

**LEGISLATIVE EDUCATION STUDY COMMITTEE
BILL ANALYSIS**

Bill Number: HB 91

51st Legislature, 1st Session, 2013

Tracking Number: .191012.1

Short Title: Education Superintendent Limits

Sponsor(s): Representative Alonzo Baldonado and Others

Analyst: Mark Murphy

Date: February 15, 2013

Bill Summary:

HB 91 amends current law to limit the salary, benefits, and contract period a local school board may offer a local superintendent.

Among its provisions, the bill requires employment contracts between a local school board and a local superintendent entered into after July 1, 2013 to:

- be in writing;
- not provide for compensation exceeding the New Mexico Governor's salary (currently \$110,000 per year);
- not provide the superintendent with greater:
 - benefits than the same categories of benefits received by public school teachers;
 - employer contributions for insurance and retirements than the same benefits received by public school teachers pursuant to contribution schedules; and
 - type and number of leave days than those received by public school teachers;
- be no longer than 365 days; and
- not allow for contract renewal prior to 60 days before the expiration of the contract.

HB 91 also authorizes a local school board to include merit-based supplemental compensation in the contract provisions for a local superintendent provided that:

- the annual amount of supplemental compensation not exceed 20 percent of the amount of the annual salary;
- the award and amount of the supplemental compensation be based on merit criteria established by the local school board with at least 50 percent of the criteria being linked to:
 - student performance; and
 - school grades; and
- no supplemental compensation be received unless expressly provided for in the employment contract.

Fiscal Impact:

HB 91 does not contain an appropriation.

Fiscal Issues:

According to the Public Education Department (PED) bill analysis, HB 91 would:

- save districts approximately \$669,000 annually in base salaries; and
- likely generate additional savings through the bill's provisions limiting additional compensation.

Attachment 1, taken from the PED website, provides the final superintendent salaries for 2011-2012 and a ranking based on budgeted superintendent salaries for school year 2012-2013. Table 1, below, lists the 31 districts whose current superintendent salaries would be affected by the passage of HB 91.

Table 1. Districts Affected by the Passage of HB 91 Limits.

District	2012-2013 Salary	Reduced to HB 91 Salary Limit	Difference	% Reduction
Alamogordo	\$130,000	\$110,000	-20,000	-15.38%
Albuquerque	\$256,000	\$110,000	-146,000	-57.03%
Artesia	\$135,000	\$110,000	-25,000	-18.52%
Aztec	\$112,372	\$110,000	-2,372	-2.11%
Carlsbad	\$130,020	\$110,000	-30,020	-23.09%
Clayton	\$110,466	\$110,000	-466	-0.42%
Clovis	\$151,000	\$110,000	-41,000	-27.15%
Cobre	\$115,000	\$110,000	-5,000	-4.35%
Cuba	\$115,000	\$110,000	-5,000	-4.35%
Deming	\$125,511	\$110,000	-15,511	-12.36%
Espanola	\$120,000	\$110,000	-10,000	-8.33%
Farmington	\$137,018	\$110,000	-27,018	-19.72%
Gadsden	\$130,000	\$110,000	-20,000	-15.38%
Gallup	\$125,000	\$110,000	-15,000	-12.00%
Grants	\$112,410	\$110,000	-2,410	-2.14%
Hobbs	\$125,324	\$110,000	-15,324	-12.23%
Jemez Valley	\$146,297	\$110,000	-36,297	-24.81%
Las Cruces	\$168,759	\$110,000	-58,759	-34.82%
Los Alamos	\$142,000	\$110,000	-32,000	-22.54%
Los Lunas	\$135,000	\$110,000	-25,000	-18.52%
Moriarty	\$127,300	\$110,000	-17,300	-13.59%
Portales	\$120,272	\$110,000	-10,272	-8.54%
Rio Rancho	\$151,880	\$110,000	-41,880	-27.57%
Roswell	\$147,000	\$110,000	-37,000	-25.17%
Ruidoso	\$119,400	\$110,000	-9,400	-7.87%
Santa Fe	\$115,640	\$110,000	-5,640	-4.88%
Silver Consolidated	\$125,001	\$110,000	-15,001	-12.00%
Taos	\$114,099	\$110,000	-4,099	-3.59%
Texico	\$117,200	\$110,000	-7,200	-6.14%
Truth or Consequences	\$116,103	\$110,000	-6,103	-5.26%
Tularosa	\$114,764	\$110,000	-4,764	-4.15%

Source of Data: Public Education Department, 2013 Statbook, page F-34. Compiled by the LESC.

Substantive Issues:

Based on the provisions of current law, the length of a superintendent's contract period and the amount of a superintendent's salary are determined by a local school board. HB 91 would require that a superintendent's contract period be no longer than 365 days and that a superintendent's pay not exceed that of the New Mexico Governor. These changes would limit the authority and control of the local school board with regard to superintendent contracts.

Additionally, the bill states that a superintendent's contract may not be renewed until it is less than 60 days prior to the end of the contract period. Leaving such a short period of time to determine if a renewal will work could potentially disadvantage school districts. Due to the length of time searches for replacement superintendents can take, if the district and local superintendent are unable to come to an agreement on a contract renewal, the superintendent's contract may expire before a local school board is able to hire a replacement superintendent.

Finally, if enacted, HB 91 could make it difficult for some districts to attract qualified candidates to fill a vacant superintendent position.

PED's bill analysis states that HB 91 does not:

- consider other forms of compensation, like car and housing allowances;
- acknowledge that each benefits package and contract for a public school teacher is different in every individual district; or
- address contracts for heads of charter schools.

Background:

Current New Mexico law does not place limitations on the salaries or benefits of school superintendents. Rather, law states that among a local school board's duties and powers is to "employ a local superintendent for the school district and fix the superintendent's salary." Additionally, current law states that a local superintendent is the chief executive officer of a school district with the following duties and powers:

- carry out the educational policies and rules of the state board and local school board;
- administer and supervise the school district;
- employ, fix the salaries of, assign, terminate or discharge all employees of the school district;
- prepare the school district budget based on public schools' recommendations for review and approval by the local school board and department; and
- perform other duties as required by law, the department or the local school board.

The *School Personnel Act* also specifies that:

- contracts not to exceed three years are permitted for certified school administrators in public schools who are engaged in administrative functions for more than one-half of their employment time.

Superintendent salary limits have been implemented elsewhere in the United States. In February 2011, the Governor of the state of New Jersey imposed superintendent salary limitations on local superintendents in that state. The limitations set in place are described in Table 2, below¹.

Table 2. New Jersey Superintendent Salary Caps

District Size (# of students enrolled)	Salary Cap
0-250	\$125,000
251-750	\$135,000
751-1,500	\$145,000
1,501-3,000	\$155,000
3,001-6,500	\$165,000
6,501-10,000	\$175,000

According to the New Jersey School Boards Association, the change in regulations affected more than 70 percent of New Jersey’s superintendents with an estimated 360 superintendents affected. Since the establishment of the salary caps, an appeal to the New Jersey Appellate Court upheld the regulations indicating that the Governor had not overstepped his boundaries by implementing the regulation changes.

Committee Referrals:

HEC/HAFC

Related Bills:

None as of February 15, 2013.

¹ Data in Table 2 comes from the Office of the New Jersey Governor’s website from a November 1, 2010 press release announcing the salary caps.

SUPERINTENDENTS' SALARIES

"2011-2012 ESTIMATED ACTUAL TO 2012-2013 BUDGETED, RANKED BY 2012-2013 SALARY**"

2012-2013						2012-2013					
District	Rank	2011-2012	2012-2013	Difference	Change	District	Rank	2011-2012	2012-2013	Difference	Change
ALAMOGORDO	12	130,000	130,000	\$0	0.00%	LAS CRUCES	3	\$168,259	\$168,759	\$500	0.30%
ALBUQUERQUE	1	256,000	256,000	\$0	0.00%	LAS VEGAS CITY	53	\$100,000	\$100,000	\$0	0.00%
ANIMAS	70	90,000	91,800	\$1,800	2.00%	LOGAN	65	\$94,000	\$94,000	\$0	0.00%
ARTESIA ²	9	145,000	135,000	(\$10,000)	-6.90%	LORDSBURG	56	\$99,500	\$99,500	\$0	0.00%
AZTEC	30	112,372	112,372	\$0	0.00%	LOS ALAMOS	7	\$142,000	\$142,000	(\$0)	0.00%
BELEN	43	105,000	105,000	\$0	0.00%	LOS LUNAS	9	\$135,000	\$135,000	\$0	0.00%
BERNALILLO	40	106,000	106,001	\$1	0.00%	LOVING	53	\$100,000	\$100,000	\$0	0.00%
BLOOMFIELD	43	105,000	105,000	\$0	0.00%	LOVINGTON	38	\$107,100	\$107,101	\$1	0.00%
CAPITAN	60	95,738	95,738	\$0	0.00%	MAGDALENA	39	\$106,800	\$106,800	\$0	0.00%
CARLSBAD	11	130,020	130,020	\$0	0.00%	MAXWELL	89	\$75,000	\$75,000	\$0	0.00%
CARRIZOZO	73	91,175	91,175	\$0	0.00%	MELROSE	78	\$88,001	\$88,002	\$1	0.00%
CENTRAL	32	110,000	110,000	\$0	0.00%	MESA VISTA	67	\$90,000	\$92,000	\$2,000	2.22%
CHAMA	57	99,001	99,002	\$1	0.00%	MORA	53	\$100,000	\$100,000	\$0	0.00%
CIMARRON	70	91,800	91,800	\$0	0.00%	MORIARTY	14	\$127,300	\$127,300	\$0	0.00%
CLAYTON	31	110,465	110,466	\$1	0.00%	MOSQUERO	66	\$93,840	\$93,840	\$0	0.00%
CLOUDCROFT	58	98,000	98,000	\$0	0.00%	MOUNTAINAIR	61	\$95,163	\$95,164	\$1	0.00%
CLOVIS	5	151,000	151,000	\$0	0.00%	PECOS	46	\$104,194	\$104,194	\$0	0.00%
COBRE ³	25	115,000	115,000	\$0	0.00%	PENASCO	62	\$95,000	\$95,000	\$0	0.00%
CORONA	76	90,000	90,000	\$0	0.00%	POJOAQUE	42	\$102,000	\$105,060	\$3,060	3.00%
CUBA	25	115,000	115,000	\$0	0.00%	PORTALES	19	\$118,787	\$120,272	\$1,485	1.25%
DEMING	15	125,511	125,511	\$0	0.00%	QUEMADO	72	\$91,639	\$91,639	\$0	0.00%
DES MOINES	67	92,000	92,000	\$0	0.00%	QUESTA	67	\$92,000	\$92,000	\$0	0.00%
DEXTER	49	100,246	102,251	\$2,005	2.00%	RATON	50	\$101,000	\$101,000	\$0	0.00%
DORA	59	96,097	97,058	\$961	1.00%	RESERVE	76	\$90,000	\$90,000	\$0	0.00%
DULCE	43	105,000	105,000	\$0	0.00%	RIO RANCHO	4	\$151,880	\$151,880	\$0	0.00%
ELIDA	85	84,660	84,660	\$0	0.00%	ROSWELL	6	\$147,000	\$147,000	\$0	0.00%
ESPANOLA	20	120,000	120,000	\$0	0.00%	ROY	87	\$82,000	\$82,000	\$0	0.00%
ESTANCIA	32	110,000	110,000	\$0	0.00%	RUIDOSO	21	\$119,400	\$119,400	\$0	0.00%
EUNICE	62	95,000	95,000	\$0	0.00%	SAN JON ¹	62	\$100,000	\$95,000	(\$5,000)	-5.00%
FARMINGTON	8	137,018	137,018	\$0	0.00%	SANTA FE	24	\$115,640	\$115,640	\$0	0.00%
FLOYD	80	87,650	87,651	\$1	0.00%	SANTA ROSA	51	\$100,002	\$100,003	\$1	0.00%
FT. SUMNER	74	90,780	90,780	\$0	0.00%	SILVER CONS.	17	\$125,001	\$125,001	\$0	0.00%
GADSDEN	13	130,000	130,000	\$0	0.00%	SOCORRO ⁴	32	\$112,395	\$110,000	(\$2,395)	-2.13%
GALLUP	18	125,000	125,000	\$0	0.00%	SPRINGER	81	\$87,500	\$87,500	\$0	0.00%
GRADY	75	90,003	90,004	\$1	0.00%	TAOS	28	\$111,045	\$114,099	\$3,054	2.75%
GRANTS	29	110,206	112,410	\$2,204	2.00%	TATUM	86	\$83,673	\$83,673	\$0	0.00%
HAGERMAN	41	102,869	105,441	\$2,572	2.50%	TEXICO	22	\$117,200	\$117,200	\$0	0.00%
HATCH ³	32	110,000	110,000	\$0	0.00%	TRUTH OR CONSEQ.	23	\$116,103	\$116,103	\$0	0.00%
HOBBS	16	125,324	125,324	\$0	0.00%	TUCUMCARI	37	\$109,200	\$109,200	\$0	0.00%
HONDO	88	78,000	78,000	\$0	0.00%	TULAROSA	27	\$111,421	\$114,764	\$3,343	3.00%
HOUSE	79	87,751	87,752	\$1	0.00%	VAUGHN	84	\$85,000	\$85,000	\$0	0.00%
JAL	48	100,000	102,500	\$2,500	2.50%	WAGON MOUND	83	\$85,398	\$85,399	\$1	0.00%
JEMEZ MOUNTAIN	47	103,000	103,000	\$0	0.00%	LAS VEGAS WEST	52	\$100,001	\$100,002	\$1	0.00%
JEMEZ VALLEY	2	146,297	146,299	\$2	0.00%	ZUNI	32	\$110,000	\$110,000	\$0	0.00%
LAKE ARTHUR	82	85,924	85,925	\$1	0.00%	STATEWIDE		\$108,918	\$109,013	\$95	0.09%

*The salary data presented in this table was provided by the school districts with their 2012-2013 Operating Budgets.

NOTE: Statewide average salary is a weighted average.

¹New Superintendent.

²Salary Reduction per local board recommendation.

³2011-2012 data was used for 2012-2013.

⁴Reduced contract days.