

Committee Meeting

of

JOINT COMMITTEE ON THE PUBLIC SCHOOLS

“Superintendent Salary Caps”

LOCATION: Committee Room 11
State House Annex
Trenton, New Jersey

DATE: September 16, 2014
10:00 a.m.

MEMBERS OF COMMITTEE PRESENT:

Senator Ronald L. Rice, Co-Chair
Assemblywoman Mila M. Jasey, Co-Chair
Senator Samuel D. Thompson
Assemblyman Benjie E. Wimberly
Assemblywoman BettyLou DeCroce
Assemblywoman Donna M. Simon
Assemblyman David W. Wolfe



ALSO PRESENT:

Amy Tibbetts
Executive Director

Rebecca Sapp
Executive Assistant

Meeting Recorded and Transcribed by
The Office of Legislative Services, Public Information Office,
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SENATE

Hon. Ronald L. Rice
Co-Chair

Hon. Diane B. Allen
Hon. Linda R. Greenstein
Hon. Donald Norcross
Hon. M. Teresa Ruiz
Hon. Samuel D. Thompson

ASSEMBLY

Hon. Mila M. Jasey
Co-Chair

Hon. Ralph R. Caputo
Hon. Betty Lou DeCroce
Hon. Sheila Y. Oliver
Hon. Donna M. Simon
Hon. Benjie E. Wimberly
Hon. David W. Wolfe

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MEETING NOTICE

TO: Members of the Joint Committee on the Public Schools

**FROM: Senator Ronald L. Rice, Co-Chair
Assemblywoman Mila M. Jasey, Co-Chair**

The Joint Committee on the Public Schools will hold a meeting where invited guests will speak on the topic of the Superintendent Salary Caps on September 16, 2014 in Committee Room 11 on the fourth floor of the State House Annex, beginning at 10:00 a.m.

The public may address comments and questions to Amy Tibbetts, Executive Director, at 609-847-3365, or by email at Atibbetts@njleg.org

Issued September 5, 2014

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ASSEMBLYWOMAN MILA M. JASEY (Co-Chair): Good morning. With apologies for starting late -- the weather held us up a little bit.

We're very happy to see everyone here, and I'd like to call the meeting to order with a roll call.

MS. TIBBETTS (Executive Director): Senator Rice.

SENATOR RONALD L. RICE (Co-Chair): Here.

MS. TIBBETTS: Assemblywoman Jasey.

ASSEMBLYWOMAN JASEY: Here.

MS. TIBBETTS: Assemblywoman DeCroce.

ASSEMBLYWOMAN DeCROCE: Here.

MS. TIBBETTS: Assemblywoman Simon.

ASSEMBLYWOMAN SIMON: Here.

MS. TIBBETTS: Assemblyman Wolfe.

ASSEMBLYMAN WOLFE: Here.

ASSEMBLYWOMAN JASEY: And I understand Assemblyman Wimberly is on his way.

SENATOR RICE: Yes.

ASSEMBLYWOMAN JASEY: But we don't want to hold anyone up any longer. We're very grateful to everyone who is here this morning and who has made the effort to come and give testimony to this Committee.

Now, I'd like to-- Since this is our first meeting of the year, I'd like to give every member an opportunity to say hello and any brief remarks you want to make. And then we're going to turn the meeting over to

Assemblyman Wolfe. This is his meeting today; it's a topic that he has asked us to take a look at.

We'll begin with Assemblywoman Simon.

ASSEMBLYWOMAN SIMON: All right.

Good morning; I'm very happy to be here. I hope everybody had a good summer. I'm looking forward to working with everybody on very important topics and issues, and I'm here to learn and hear from the groups today on both support and opposition for this issue of superintendent caps. And I just look forward to working with everybody.

Thank you.

ASSEMBLYWOMAN JASEY: Thank you.

Assemblywoman DeCroce.

ASSEMBLYWOMAN DeCROCE: Thank you. I'm very happy to be here today, again this year, on the Committee -- the Joint Committee.

It's been productive in the past, and working together is very important to me, and this Committee, moving forward, I'm sure we will work together in a bipartisan way to do what's best for the public schools in New Jersey.

So I look forward to the discussions we have today, and moving forward during the year. I'm sure there's going to be a mixture -- a lot of issues that are very important to the individual groups, but most importantly to the betterment of our schools for our children. Because they are our future, and that's what we need to concentrate on -- is what we need to do to help them and to aid the schools in supporting them so that they can accomplish more and become greater to -- have a greater level of graduates in our school systems here in New Jersey.

Thank you so much.

ASSEMBLYWOMAN JASEY: Thank you, and welcome, Senator Thompson. Would you like to make some opening remarks this morning?

SENATOR THOMPSON: (Indiscernible), thank you.

ASSEMBLYWOMAN JASEY: Okay.

Assemblyman Wolfe.

ASSEMBLYMAN WOLFE: I have nothing. (laughter) No, I do.

First of all, I'd like to thank the Chairman and Mila for convening this meeting; and also for my colleagues. Some of you attend a lot of our meetings; some of you may never have been here. There are a lot of legislative committees; this is a Joint Committee -- Republicans and Democrats, Senators and Assembly folks. It is truly bipartisan; we really look at the issues. Some of the topics we consider are kind of, maybe, esoteric; some of them are also very, very, very more important than others. And I think this is one of those "more important than others," simply because of the times that we are living in, and the genesis for the legislation that created this situation, and the fact that the genesis may be changing because the sunset will occur, I believe, in another year -- of that issue.

I think my interest in this primarily is personal. A young man from the town where I currently reside -- I have resided for over 40 years -- I knew as a child; his father built my house. He was a quarterback for the team in my town. He went to college, came back, taught, got his certificate -- is a Superintendent in Lavallette. His name is Peter Morris. Peter is a

great young man; very kind, and he's very well accepted and respected in his community. I believe he has two children.

I've had some continuing conversations with his about his situation. His situation is, he's in a very small school district, and he tells me that he actually has an opportunity to go to larger school districts and become a subject supervisor -- than he currently is making in his salary where he is right now, if the legislation continues as it is.

I know some of you-- I'm really here to listen, but there are just a couple of things I just want to say, and then I'll be quiet. A lot of you have your own position; and in preparation for today's meeting I was given, and I researched, three different editorials -- one was a recent one from the *Star-Ledger*, one was from June from the *Asbury Park Press*, and one was a very insightful article from July from the *Wall Street Journal*. They all talked about the impact of this legislation on school districts, superintendents, the lack of upward mobility, the fact that we're relying on retired folks to come in and run those districts, the fact that this legislation actually occurred as a result of some rather excessive agreements that were made in a specific district in Monmouth County. And I think more than a knee-jerk reaction, we have to really look at the damage that's done; the limited-- It's provided opportunities for advancement for other people.

And lastly, there are all types of rankings of schools, and some may be more favorable than others. But there was a ranking a week or so ago where they ranked the top 10 school districts in the state; I don't even remember what the criteria was. But I believe of the 10, maybe 4, maybe 5 were from Morris County. Some of my colleagues are from Morris County. And I just wondered to myself how long-- I don't know any of those

superintendents, but I just wondered, how long are they going to stay in New Jersey?

So with that being said, again, we're really here to listen. I know the Senate has begun some work on, perhaps, massaging this issue, but I think we need to work in a unified effort -- both in the Senate and the Assembly -- to see that this gets fixed correctly so we don't hurt people and we continue to enhance our education system in New Jersey.

So thanks for being here, and thank you.

ASSEMBLYWOMAN JASEY: Thank you, Assemblyman.

Senator Rice.

SENATOR RICE: Thank you very much, Madam Chairlady and Assemblyman Wolfe, for recommending we have this discussion at our first meeting.

I just want to remind people, as the Co-Chair of this Committee and the tenured member -- along with Assemblyman Wolfe -- we have a statutory, fiduciary, legal responsibility to all these school districts, regardless of what the Education Committees do. We don't legislate; but it is our job to oversee and determine the good, and the bad, and the ugly, improprieties, etc. And so we're going to have a series of meetings because we have kind of been on hold, if you will, over the last few months since reorganization. There are too many things happening in education in the various communities throughout this state that are impacting the districts, impacting the taxpayers, frustrating the workers who live here and raise families here in the school systems.

And so I just want to say, and I want to say to the members-- Because I had a conversation with one member, informally, about a letter I

wrote relating to the Newark School District, as to why I wrote it, as the Co-Chair. Well, when I've been here 28 years -- 29 -- if I'm Chair and a Co-Chair, I write letters on behalf of the Committee to request information. I never knew I needed the members -- unless it's a crazy letter (laughter) -- that asks for folks to come in and meet with our Committee. When you start talking about extensive impropriety -- and as Assemblyman Wolfe has said, you're talking about superintendent pay -- when you're paying \$250,000 a year and then giving out bonuses, and you're brought in from outside, then I can imagine what people, like the young person you were talking about, are going through -- the system doesn't seem to be fair and there is something terribly wrong with that.

And so we need to look at these issues, and we will be visiting those school districts. I know, Assemblywoman Simon, we owe you a visit, but we're waiting for you to go on your time, etc. We want to get into every members' district to see your good, your bad, or whatever you want us to take a look at.

And so I just want to say that to the people out here, because you're going to be bumping into us someplace in the state, because we're getting back to do what we do best -- and that's on the road, and call people, and hold people accountable.

And for those who may be Superintendents and Administrators who are sitting here today, and those who represent the Administrators and the Superintendents, would you at least carry this message back, at least from this Committee and this Chair? When members of this Committee call or reach out for you, there is no protocol that we should have to go through, and there should be no delay on getting back with a phone call.

We represent the taxpayers in this state; we're elected officials who have fiduciary and statutory responsibility. Because I can say this to the members -- and this is not to offend them, most of them know me -- if I have to do it by myself, I will. The next time I hear that members have reached out and can't receive a phone call, or get some kind of crazy message, then we're going to come into that district and hold a hearing with the taxpayers and the voters.

So I just want to be clear for the record, to the members as well as to the public that's here, and those who represent these school districts. We have to get these kids through their academic years to make them better and quality citizens when they become adults.

So with that, I want to thank Assemblyman Wolfe again, and Assemblywoman Jasey, my Co-Chair, for having this meeting today.

ASSEMBLYWOMAN JASEY: Thank you, Senator.

Just in time -- Assemblyman Wimberly is here.

Would you like to say a few words?

ASSEMBLYMAN WIMBERLY: Just good morning, and thank you, Co-Chairs -- Chairwoman, and Chairman.

It's definitely a topic that I would like to become a lot more versed in, with the superintendent caps; in particular, with some of the dire needs, and particularly being a -- full disclosure -- I am a teacher by trade. And some of the work that the teachers do, and the battles that they're dealing with -- these contracts, and the adverse situations that they're facing in many districts -- that we cannot look at our educators, our administrators, as not the good guys. We are definitely the good guys; we're molding a future of, not only our State, but our nation and world. So

this is an issue that I'm looking forward to. Like I said, I would like to have further conversations, in particular when it comes to teacher contracts, in particular in State takeover districts.

Thank you, Co-Chair.

ASSEMBLYWOMAN JASEY: Thank you, Assemblyman.

And just on a personal note, before I turn this over to Assemblyman Wolfe, this is a really personal issue for me. Because just before I joined the Legislature, the last thing I did as a School Board member was help to hire a superintendent in my district. And he did a phenomenal job. We were making -- we are making tremendous progress on actually closing the academic achievement gap in our district. And, because of this cap-- And he had been approached by many districts, and outside of the State of New Jersey he was approached to come and work for them. And he kept turning down those offers until it got to the point where he was at the end of a five-year contract, which the Board had wisely extended to him. And it would have meant something like a \$40,000 drop in his salary. And so he left and he went to New York -- he went to Westchester County -- and with a heavy heart. We had conversations about it; it was not something he wanted to do. And it comes at a particularly difficult time for our District -- and I would guess that this is playing out across the state -- because it's a time where not only do we have dwindling resources for our schools, but we're also asking our districts to do a lot of new things: teacher evaluations, administrator evaluations, the implementation of the Common Core and, this year, the implementation of PARCC.

So there are many things going on, and I am really, really worried about the fact that not only in my District, but in many districts, there is a lack of experience in leadership -- in the leaders who are at the top. And that makes everything harder for everyone, and it destabilizes the districts. And that can't be a good thing for our kids.

So I think it's high time we took a look at this and tried to move forward in a positive way to address this issue, and to stop the bleeding, if you will, and the drain, because we have really, really excellent schools in this state. And we have high achieving students in this state, and we owe it to them to make sure that we do whatever we can to not only maintain that, but continue to move forward.

So with those comments, I'm going to turn the meeting over to Assemblyman Wolfe, and I look forward to the testimony we're going to hear.

ASSEMBLYMAN WOLFE: Thank you, Mila.

There are four groups, actually, who have indicated their interest in testifying, but only three of them are here. And only one person from the audience has indicated that they also would like to testify. So I think we'll kind of have a very informal discussion with the three different groups who are here.

So I'd like to ask Melanie Schulz, Director of Government Relations for the Superintendents to come forward; Jonathan Pushman from the School Boards Association; and Debbie Bradley from the Principals and Supervisors Association.

And then we will hear from Rachelle Hurwitz, West Windsor-Plainsboro Regional School, who also indicated she would like to testify later on.

So the three of you can kind of duke it out. Who wants to go first?

Okay. Oh, and by the way, you're limited to two minutes -- your testimony. (laughter)

MELANIE SCHULZ: Thank you.

ASSEMBLYMAN WOLFE: And you have to submit 18 copies of whatever you're going to say. And we won't interrupt any of you until you get all done, okay? (laughter)

No -- thank you.

MS. SCHULZ: Thank you.

Good morning, members. Melanie Schulz, Director of Government Relations, on behalf of NJASA. We represent in excess of 900 superintendents, assistant superintendents, and other administrators.

Accompanying me today are some of our officers, and they are to my right over here. Our President, Dr. Brian Zychowski; our President-elect, Mr. Patrick Fletcher; our Secretary, Dr. Antoinette Rath; Legislative Committee Chair, Mr. Michael Jordan; our Executive Director of NJASA, Dr. Richard Bozza; and our Chief Counsel, Maria Lepore.

Upfront, let me acknowledge that a consideration of Chief Education Officer salaries and benefits was appropriate at the time it was done. However, a study of all public employee salaries and benefits would have been more equitable and would have allowed for a 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 our consequences been? Some of you have mentioned them already, but this decision never took into consideration that it locked the salary and never allowed 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.

Also, no other position in the school district is subject to a salary cap. However, the same DOE that capped superintendents' salaries does cap those salaries received by superintendents or directors of private schools for students with disabilities -- with some significant differences. And I found all this information on the NJDOE website. So in 2010-2011, when the salary caps were proposed and then implemented, the salary for the position of leading the private schools for students with disabilities was capped at \$216,013; and in 2013-2014 that salary cap had risen to \$244,066 -- which is about a 13 percent increase over time. So that cap -- while it was capped, it was allowed to grow annually.

Also, there were specific exemptions from the cap, which are County Special Services School Districts, County Vocational Districts, Educational Services Commissions, Jointure Commissions, and our charter schools. This two-tier system is, at a minimum, unhealthy. Further, no one can ever tell me why these groups were exempted.

Interim superintendence has become a way of life for many districts. This consequence actually spends more public money on a chief, since these folks collect their pension as well as a per diem rate. In

addition, interims can only serve for a maximum of a two-year period in a district -- another consequence that creates volatility.

Successful implementation of Common Core, PARCC, and TEACHNJ will rely heavily on continuity and stability at the top. Constant management changes are both bewildering and volatile. Of all the consequences, this is the one that I think is the most damaging.

So what has changed since the implementation of that cap in 2010-2011, and what can we do to find common ground to make appropriate changes and bring about good consequences for everyone?

Number one, the 2 percent 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 fifth-lowest in the nation for administrative costs.

Number two, county executive superintendents have to approve all the contracts prior to their approval by a board of education. So this ensures that there can be no more runaway with a contract benefit.

Number three, each school district must place all its salary and benefit information on its website. This allows our taxpayers complete access to these details, as well as the entire district budget. So they get to see exactly what their school district is spending, and they can equate that to what their taxes are.

Also, transparency is not only a buzz word these days, but a reality. 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 five minutes of it being uttered. In this

case, the public/community is better informed -- for the good or for 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 the salary caps for new contracts which would commence July 1, 2015. And *new* is to be defined as those contracts that are renewals, or for new hires, not for renegotiated contracts.

For all of the other contracts that are in force on July 1, 2015, allow the salary caps to expire in November, 2016 -- that's just when they sunset. These contracts would be open to renegotiations at that time, if they were in mid-contract term.

I thank you so much for your attention, and hope you will consider what I've had to say.

Thank you.

ASSEMBLYMAN WOLFE: Well, here you go. Flip a coin.
(laughter)

D E B R A J. B R A D L E Y, Esq.: Good morning. I'm Debra Bradley, and I represent the New Jersey Principals and Supervisors Association. And I want to thank you for the opportunity to share the perspective of our members. We appreciate the work of this Committee; you've always been proactive on issues that are on the cusp of education, and we appreciate today's discussion.

Let me begin by telling you who my members are. We represent school principals, assistant principals, and supervisory employees

who work at the school building level. We are so-called middle management of our schools; we report directly to the superintendent who serves as the executive, and together we're part of the administrative team of the system.

I'd like to start out my comments by focusing a little bit on the importance of our State's educational leadership policies. New Jersey has a strong system in place, and I think that's something we have to take into account of as we look at the compensation policy that's in front of us today.

We have strong leadership preparation programs in our State; we have strong licensing standards, mentoring programs. We have ongoing professional development requirements. We have strong accountability systems -- Melanie mentioned not only the property tax levy cap, we also have an administrative cost cap, as well as a superintendent cap. And all of these have combined together to create a high standard of preparation, as well as expectations of performance for school leaders and district leaders in our State. And we believe this 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 the educational research. And I've cited some of that for you in our paper.

This is why it's so important to attract the best and the brightest school leaders to serve as superintendents and principals. The work that they do is complex, and it's very important. And it's already been noted here today that the current climate of school reform, where we're focusing not only on moving students to higher educational standards through the Common Core, through new digital assessments, through PARCC; as well as demanding that every teacher in every classroom

improve their performance in the classroom through new evaluation systems for teachers, but also for principals at the school level-- That's why it's very, very important to have the expertise and the experience that we're talking about in these superintendent roles.

What I'd like to share with you is the impact that the salary cap has had on my members -- the middle managers of the system. We agree with the testimony that Melanie gave, and I believe we're going to agree with Jonathan, but I'm holding -- I'm reserving on that. (laughter)

But the most important impact that we have felt has been the impact of high superintendent turnover rates at the school level. Since the enactment of the salary cap policy, there has been a significant increase in the mobility rates of experienced superintendents in many districts -- either to retirement, or to out-of-state positions. It is true that superintendent mobility changed a decade -- or more than a decade ago, when the superintendents lost their tenure rights. But we believe that the salary cap policy instituted in February 2011 has significantly exacerbated that problem.

Superintendents facing a major drop in their compensation at the end of an existing 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. And since our neighboring states of New York, Connecticut, and Pennsylvania do not work under this cap, and reciprocity rules soften the pathway to new positions, many of New Jersey's talented and experienced superintendents have left our state. And on Sunday, the *Star-Ledger* editorial you referenced said that this is has

occurred 97 times since the institution of the cap; and it has happened in my home district, Hunterdon Central.

Over the past four years our members have experienced first-hand a revolving door at the top echelon of our leadership ranks due to the imposition of the cap. This has led to a few things: the first is an inconsistency, in some districts, in the educational vision of a district, and inefficiency when new instructional programs or strategies are established and shortly thereafter scrapped when a new superintendent comes on board. Individuals are being promoted to the superintendent role earlier in their careers, bringing more novices to the role at a time of major educational reform. We believe it can also lead to an unhealthy confusion of leadership roles, where boards of ed can lose their focus on their statutory policy-making role and instead become over-engaged in educational, personnel, and operational decisions that are beyond their mission.

As an Association, we've experienced some of this with some of our members not being renewed as young principals when the superintendent in the district has evaluated them and recommend their hire, -- but the board has made an opposite decision.

Our members have also experienced the unintended consequences of a related phenomenon -- and that is the overreliance by boards of education on the hiring of interim superintendents -- which we've heard estimates of about 40 percent of current sitting superintendents, but don't hold me to that number. These individuals are usually retired superintendents who are hired on a temporary basis for an initial contract of one year, and with a renewal possibility of an additional year in that

district. The rationale for this law when it was signed was to give districts the time they needed to do a superintendent search to find the best person for their district. But the problem is, with the salary caps that are in place, fewer individuals are even applying for superintendent positions. And boards have had to become reliant on a cottage industry of interim superintendents to fill this void. These individuals can work in multiple districts, do their two-year contract, and move on to other districts -- and not be paying into the pension system during that time period.

So why is this a problem? For our members, by virtue of the limited contract term of an interim superintendent, they generally don't have the continuity in the district or the strength of position to impact the growth of a district on a long-term basis. And we're a little bit concerned, as we move into principal evaluation, that this may be a problem -- where an individual may be there on an interim basis, not know the community, the district, or the principal's track record.

A last point I'd like to make is the impact of this cap on the career ladder of our members and other educators in the system. 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 promotion to the superintendency. We need people in our state who have had successful careers and have a depth of experience in school operations, instruction, evaluation, management, and New Jersey school law. And our members can attest that this has had a chilling effect on them moving up the career ladder.

One final point -- that the salary cap is actually inconsistent with New Jersey's Federal education plans. And here I'm referencing our

Race to the Top application and our ESEA waiver. Our Federal education plan specifically focuses, in one area, on creating attractive career ladders for educators as a “positive human resources tool” and as a recognized factor of school success. The disincentive of the cap -- which has been arbitrarily based on one factor, which is enrollment -- fails to address regional clusters, differences in the state. This has had a negative effect on recruitment and promotion, and I think we need to reexamine this policy.

So for these reasons, we support the elimination of the cap, and we’re open to discussion on how we should approach that.

Thank you.

ASSEMBLYMAN WOLFE: Thank you, Deb.

Jonathan.

JONATHAN PUSHMAN: Thank you, Assemblyman.

Before I begin my testimony -- first, Jonathan Pushman, New Jersey School Boards Association. In addition to the testimony that I provided, I just also wanted to draw your attention to some other materials in your packet: one is a report that the School Boards Association did earlier this year, submitted to our delegate assembly, on the impact of the cap on salaries for chief school administrators; a little one-pager that provides some statistics on the level of turnover across the state; and a list of local boards of education -- several dozen boards of education that have adopted resolutions urging passage of legislation that would repeal the cap.

And with that, I’ll begin my testimony.

We’re very happy to have 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. As the Legislature

was obviously not directly involved in the imposition of this cap, this meeting is a great opportunity to provide you all with some insight as to why so many education stakeholders feel that the cap is misguided and counterproductive from both a financial and, more important, educational standpoint.

I look forward to a healthy discussion on this important public policy matter.

To be sure, the New Jersey School Boards Association continues to oppose the cap on superintendents' salaries for a myriad of reasons. First and foremost, NJSBA believes that the hiring of a 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 a local school community, the superintendent is critical in implementing the district's educational goals, vision, and direction.

Let me be clear: The NJSBA and its members strongly support efforts to control the growth of government spending. More specifically, 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 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 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 2 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. 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 there under, has empowered the Executive County Superintendents, who are employees of the Department of Education, to

review and approve all employment contracts for district superintendents. County superintendent approval of those contracts is only granted upon compliance with State-developed criteria designed to limit excessive compensation packages. Collectively, the 2 percent property tax levy cap, the limitation on administrative spending growth, and accountability regulations render the superintendent salary cap unnecessary.

The impact of the salary cap has, indeed, 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 result 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.

Another concern that we have and share with my colleagues here is that the 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 such an 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 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 these cost-saving arrangements.

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 life-long ascent up the career educational ladder -- 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 and succession planning that some districts employ -- that's where internal candidates are encouraged to work towards 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 towards a leadership position where they can have a substantial, positive impact on student growth and achievement.

For all the reasons I've cited, we urge this body and all policy makers to reconsider the efficacy of the superintendent salary cap. And I'd be happy to answer any questions you may have.

ASSEMBLYMAN WOLFE: Before we get into some questions from the Committee, I'd like to ask if you could just stay there; and ask if Rachelle-- Is she is still here?

RACHELLE FELDMAN HURWITZ: Yes, I'm here.

ASSEMBLYMAN WOLFE: Where'd you go? Oh, over there. Want to come on up? You indicated you wanted to testify.

Ms. Rachelle Feldman Hurwitz, West Windsor-Plainsboro Regional School--

MS. HURWITZ: West Windsor-Plainsboro School District.

ASSEMBLYMAN WOLFE: --would like to testify. Okay.

MS. HURWITZ: Thank you.

Good morning. My name is Rachelle Feldman Hurwitz, and a member of the West Windsor-Plainsboro Regional School District Board of Education.

I'm 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 our approximately 10,000 students who strive for excellence for themselves and for their peers. Our District administrative staff of only eight people oversees every aspect of education of our students, plus staff 365 days of the 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.

A 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 superintendents envision the district's future: departmental programming, building safety and use, professional teacher and staff training, etc.

Our Governor came to West Windsor-Plainsboro in April 2012, and he 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 New York.

We are fortunate to promote our Deputy Superintendent, whose own vision was already being incorporated into our schools. We strive for excellence in education, on a tight budget, for our children; with the superintendent with strong leadership skills.

I'm requesting school boards regain their right to create budgets and allow them to decide what to compensate their superintendents.

And I know you have my remarks, but I'd like to say one additional thing. Last year at the New Jersey School Boards Association convention, I happened to pick some young man to sit with who is

extremely passionate about education; he was a Superintendent. And we hit it off, and we talked about the future of education in New Jersey. And he turned out to be one of the best friends of our Superintendent. That young man I sat with is now in New York. And I would just like to share that with you, and thank you.

ASSEMBLYMAN WOLFE: Thank you very much.

I'm sure the Committee members have some questions for all of you. It's my hope, and hopefully through the Chairman and the Co-Chairman, the outcome of this hearing will generate some ideas that we can incorporate into, as I said before, a joint legislative approach to this issue, and we can work with the Administration and come up with a solution that is fair and equitable for everybody -- not to shove it down anybody's throat or take advantage of one particular association or others.

So with that, I will be quiet and open up the questioning form my colleagues.

Well, I have to ask the Chairman, first of all.

Mr. Chairman, do you have something you'd like to say?

SENATOR RICE: Yes, I have a question.

ASSEMBLYMAN WOLFE: Do you want to grill somebody here? (laughter)

SENATOR RICE: You know, we hear this discussion all the time about evaluating teachers, evaluating teachers, evaluating teachers. And the debate becomes, well, how do you evaluate them? It's more subjective than objective because of who you teach, where you teach, etc. We hear the discussion about, as mentioned here, evaluate principals. Do we have any laws to evaluate superintendents? And the reason is that --

who does the evaluations besides the school board members themselves? Primarily because if you take a takeover district -- you don't have to be a takeover district. But when the district has a \$53 million deficit, and folks have nothing to say, but you give a high salary to the superintendent, and then you give bonuses to the superintendent for really failing -- fiscally failing, and failing academically too -- no credibility. I mean, I can see a scenario not just in a takeover district like Newark, but I can see it elsewhere, where superintendents -- because we don't look at all the budgets -- have problems that are created because of their leadership, more so than, say, the cap or something else.

So is there any evaluation that's taking place on a regular basis on superintendents? Or is everything subjective, district by district, by board members?

MR. PUSHMAN: I'll take that one, Senator.

The superintendent undergoes a review and evaluation by the local board of education on an annual basis in traditional school districts. In State takeover districts, that would be the responsibility of the Commissioner, I believe.

SENATOR RICE: Okay. So I guess the other question would be, if you start to move-- A superintendent's pay is what it is. Let me-- I hate to keep taking about Newark, but Newark is a good example, whether it's a takeover or not. You bring in a person, then you have a superintendent making \$250,000 and bonuses, okay? Now you're bringing people to work at the executive level. And so I'm working there but, for whatever reason -- politics, you call it, name it -- I'm making \$110,000; I'm out. But I'm (*sic*) coming in at a \$40,000 increase. As soon as I get there, I

get \$40,000; the next person gets \$25,000 -- I mean, crazy numbers, but yet you have a salary here. (gestures) How does that play -- you see what I'm saying? -- if, in fact, there are no caps? I'm playing devil's advocate, now, because I believe the caps should be lifted too. You see what I'm saying? I mean, how do you just walk into a district and say, "Okay, I think you mentioned 'we'd like to manage our finances.' We have a 2 percent cap." And when they ask for more money, we're saying let us deal with how we're going to treat the money. Well, what happens with the cap, and there's no cap on superintendent pay, and you go here and all of a sudden you have a tier here that you're moving simultaneously. Where does that take us?

ASSEMBLYMAN WOLFE: Well, thank you very much for coming today. (laughter)

SENATOR RICE: Try it now (referring to PA microphone)
Now? Hit one of your lights; everybody is red.

ASSEMBLYWOMAN JASEY: I've overridden them all.
(referring to PA microphones)

MS. SCHULZ: Okay, Senator, I'm going to take a stab at this, and hope that I'm following your train of thought.

So you're talking about if tomorrow we took a cap off the superintendent salaries, what could occur? Am I understanding that correctly?

SENATOR RICE: Yes.

MS. SCHULZ: Okay.

SENATOR RICE: (off mike) Because you have a cap on a district.

MS. SCHULZ: Not on every district, not on every superintendent. But let's suppose that there is--

SENATOR RICE: (off mike) (indiscernible)

MS. SCHULZ: Okay. We're in a situation where there is a cap. I would believe -- I'm just going to take a stab at this -- I would believe that if you were going to hire a new superintendent, or if you were going to renegotiate a contract, you'd have to look at what you were spending on the superintendent in the previous contract, and then see what you could pay. I mean, you can't go crazy, because you can't go-- If someone is making \$150,000, you can't go to \$250,000. I mean, you would have to end up cutting programs and -- besides everything else that would occur. You have to be prudent. It would just allow school boards the opportunity to look at their budget and where, within that administrative -- with their administrative line, with their administrative funding, how they could afford to increase someone's contract; or if someone new was coming in, if they could up it. So if it was \$150,000, maybe they could go to \$160,000, \$165,000. I don't believe that you could go completely crazy and start paying people an obscene amount of money.

ASSEMBLYWOMAN JASEY: Can I take a stab at that, Senator?

I think what you're asking -- at least what I was hearing you ask about is -- what's the impact of the superintendent's salary on all the other administrators who work under the superintendent. And I'm just thinking back, personally, to my experience as a Board member. You have to consider the whole picture, obviously. So when we went out to hire a Superintendent -- and, basically, it's a year process; it's not an overnight

process -- we were well aware of the community's concerns about spending. So we had a range that we knew we could work with, and we also understood that that range was not especially competitive with our area in Essex County, because there were other districts that were paying more. But we knew that we had to stay within a certain amount because the community was watching, as well they should. We also knew that we would have to also negotiate with our administrators in terms of their pay raises, and we had to stay within that 2 percent cap, as well as the cap within the cap -- which is something else we should talk about today.

So the finances were -- there wasn't a lot of wiggle room. And, in fact, one of the decisions we made was to go with an inexperienced, rather young candidate -- but who showed a lot of intelligence, promise, and passion for the direction we wanted to move the District in. So we were actually able to hire him at a very good rate, one that we could afford. And, by the way, I would say that it was mentioned earlier in terms of contract perks -- there were no perks: there was no car, there was no phone, there was no computer and all the rest of that stuff. But there was the opportunity for that Superintendent to earn a bonus if, in fact, he met the criteria, the requirements, of the Board -- which were evaluated at the annual superintendent evaluation. And those evaluations, while they were private in terms of negotiating and discussion, the results of that evaluation were public. And so, again, the transparency thing.

So I think what we're talking about is giving school boards back the responsibility that they have -- which is to hire and evaluate, and/or fire the superintendent. That's the main job of the school board.

ASSEMBLYMAN WOLFE: Debbie, you had something?

MS. BRADLEY: Yes, the point I was going to make is similar -- is that there's the individual superintendent salary cap, but every budget also has this administrative cap -- just on the administrative line item of every budget. And it's based upon -- I think it's allowed to grow 2.5 percent, or 2 percent of your prior year's spending. So you can't go haywire; if the superintendent's salary cap was released, you would still have a link back to how much you could grow, based upon your prior year spending. But then on top of that, you've got your property tax levy cap and how much your voters would support in terms of a budget.

But then on top of that there are regulations, that were very detailed and put into place that are still in effect, which require the Executive County Superintendents to review every superintendent's contract and make sure that they meet certain standards. So the DOE, through the executive county office, is also going to look at this contract, going forward, so you're not going to be able to just go haywire in terms of spending. And in those regulations are a lot of details about what can be and what cannot be in the compensation package of a superintendent, which puts a lid on all of your concerns, if I'm understanding them correctly.

SENATOR RICE: Assemblyman Wolfe, I'm going to end on this.

The concern is to understand the caps, but also understand that there is money that you can move around within the caps. And my concern, and it is what I have observed, and maybe because I haven't spent enough time looking at some of the more -- the smaller districts, the suburban districts. But traditionally, when a superintendent comes in --

particularly if they are brought from the outside -- all of a sudden I'm there, I'm an experienced person -- and I'll use the numbers -- I'm making \$110,000 as an executive. All of a sudden, I'm there; that superintendent doesn't want me there, so they bring in Assemblyman Wolfe and all of a sudden he's at \$140,000 -- he got a \$30,000 raise as soon as he walked in the door. I was just trying to figure out who evaluates the teachers besides the school board members. Because I know enough about school boards -- in fact, I used to fight the association, with the stuff you guys were doing 20-some years ago -- but I know enough about school board members to know that you have good ones and you have political ones. And so my point is, is that there needs to be a check and balance on top of the overseers, if you will. Because we're looking to do legislation, so I'm just throwing it out there as a devil's advocate, if you will, to say, "Okay, if we lift these caps, what should legislation look like, from a check-and-balance perspective, coming from here to here?" (gestures) Because here, the teachers have contracts; we know that these folks have contracts; there are all kinds of checks and balances and things like that. But this whole circuit, if I was to send you -- and I respect the fact that my District is a takeover district -- but if I was to send you the executive office, and see how people from New York came in, \$20,000, \$30,000 overnight increase in salary; and folks who were performing -- who maybe should have had an opportunity to perform for a new superintendent -- were gotten rid of like that, because they could get rid of them like that.

And so there has to be checks and balances. Because even in the takeover districts, if we're going to do legislation, there needs to be something to say, "Well, hold it. QSAC is what we have; I'm not just to

govern your district.” There’s going to be something else to govern it too when it comes to those superintendents, and their salaries, and that level. And the reason I say this is because Newark, and Paterson, and Jersey City, and Camden are one day going to be out of takeover, but the statutes say we can come take other districts. Millburn, at one time, had failed three indicators, and they were never intervened. And they straightened it out. But if they didn’t straighten it out, it meant the State could have gone in there, which means they could have retained the Superintendent; the Superintendent could have come with those other folks -- not that Short Hills can’t afford it, but just the idea.

So that’s the only reason I’m throwing it out there. But I still haven’t figured out -- I heard that the school board members do an evaluation on what’s taking place in the districts -- of superintendents. But is there any check and balance on that superintendent from the State? And the question is, should there be? That’s the other question, I guess.

And that ends my questions.

ASSEMBLYMAN WOLFE: Okay, so if I get a raise, \$148,000, and you’re \$110,000, you have a choice -- you can go to New York.
(laughter)

I know we’re serious here, but I have a story to tell you. This is a very true story.

When the previous superintendent -- Commissioner of Education was hired, people were contacting me, telling me that a lot of people from New York City were working in Trenton. And that was not really in line with what the administrative line was. So I inquired about that, because I heard of one employee who told their colleagues that they

were moving closer to Trenton. They had just gotten an apartment on the West Side. (laughter)

So anyway -- okay, I thought I would just throw that in there.

Now, do you have--

ASSEMBLYWOMAN DeCROCE: Yes.

ASSEMBLYMAN WOLFE: Okay, so we're going to go -- we had the Senator, we'll have an Assemblyperson, and then we'll have Senator Thompson.

Would you like to speak?

ASSEMBLYWOMAN DeCROCE: Just for Senator Rice, a thought.

When you're talking about the evaluating of the superintendents -- and there really is no guideline there for the board members to evaluate a superintendent. And that is a concern because, as you said, not every board member really understands the process and exactly how everything works within the system itself.

From my past experiences where I came from, out of DCA -- this may not be something you welcome or not, but it's a thought.

And we get into the nasty word of *best practices*. Would it be something to think about establishing a best practice criteria for superintendents to meet in a given year that would be a guideline for the board of ed to use in evaluating the performance of the superintendent? It's a thought.

ASSEMBLYMAN WOLFE: Senator Thompson.

SENATOR THOMPSON: My first question, actually, is for a Committee member here.

Assemblyman Jasey was speaking earlier of when she was on the Board of Ed, and she had a Superintendent there she thought was doing a fantastic job. And then, because of the cap, they lost him and had to hire somebody else in. And we've heard about the disruption that is being caused by superintendents leaving and having to hire replacements.

My first question for the Assemblywoman is, how would you evaluate the replacements you've gotten? Is he doing a satisfactory job?

ASSEMBLYWOMAN JASEY: Actually, they're still in the process.

SENATOR THOMPSON: Still in the process?

ASSEMBLYWOMAN JASEY: Right. They are in the process of -- they've just about finished meeting with the public, with all the different stakeholder groups to come up with the criteria and the attributes that the community is looking for in the next Superintendent; it's a lengthy process. And then after they do that, they're accepting applications. They'll evaluate the applications--

SENATOR THOMPSON: Well, let's see -- have you got one in place right now?

ASSEMBLYWOMAN JASEY: No.

SENATOR THOMPSON: Oh, I thought you just said you had one.

ASSEMBLYWOMAN JASEY: No.

SENATOR THOMPSON: Okay, then the answer to the question is, you don't have one so you can't answer.

ASSEMBLYWOMAN JASEY: Right. And also, it's a costly process to find one.

SENATOR THOMPSON: Oh, I recognize that. But you can't answer my question, since you don't have one.

ASSEMBLYWOMAN JASEY: Right; I'll let you know.
(laughter)

SENATOR THOMPSON: I would have to go to somebody who has made a change.

No, let me finish before you answer my questions.

We get comfortable with somebody; yes, we're satisfied with their job, we like them, and so on -- we'd like to keep them. Now, that doesn't necessarily mean that if they decide, "Hey, I can get more money here, or, for some reason, I want to go there," that the person you bring in is going to be unsatisfactory. And I'd like to have some idea of, when you speak of the number of turnovers that have taken place here, how dissatisfied people are with the replacements they've gotten? I mean, it's kind of like you have an employee that had a potential to be a Bill Gates and, obviously, this guy could make a lot more money elsewhere. I could keep paying him more to do the same job he's doing -- and he's doing a great job; he's not going to do any better -- but one day he's going to leave. He's so good, I keep him. And on the other hand, your replacement that you bring in, everybody started somewhere. And everybody you bring in is not necessarily a dodo who can't do the job.

One thing I think we ought-- Somebody needs to do a little study and look at the job to be done and what is a reasonable and fair job for somebody working at this level. I mean, some school board might want to pay \$500,000 for a superintendent. "He's the best superintendent in the world." Some -- they might want to--

ASSEMBLYWOMAN JASEY: Well, you can't.

SENATOR THOMPSON: But what is a reasonable and fair salary for a superintendent?

ASSEMBLYWOMAN JASEY: Well, if I could just add on to my comment--

SENATOR THOMPSON: No, not until I finish.

ASSEMBLYWOMAN JASEY: Oh, I'm sorry. I thought you were--

SENATOR THOMPSON: It was said that nobody else has a cap on their salaries. That's not true. For example, all your teachers have a cap; you have a range -- you can get from here to there. Now, most positions have a range -- you can get from here to there. And there's a starting salary and there's a top to the range. When you get there, there's no more to go after that; most positions are that way. Well, here we're saying, "Oh, no, well, we should not have any cap on this. It should be, if we think we have the best person, whatever it takes to keep him, we should be able to pay that." But our experience has been with school boards, with town councils, and so on -- not all of them exercise proper discretion. And with all the laws we enact, really, not infrequently, it's the law-abiding citizens that suffer the most under the law. That is, even if we didn't have the law, they wouldn't be violating what we say you shouldn't do. They get inconvenienced in order to bring the other people into line, and that's what's happening here -- that most school boards properly act very well. And it's because some school boards just never-- "Whatever it takes, that's what we'll pay; to hell with the taxpayers," and etc. That's why we put these things in.

So these are factors that we need to consider as we are looking at this. Sometimes a turnover actually is positive. You get comfortable with somebody, they've been there for 20 years and they are doing a good job, and so on. But you bring in a new guy, with new ideas -- or a new lady -- and, boy, you're amazed at what they do. So turnover is not always disruptive; it can be disruptive. So we have to measure all these things when we make our decision here.

Now, you can respond to me, if you like.

MS. HURWITZ: I apologize; I thought you were-- I wanted to raise my hand and answer Ms. DeCroce about the evaluations, and I thought I would explain a little bit about how it works.

It's very confidential. We go online; we are asked basic questions about strengths, weaknesses, feedback, situations. All this information is done individually; it's compiled by New Jersey School Boards. It is given back to us.

We sit, we discuss it, and then we bring to the Superintendent areas which we think he or she, respectively -- in our case, he -- has done an exemplary job, and some situations where we feel that there's still room to grow. In our particular situation, our Superintendent is only entering the beginning of his second year as the Superintendent. But when he was -- when he first came to West Windsor-Plainsboro, we immediately recognized what a great capacity he had and we wanted to keep him -- having a feeling that the current Superintendent would leave; so we wanted to retain him.

Now, there is a situation. You have a young man who is very capable, he's growing, he's still young, and we accept the fact that he's still

growing. And we want him to grow, and we want him to grow to be the best. And we evaluate it as such -- because nobody's perfect, and growth is a normal thing.

So we do evaluate; there is a system in place. If you're looking to improve upon and if you want some other guidelines on top of that, I cannot suggest how.

SENATOR THOMPSON: Actually, I didn't raise the question.

ASSEMBLYWOMAN DeCROCE: She's answering my question.

MS. HURWITZ: I was answering--

SENATOR THOMPSON: Oh, it's your question; okay.

ASSEMBLYWOMAN DeCROCE: It's my question, and I want to answer it back.

SENATOR THOMPSON: I was going to say, I didn't raise that issue. (laughter)

MS. HURWITZ: Okay, I was just--

ASSEMBLYWOMAN DeCROCE: Okay, okay.

Answering you back, and a question for you.

MS. HURWITZ: Sure.

ASSEMBLYWOMAN DeCROCE: The guideline that is set for them to evaluate, is that a mandate that every school board use that?

MS. HURWITZ: The school boards do it, the New Jersey School Boards. We all participate in it.

ASSEMBLYWOMAN DeCROCE: You *participate* -- it's not mandated, correct?

MS. HURWITZ: I'm pretty sure that New Jersey School Boards is not mandated.

MR. PUSHMAN: There is a-- You must undergo a superintendent evaluation every--

ASSEMBLYWOMAN DeCROCE: No, I understand that. But the guidelines and the questions -- do you have to use the exact same questions that the New Jersey School Board has put into place, or can you put together your own question criteria?

MR. PUSHMAN: They do develop-- We have developed, in conjunction with ASA model, superintendent contracts.

ASSEMBLYWOMAN DeCROCE: Okay, you-- That's my point, and that's where you're missing my point. My point is, a model is a model, but best practice is different. Best practice is, like all the municipalities had to participate in best practice criteria and a check-off list which held everybody at the same level. And what I'm saying is not every school board can operate the same as the next town. So you need, at times, to have a criteria that's a standard, and it's a high standard. And it would be consistent across the board so everybody would have the same type of evaluation going on, in questions there, that they had to meet. And that's the difference between a model and best practice.

Thank you.

ASSEMBLYMAN WOLFE: Thank you.

Assemblywoman Simon.

ASSEMBLYWOMAN SIMON: Yes.

ASSEMBLYMAN WOLFE: And Benjie, do you have some questions?

ASSEMBLYWOMAN SIMON: Thank you.

So let me start off by saying that we're all here because it's very important to listen to all sides. We've heard from many groups; and Melanie, you had mentioned that you can't go crazy -- you're not going to go for \$150,000 to \$250,000. However, I met with a group in the Princeton area that, when we discussed it their comment was, "\$200,000 was okay." And I said, "How about \$250,000?" "Yes." "How about \$300,000?" "Yes." I got them all the way up to \$400,000, and they said that that would be fair. And at that point, I ended my meeting with them, because there was really no discussion, you know? We're trying to be fair and reasonable.

To my knowledge, the growth of our non-teaching staff in New Jersey has grown 40 percent faster than student enrollment in the last 20 years. So my question is, how many principals, and vice principals, and directors, and assistant directors, and multiple administration departments catering to each do we really need?

I've spoken to teachers who still have to take money from their own pocket to buy resources for their classrooms. And when I ask them candidly -- and each of them were very concerned that I would say something to somebody, so this was a confidential conversation -- their answer was, and I quote, "The cream always rises to the top, and the top is getting heavier."

So today we're discussing about salary caps, which is just salary because, to my knowledge, there's also potentials for stipends for additional work; for bonuses; very generous healthcare plans, comparatively, to the private sector -- and let's not forget the exorbitant payouts for unused sick

days. Rarely do we see-- Although the voters could vote past the 2 percent, rarely do we see them voting for an increase in taxes. Very often we see the voters voting down school budgets. And it's not because nobody respects the quality of education, it's not because they don't want a quality education for their children. But it's because enough is enough, and we're suffocating from taxes.

You know, who will tell the families and the single parents who are working multiple jobs and living paycheck to paycheck, who can't afford their bills, who are desperately trying to put pennies together to afford college educations for their children? And who will tell the seniors -- like the call I got a couple of weeks ago, where a senior received notice from their landlord that their utility allowance is being increased by \$40, and she had a panic attack until we called housing and was able to figure it out for her?

Instead of asking taxpayers for more money -- and I understand that there are some school districts that do it very well, and others not so much -- maybe we should be talking about a different type of remedy. You know, we have so many duplicative layers of administration; we have so many duplicative school districts. In my district -- I represent Stockton -- South Hunterdon School District just recently put together a Regional School District between West Amwell, South Hunterdon, Stockton, and Lambertville. And they regionalized; they're saving money. Maybe that's the remedy -- where we could be fair and reasonable in other areas if we would team together and take politics out of it, and take everything else out of it, and really look at what's in the best interest of the children and the education. Maybe we can talk about fair school funding so that-- I

represent three school districts that receive about \$800 a pupil, while others receive \$20,000. How can we absolutely look at our constituents with that kind of price tag and the inequitable distribution of monies?

And the students who are getting \$20,000 are in a failing school district, so it's not because Superintendents can go somewhere else for \$30,000. Something else is terribly wrong. And this -- I thank everybody here to bring this topic to discussion so that we're not just finger pointing or talking about who's doing it right or who's doing it wrong -- just for open dialogue, to really try to solve this issue.

So thank you; I appreciate it.

MR. PUSHMAN: May I respond?

Thank you, Assemblywoman. I just wanted to respond to a couple of your points.

One question you had was how many administrators do we really need? I think one of the misconceptions that we want to try to correct, as part of this panel, is the fact that-- Administrative spending on education in New Jersey is incredibly low compared to other states. I think in the last report from the National Center for Education statistics it ranked us somewhere around 46th in the nation. So in administrative spending, New Jersey is not as top-heavy as some folks are led to believe, in terms of what they're paying administrators.

The other point I wanted to make is, voters and taxpayers do have a say in this. If they're unhappy with how their local Board of Education is behaving, how they're compensating their administrators, they can take that to a Board of Education meeting and they can certainly take that to the voting booths at the next election time.

And the other thing I wanted to point out is that nobody here is really asking for more money. And one of the problems with the lack of experience hiring younger superintendents -- the applicant pool is getting steadily and steadily younger. I think the average age for an applicant for a superintendent used to be somewhere in the low 50s; and now we're finding it's somewhere in the mid-30s. And there is a learning curve that educators and administrators have to get over before they can really be a talented, effective, efficient superintendent.

And when you're talking about looking for savings -- that's what good superintendents do. When you have an inexperienced, not-as-qualified superintendent, they're going to make mistakes. And that's why you want to have somebody who's highly qualified to find those efficiencies so that the money is spent as efficiently as possible.

ASSEMBLYWOMAN SIMON: Okay, and I appreciate that.

Can I ask you a question? What is your opinion on school consolidation?

MR. PUSHMAN: Our position from the Association on school consolidation is that when it starts from the ground up, when the locals feel that this is something that they want to explore, we're highly supportive of that. We support them; we work our legal-- Our labor relations staff worked very closely with the Hunterdon School District that recently consolidated in South Hunterdon -- it was at Lambertville, Stockton, West Amwell; and it all came together and we worked very closely with them throughout that process, and it was a very long, onerous process that they went through. But the stars were aligned well; they really had a lot of community input. It started, really, at the grassroots level; it wasn't a top-

down approach. A local saw the potential benefits of consolidation and they worked their way through that process.

Consolidation isn't -- or regionalization isn't necessarily the panacea that someone would be led to believe. There are a number of statutory hurdles that you have to get over in order to consolidate school districts regarding how employees are affected when they merge into -- when they bring two or more districts into one and how it affects the salary guide. New Jersey right now puts a lot of barriers in the way of consolidation that makes it incredibly costly for districts to explore it -- which is why South Hunterdon was, I think, the first district in, what, 30-some years--

ASSEMBLYWOMAN SIMON: Absolutely.

MR. PUSHMAN: --that consolidated. Because it really hasn't been shown to be cost-effective in New Jersey.

ASSEMBLYWOMAN SIMON: And maybe that's a thing that we need to talk about, because we had -- Senator "Kip" Bateman, Jack Ciattarelli, and myself -- we had a piece of legislation that helped municipal consolidation: map it out over five years so that the sticker shock upfront wasn't so bad. So maybe we can do that. And if I can have your support, that when I hear -- and I have -- some local stirrings on really being interested in looking at the model of regionalization, but they just don't know where to start, maybe we can partner together.

MR. PUSHMAN: I'd be happy to assist, Assemblywoman,

ASSEMBLYWOMAN SIMON: Thank you very much.

Thank you.

ASSEMBLYMAN WOLFE: Thank you.

Assemblyman Benjie Wimberly.

ASSEMBLYMAN WIMBERLY: Thank you.

So I guess just a couple of quick comments. And I would agree with some of my colleagues definitely that (indiscernible) the concern. Like Senator Rice, I'm in a district -- my largest district is a State takeover district. And as a taxpayer, as a parent of three boys in public school now, that a superintendent receives any type of bonus or raise when you're in a failing school district -- I just find that to be totally ridiculous. And when teachers work without contracts for four years, and when the contract is settled they get a \$1,000 retro salary pay -- it makes it kind of hard to fight for that. And even some of the other districts that I see in North Jersey are concerned with the cuts to extracurricular activities and other activities in school districts -- and the superintendent gets an increase -- or the students have to pay an activity fee in a public school. You know, I just think you have to be a little more prudent when it comes to that; when somebody is making \$240,000, \$230,000, or getting a \$10,000 bonus, yet a child can't participate in a music activity or a school play -- you don't get many people feeling sorry for administrators. As an educator, I think the bottom rung of the ladder -- you know, you have to address that from starting with the students, working up through the staff.

And maybe-- Melanie may be able to help me out, through the Chair -- some of the criteria for the evaluation for the State district takeover superintendents. I know our Superintendent recently received a \$10,000 bonus, and our community is up in arms because we're like, "Are you serious? Things are crazy; we are starting the school year off with 100 vacancies in teachers; how do you get an increase when you didn't address

the simple need of filling all of the vacancies in instruction?” I just would love to understand how, if the State Commissioner has the sole-- It is the same Commissioner. I mean, these advisory councils have to say something. I mean, they’re just out there; they’re a voluntary advisory council working in a State District. And you give somebody a raise, you know, with obviously many gaps in the -- not just the Administration, but the whole educational process. I don’t really think you can evaluate and say that somebody increased a graduation rate over a year period and say, “Okay, now you give him \$10,000.” Yet, you know, Johnny’s school bus still didn’t show up the first day; the bilingual classes are not full; the special education had substitutes in it. So now you give him a raise. I mean, it just doesn’t make sense -- it doesn’t make sense to me.

And the other thing, you know, that Senator Thompson says here -- it hasn’t worked in Paterson. We’ve had, I think, eight superintendents; one person has been their interim twice. And the continuity has to be important when you’re talking about success. So now you’re settling for less, probably due to the turnover rate or whatever, and it’s just a concern. So I mean, Melanie, you may be able to answer that question about the evaluation process, or is there any input from the advisory councils when it comes to evaluation of the State District Superintendents?

MS. SCHULZ: Assemblyman, to my knowledge, there is no input from the advisory council. I think it might be district to district. But the contract between a State District Superintendent is between that person and the Commissioner of Education, approved initially by the State Board. So the terms of the contract are individual, and so the bonuses would be

laid out in there because they hit certain targets. The State District Superintendents are also not subject to the salary cap, so they are a whole different-- But I understand we're talking about evaluation here, but that evaluation would be done by the Commissioner of Education, and not the board of education.

ASSEMBLYMAN WIMBERLY: Thank you. I guess to my (indiscernible), obviously if you could see that. I mean, I just don't even know how you could justify giving anybody a bonus when it's obviously a failing school district; when the kids basic needs -- like you said, a teacher is still buying school supplies and everything else. And the visual is just the wrong message to send to the community -- not only the failing school district community, but like you said, Assemblywoman Simon, the district where you're only getting \$800 or whatever -- \$8,000 (*sic*) -- per student; and now you turn around, we're getting \$18,000, \$19,000, \$20,000, and then we're going to give our Superintendent a bonus for \$10,000. I think that's a true insult to the taxpayer.

Thank you.

ASSEMBLYMAN WOLFE: Thank you, Assemblyman.

I'm going to wrap this up pretty soon. I want to see if we have any closing comments.

ASSEMBLYWOMAN JASEY: May I--

SENATOR THOMPSON: Assemblywoman Jasey.

ASSEMBLYMAN WOLFE: Beg pardon?

SENATOR THOMPSON: Assemblywoman Jasey.

ASSEMBLYMAN WOLFE: We'll come back to you

UNIDENTIFIED MEMBER OF COMMITTEE: Pardon me.

ASSEMBLYMAN WOLFE: One group we had not heard form is NJEA. I know they're interested in what's going on. I just really wanted to share with you a conversation I had with some representatives of one of the largest districts in the state; it is not a takeover district.

In the last three years, they lost their Superintendent; the Assistant Superintendent became the Superintendent, and he got sick. And then they brought in an interim Superintendent for two years; he's gone. And now they have a new Superintendent who-- And in talking to them, they said not only is there no continuity, there really is no leadership potential that they see. Where are they going? Where is the district going? Because that's not something we really talked about today, and we really focused on the salaries, the cap; we got into consolidation, the fairness of some of the things going on in the takeover districts. These are all kinds of things our Committee hopefully will be looking at, and maybe taking a stand. But I would hope what you have told us today would give us some insight into what we could do to propose something that is going to be more fair and equitable than the current situation.

So I'm going to turn this over to Senator Rice. But before I do, Senator, I'm going to have to step on your toes and ask Mila -- because Mila is shaking her fingers over there. What's up?

ASSEMBLYWOMAN JASEY: I was making just a couple of notes. And I appreciate everyone's testimony.

I would love-- I don't know if it's included in the thick report you gave us, because I haven't read it yet, obviously -- anything about impact of the turnover in your report, that's one question. And the other question is piggybacking onto what Assemblywoman Simon was talking

about: Jonathan, you mentioned that there are a lot of barriers to regionalization that the State puts up. And I wonder if that's something we might not look at -- to reduce those barriers. Because I remember years ago -- and perhaps you can update my information -- but I remember reading something somewhere about what the most efficient size district is. And I think it would behoove this Committee to look at whatever information is out there in terms of what are the most efficient -- what is the most efficient size, what would that look like here in New Jersey. Because clearly we can't just keep doing what we've been doing. And I think there's a lot of ground between the failures of the State takeover districts -- and that's a whole issue, in terms of how long does the State get to stay there and continue to fail and give bonuses, and not do something about that. So I would like to continue, at some point, to understand what are the barriers, what can we do as legislators to promote this idea, on a bipartisan level, of regionalizing to the most efficient size district -- most efficient, effective size district -- and start making some plans. It's not going to happen overnight, obviously; it will take time, it will take planning, but I think we need to start doing that. I think we really need to move that forward. And I would love to work with my colleagues on that.

MR. PUSHMAN: Assemblywoman, through the Chair, if I could just comment on your second point.

Consolidation -- this Committee would not be the first body to look hard at regionalization and consolidation. As you know, in 2006, when they held the special session on property tax reform, they had a committee that looked at regionalization and consolidation. We've looked at it ourselves. I alluded to one of the barriers you have -- is whenever you

consolidate school districts, the district with the largest enrollment size -- the salary guide that covers those employees is the one that everybody moves into. So if you take District A, is the smaller one; consolidate them with District B, it's District B's salary guide that carries the day. And typically the one with the largest enrollment is typically the most generous. So everybody who moves from A gets essentially an automatic salary increase simply by merging with another district. Anytime you merge, all of your seniority rights are maintained. The other thing is the State has never really provided a whole lot of financial incentive, you know, for districts. One of the things that they faced in Hunterdon was they couldn't get the money for a feasibility study. Finally they went out to a referendum and the voters did, eventually, approve it, but they couldn't even come up with the money to study that issue.

So there are a number of barriers that would certainly have to be addressed if we did have a serious push for consolidation and regionalization. What you find is that, typically when you do it, there's going to be a winner and a loser from a property tax standpoint. Somebody's taxes are going to go up, somebody's might go down. The stars were more or less aligned at Hunterdon that there hasn't been, or there is not expected to be a serious impact one way or another for those districts that merged together. But when other districts have looked at this, it's been something where one side has said, "Absolutely no way, because our property taxes are going to up," and the others think it's great. So this is something that has been looked at for decades in New Jersey, and it's a big hill to climb.

ASSEMBLYWOMAN JASEY: And I guess, through the Chair, the idea here is that we need to look at -- and obviously, if regionalization doesn't result in cost savings and efficiencies, then you don't do it. But I don't know that we have the answer to whether or not there are some instances where, perhaps, the stars are aligning -- where there are no losers, but it's a win-win situation. I certainly would not be in favor of a situation where there are winners and losers. I think that we have to obviously take that into consideration. And I think that going back to the summer of 2006 might be a good place to go; because, as we all know, the majority of our taxes do go towards supporting our schools; and that's what defines, in many cases, what's a destination for people who are looking to buy homes and settle.

MR. PUSHMAN: Absolutely. And just one more point on the regionalization. One of the things that they did in Hunterdon County was, that was actually what they didn't sell it on; they didn't say your property taxes are going to go down, that this is going to save you a lot of money. They actually sold it from an educational programming standpoint and said that this is going to achieve efficiencies, stability in our budgets, but don't expect your property tax bill to go down next year.

ASSEMBLYWOMAN JASEY: Okay.

ASSEMBLYMAN WOLFE: Senator Rice.

SENATOR RICE: Yes, I'm going to yield to the Assemblywoman.

ASSEMBLYMAN WOLFE: Okay.

ASSEMBLYWOMAN DeCROCE: Thank you, Senator.

SENATOR RICE: Then I'll come back.

ASSEMBLYWOMAN DeCROCE: Just on the regionalization and consolidation, and talking about feasibility studies. I can tell you -- and so the Committee knows, too -- there isn't any funding for that. In the past, even on a local municipal level, there was grant monies for feasibility studies that were taken away. So in order for the process to start, if a town or a district does not come up with the money to pay for the feasibility study, it is not going to happen. So the first thing to do is try to identify monies that would aid in starting the feasibility study, to get it off ground and hire the professionals that they need -- to be able to lay it out properly, and then bring the entities of the State together with it.

I do feel, in my personal opinion, that the grant monies would be smart for the State to identify, because that would help the process and also be an encouragement for the districts to try to start to look at that. But, you know, there also has to be benchmarks when you do this. Because-- I was Deputy Commissioner of DCA and we had consolidation over a DCA (indiscernible) municipalities. The grants were there; many municipalities took the grants just to say, "Oh, we're trying. We're just showing the people we're trying." And they didn't do anything with it, and that's why the money was lost.

So this is something we have to be mindful with. Yes, if grant monies are put into place, there should be certain criteria there that they have to meet; because you just can't take the money and want to look good to the people, that you're trying to do everything; because you're not, behind closed doors, serious about it. And that's why that funding did disappear.

So I think we should all have an open mind when we think about that; and try to look, if there's grant money there, to make sure that it's used wisely so we don't end up in a position where we are like the municipalities did.

Thank you.

Thank you, Senator.

SENATOR RICE: Just in closing, we thank everybody. I thank Assemblyman Wolfe and Mila -- Assemblywoman Jasey -- and the Committee members for being here.

I'm going to ask that the organizations here -- Senator Thompson said something I thought was important and interesting when we talked about the salary cap -- and that's what this meeting was about. And he indicated that we definitely want to keep good people around. Ultimately, some are going to leave; in some cases, some need to leave. (laughter) Then the question is, okay -- still back to where we started -- how much do we pay? And I think that Assemblywoman DeCroce is correct when she said we need -- there is a difference between best practices and the kinds of stuff that we were talking about that relates to that.

But I would like to have sent to the Joint Committee-- We have over 600 school districts, I believe. I would like a breakdown -- because I know you have the information -- of the number -- an ethnic breakdown -- the number of African Americans in school districts, and where they are; number of Latinos in school districts and where they are; and the number of women who are superintendents. Because, believe it or not, as the Senator was alluding to, sometimes there are folk who are just as good or capable, in a matter of time, of being just as good, as the

superintendent who is leaving, but they aren't given the opportunities where they are at. They may have the certifications, but they're not invited to participate some place else. Or if they go out there the school board is very generous, because the school board doesn't reflect -- in some cases, I guess, women; in some cases, minorities of different ethnic backgrounds -- and so they walk in, you get a smile, and, "We're going to get back in touch with you," and that's the last we heard because there may only be five blacks in the whole town.

And so my point is it would be interesting to see, because our greatest strength in anything we do is the diversity of. And we all bring something to the table.

So would you share the information with the Committee? Not that we're going to beat you up, and do affirmative action laws, and all that kind of stuff -- now; we are going to look at the--

MR. PUSHMAN: We'll certainly do our best to provide that information, Chairman.

ASSEMBLYMAN WOLFE: Thank you, Senator.

Before we leave, I just -- with your permission -- Assemblywoman Jasey just brought me some information from Melanie Schulz which she had given to the Committee. And I just want to read this to the Committee.

Her "in conclusion," -- which I really had not paid a lot of attention to, but maybe I should -- it says, "In conclusion, I will ask the Legislature to pass a concurrent resolution to urge the Commissioner of Education to amend the regulations to end salary caps of the new contracts commencing July 1, 2015; *new* to be defined as those contracts that are

renewals or for the new hires, not negotiated contracts. For all contracts that are in force on July 1, 2015, allow salary caps to expire November, 2016. Those contracts will be open to negotiations if they were in mid-contract terms.”

So I just submit this for our record, and urge our Senators and our Assembly folks to consider this -- to do that.

I want to thank all of you for being here, for participating in the discussion. I have to say there are one, two, three, four, five Superintendents over here on the side, and I'm sure they'll be willing to talk to you if you have any questions about really what's going on.

Thanks very much; done.

MS. SCHULZ: Thank you.

MR. PUSHMAN: Thank you.

(MEETING CONCLUDED)