



**KANSAS ASSOCIATION
OF SCHOOL BOARDS**

Serving Educational Leaders, Inspiring Student Success

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Oral Testimony as Opponent before the
Senate Committee on Financial Institutions and Insurance

on

Testimony on SB 395 - Setting a maximum final average salary amount for purposes of computing retirement benefits for certain members of KPERS, KP&F and the retirement system for judges by

By Mark Tallman, Associate Executive Director

February 15, 2018

Mr. Chairman, Members of the Committee:

Thank you for the opportunity to comment on **SB 395**. We have decided to appear in opposition to this bill based on the concern it would weaken the ability to attract and retain qualified employees.

School boards have the responsibility to set compensation for employees based on what they believe is necessary to attract and retain people to do one of the most important jobs we have – educating our future citizens and workforce in a highly competitive environment.

Top school leaders, especially those in large districts with high levels of experience and success, are attractive to other districts in Kansas and other states, as well as other employers. Capping retirement benefits could either make Kansas school employment less attractive compared to other options, or require school districts to spend more from their budgets to enhance their salary and benefits package. Neither seems to us to be in the best interest of school districts, students or the states.

Under this bill, new employees would face limits on retirement benefits when they reach the approximately \$100,000 threshold, making it less likely they would plan a long-term career in Kansas schools if better options are available elsewhere. Current employees would apparently be limited to current retirement benefits if they stay in current positions, creating a new incentive to leave.

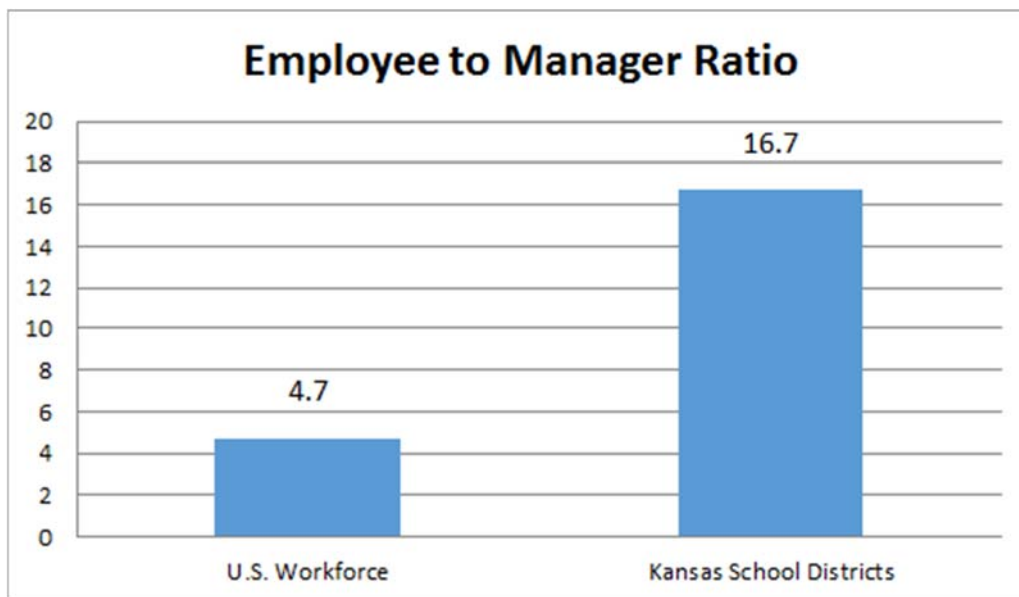
We can think of no educational reason to limit public service benefits to the Governor's level. The Governor is an elected official who likely had a previous career in another field and will return to another career after a maximum eight-year term. (However, KASB would certainly not object to increasing compensation for the Governor if the Legislature believes it is necessary to attract and retain candidates.) Unlike the Governor, there are specific licensure requirements for school administrators.

Every trend in the private sector suggests leadership and management expertise are important and should be compensated at higher levels. This bill seems to suggest school districts are an exception, and benefits should be regulated by the state.

KASB does not believe there is any evidence school leaders are overpaid, or for that matter, that Kansas schools are overstaffed.

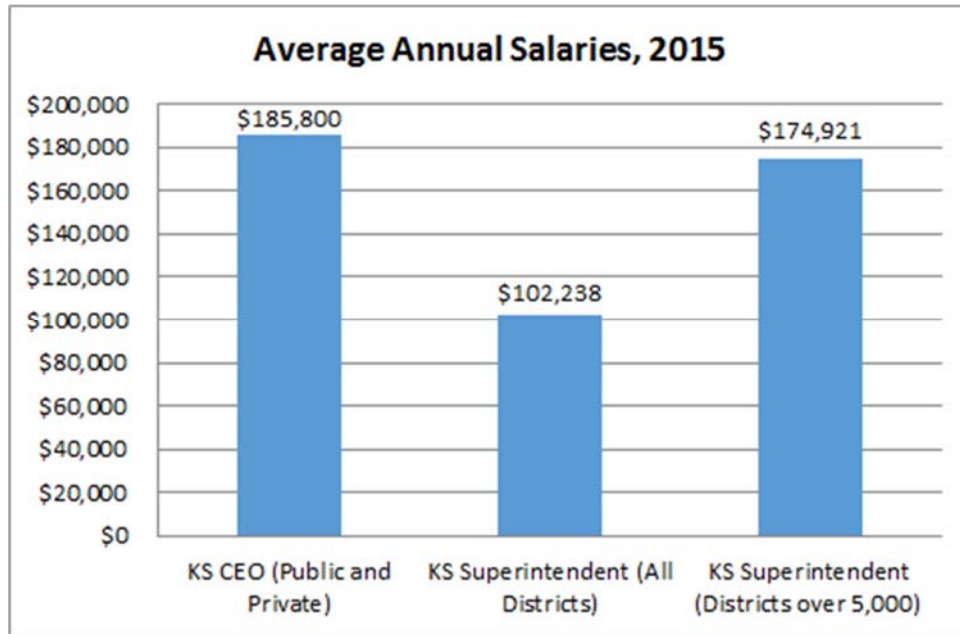
I have included material from a blog I wrote in October 2016 below, which makes two points: first, Kansas school districts have a far higher employee to manager ratio than the U.S. workforce as a whole. Second, Kansas superintendents are paid less than the average of all Kansas CEO's of all organizations, public and private.

A recent report from the [Harvard Business Review](#) found that managers and administrators made up 17.6 percent of the U.S. workforce and received nearly 30 percent of total compensation, which works out to one manager and administrator for every 4.7 employees. The report suggested the U.S. economy could function more efficiently with one manager for over 10 employees.



Out of 68,372 school district positions last year, 4,096 were superintendents, assistant superintendents, principals, assistant principals, managers or directors. These management positions are 6.0 percent of the total school district workforce, or one manager for every 16.7 employees. In other words, school managers supervise almost four times as many employees as managers in the overall workforce.

According to the Bureau of Labor Statistics, the average pay for a chief executive officer in Kansas (both public and private organizations) last year was [\\$185,850](#). The average salary for a Kansas school superintendent that year was \$102,238. The average salary for superintendents in large districts (more than 5,000 students) last year was \$174,921. (As in the private sector, executives of larger organizations tend to make substantially more.) [KASB Report](#)



We would also note Kansas school districts have fewer administrative employees than the national average. Based on the U.S. Digest of Education Statistics, Kansas has fewer districts administrators, officials and support staff per 1,000 students than the national average, the top achieving state on KASB's Comparing Kansas report, and the bottom 10 states on the same report – and these positions make up a smaller percentage of total staff.

	Total District Staff Per 1,000	District Admin. Staff	Percent of Total
United States Average	125	5.1	4.1%
Top 9 Outcome States	155.0	6.0	3.9%
Kansas (10th)	143	3.8	2.7%
Bottom 10 Outcomes States	117.2	4.8	4.1%

Finally, I have attached for your information KASB research data on the number of current employees that would likely be affected by this bill. KSDE data is from the department's collections. KASB data is from voluntary survey of our member school districts.

Thank you for your consideration.

District Administrator Salaries Over \$100,000

- According to KSDE, there are 198 Superintendents whose contracted 2017-18 salary is over \$100,000. This represents 69.5 percent of the 285 Superintendents reported.
- According to KSDE, there are 129.1 (FTE) Principals whose contracted 2017-18 salary is over \$100,00. This represents 10.8 percent of the 1,194.2 (FTE) Principals reported.
- According to KASB, there have been 185 Central Office Staff reported for 2017-18 with salaries over \$100,000. This represents 16.0 percent of the 1,157 Central Office Staff reported. These include:
 - Four Board Clerks
 - 16 Board Treasurers
 - 28 Administrators
 - Four Assistant Directors
 - 54 Assistant Superintendents
 - Four Coordinators
 - 42 Education Directors
 - 59 Support Directors
 - 11 Supervisors
- According to KASB, there have been 143 Superintendents reported for 2017-18 with salaries over \$100,000. This represents 56.7 percent of the 252 Superintendents reported.
- According to KASB, there have been 27 Assistant Principals reported for 2017-18 with salaries over \$100,000. This represents 4.9 percent of the 546 Assistant Principals reported.
- According to KASB, there have been 163 Principals reported for 2017-18 with salaries over \$100,000. This represents 15.4 percent of the 1,056 Principals reported.

Source	Position	Above 100K	Total	Percent
KSDE	Superintendent	198	285	69.5
KSDE	Principal	129.1	1,194.2	10.8
KASB	Central Office	185	1,157	16.0
KASB	Superintendent	143	252	56.7
KASB	Assistant Principal	27	546	4.9
KASB	Principal	163	1,056	15.4