



New Jersey School Boards Association

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OP-ED

Superintendent Contracts: Keep the Issue in Proper Perspective

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“How are the schools?” is often the first question homebuyers ask when locating to a new town. Indeed, most New Jersey communities zealously guard the quality of their schools. That level of interest and support is one reason why our state’s public schools rank at or near the top on measures of quality, such as the National Assessment of Educational Progress, also known as the “Nation’s Report Card.”

If you have good schools, odds are you have excellent school leadership.

With the right superintendent, a district will make progress toward student-achievement goals. Therefore, local school boards want to attract and retain administrators who can reach those goals. Doing so, however, must never violate their obligation to protect the community’s financial interests.

Over the past month, virtually every media outlet covered the case of the Monmouth County schools superintendent, who retired with a \$740,000 severance package. Reaction was vehement: From lawmakers to laypeople, there was universal denunciation of superintendents and school spending.

However, the superheated reactions fail on two counts: balance and accuracy.

Need for Balance In spite of the rhetoric, recent news reports that scoured superintendent contracts for unusual benefits found nothing of the magnitude of the Keansburg agreement. Even last month’s Associated Press review of dozens of superintendent contracts resulted in headlines announcing, “Excessive Superintendent Perks Rare.”

That's important to remember before we brand all school districts as wasteful—or before lawmakers impose draconian legislation. Yes, questionable clauses exist in some contracts. But for every case that raises the public ire, there are hundreds of school boards that safeguard the taxpayers.

It's also important to note that the state's local school boards—which hire and evaluate superintendents—consist of members who are unpaid and who have no personal financial stake in the superintendent's contract. Their role is to balance the schools' need for educational leadership with taxpayers' financial interests.

Expanded Training A 2003 *nationwide* study of superintendent contracts found that fringe benefits and non-salary compensation added 35 percent to 40 percent to the cost of employment. In New Jersey, concern over such “non-transparent” compensation has already resulted in requirements to make the public aware of the value of all compensation—salary and non-salary.

But additional steps are needed to balance school boards' need to recruit and retain strong leaders with the public's financial interest.

As a service organization, the New Jersey School Boards Association does not negotiate superintendent contracts on behalf of school boards. But we do train and advise.

Beginning this fall, NJSBA will expand the scope and depth of its training in superintendent contract development. Within a three-year cycle, all 4,800 local school board members will receive training on best practices in administrator contract development.

The new training will stress changes in law and the role of the school board and its attorney. It will also emphasize these and other concepts long promoted by NJSBA:

- Determine if the compensation package is reasonable for your community by “costing out” the value of all provisions and benefits.
- Cap payment for unused leave in accordance with regulation. Consider limiting the number of days eligible and the rate at which leave time is reimbursed. For example, any payment for unused leave should be based on the salary in effect at the time it was earned—rather than on the current salary.

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- Bonus compensation is rare, but if a school board agrees to a bonus provision, it should link it directly to attaining educational goals. Do not agree to seniority-based bonuses.
- Make compensation as transparent as possible, and comply with recent requirements to post compensation information on line.
- Ensure that the school board attorney reviews the contract prior to finalization. Failing to do so is a shortcut that may work against the community's interest.

The expanded contract-development training will also go onsite to those school boards that have selected new superintendents through NJSBA's search service.

Better Practices In addition, last month, NJSBA announced that it will be part of a study group to identify contract-development practices that meet the expectations of our states' citizens. The recommendations will be shared with local school boards, school administrators and state education officials.

NJSBA supports the concept of legislated caps on fringe benefits and other controls that will better enable local school boards to protect taxpayers. The public has every right to demand that the school board provide information about the compensation of its top officials. And we can fully expect legislators to react with fervor to a situation such as that in Keansburg.

However, when the laws are finally made, the rhetoric needs to be tempered by balance and accuracy. State rules that overly restrict a school board's ability to secure strong educational leadership are neither in the interest of public school students nor of taxpayers.

July 16, 2008

The New Jersey School Boards Association, a federation of district boards of education, advocates the interests of school districts, trains local school board members, and provides resources for the advancement of public education.