The primary justification for the current superintendent salary cap is that it will prevent the awarding of overly generous compensation packages. While we acknowledge that occasional cases of abuse did occur in the past, several controls have since been put in place that prevent, either directly or indirectly, similar abuses from occurring in the future.

For example, the superintendent salary cap represents one of several spending constraints with which school districts must already comply, most notably the two-percent local property tax levy cap and the limitation on annual administrative spending growth. As any school official can attest, both of these statutory caps significantly restrict the growth of government spending and force boards of education to be very prudent in determining where to allocate their limited resources. Any school board seeking to award a high superintendent salary would have to make

difficult decisions about other educational program and staffing priorities. The members of that same board would then be held accountable to the parents, taxpayers and voters in the district.

In addition, the School District Accountability Act, and regulations promulgated thereunder, has empowered Executive County Superintendents (ECS), who are employees of the Department of Education, to review and approve all employment contracts for district superintendents. ECS approval is only granted upon compliance with state-developed criteria designed to limit excessive compensation packages. Collectively, the two-percent property tax levy cap, the limitation on administrative spending growth, and the Accountability Regulations render the superintendent salary cap unnecessary.

The impact of the salary cap has been felt across the state, particularly with respect to turnover at the superintendent position. A high level of turnover among superintendents is disruptive to educational continuity and, therefore, counterproductive toward the goal of improving student achievement. Acceleration of retirements and resignations results in a decline in the experience level of candidates to fill superintendent positions as they become vacant. As New Jersey continues to implement several significant education reform initiatives, such as the Common Core State Standards and the new educator evaluation system, retaining an effective educational leader to guide a district through this often complicated period of transition is even more critical.

The superintendent salary cap increases the incentive to hire an interim superintendent who, while likely highly qualified and experienced, may only serve a maximum of two years in any one district. The proliferation of interim superintendents further disrupts continuity of instruction within districts across the state.

The cap also creates a barrier to forming shared superintendent agreements. In a shared agreement, a single individual serves as the superintendent of more than one district, saving each of the participating districts money. While existing regulations permit superintendents to earn \$10,000 for each additional district he or she serves, this amount may simply not serve as a sufficient incentive for an individual to take on the extra responsibility that overseeing an additional district entails. As the cap remains in place, districts will have an increasingly difficult time maintaining this cost-saving arrangement.

And finally, the salary cap deters New Jersey's educational leaders from desiring to ascend to the position of superintendent. For many educators, becoming a superintendent signifies the pinnacle of a lifelong ascent up the educational career ladder. Yet, the salary cap, which applies to no other school district position, creates a significant disincentive for any educator to strive toward that goal. The cap also presents an obstacle to the "grow your own" approach in succession planning some districts employ, whereby internal candidates are encouraged to work toward the superintendency of the district in which they are already employed. Repeal of the superintendent salary cap would serve to encourage our most promising educators to endeavor toward a leadership position where they can have a substantial, positive impact on student achievement.

For all the reasons cited above, the NJSBA urges this body and all policymakers to reconsider the efficacy of the superintendent salary cap. Thank you for your consideration of the NJSBA's position on this important issue. Any questions may be directed to Jonathan Pushman, NJSBA Legislative Advocate, at (609) 278-5248 or jpushman@njsba.org.



New Jersey School Boards Association

413 West State Street • P.O. Box 909 • Trenton, NJ 08605-0909 • Telephone: 609.695.7600 • Toll-Free: 888.88NJSBA • Fax: 609.695.0413

June 9, 2014

**Position Statement
SUPPORTING
Senate Bill No. 1987 (Ruiz / Sarlo)**

**Prohibits the DOE from regulating the maximum salary amount
a school district may pay its superintendent of schools.**

The New Jersey School Boards Association (NJSBA), a federation of 584 local school districts and 81 associate charter school members, strongly supports Senate Bill No. 1987, which would prohibit the New Jersey Department of Education from regulating the maximum salary amount a board of education may provide to a superintendent of schools.

The NJSBA believes that the hiring of the chief school administrator is one of the most critical board responsibilities and that the authority to select the most appropriate and suitable candidate should continue to rest with the local board of education. As the educational leader of the local school community superintendent is critical in implementing the district's educational goals, vision, and direction.

To be sure, the NJSBA and its members strongly support efforts to control the growth of government spending in this state. And we also support appropriate and reasonable constraints on school employee salaries. However, the NJSBA opposes the superintendent salary cap due to the negative impact it has on the quality, stability and continuity of public education across the state. The salary cap also represents an infringement on local governance, since the authority for the management of the public schools, including the employment of the superintendent, should rest with local boards of education. Our support for S-1987 rests not on the argument that school districts should be able to spend more money, but rather on the belief that they should have the *flexibility* to direct their limited resources in a manner that best serves the needs of students and the greater educational community.

In early 2011, the state's education commissioner adopted regulations that set the maximum salary a superintendent could earn based on the enrollment in the district he or she serves. The primary justification for the current superintendent salary cap is that it would prevent the awarding of overly generous compensation packages. While we acknowledge that occasional cases of abuse did occur in the past, several controls have since been put in place that prevent, either directly or indirectly, similar abuses from occurring in the future.

For example, the superintendent salary cap represents one of several spending constraints with which school districts must already comply, most notably the two-percent local property tax levy cap local and the limitation on annual administrative spending growth. As any school official can attest, both of these statutory caps significantly restrict the growth of government spending and force boards of education to be very prudent in determining where to allocate their limited resources. Any school board seeking to award a high superintendent salary would have to make

difficult decisions about other educational program and staffing priorities. The members of that same board would then be held accountable to the parents, taxpayers and voters in the district.

In addition, the School District Accountability Act, and regulations promulgated thereunder, has empowered Executive County Superintendents (ECS), who are employees of the Department of Education, to review and approve all employment contracts for district superintendents. ECS approval is only granted upon compliance with state-developed criteria designed to limit excessive compensation packages. Collectively, the two-percent property tax levy cap, the limitation on administrative spending growth, and the Accountability Regulations render the superintendent salary cap unnecessary.

Since imposition of the salary cap, its impact has been felt across the state, particularly with respect to turnover at the superintendent position. A high level of turnover among chief school administrators is disruptive to educational continuity and, therefore counterproductive toward the goal of improving student achievement. Acceleration of retirements and resignations result in a decline in the experience level of candidates to fill superintendent positions as they become vacant. The cap also presents an obstacle to the "grow your own" approach in succession planning some districts employ, whereby internal candidates are encouraged to work toward the superintendency of the district in which they are already employed. Finally, the cap creates an incentive to hire an interim superintendent who, while likely highly qualified and experienced, may only serve a maximum of two years in any one district.

The cap also creates a barrier to forming shared superintendent agreements. In a shared agreement, a single individual serves as the superintendent of more than one district, saving each of the participating districts money. While existing regulations permit superintendents to earn \$10,000 for each additional district he or she serves, this amount may simply not serve as a sufficient incentive for an individual to take on the additional responsibility that overseeing an additional district entails. As the cap remains in place, districts will have an increasingly difficult time maintaining this cost-saving arrangement.

And finally, the salary cap deters New Jersey's educational leaders from desiring to ascend to the position of superintendent. For many educators, becoming a superintendent signifies the pinnacle of a lifelong ascent up the educational career ladder. Yet, the salary cap, which applies to no other school district position, creates a significant disincentive for any educator to strive toward that goal. Repeal of the superintendent salary cap would serve to encourage our most promising educators to endeavor toward a leadership position where they can have a substantial, positive impact on student achievement.

For each of the reasons cited above, the NJSBA strongly supports S-1987 and urges its full passage. Thank you for your consideration of the NJSBA's position on this legislation. Any questions may be directed to Jonathan Pushman, NJSBA Legislative Advocate, at (609) 278-5248 or jpushman@njsba.org.



New Jersey School Boards Association

FINAL REPORT ON THE STUDY OF THE IMPACT OF THE SALARY CAP ON CHIEF SCHOOL ADMINISTRATORS



FINAL REPORT ON THE STUDY OF THE IMPACT OF THE SALARY CAP ON CHIEF SCHOOL ADMINISTRATORS

BY

CYNTHIA J. JAHN, ESQ.**

General Counsel

Prepared for the Semiannual Delegate Assembly

May 17, 2014

CHARGE OF THE MAY 18, 2013 DELEGATE ASSEMBLY

At the May 2013 Delegate Assembly the Ridgewood Board of Education (Bergen County) proposed new policy language for adoption by the Delegates and inclusion in the NJSBA's Manual of Positions and Policies on Education. The resolution requested that the NJSBA adopt a policy stating its belief that each local Board of Education shall have the right to establish compensation for its Chief School Administrator (CSA) with the flexibility to adjust the CSA's compensation commensurate with his or her experience knowing the current employment market conditions and other factors that may influence the ability to recruit, hire, and retain a competent and highly qualified CSA. The proposed belief statement provided that local boards must determine the Chief School Administrators' compensation, knowledgeable of the budget revenues and expenses and the need to operate their school districts efficiently and effectively.

Ridgewood's resolution also urged the NJSBA, in support of the proposed policy, to conduct a study to evaluate the impact of caps on Chief School Administrators' salaries on the recruitment, hiring and retention of CSAs. The NJSBA would inform its membership of the results of the study, and recommend appropriate action in response to the findings of the study, such as a waiver for districts who may need relief.

After debate, the Delegates adopted the following resolution:

The NJSBA believes that hiring the chief school administrator is one of the most critical board responsibilities and that the authority to select the most appropriate and suitable candidate should continue to rest with the local board of education.

In support of this belief, NJSBA staff will conduct a study to evaluate the impact of caps on chief school administrators' salaries on the recruitment, hiring, and retention in this position, and report back to the November 2013 Delegate Assembly with any recommendations for policy revisions, if necessary, and appropriate action.

BACKGROUND

The relatively new cap on superintendent salaries presented the Ridgewood Board of Education with a serious dilemma that appears to be the impetus for their resolution. The contract for the superintendent of the Ridgewood school district was set to expire in the summer of 2013. The annual salary for the superintendent is significantly higher than the maximum salary authorized under state regulations for a school district of Ridgewood's size. In order to renew the contract, which the board publicly expressed its desire to do, the superintendent would need to take a pay cut of approximately 30 percent. The board was highly concerned that it may not be able to renew the contract for its current superintendent due to the limitations imposed by the new salary cap. Ridgewood believed that the superintendent is critical to the effective implementation of board goals and policies, and that the ability to recruit and retain competent leadership is dependent on whether it can provide fair and competitive compensation to its superintendent. For that reason, the Ridgewood Board of Education requested a change in NJSBA policy that more clearly defines its position on compensation for chief school administrators while urging the NJSBA to study and evaluate the impact of the superintendent salary caps on its membership.

(Note: The Ridgewood Board renewed the superintendent's contract in compliance with the cap.)

In July 2010, Governor Chris Christie unveiled a proposal to limit and reform school administrators' salaries. A press release issued by the Governor's office indicated that this proposal was part of the Administration's efforts "to ensure the maximum amount of education funding stays in the classroom." The Governor initially proposed a graduated superintendent salary schedule dependent on school district size. In November 2010, the Commissioner of Education proposed regulations to effectuate the Governor's proposal.

The proposed regulations provided, in pertinent part:

"No contract for a superintendent...shall include an annual salary in excess of the maximum salary amount plus, if applicable, additional district salary increment(s) and/or a high school salary increment..."
N.J.A.C.6A:23A-3.1

The proposed regulations included a definition of "maximum salary amount" that provided a salary schedule based on the total number of students in the district or districts overseen by a particular superintendent. The proposal also authorized the Commissioner of Education, on a case-by-case basis and upon application by a board of education, to approve a waiver of the maximum salary amount for larger (i.e., 10,000 or more enrolled students) districts. Superintendents would also be eligible to receive an additional \$10,000 for each additional district they supervise. Those superintendents overseeing districts that include a high school could receive an additional \$2,500 per year.

The regulations also allow for merit bonuses for superintendents who meet up to three quantitative merit goals (an additional 3.33% of salary for each goal achieved) and two qualitative goals (2.5% each). The goals are determined in the CSA's contract and bonuses must be approved by the Executive County Superintendent.

After four public hearings, the Commissioner adopted the proposed regulations. On February 7, 2011, the proposed superintendent salary caps went into effect. *N.J.A.C. 6A:23A-1.2* Pursuant to the new regulations, the maximum allowable salaries for superintendents (not including the high school and additional district salary increments) are as follows:

Student Enrollment District(s)	Maximum of Salary
0 – 250	\$125,000
251 – 750	\$135,000
751 – 1,500	\$145,000
1,501 – 3,000	\$155,000
3,001 – 6,500	\$165,000
6,501 – 10,000	\$175,cover000

The superintendent salary cap regulations have been challenged by individual school districts as well as the New Jersey Association of School Administrators. To date, the courts have rejected these challenges and upheld the authority of the Commissioner to establish the caps. The superintendent salary cap regulations are due to sunset on November 25, 2016.

NJSBA staff has collected data regarding turnover of the CSA in local school districts for many years. Subsequent to the action and direction of the delegates taken at the May 18, 2013 Delegate Assembly, staff began a thorough review of the data and reported out the findings at the November 17, 2013 Delegate Assembly.

Through direct contact with the former chief school administrators, the executive county superintendents and review of news releases, news articles and NJSBA staff documents, a composite by county was created tracking movement and the reason why. "Movement" was defined as the departure of a superintendent from a district for any reason. There remained an identified gap in data of individual districts for a variety of reasons: the chief administrator having left the state without providing contact information; districts that did not believe they could provide personnel information to NJSBA; and executive county superintendents who could not provide the information requested.

Data was reported for the three academic years preceding the effective date of the salary cap and the 2010-2011 academic year, when the cap became effective, and the 2011-2012 and 2012-2013 academic years.

Below, please find data reported by academic year and then by county at the November 16, 2013 Delegate Assembly.

Aggregate yearly movement Statewide of Chief School Administrator:

2007-2008:	125
2008-2009:	172
2009-2010:	159
2010-2011:	142 *
2011-2012:	140
2012-2013:	118

**The cap was enacted in February 2011.*

A chart of the aggregate yearly movement of the chief school administrators is attached as **EXHIBIT I** on page 5.

In February 2014, NJSBA worked closely with two interns to contact every school district and ascertain the impact of the CSA cap on movement in the district, since its effective date through February 2014. Every district was sent a survey and then contacted by phone, and email as follow up. A synopsis of the results follows:

- 403 districts (71.8%) responded out of 561 contacted.
- 219 districts (54.3% of the responding districts) experienced a change in superintendents since the cap came into effect February 2011. In fact, the responding districts experienced 295 total changes of superintendents since January 2011 as a result of multiple changes in the position.
- 97 districts (44.3% of districts experiencing superintendent turnover or 24% of the responding districts) cited the CSA salary cap regulations as the reason for the superintendent leaving the district.
- 193 superintendent who left the districts either retired or resigned. Of those, 64 (33.2%) sought employment elsewhere).
- 136 superintendents retired from their positions. Of those, 8 (or 5.8%) sought employment out of state.
- At least 18 (13.2%) out of the 136 retired superintendents sought employment as interim superintendents in New Jersey.
- 64 (29.2%) of the 219 districts experiencing superintendent turnover employed interims after their superintendent left.
- 19 (9.1%) of the 219 districts experiencing superintendent turnover since February 2011 have yet to hire a permanent superintendent. Of the 89 districts that have hired a permanent replacement, 56 did not have prior experience as a superintendent (62.9%).

Counties demonstrating significant impact include:

Bergen – of the 54 districts that participated in the survey, 54.5% saw their superintendent leave because of the salary cap;

Camden – of the 25 districts that participated in this survey, 64.3% saw their superintendent leave because of the salary cap Somerset – of the 16 districts that participated in this survey, 63.6% saw their superintendent leave because of the salary cap;

Union & Warren – of 17 Union and 11 Warren districts that participated in this survey, respectively, 60% of districts in each county saw their superintendent leave because of the salary cap;

Mercer – of the 5 districts that participated in this survey, 100% saw their superintendent leave because of the salary cap.

RELEVANT NJSBA POLICY

The NJSBA has no policy that explicitly opposes a limitation on the salaries of chief school administrators. However, several policies support the concept of local control in determining appropriate compensation levels and a board’s responsibility over district expenditures. In addition to those policies cited below, File Code 4135 illustrates the NJSBA’s overall approach to labor relations and supports the Association’s opposition to any initiatives that would reduce local control of the negotiations process.

File Code 2000

Responsibilities of the Board of Education

A. The NJSBA believes that two of the most significant responsibilities of the board of education are the hiring of a chief school administrator and annually reviewing the performance of the chief school administrator in implementing the district’s educational goals, vision and direction.

Retention and Support of the Chief School Administrator

A. The NJSBA believes that the terms and conditions of employment of the chief school administrator should be established by contract, and should provide for the following:

3. Annual evaluation of the performance of the chief school administrator and agreement between the parties of the annual compensation paid to the chief school administrator, including salary and benefits. The annual compensation shall be established by the progress made toward the achievement of the stated goals and objectives of the school district and any additional criteria agreed to by the parties. [Authority: DA 11/03-ER (A), DA 5/01-SR, DA 5/06-SR, DA 5/11-SR]

File Code 3100

Protection of Local Control

The NJSBA believes that local boards of education have the primary responsibility over the receipt of revenues and expenses and will oppose any directives that would compromise that authority and responsibility. [Authority: DA 6/79-8, DA 6/93-SR, DA 11/01-SR, DA 11/06-SR, DA 11/11-SR]

File Code 1430

State Role in Education

A. The NJSBA believes the authority for management of public schools should rest with local boards of education and State authority over school districts should not exceed the scope necessary to fulfill the constitutional mandate for a thorough and efficient system of free public education. [Authority: DA 10/78-CR Graduation Requirements, DA 6/80-A, DA 6/93-SR, DA 6/95-SR]

DISCUSSION

The NJSBA believes in, and actively advocates for, local control and management over school district operations and finances. Consistent with its existing policy, the NJSBA has and continues to oppose the imposition of a hard cap on the salaries of chief school administrators. During the public comment period on the proposed regulations that eventually established the cap, the NJSBA publicly expressed its concerns, which are highlighted below.

Specific salary caps tied to district enrollment are overly rigid and do not take into account certain variables, such as consolidation of additional administrative responsibilities in the position of the superintendent. In many relatively small school districts, the chief school administrator also serves as a principal. In other districts, the superintendent assumes responsibilities that eliminate the need for an additional administrative position, resulting in cost savings to the district.

The NJSBA also believes that existing provisions in State law and the Administrative Code, such as the 2-percent property tax levy cap, the statutory limitation on administrative spending increases and new Accountability Regulations, render a superintendent salary cap unnecessary. The 2-percent levy cap makes it financially imprudent for a local school board to provide an overly generous compensation package to its superintendent. In light of limited State aid and reductions in local school district budget surpluses, the levy cap poses a significant spending constraint. In addition to the property tax levy cap, a 2004 law imposed a hard restriction – a 2.5 percent

maximum – on year-to-year increases in a school district's administrative expenditures, which include superintendent salaries. Consequently, a school board that opts for high superintendent salaries would therefore need to compromise or make difficult decisions on other education priorities. Should such decisions be deemed inappropriate or ineffective, the members of the board will be held accountable by the taxpayers and voters.

Under the School District Accountability Act and subsequent regulations issued by the state Department of Education in 2008, the Executive County Superintendents (ECS) are required to approve all new contracts for central office administrators. This review process is far-reaching and brings into clear focus the power exercised by the State, through the office of the ECS, over local school district administrator contracts. ECS approval is granted only upon the compliance with State-developed criteria that are designed to limit generous compensation packages, including benefits and cost-of-living increases. ECS review of employment contracts provides a necessary and practical control against exorbitant salaries, while maintaining an appropriate level of local discretion and authority.

The NJSBA believes that reasonable constraints in controlling the growth of spending by local school districts may be necessary. However, the limits on superintendent salaries adopted by the State place New Jersey school districts at a distinct disadvantage when hiring chief school administrators. When the proposed salary caps were originally introduced in 2010, the NJSBA stressed the fact that the role of the board of education is not to advocate for administrators' salaries, but to ensure quality school leadership. For a number of school districts, the existing constraints on superintendent salaries stand in the way of fulfilling that responsibility.

Contrary to the beliefs of some, administrative spending in New Jersey has not been a problem. Even before the 2004 enactment that limited administrative expenditures, the percentage of education spending that went toward administration had been on a steady decline. According to a June 2013 report by the U.S. Department of Education's National Center for Education Statistics, New Jersey ranks 46th in the nation in public school administrative spending. The data show that New Jersey public school districts devote 9 percent of their operating budgets to central office and school building administration, compared to a nationwide average of 10.7 percent. At the same time, the state's spending on instruction and student support services (72.9 percent of total expenditures) is greater than the national average.

The NJSBA believes that the property tax levy cap,

AGGREGATE YEARLY MOVEMENT OF THE CSA BY COUNTY										
County	Number of Districts	School Year								
		2007-8	2008-9	2009-10	2010-11	Cap only	2011-12	Cap only	2012-13	Cap only
ATLANTIC	22	4	8	7	8	-	4	-	4	-
BERGEN	74	12	33	33	26	6	19	2	19	1
BURLINGTON	39	10	10	10	9	-	13	-	5	-
CAMDEN	36	5	5	11	9	1	12	1	8	2
CAPE MAY	14	2	-	2	2	-	2	-	1	-
CUMBERLAND	14	1	1	6	7	-	2	-	4	-
ESSEX	22	4	8	8	6	2	4	1	9	1
GLOUCESTER	27	6	11	11	7	-	9	-	6	-
HUDSON	12	-	2	4	3	-	3	-	-	-
HUNTERDON	28	11	10	8	6	2	7	1	9	-
MERCER	9	-	3	2	4	-	2	-	1	1
MIDDLESEX	23	7	4	3	4	4	4	2	4	4
MONMOUTH	51	16	11	8	11	3	19	1	9	-
MORRIS	39	14	19	12	6	2	10	1	3	2
OCEAN	27	5	10	8	6	-	5	-	4	-
PASSAIC	19	3	6	3	8	-	4	-	5	1
SALEM	13	7	6	2	2	-	3	-	5	1
SOMERSET	17	4	2	5	7	2	4	1	5	5
SUSSEX	24	6	10	7	4	-	3	1	7	-
UNION	21	4	6	6	3	1	3	-	4	3
WARREN	22	4	7	3	4	-	8	-	6	-
Totals	554	125	172	159	142	23	140	11	118	21

statutory restrictions on administrative expenditures, existing regulations adopted pursuant to the School District Accountability Act and ECS review of employment contracts provide sufficient controls on salaries for chief school administrators. Therefore, the regulatory salary caps are unnecessary. (See **Attachment A**, NJSBA testimony dated November 18, 2010, and **Attachment B**, letter to acting commissioner of education, Rochelle Hendricks.)

CONCLUSION

Superintendent turnover rates have fluctuated since the superintendent salary cap went into effect: approximately 38.4% (219) of the state's 570 operating school districts have experienced turnover; over the same period, there were 295 instances of turnover, with several districts having two or more new or interim superintendents during the three-year period. Overall, in 97 school districts, superintendents left because of the cap. Of the 89 districts that hired a permanent replacement, 56 were new

superintendents, never having held the position before.

While not the only reason, the cap on CSA salaries is a significant factor in superintendent turnover in New Jersey. As the 2015-2016 school year draws near and five-year contracts in place in February 2011 come up for renewal, we are likely to see more dramatic movement. The inability to offer a new superintendent a salary commensurate with the predecessor, and in some cases lower than other administrative staff, has created instability. A position as an interim superintendent, who may collect his/her pension together with the salary paid by the district, is much more enticing to the pool of experienced superintendents.

The New Jersey Legislature and Executive must carefully review the efficacy of this policy in reducing school expenditures while assuring a quality education and student achievement. The policy will require a political remedy to address its consequences.

** This Report could not have been prepared without the invaluable assistance and dedication of Warren J. Jagger and Danny DaSilva. Warren and Danny tirelessly contacted all 584 school districts to complete this report; and crunched the numbers to ascertain the data referenced herein

Warren is a senior attending The College of New Jersey, Ewing Township, N.J. Warren will graduate this spring with a B.A. in Applied Mathematics. Danny recently completed a Graduate Degree in Education from Rider University, Lawrence Township, N.J., where he also received a B.A. in History.

19x

ATTACHMENT A

TESTIMONY

Superintendent/Administrator Salary Caps
Amendments to N.J.A.C. 6A:23A-1.2 and 3.1

November 18, 2010
Kean University
Union, New Jersey

Good evening. I am Barbara Horl of the New Jersey School Boards Association's Governmental Relations Department. NJSBA is a non-partisan federation of the state's local boards of education.

Our organization believes there is no more critical decision a school board can make than the selection of a superintendent, the chief administrative officer of the community's public schools. NJSBA has long supported the concept of merit-based compensation tied to the achievement of education goals. We have urged local school boards to incorporate the concept into employment contracts with chief school administrators. In addition, we believe that incentives for small school districts to share administrative services voluntarily will enable more school districts to consider this cost-saving option.

However, specific salary caps, tied to district enrollment, are overly rigid and do not take into account variables, such as consolidation of additional administrative responsibilities in the position of the superintendent. In approximately 70 percent of small elementary school districts, the chief school administrator also serves as principal. In numerous other districts, the superintendent assumes additional administrative responsibilities, thereby eliminating the need for an additional position.

Significantly, recent additions to state law and administrative code, such as the 2-percent property tax levy cap and the Accountability Regulations, render the proposed salary caps unnecessary.

Practically speaking, the implementation of the 2-percent local property tax levy cap will make it financially imprudent for a local school board to provide an overly generous compensation package to its superintendent. And, in conjunction with anticipated flat revenue from the state and the recent reduction of excess surplus in local district budgets, it creates a significant spending constraint. Under

these circumstances, a school board that opts for high superintendent salaries would have to make hard decisions about its educational program priorities. Its members would have to account to their taxpayers and voters for their decision.

Under the School District Accountability Act and the subsequent regulations issued by the Department of Education in 2008, the Executive County Superintendents (ECS) are required to approve all new contracts for central office administrators. This review process is far-reaching and brings into clear focus the power exercised by the state, through the office of the ECS, over local school district administrator contracts. ECS approval is granted only upon compliance with state-developed criteria that are designed to limit generous compensation packages, including benefits and cost-of-living increases. In fact Governor Christie recently cited the authority of the office when he instructed the executive county superintendents not to approve any superintendent contract extensions that exceed the salary caps and which would begin before the Feb. 7 effective date of the proposed regulations.

Let me be clear. NJSBA shares the goal of controlling the growth of all school district salaries and including some reasonable constraints. However, the limits proposed by the state might put some New Jersey school districts, particularly those in areas with a high cost of living and which border other states, at a distinct disadvantage when hiring superintendents and other administrators. When the proposed salary caps were originally introduced last summer, NJSBA stressed the fact that the role of the board of education is not to advocate for administrators' salaries, but to ensure quality school leadership.

For a number of school districts, the proposed regulations, as now written, stand in the way of fulfilling that responsibility.

Clearly, administrative spending in New Jersey has not been a problem. The latest report from the U.S. Department of Education places New Jersey's overall spending on central office and school building level administration below that of 42 other states. Compiled by the department's National Center for Education Statistics, the data show that New Jersey public school districts devote 9.5 percent of their operating budgets to central office and school building administration, compared to a nationwide average of 10.8 percent. At the same time, the state's spending on instruction and student support services (71.9 percent of total expenditures) is higher than the national average.

We should make every effort to direct as much of our limited resources as possible to the classroom. However, the proposed salary caps are not an effective way to do this.

On a positive note is the fact that part of the intent of the regulations is to encourage shared administrative services among smaller districts. It is worth further study to determine if the \$10,000 stipend for service to an additional district would effectively encourage such sharing. If not,

the proposed regulations should be amended to ensure that the stipend serves as an incentive. Voluntary sharing of administrative services can significantly reduce a district's administrative costs.

In addition, we support the proposed regulations introduction of performance-based bonuses, a noteworthy concept that ties salary increases to specific performance measures, including student achievement. NJSBA believes that a renewed focus on performance and measureable improvement in student achievement should be benchmarks for contracts and collective bargaining agreements throughout the public education sector.

In summary, the New Jersey School Boards Association believes that the newly enacted property tax levy cap law and existing regulations issued pursuant to the School District Accountability Act and other statute provide sufficient controls on salaries for chief school administrators. Hence, the proposed salary caps are unnecessary. At the same time, we recommend a thoughtful study of ways to develop performance measures that would become part of the employment agreements with the administrators.

ATTACHMENT B



December 27, 2010

Ms. Rochelle Hendricks
Acting Commissioner
New Jersey State Department of Education
100 River View Plaza, P.O. Box 500
Trenton, NJ 08625

RE: Proposed Amendments to N.J.A.C. 6A:23A-1.2 and 3.1,
establishing a schedule of maximum salaries for district superintendents

Dear Commissioner Hendricks:

In the interest of administrative cost efficiency in local school districts, the New Jersey School Boards Association is recommending changes to the Department of Education's proposed code amendments at N.J.A.C. 6A:23A-1.2 and 3.1, which would establish a schedule of maximum salaries for school district superintendents based on enrollment.

On November 18, 2010, NJSBA testified on the proposal and indicated that, although we support aspects that address shared superintendents and performance-based bonuses, the salary caps are unnecessary in light of the new 2 percent tax levy cap and the Executive County Superintendents' authority in reviewing administrator contracts.

The Governor and the Department of Education, however, have made clear their intention to implement the salary cap regulations on February 7, 2011. Therefore, we find it critical that you consider two changes to the proposed code amendments. These changes would advance the state's intention to promote administrative cost efficiency, while averting the unintended consequences of discouraging school boards from (a) consolidating other administrative functions into the superintendent's position and (b) sharing chief school administrators.

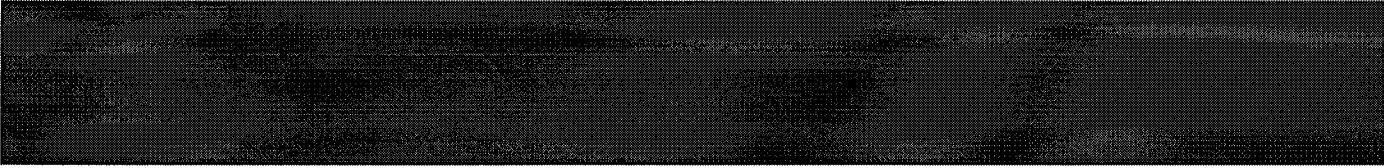
Additional Administrative Functions

In an estimated 30 percent of New Jersey school districts, the superintendent also performs the role of school building principal, special education coordinator, curriculum coordinator and/or other administrator. An informal survey of our members indicate that over half of the school districts engaging in this practice experience savings ranging from \$75,000 to \$150,000 a year, primarily by eliminating the need to employ additional staff to carry out the functions. The current proposed code does not address situations in which the superintendent fulfills dual or multiple administrative responsibilities. NJSBA is concerned that the absence of such a provision will discourage the practice and, in the end, require school districts to hire additional administrative staff.

NJSBA, therefore, recommends inserting a definition of an "Additional Administrative Responsibility Increment" into N.J.A.C. 6A:23A-1.2 and referencing the concept in N.J.A.C. 6A:23A3.1(e)2, line 6.

Such an increment would be awarded when a superintendent assumes clearly defined duties, such as principal, and thereby eliminates the need for employment of an additional staff member. The amount of the increment should be based in part on the potential cost savings to the school district created by such an arrangement.

22x



Shared Superintendents

A 2007 Rutgers-Newark study (www.njsba.org/sharedservices), commissioned by the New Jersey School Boards Association, identified significant cost savings achieved through shared services among school districts and municipalities. A largely untapped area involves the concept of shared superintendents, which provides an option for groups of two or more school districts to control administrative costs.

The proposed regulations recognize the value of this concept by basing maximum salary on the total enrollment of all districts served by a shared superintendent and allowing a \$10,000 increment for each additional district involved in the arrangement. However, considering the added responsibility of working with more than one board of education and instructional staff, we believe that a \$10,000 stipend will not encourage administrators to pursue employment as shared superintendents, nor districts to consider the option. The \$10,000 stipend also does not recognize the full extent of the cost savings made possible through these arrangements. At the outset, a shared superintendent for two districts would save taxpayers \$125,000 in salary under the proposed caps. To encourage the sharing of superintendents, we urge you to adjust the proposed per-district stipend in a way that would give local school boards additional leeway in negotiating these cost-saving arrangements.

Thank you for considering our proposals. Please contact NJSBA Director of Governmental Relations Michael Vrancik at (609) 278-5239 if you need further information.

Sincerely,

Marie S. Bilik
Executive Director

enc.



Celebrating 100 Years of Service

New Jersey School Boards Association

413 West State Street • Trenton, New Jersey 08618

Telephone: 1-888-88NJSBA or 609-695-7600 • Fax: 609-695-0413 • Web site: www.njsba.org

Produced in-house by NJSBA staff.

Thesis: The superintendent salary cap negatively impacts the retention of superintendents throughout the state of New Jersey.

Findings:

- 403 districts responded out of 561 contacted (71.8% participated).
- 219 districts experienced a change in superintendents since the policy came into effect January, 2011 (54.3%). In fact, districts experienced 295 total changes of superintendents since January 2011.
- 97 districts were affected by the loss of their superintendent due to the policy which caps superintendent's salary (44.3%).
- 64 out of the total 193 superintendents who either retired or resigned sought employment elsewhere (33.2%).
- Out of the 136 retired superintendents, 8 sought employment out of state (5.8%).
- At least 18 out of the 136 retired superintendents sought employment as interim superintendents, in New Jersey (13.2%).
- 64 districts employed interims upon the leave of their superintendent (29.2%).
- 20 districts have yet to hire a permanent superintendent since January 2011 (9.1%). Of the 89 districts that have hired a permanent replacement, 56 did not have prior experience as a superintendent (62.9%).

➤ The counties that were effected the most due to the policy are:

- Mercer - out of the 55.6% of districts that participated in this survey, 100% saw their superintendent leave because of the salary cap.
- Camden - out of the 69.4% of districts that participated in this survey, 64.3% saw their superintendent leave because of the salary cap.
- Somerset - out of the 94.1% of districts that participated in this survey, 63.6% saw their superintendent leave because of the salary cap.
- Union & Warren - out of the 85% and 50% of districts that participated in this survey, respectively, 60% saw their superintendent leave because of the salary cap.
- Bergen - out of the 73.3% of districts that participated in this survey, 54.5% saw their superintendent leave because of the salary cap.

Conclusion: The unintended consequences of this policy have brought increased instability to counties, such as Camden, Mercer, and Union, which cannot afford further instability. Lack of experience is a serious concern as superintendents are retiring at an alarming rate and being replaced by inexperience. The interim solution is a temporary solution, which is costing the state more than this cap has saved. Furthermore, this is not a localized issue, it affects the entire state.



New Jersey School Boards Association

413 West State Street • P.O. Box 909 • Trenton, NJ 08605-0909 • Telephone: 609.695.7600 • Toll-Free: 888.88NJSBA • Fax: 609.695.0413

A-2930 / S-1987: Prohibits the DOE from regulating the maximum salary amount a school district may pay its superintendent of schools.

Sample Resolution: <http://www.njsba.org/news/legislative-corner.php?pn=48>

LOCAL BOARDS OF EDUCATION ADOPTING RESOLUTIONS IN SUPPORT OF A-2930 & S-1987:

1. Alpine (Bergen)
2. Barrington (Camden)
3. Bergenfield (Bergen)
4. Black Horse Pike Regional (Gloucester/Camden)
5. Blairstown (Warren)
6. Butler (Morris)
7. Chester (Morris)
8. Closter (Bergen)
9. Cranford (Union)
10. Cresskill (Bergen)
11. Demarest (Bergen)
12. Dennis Township (Cape May)
13. East Hanover (Morris)
14. Egg Harbor City (Atlantic)
15. Emerson (Bergen)
16. Englewood Cliffs (Bergen)
17. Fair Lawn (Bergen)
18. Florham Park (Morris)
19. Fort Lee (Bergen)
20. Frankford (Sussex)
21. Galloway (Atlantic)
22. Glassboro (Gloucester)
23. Green Township (Sussex)
24. Greenwich Township (Warren)
25. Hanover (Morris)
26. Harrison (Hudson)
27. Hopewell Valley (Mercer)
28. Howell (Monmouth)
29. Kearny (Hudson)
30. Kingwood (Hunterdon)
31. Lavallette (Ocean)
32. Lincoln Park (Morris)

9/15/2014

Alex

33. Logan Township (Gloucester)
34. Long Hill Township (Morris)
35. Lumberton (Burlington)
36. Madison (Morris)
37. Maple Shade (Burlington)
38. Montville (Morris)
39. Mount Arlington (Morris)
40. Mount Olive (Morris)
41. Netcong (Morris)
42. New Milford (Bergen)
43. North Hanover (Burlington)
44. Northern Highlands Regional (Bergen)
45. Northfield (Atlantic)
46. Norwood (Bergen)
47. Ocean Township (Monmouth)
48. Ocean Township (Ocean)
49. Old Tappan (Bergen)
50. Oradell (Bergen)
51. Park Ridge (Bergen)
52. Parsippany-Troy Hills (Morris)
53. Ramsey (Bergen)
54. Ridgewood (Bergen)
55. River Dell (Bergen)
56. Roxbury (Morris)
57. School District of the Chathams (Morris)
58. Scotch Plains-Fanwood (Union)
59. South Hackensack (Bergen)
60. South Harrison (Gloucester)
61. South Orange-Maplewood (Essex)
62. South Plainfield (Middlesex)
63. Tabernacle (Burlington)
64. Teaneck (Bergen)
65. Tenafly (Bergen)
66. Warren Hills Regional (Warren)
67. Woodbridge (Middlesex)
68. Woodcliff Lake (Bergen)

OTHER BODIES ADOPTING RESOLUTIONS IN SUPPORT OF A-2930 & S-1987:

- 1) Bergen County School Boards Association
- 2) Morris County School Boards Association

9/15/2014

27x

RESOLUTION
Supporting A-2930/S-1987
(Eliminates Superintendent Salary Cap)

WHEREAS, In February 2011, the Commissioner of Education adopted regulations imposing a cap on the salaries of chief school administrators based on the enrollment of the district in which the administrator serves; and

WHEREAS, The cap on superintendent salaries is unnecessary since the 2 percent property tax levy cap, the statutory limitation on administrative spending growth, regulations adopted pursuant to the School District Accountability Act, and Executive County Superintendent review of employment contracts protect the public's and taxpayers' interests by providing sufficient controls on superintendent compensation; and

WHEREAS, One of the most important responsibilities of a board of education is the hiring of a highly-qualified chief school administrator, who is critical in implementing the educational goals, vision and direction of the community; and

WHEREAS, The salary cap has a negative impact on the quality, stability and continuity of public education in school districts due to high turnover rates, increased use of interim superintendents, and a decline in the experience level of candidates for superintendent positions; and

WHEREAS, For many educators, becoming a superintendent represents the pinnacle of a lifelong ascent up the career ladder, yet the salary cap – which applies to no other positions – has created a disincentive for school leaders to strive toward that goal, which will have long-term negative consequences on educational quality in this State; and

WHEREAS, Assembly Bill No. 2930, co-sponsored by Assemblyman Patrick Diegnan and Assemblywoman Mila Jasey, and Senate Bill No. 1987, sponsored by Senator M. Teresa Ruiz, would prohibit the Department of Education from regulating the maximum salary a school district may pay its superintendent.

NOW, THEREFORE, BE IT RESOLVED that the _____ Board of Education supports and urges the passage of Assembly Bill No. 2930 and Senate Bill No. 1987; and be it further

RESOLVED, that a copy of this resolution shall be forwarded to each member of the *(insert legislative district #)* legislative district delegation, the Speaker of the General Assembly, the President of the State Senate, the Governor of the State of New Jersey, the Chairs of the Assembly and Senate Education Committees, and the New Jersey School Boards Association.

Rachelle Feldman Hurwitz
[REDACTED]
Plainsboro, New Jersey 08536
[REDACTED]

West Windsor-Plainsboro Regional School District
Board of Education Member

Good morning. My name is Rachelle Feldman Hurwitz and a member of the West Windsor-Plainsboro Regional School District Board of Education. I am here this morning to respectfully request you consider returning financial administrative decisions to local districts.

West-Windsor-Plainsboro is one of the highest rated school districts in New Jersey. We are proud of approximately 10,000 students who strive for excellence for themselves and their peers. Our district administrative staff, of only eight people oversees every aspect of education of our students plus staff 365 days a year.

Running an educational system is NOT like running a business. Districts formulate a budget, approved by board members and county supervisors, before it is implemented. After the process ends, staff begins planning for the next year, not knowing the number and/or composition of incoming students.

The final budget, is the budget all districts must adhere to for that fiscal year. Adept planning allows for emergencies, unlike the business model, no bank loans are permitted for school districts.

For six consecutive years, including 2013-2014, West Windsor-Plainsboro's Business Administrative staff has been awarded the Certificate of Excellence in Financial Reporting Award, presented by the *Association of School Business Officials International*.

Furthermore, our district achieved the Meritorious Budget Award presented by the *Association of School Business Officials International* for fiscal year 2013 – 2014.

Consistency and sound economic planning is equal to consistency and planning when school boards and Superintendent's envision the district's future. Departmental programing, building safety and use, professional teacher and staff training.

Our Governor came to West Windsor-Plainsboro April 2012, proudly stood with our Superintendent in one of our classrooms, and commented, "...this is what education should be..."

Within a year, the Superintendent announced she was leaving for NY.

We were fortunate to promote our Deputy Superintendent whose own vision was already being incorporated into our schools.

We continue striving for excellence in education on a tight budget for our children led by a Superintendent with strong leadership skills.

I am requesting school boards regain their right to create budgets and allow them to decide what to compensate their Superintendents.

Thank you.

Garden State Coalition of Schools/GSCS

160 West State Street

Trenton, New Jersey 08608

September 16, 2014

Testimony before Joint Committee on the Public Schools regarding the regulation that allows the Department of Education to set a maximum salary amount a school district may pay its superintendent of schools

GSCS supports elimination of this regulation:

1. Accountability appropriately remains at the local level via local decision-making. It is the local school board's responsibility to hire the superintendent of its schools. The local district is best equipped to determine the needs of its schools and to calculate the local school budget's ability to compensate its superintendent of schools.
2. Education leadership in New Jersey is being negatively impacted by the imposition of superintendent salary caps, which were put in place in 2009. Since the cap on superintendent salaries were initiated, New Jersey superintendent ranks have dwindled and a drain on leadership pool has grown with each year the cap has been in place.

GSCS thanks the Joint Committee on Public Schools for holding this hearing. It has been 5 years since it these salary caps have been mandated, a salary 'reset' clearly has occurred and it is more than time to move ahead in a positive direction and promote respect for the position of chief school administrator.

Our students and staff know that the need and respect for quality education leadership is tantamount to the delivery of quality education

We appreciate the Committee's consideration of and potential for advocacy regarding this important matter.

Thank you.

Attached: 2013 Survey of Bergen County Superintendents re Salary Caps

**Bergen County Survey:
Superintendent Job Changes
2010-2013 (Fall) related to
Salary Caps**

DISTRICT	Past CSA	Date left	PRESENT CSA	
District	Superintendent	Date of Transition	Current Sup't	Disposition -Lvg Sup
Bold Red = Moved Retired/sooner re cap				
Black = Not affected by salary cap				
Allendale	Dr. Jerilyn Caprio	4/10/2011	Barcadepone	Retired
	Dr. Kathleen Semergieff			
Alpine	Semergieff	8/31/2013	Gordon	Retired
Bergen County Special Services	Robert Aloia	1/1/2010	Lerner	
Bergen County Tech	Robert Aloia	1/1/2010	Lerner	
Bergenfield			Kuchar	
Bogota	Jack Hynes	1/1/2010	Pantoliano	
Carlstadt			Kollinok	
Carlstadt-East Rutherford	David Mango	6/30/2012	Bowen (Interim)	
Cliffside Park			Romagnino	
Closter			Newberry	
Cresskill			Bellina	
Demarest	Interims	6/30/2010	Fox	
Dumont			Triggiano	
East Rutherford	Ken Rota	7/1/2012	Bowen (Interim)	Paramus
Edgewater	Ted Blumstein	12/31/2010	Cella	
Elmwood park	Joseph Casapulla	6/30/2010	Tomko	
Emerson	Dr. Vicent Taffaro	2011/12	Gatens	Retired
Englewood City	Edward Segall	10/31/2010	Carlisle	
Englewood Cliffs	Dominic Mucci	8/31/2012	Kravitz	
Fair Lawn			Watson	
Fairview			Delisio	
Fort Lee	Ray Bandlow	10/31/2011	Interim	NYS
Franklin Lakes	Dr. Roger Bayerdorf	6/30/2010	Romano	
Garfield			Perrapato	
Glen Rock	Dr. David Verducci	6/30/2012	Valenti	
Hackensack	Dr. Ed Klizus	6/30/2011	Abate, Interim	NYS

Harrington Park			Fried	
Hasbrouck Hts	Joseph Loungo	6/30/2010	Porto	INTERIM RET'D
Haworth	Dr. Paul Arilotta	6/30/2012	Nuccetelli, Interim	
Hillsdale	Tony De Nochia	12/31/2010	Spritio	RET'D
Ho-Ho-Hus			Ferrara	
	Dr. Bernie			
Leonia	Josefsberg	6/30/2011	Megargee	CONN
Little Ferry	Frank Scarafile	6/30/2012	Hayes	
Lodi			Quatrone	
				INTERIM-SEE
Lyndhurst	Joseph Abate, Jr	6/30/2010	Marinelli	BELOW
Mahawah	Dr. Charles Montesano	6/30/2011	Schoen	
Maywood			Jordan	
Midland Park	Willima Heebink	6/30/2010	Cirasella	
Montvale	William Belluzzi	7/1/2012	Peterson	RET'D/Parochia
Moonachie	Mark Solimo	6/30/2011	Scarafile	
Moonachie	Jill Mortimer	6/30/2013	Interim	
New Milford			Polizzi	
North Arlington			Stringham	
Northern Highlands			Keenan	
No'n ValleyReg HS	Dr. Jan Furman	6/30/2011	Nagy	SETONHALL PRO
Northvale	Pinajian	6/30/2013	Pinajian	
Norwood	Brian Gatens	9/1/2013	Interim	EMERSON\$w/in CAI
Oakland	Richard Helflich	1/1/2013	Caffaro	RET'D
Old Tappan	William Ward	6/30/2011	Interim	NYS
Oradell	Jeffrey Mohre	4/12/2010	Interim	
Palisades Park	Hayes		Cirillo	?
Paramus	JamesMontesano	6/30/2011	Rota	NYS
Park Ridge			Gamper	
Pascack Valley	Benedict Tantillo	6/30/2010	Gundersen	RET'D/MASS
Ramapo-Indian Hills	Dr. Lauren Schoen	5/15/2013	Palestis	
Ramsey	Roy Montesano	6/30/2012	Murphy	RET'D NYS
Ridgefield	Robert Jack		Groveman	RET'D
Ridgefield Park	John Richardson	12/31/2010	Interim	RET'D
Ridgewood			Fishbein	
River Dell			Fletcher	
River Vale	Murphy	6/31/2012	McCourt	RAMSEY
River Edge	Erica Steinbauer	6/30/2010	Ben-Dov	
Rochelle Park	FredrikOberkehr	12/1/2011	Interim	

Rutherford	Dr. Leslie O'Keefe	6/30/2010	Jones	?
Saddle Brook	Harry Groveman	6/30/2010		RET'D INTERIM E
Saddle Brook	Dr. Kathryn Fedina	6/30/2013	Interim	
Saddle River	David Goldblatt	6/30/2012	Contaldi	RET'D
South Hackensack	Wm DeFabiis	6/30/2013	New Supt	RET'D
Teaneck	Interim left	1/18/2009	Pinsak	Selected Candidate Cap
Tenafly			Trager	
Upper Saddle River			Browne	
Waldwick	Dr. Robert Penna	6/30/2010	Raupers	
Wallington	Frank Cocchiola	6/30/2010		
Wallington	Albert Pecora	4/18/2013	Interim	
Westwood	Dr. G. Zoeller	11/15/2012	Sheerin	
Wood Ridge	Dr. Elaine Giugliano	6/30/2011	Ebler	
Woodcliff Lake	Peter Lisi	6/30/2011	Barbalet	
Wood-Ridge	Dr. Beth Ebler	6/6/2013	Luongo	
Wyckoff	Dr. Janet Razze	6/30/2010	Kuder	

Sean Sullivan

[REDACTED]
East Hanover, NJ 07936
[REDACTED]

Joint Committee on the Public Schools
135 West Hanover Street
P.O. Box 070
Trenton, NJ
08625-0070

September 15, 2014

Dear Committee Members:

I'm writing in support of the repeal of the Superintendents' salary cap. I currently serve as president of the East Hanover Board of Education, and while I'm not writing for the board, I'm confident they feel as I do.

Our former Superintendent, Dr. Joseph Ricca took a similar position in a district in Westchester County, for a 50% increase, rather than face taking a pay cut. He just started a family and, quite honestly, I would have questioned his judgment had he not made the move, given the uncertainty of any repeal and having to take a 15% pay cut, in perpetuity, to do the exact same job.

Dr. Ricca is a high performing superintendent and the people of East Hanover fund all but a nominal portion of the school's budget. We, under his leadership, consistently led the way in demonstrating fiscal responsibility, finding alternate funding sources and, most importantly, maintaining and expanding our educational programs. We didn't need a superintendents' salary cap or a property tax cap to do that, we did it because it's the right thing to do. In fact, when our rather moderate state aid was restored, we used every dollar of it for tax relief, again, because that's what responsible leaders do.

This cap is yet another example of every district being painted with the same brush, from both a regional and competency standpoint. Local boards know what their constituents want and what they're willing to pay for. The cap takes that local control away and in many instances the only place a similarly sized and achieving district can compete is to offer prospective candidates more office staff or support, taking money away from the programs and offsetting any perceived savings.

As our retiring or relocating superintendents leave New Jersey districts, some will be replaced by excellent educators. However, once they prove themselves, we'll be fighting to hold on to them with one hand tied behind our back.

The only place I see the state having an issue is with pensions. To that end, perhaps capping the pensionable amount of the superintendents' salary is a logical place to go.

Thank you for your consideration.

Sean Sullivan

Testimony before the Joint Committee on the Public Schools, September 16, 2014.

Submitted by:

Michele Lenhard

[REDACTED]

Ridgewood, NJ 07450

[REDACTED]

Ridgewood Board of Education - elected 2007

Garden State Coalition of Schools – Vice President

New Jersey School Boards Association - Legislative Committee, Resolution Subcommittee, Student Achievement Task Force, Bergen County School Boards Association County Officer.

Thank you for the opportunity to submit testimony regarding the Superintendent Salary Cap Regulation. Unfortunately I am not able to attend the September 16th hearing to address you in person. I also wish to specifically recognize the leadership of Senator Ruiz and Sarlo, as well as Asm. Jasey and Diegnan for sponsoring legislation which recognizes the authority to compensate the Superintendent rests with the local Board of Education.

The regulation adopted by the Commissioner of Education in 2011 capping a superintendents salary, in my opinion, is the single most damaging decision made by the State of New Jersey which impacts public education. As my testimony will support the educational leadership necessary to sustain long-term educational success begins with the relationship created between the Board of Education and the Superintendent.

While I have much to say on this topic, my testimony this morning will focus on the role of the relationship between the Board of Education and the Superintendent as critical to the long-term success of a school district. My hope is that by establishing testimony, which clearly articulates this relationship, committee members will understand why they need to support this legislation. Attached to this testimony is a copy of the Iowa Association of School Boards Lighthouse Study, which provides supporting documentation.

The Ridgewood Public School mission statement speaks to our commitment to a "tradition of excellence and innovation" and maximizing a students potential to become a life long learner. Our mission was reaffirmed three years ago during a strategic planning process with community stakeholders. But having a mission may as well be like having a dream if you cannot put it into practice. To close the gap between mission and reality takes leadership. Ridgewood works to achieve our mission every day and by every measure of accountability has demonstrated long-term success. I believe this is because we have also been fortunate enough to benefit from years of strong, consistent and experienced educational leadership which values instructional decision making. Instructional decision making happens at every level of a school district. Its evidence is seen daily in our classrooms, by our building Principals and supervisors, and by our superintendent. However, good instructional decision making takes work.

The structure created for example by the State Academic Standards is interpreted locally through written curriculum and then again by the classroom teacher's lesson plan. It is

the innovation and creativity at the local level, which brings a rich and rewarding classroom experience to our students. Ridgewood has 6 Elementary Schools, 2 Middle Schools and a High School. We have 826 staff members (550 Teachers, 26 Administrators, 200 Special Education Aides, 50 secretaries)

How do we make sure all students have access to the same educational opportunity?

I quote from, *Leading for Instructional Improvement*, by Steven Fink and Anneke Markholt, "It take expertise to make expertise". It is the role of school district leaders to develop and cultivate the expertise necessary for high-quality teaching. This deeper level of understanding brings a greater level of problem solving. Leadership at the classroom level requires a certain level of expertise but leadership at the district level requires expertise in multiple disciplines.

The superintendent is clearly the educational leader of the school district, however without a shared vision for student success with the Board of Education our mission could not be achieved. The role of the Board of Education comes into the picture by providing accountability for local constituents. The only employee we directly hire and manage is the Superintendent. The give and take of this relationship is critical for success as goals are established for the district, budgets are set, and a Chief School Administrator is hired and evaluated. The salary caps severely limits a board's ability to attract and retain quality leadership. How can you set an upper benchmark for a salary without even considering cost of living adjustments, rising healthcare costs, and experience levels of candidates? Boards of Education are sensitive to balancing a quality educational with the local tax rate. We know the value our community places on education and the quality they have come to expect. Our Superintendent will tell you we expect him to perform miracles these days with dwindling state aid, tax levy caps and ever increasing state mandates. The residents of Ridgewood have not changed their expectations and neither has the BOE. Through the budgeting process the board can prioritize and allocate resources accordingly to meet the educational goals of the school district. There are sufficient budgetary parameters already in place by the State to control spending. We need the flexibility to make decisions locally within those parameters in the best interest of our communities.

A few key points which highlight why capping a superintendents salary is unnecessary:

- **A Redundant Cap:** The cap on superintendent salaries is unnecessary due to the existence of the 2 percent property tax levy cap on the operating budget and the administrative spending growth cap. If boards are able to create budgets within these existing caps while providing a thorough and efficient education, what they pay the superintendent should be a local decision.

- **Executive County Superintendent Oversight:** Through regulation and statute the Executive County Superintendent reviews all superintendent employment contracts, providing sufficient controls and safe guards on superintendent compensation.

- **Stability of Leadership:** The cap has had a negative impact on the quality, stability and continuity of educational leadership: The superintendent salary cap has caused high

turnover rates as superintendents leave to pursue opportunities in neighboring Pennsylvania, Connecticut, and New York; states that do not cap superintendent salaries. It has also increased the use of interim superintendents, and caused a decline in the experience level of candidates for superintendent positions. Administrative personnel do not seek advancement to the superintendent seat as in the past.

- **Costly: Interims superintendents cost the State more money:** The use of interim superintendents, as a result of the cap, has been a net negative for State finances as they not only earn a salary from the district but also draw on the already overburdened State pension system.

- **Flexibility of Local Control:** The vast majority of school boards in New Jersey are democratically-elected. They are entrusted by the taxpayers to spend tax dollars judiciously. If they fail to do so, the voters are empowered to replace them through the electoral process. This decision is best left at the local level.

Key qualities of a good superintendent: Educational mentor, communicator, community leader, CEO of a multi million dollar enterprise, manager of personnel, interpreter of State regulations, parental coach, advocate and as previously stated, educational leader.

IASB Lighthouse Research Report: <http://www.iasb.org/WorkArea/showcontent.aspx?id=570>

Tibbetts, Amy

From: Michael J. Palma [REDACTED]
Sent: Saturday, September 13, 2014 8:34 AM
To: Tibbetts, Amy
Subject: Superintendent caps

Good morning,

I am a member of the Montville Board of Education and strongly support the abolition of superintendent caps for a number of reasons.

The caps are the direct cause of talented superintendents leaving for positions in other states. Some make the counter argument that there are "plenty of other qualified candidates." Really? Define "qualified." We want the person best qualified to lead our district, and if we choose to pay more to lure that person from going to another district, that's America. That's capitalism. You get what you pay for.

Public funds are used to support the position of the head football coach at Rutgers and he just signed a 6.5 million dollar contract. Why not cap the salary of Rutgers sports coaches at \$175,000? Don't we think there are plenty of "qualified candidates" who would gladly take that job at \$175,000 a year? We want the ability to hire the best candidate, not just someone who fits the minimal "qualifications."

The salary cap offers no savings at all. We have a 2% cap as it is. Schools are not asking for more money - only for the right to spend our money the way we want to. How does it save money if schools cut experienced superintendent salaries by \$50,000, only to spend it on more personnel to do the job that an inexperienced superintendent doesn't yet have the ability to do? Tell us how much we can spend. Don't tell us how to spend it.

We would "save" MAYBE as much as \$60,000 next year on our superintendent's salary. For that savings, it barely pays for the cost of one fresh-out-of-college teacher plus benefits. Our budget will be in the \$70,000,000 range. A \$60,000 reduction represents a savings of .085% of our budget - less than even 1/10 of 1%. This is a totally insignificant saving.

We have all seen what bad superintendents can do to a district. One of our neighboring districts (Highlands Park) hired an inexperienced superintendent a year ago with catastrophic results. He was bought out after one year amidst public outrage. Districts do not have the luxury of hiring a superintendent just because he or she comes at the right price.

Thank you for your consideration.

Sincerely,
Michael Palma
Montville Township BOE

Three years ago, superintendents' salaries were capped. When our superintendent's contract ended last year, he accepted our offer to renew his contract at the capped amount of \$167,500. His salary had been \$230,000: a salary commensurate with his expertise, commitment to education, and long experience as a successful superintendent.

Ridgewood is the largest district in Bergen County with close to 5,800 students k-12. By any measurement, including QSAC, we are a high performing district known for our effectiveness and our fiscal efficiency.

I have many concerns about the superintendent salary cap. With the cap there is no ability to give a raise when new work assignments and responsibilities are added to the job. Let's take a quick look at the latest initiatives:

NJ's adoption of the Common Core standards that require aligning math and English Language Arts curricula with the standards,

PARCC tests that require our district to evaluate and make improvements to our technology infrastructure, the mandate to choose one of four evaluation programs and implement the teacher and principal evaluation system. The new evaluation system requires extensive training for our administrative staff and teachers.

and the requirement to identify Student Growth Objectives for each teacher as part of the evaluation system.

Our superintendent is involved with all of these initiatives making sure the district adheres to the new mandates. His work ethic and his attention to detail ensured that all teacher and principal evaluations were completed on time last year, that the curricula was aligned with the standards, and we are ready for the PARCC online tests. He should receive a salary increase for these new job responsibilities. Our superintendent is the educational leader for our schools and this is a demanding position in our high performing district.

In addition, the capped salary does not allow for a cost of living increase. Whether in the public or the private sector, it is rare for employees with management responsibility to have a flat salary and no adjustment from year to year.

The districts in North Jersey have seen a high turnover in superintendent positions. More than a third of Bergen County districts have lost their superintendents since the summer of 2010 when the caps were announced. Most of this turnover is a result of the superintendent salary caps. We are losing our most experienced and gifted superintendents to early retirement, New York, and Connecticut. There is a "brain drain" of school leadership in New Jersey and if these caps continue we will lose more talented superintendents from our school districts.

The caps have also caused an imbalance in administrator salaries. Assistant superintendents, business administrators, and high school principals are making as much as or more than our superintendents. The caps have also impacted the decisions administrative team members make to move up the ranks to take a superintendent position. There are no salary incentives to make the move and take on added responsibilities.

Finally, school superintendents are the only public employees whose salaries are capped. Police, Fire, and public school employees (other than the superintendent) receive yearly increases as negotiated by municipalities and Boards of Education.

It is time to rescind this regulation and I support S1987 that would eliminate the salary cap. Boards of Education should be allowed to negotiate salary with their superintendents. Boards of Education are cognoscente of the 2% budget cap and the statutory limitations on administrative spending growth. Boards of Education should be given the flexibility to negotiate the appropriate salary within these parameters.

Thank you.
Sheila Brogan

Sheila Brogan
[REDACTED]

Tibbetts, Amy

From: [REDACTED]
Sent: Saturday, September 13, 2014 3:09 PM
To: Tibbetts, Amy
Subject: Superintendent Salary Cap

Dear Ms. Tibbetts,

I'm writing to express my opposition to the school superintendent salary cap.

During my nine years as a BOE member in Morris Plains, I saw firsthand the value of an experienced, skillful chief schools administrator (CSA) --and the damage that an inept or inexperienced one can do.

The former saves money because he or she works well with the teachers' union and has foresight when planning budgets and capital projects. Most important, an experienced administrator has a vision for improving the delivery of education and can rally the staff to support it.

The inexperienced CSA makes mistakes: creating past practices that supersede the written teacher contract, investing heavily in fine-sounding initiatives that are not sufficiently followed through, becoming bogged down in the complexity of maintenance and capital improvements.

As many have mentioned, the superintendent salary cap is superfluous in light of existing tax increase and administrative line caps.

What I have not heard discussed as much is the damaging effect of the disrespect shown to the skills and body of knowledge a good CSA must have. He or she must be a communicator, manager, strategist and, at heart, an idealist when it comes to education. The CSA must have advanced knowledge of ever-changing legal requirements, financial matters, management techniques, long-range planning and, of course, education.

If we disrespect our school leaders, we disrespect public education overall. I don't believe NJ will continue its super-high rankings in U.S. education without the wisdom of experienced CSAs.

Thank you for the opportunity to give a comment on this matter.

Sincerely,

Lee Connor

[REDACTED]
Morris Plains NJ 07950

Lee Lusardi Connor

Tibbetts, Amy

From: [REDACTED]
Sent: Saturday, September 13, 2014 7:09 AM
To: Tibbetts, Amy
Subject: Superintendent Salary Cap

Dear Ms. Tibbetts,

Please accept our comments below for consideration at your September 16 hearing concerning this issue.

We are just parents- not BOE members, not teachers- and we are alarmed with the impact this cap could have on our two children who attend public schools here in Montville Township.

Our BOE is already capped in the amount of money they can collect from us in property taxes and there is some sort of limit on the increases each year they can pay out in administrative salaries. These limits in our minds are plenty. To go further and cap our superintendent's salary, is just unnecessary. We pay attention to what goes on at our BOE. If we are unhappy in the way they are spending our money, you can bet we will vote them out the next time around.

Additionally, we worry this cap will unfortunately have the unintended result of causing our superintendent, who has made many positive changes in our district and provided solid leadership here, to leave. We certainly would not stay in a position where we were asked to take over \$35,000/year in pay cuts.

Thank you for your consideration of our thoughts and concerns.

Terriann & Pharis Mohideen

[REDACTED]
Pine Brook NJ 07058 (Montville Township School District)