

Prepared Notes for Board Meeting (Administrative Benefits)

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For reasons that have never been clear to me, the general public seems to have concluded that the word “administration” in public education is synonymous with the word “waste” as in – you’d better make sure you don’t have a lot of administrators or you’ll be accused of wasting money. Since administrators are associated with overhead and overhead is associated with waste, school districts seek to minimize that perception by minimizing or, more likely downplaying administrative salaries and benefits. This general philosophy has been true in public education for years and recently, with the advent of searchable databases from the Buckeye Institute and the Ohio Treasurer, the need to obfuscate administrative overhead has picked up. Indeed, it can be fairly stated that school districts want to give administrators salaries commensurate with the level of supervisory responsibility they have, market forces and the overall importance of their work to the organizations – they would just prefer that no one find out the totality of the compensation package.

I have a somewhat different philosophy. If the organization believes that administrative personnel are worth what they are being paid, and I mean the total amount they are being paid inclusive of benefits, they should be able to justify that to their constituents and be willing to do so. If you can’t justify it, you shouldn’t be doing it.

The list of fringe benefits before us continues the Worthington tradition of hiding administrative compensation although ironically, to a little bit smaller degree than its predecessor. In prior agreements, taxpayers would, in addition to the published salary, simply give each administrator additional cash in the amount of \$2790 annually as a Fringe Benefit. Depending on which database you had access to, that \$2790 would be included or not. That payment is being phased out, however, in its place, the taxpayer is shouldering the full burden of the employee share of Ohio’s teacher retirement program, an increase which is scheduled to grow from the current 11% to 14% in the next few years. Anyone looking to use one of these databases to calculate the cost of Worthington’s administrative burden would just have to know that because this provision is not included in any salary calculation (database) yet it represents real money just the same. A more transparent approach might be to have the “employee” share of retirement actually paid by the employee and the bulk of compensation, including the value of the STRS pick up, goes into the published salary number. Indeed, while there are some small cost savings in providing compensation via STRS retirement pickup, the main reason for going this route is if you’re looking to bury compensation in a document that few are likely to peruse. Alas, burying compensation via STRS pickup is so engrained in the culture of K-12 education in Ohio that changing it is likely to be perceived as a negative come recruitment time, although some school districts have capped the amount of the pick-up at the previous value of 10%.

Of course, as a result of the additional STRS pickup, the published 1.5% base salary increase figure, while accurate, is misleading. The real number is slightly in excess of 3%, at least for the first year and slightly over 2% in subsequent years. The question of whether such an increase is justified isn't even a close call for me – the answer is yes. Our principals and WEC administrators haven't had significant base salary increases in years, this despite a dramatic increase in workloads brought about by administrative restructuring, OTEs, OPES and other mandates. They have delivered and continue to deliver real, measurable results both as the instructional leaders of their buildings and well as the chief administrative officer in each building.

As I said, if you can't justify it, you shouldn't be doing it – but fortunately, this raise is easy to justify. A recent report by the Hoover Institution of Stanford University attempted to quantify the impact of a principal on student achievement and determined that a highly effective principal can increase student achievement by two to seven months each year while an ineffective principal can have the reverse impact.¹ Another report by the Fordham Institute said that being a principal is “A high pressure, grueling and underpaid job whose responsibilities significantly exceed their authorities”. Fordham – hardly the bastion of educational liberalism, suggests giving every principal in the country a \$100K raise². Like I said, the nominal raises in this agreement are easy to justify.³

That said, I have two major complaints with this agreement. The first is an overall lack of transparency, present in previous agreements and perpetuated now by the overall increase in STRS pickups and the presence of annual “one time” money which everyone will surely qualify for. The second is the lack of a meaningful merit component. We can't, on the one hand, go on and on about how we want to attract the best and the brightest administrative talent while on the other hand cap their compensation based on whatever the market happens to be paying at the time. By definition, we are removing and have removed compensation as a vehicle to attract and retain administrative talent. Indeed, even if you believe, as apparently everyone in the room but me believes, that money has no place in school district incentive programs, there are other things we could have done. As with teachers, principals need some kind of career path that doesn't necessarily lead to Central Office. Principals who have demonstrated high levels of effectiveness should be rewarded with increasing levels of autonomy and so forth.

So, despite the overall lack of transparency, a trait which is present in every school district administrative benefit agreement that I looked at and despite the lack of a merit component, the agreement is otherwise worthy of support and I intend to do so. It's my

¹ <http://hanushek.stanford.edu/publications/school-leaders-matter-measuring-impact-effective-principals>

² <http://edexcellence.net/publications/lacking-leaders-the-challenges-of-principal-recruitment-selection-and-placement>

³ <http://www.theatlantic.com/education/archive/2014/06/should-we-be-treating-principals-like-ceos/373246/>

hope, all be it fading after banging my head against this particular wall for better than 8 years now, that we reconsider both issues in 2017 or sooner.