



January 25, 2018

**Position Statement  
SUPPORTING  
Senate Bill No. 692 (Ruiz / Sarlo)**

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

The New Jersey School Boards Association (NJSBA), a federation of all of the state's local school districts, strongly supports Senate Bill No. 692, which would prohibit the New Jersey Department of Education from setting a cap on school superintendent salaries.

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

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

In early 2011, the Commissioner of Education adopted regulations that set the maximum salary a superintendent could earn based on the enrollment in the district he or she serves. These regulations were readopted with modifications in the spring of 2017 and are now set to expire in April 2024. The primary justification for the superintendent salary cap is that it will prevent the awarding of overly generous compensation packages. While we acknowledge that occasional cases of abuse did occur in the past, several controls have since been put in place that prevent, either directly or indirectly, similar abuses from occurring in the future.

The superintendent salary cap represents one of several spending constraints with which school districts must already comply, most notably the two-percent local property tax levy cap and the limitation on annual administrative spending growth. As any school official can attest, both of these statutory caps significantly restrict the growth of government spending and force boards of education to be very prudent in determining where to allocate their limited resources. Any school board seeking to award a high superintendent salary would have to make difficult decisions about other educational program and staffing priorities. The members of that same board would then be held accountable to the parents, taxpayers and voters in the district.

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

It is also important to note that, contrary to the belief of some, administrative spending in New Jersey has not been a problem. According to a 2015 report by the National Center for Education Statistics, the state ranks 47<sup>th</sup> in the percentage of school expenditures going towards administrative costs. While the national average stands at 10.7%, New Jersey only directs 9.0% of its expenditures toward central office and school building administration.

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

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

The current superintendent salary cap regulations also create a barrier to forming shared superintendent agreements. In a shared agreement, a single individual serves as the superintendent of more than one district, saving each of the participating districts money. While existing regulations permit superintendents to earn \$15,000 for each additional district he or she serves, this amount may simply not serve as a sufficient incentive for an individual to take on the extra responsibility that overseeing an additional district entails. As the cap remains in place, districts will have an increasingly difficult time maintaining this cost-saving arrangement.

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

For all the reasons cited above, the NJSBA strongly supports S-692 and urges all policymakers to reconsider the efficacy of the maintaining the superintendent salary cap. Thank you for your consideration of the NJSBA's position on this important issue. Any questions may be directed to Jonathan Pushman, NJSBA Legislative Advocate, at (609) 278-5248 or [jpushman@njsba.org](mailto:jpushman@njsba.org).