



STATE OF NEW JERSEY OFFICE OF THE GOVERNOR

The Christie Tool Kit: Putting Children First By Cutting Out-of-Classroom Costs

"But the reality is school districts can find cost savings and budget more effectively with the funds they have. It is possible to lower costs and protect the quality of education, prevent layoffs and limit property tax increases. School districts need the tools to act, and I am committed to providing them."

– Governor Chris Christie, 3/23/10

The Christie Reform Agenda: Cutting Costs and Directing Dollars to the Classroom

The Christie Reform Agenda includes a comprehensive tool kit to provide municipalities and school districts the necessary reform measures that will allow them to keep costs low and fund priority services. The Governor's latest reform proposal caps education administrator pay and puts an end to abuses in the system.

This action has the potential to save almost \$9.8 million and help ensure that the maximum amount of education funding stays in the classroom. On average, superintendents' salaries have risen over twice the rate of inflation - a nearly 46 percent increase since 2001. This is a higher increase than teacher compensation or overall education spending. The ultimate cost to New Jersey taxpayers is over \$100 million.

The Christie proposal will cut out-of-classroom costs by capping school administrators' salaries and reforming how they are paid.

Bringing Salaries In-Line with District Demands

The Christie proposal brings superintendent salaries in line with district needs. Right now, superintendents in districts with over 1,000 students earn an average of \$192,764, while superintendents in districts with fewer than 1,000 students earn an average of \$152,764.

These salaries are out of proportion with the private sector, current economic realities and district demands. Under the current proposal, the base pay of superintendents would be capped according to a sliding scale that takes into account the student enrollment of the district(s) overseen, with an increment of

\$5,000 for each additional district served by a single superintendent, and an increment of \$2,500 if the district(s) include(s) at least one high school.

Student Enrollment of District(s)	Maximum
0 – 250	\$120,000
251 – 750	\$135,000
751 – 1,500	\$150,000
1,501 – 3,000	\$165,000
3,001 – 10,000	\$175,000
Over 10,000	*

* Superintendent compensation in the sixteen districts with student enrollment over 10,000 would be subject to separate rules developed by the Department of Education.

School boards would not be permitted to increase a superintendent's base pay (for example, with longevity increases) beyond these salary caps. Additionally, no superintendent contract that includes a compensation package above these salary caps could be extended; at its expiration, the new compensation package of the superintendent would need to conform to this new policy.

According to New Jersey Department of Education data, 366 school superintendents currently earn more than the new salary cap would permit.

As with all elements of superintendent contracts, the Executive County Superintendents would review and approve superintendent salaries to ensure that they adhere to this policy.

An Estimated \$9.8 Million in Savings Means More Money in the Classroom

Based on current salaries, 70 percent of superintendents currently earn above the proposed salary cap, costing school districts a total of \$9.8 million.

Ultimately, nearly two-thirds of the potential savings would come from six counties: Bergen (\$2.2 million), Morris (\$1.2 million), Monmouth (\$700,000), Middlesex (\$700,000), Passaic (\$650,000) and Essex (\$650,000).

Rewarding Success: Individual Year Incentives for Performance

For all new contracts, upon attainment of pre-determined milestones, school districts will be able to provide superintendents a non-pensionable, individual year merit stipend, awarded on the basis of the school district's year-to-year progress relative to specific performance metrics of student learning. The following state guidelines would apply to this opportunity:

- a. The Department of Education would provide school boards with a list of state-approved quantitative and qualitative merit criteria;
- b. With Executive County Superintendent approval, boards would be permitted to add to this list one district-requested merit criterion;
- c. Boards would choose 3 quantitative and 2 qualitative merit criteria from this list;
- d. Executive County Superintendents would assemble the quantitative and qualitative performance data that forms the basis of a district superintendent's performance evaluation relative to these merit criteria;
- e. Districts would reward superintendents with an individual year merit stipend equal to 3.33% of base for each quantitative performance criterion achieved and 2.5% of base for each qualitative performance criterion achieved in a given year.

