

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based only on the provisions contained in the legislation as of the latest date listed below.)

Date: December 18, 1997 Revised: \_\_\_\_\_

Subject: School Superintendents/Benefits

	<u>Analyst</u>	<u>Staff Director</u>	<u>Reference</u>	<u>Action</u>
1.	O'Farrell	O'Farrell	ED	Favorable
2.	_____	_____	WM	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____

I. Summary:

The bill would limit the total value of terminal pay benefits that could be received by a superintendent of schools to an amount equal to the superintendent's annual salary at the time of termination.

This bill would create a new section of the Florida Statutes.

II. Present Situation:

Under Article IX, Section 5 of the State Constitution, a superintendent must be elected by the voters or appointed by the school board in each school district. A referendum or a special law must authorize the appointment of the superintendent in a district. There are 44 elected and 23 appointed county school superintendents in Florida.

Salaries of elected superintendents are determined according to county population and various professional development provisions, all of which are contained in s. 230.303, F.S. Elected superintendents also participate in the Florida Retirement System as members of the Elected State and County Officers' Class. There are no terminal pay benefits associated with the elected office of school superintendent.

Section 230.321, F.S., authorizes local school boards to enter into employment contracts with appointed superintendents. Such contracts are not subject to the laws governing employment contracts or compensation of other school personnel. Except for some general salary guidelines the law leaves the compensation and benefits afforded an appointed superintendent up to the discretion of the school board. Contracts with appointed superintendents are generally for more than one year and contain a benefits package that includes at least: some form of transportable

retirement annuity, life and health insurance coverage, vacation time, professional development opportunities, and an automobile or mileage allowance. In the event a superintendent's employment is terminated prior to the expiration date of the contract, a monetary settlement is usually negotiated as compensation to the superintendent for the remaining contract time.

Annual salaries for the state's appointed superintendents range from \$74,153 to \$126,120, with an average salary for the 23 superintendents of \$98,121.

### **III. Effect of Proposed Changes:**

The legislation under consideration would limit the value of benefits paid to a superintendent upon contract termination to an amount no greater than the annual salary he or she was earning at the time of termination. The restriction would apply to any contracted issued, amended, or renewed after the effective date of the bill.

The public education community has expressed some concern about the effect of the legislation on superintendents who had been employees of the school system prior to their appointment to the superintendency. A person working his or her way up through the ranks in a school system would more than likely have accrued some leave time for which they could receive terminal pay (sections 231.40 and 231.481, F.S., authorize such payments). If the person happened to be a long time employee of the system before becoming superintendent, the payment for unused leave could exceed the annual salary amount being received as superintendent. The question being posed is, would the legislation pertain only to salary and benefits earned as superintendent, or would its effect extend to all terminal pay benefits earned as an employee of the school system?

In the past, when legislation was enacted affecting sick leave or annual leave earned by school district personnel, leave time accrued prior to the change was treated as a property right and remained whole. If this precedent continues to be followed, the terminal pay limits in the legislation would apply only to the employment contract as superintendent.

### **IV. Constitutional Issues:**

#### **A. Municipality/County Mandates Restrictions:**

None.

#### **B. Public Records/Open Meetings Issues:**

None.

#### **C. Trust Funds Restrictions:**

None.

**V. Economic Impact and Fiscal Note:**

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

Recently terminated superintendents of Florida school districts would have limits on the value of the severance pay they could receive.

C. Government Sector Impact:

The terminal pay obligations of school boards dismissing an appointed superintendent would be limited, and possibly reduced.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Amendments:**

None.