

## **New Regulations Regarding Caps on Superintendent Salaries**

The New Jersey Department of Education (“NJDOE”) has amended its regulations increasing the maximum salaries for public school district superintendents. The amended regulations are contained in the State’s “Accountability Regulations,” set forth in N.J.A.C. 6A:23A-1 through 15, and became effective May 1, 2017.

Under the previous regulations adopted in 2011, districts were divided into six categories based on enrollment, with salary caps ranging from \$125,000 to \$175,000. The amended regulations have collapsed the previous six categories into three as follows: (1) in districts with 749 enrolled students or less, the cap is now \$147,794; (2) in districts of 750 to 2,999 students, the cap is now \$169,689; and (3) in districts of 3,000 or more students, the cap is now \$191,584. Superintendents with 10,000 or more students in their districts may still be granted a waiver of the maximum salary amount by the Commissioner, but a school board may submit one waiver request only during the term of a superintendent’s contract.

## **Salary Adjustments and Inflation Increases**

In addition to the increased maximum salary amounts, the amendments now permit superintendents whose contracts are renewed to receive an annual salary that exceeds the maximum salary amount by up to two (2%) percent in the first year of the renewal contract, followed by annual increases of up to two (2%) percent in each of the remaining years of the renewal contract, and any contract(s) thereafter.

In summary, the new regulations allow school boards to increase the salaries of superintendents who are currently at the maximum amount and who accept new contracts by two (2%) percent for each year of the new contract. The amendments are intended to: (1) increase the caps commensurate with inflation and create renewal incentives to offer districts more flexibility to recruit and retain superintendents who meet their needs; and (2) address the instability that often arises in districts with higher rates of superintendent turnover and an over-reliance on interim superintendents. The ability to exceed the maximum salaries for renewal contracts provides incentives for superintendents to remain in their districts beyond their initial contract, which the State hopes will result in increased stability and consistency within the administration.

## **Additional Administrative Position Salary Increment**

The amendments have also created an “additional administrative position salary increment” in the amount of \$5,000 for superintendents who serve in multiple roles such as Director of Special Services, Director of Personnel, etc. This additional position increment is limited to one increment regardless as to the number of additional positions served by the



superintendent. In this instance, a school board must support the additional position with a job description and justify it as both cost efficient and operationally feasible, which documentation must be submitted to the Executive County Superintendent as part of the contract review process. These parameters are intended to prevent the assignment of additional positions to the superintendent in order to provide the increment, when it may not be in a school board's best interest to do so.

### **High School Stipend**

The amended regulations have increased the increment amount for a superintendent working in a district with at least one high school from \$2,500 to \$5,000.

### **Shared Superintendent**

The amendments have increased the stipend for superintendents who supervise at least one additional school district from \$10,000 to \$15,000.

### **Merit Goals**

Similar to the previous regulations, the amendments continue to allow for merit bonuses to be paid to superintendents who meet up to three quantitative merit goals (an additional 3.33% of salary for each goal achieved) and two qualitative goals (2.5% each) subject to the approval of the Executive County Superintendent.

It is important to remember that the increased maximum salary amounts and additional stipends allowed by the amended regulations are optional and that boards of education are authorized to negotiate contracts with their respective superintendents at lower amounts if they chose to do so.

Should you have any questions or concerns with respect to any issues regarding the new superintendent pay caps, the attorneys at The Busch Law Group are available to assist you.

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