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Legislative Research Commission

Kentucky School District Superintendent Employment And Contracts

Research Report No. 399

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Foreword

In December 2012, the Education Assessment and Accountability Review Subcommittee directed the Office of Education Accountability to provide an overview of statutes, regulations, and local district policies regarding the contracts, hiring, evaluation, and removal or nonrenewal of the contract for superintendents. In addition, the study was to include a comprehensive review of all superintendent contracts including salary, benefits, and other contract terms. The review found that while some issues were discovered that should be reviewed by local boards and district personnel, most districts are following proper procedures for the hiring of the superintendent, and most contracts are being adhered to.

Staff would like to thank Kentucky superintendents and district staff for their time and assistance in responding to the requests of this study.

Robert Sherman
Director

Legislative Research Commission
Frankfort, Kentucky
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Summary

This study reviews statutes, regulations, and local district policies regarding the contracts, hiring, evaluation, and removal or nonrenewal of superintendents. In addition, the study includes a comprehensive review of all superintendent contracts including salary, benefits, and other contract terms. While the study found some issues that should be reviewed by local boards and district personnel, most districts are following proper procedures for the hiring of the superintendent, and most contracts are being adhered to.

Superintendents are hired for a term that is not to exceed 4 years. The board must approve the hiring, contract, and any subsequent changes to the contract during open session, and it must be reflected in the minutes. The board must also perform annual evaluations of the superintendent; preliminary discussions of the evaluation are to be done in closed session, and the summative evaluation is to be discussed and adopted in an open meeting of the board and reflected in the minutes.

Vacancies in the office of superintendent can be through board action, such as board removal or nonrenewal of the contract, or through action of the superintendent, such as resignation or retirement. Acting superintendents can be appointed in the interim between superintendents, and they must be appointed when a vacancy occurs between the time of a school board election and when newly elected members are sworn in.

Historical and survey data on superintendent employment in Kentucky was analyzed in order to determine longevity, turnover, movement, and information on female and minority superintendents. Current superintendents have been in place an average of 5.9 years. Over the period of 1995 to 2013, the length of employment for a superintendent in one school district was approximately 6.4 years; in any one year, approximately 23 superintendent positions (or 13 percent of the total) experienced turnover, and approximately 2.5 superintendents moved from one district to another. The percentage of female superintendents rose from 4 percent in 1994 to 25 percent in 2013. Between 1994 and July 2013, three minority superintendents have served in Kentucky public schools.

Superintendent contracts are not specifically addressed in statute or regulation. The contracts generally outline employment expectations, salary, benefits, and other requirements of the superintendent. Employment expectations include the employment term and working days, job duties of the superintendent, and expectations regarding job performance evaluations. Each contract states a set number of working days, which is most often 240. Salary can be stated as a certain dollar amount or as a formula used to calculate the salary. Salary raises above the stated contract amount should be clearly stated in the contract. Benefits provided to the superintendent upon employment often include insurance, such as health, life, dental, vision, disability, and professional liability insurance; travel and reimbursement benefits; professional dues; retirement benefits, such as reimbursement of Kentucky Teachers' Retirement System contributions or additional payments to a deferred compensation or annuity plan; paid leave days; or provisions stating that the superintendent is to receive the benefits provided to other groups of employees.

Contracts often contain additional provisions, such as those stating the statutory right for the board to extend the superintendent contract by 1 additional year, commonly referred to as a “rollover provision” or “evergreen clause.” Other provisions include those stating residency requirements, allowing spouse travel benefits, requiring a medical exam, providing for continuing education of the superintendent, or providing technology benefits.

The method of payments for benefits may or may not be specifically designated in the contract. Payment can be provided in a variety of ways. Depending on the benefit and the way the district provides it, tax and retirement consequences to the superintendent will differ.

A limited number of contract provisions were found to be problematic. Some contracts reviewed by Office of Education Accountability (OEA) staff contained clauses that are not permitted; those included rollover provisions that enact automatically and without explicit board approval, provisions that provide retroactive benefits, and any provision that binds a future board to any agreement made by the current board. Other provisions reviewed were vague about the benefits provided or did not contain a clear limit to the amount the district was obligated to provide. Some provisions were contradictory or confusing. Finally, some contracts were structured in a way that did not present the information in a clear or unambiguous manner; examples include headings that did not match the text, form contracts that had not been personalized, and hand modifications to a typed contract.

The average salary for the 159 districts for which OEA had full information was just more than \$120,000 in FY 2012. Salary ranged from just less than \$74,000 to \$276,000. However, comparisons of salary alone provided an incomplete picture. In addition to salary, superintendents often receive other benefits. The dollar values of selected additional benefits were calculated in order to find the total compensation of superintendents. Fifty-eight superintendents receive no additional monetary contractual benefits; in these cases, total compensation is the same as salary in the previous section. For the remaining 101 superintendents, additional monetary benefits averaged \$12,800, although the maximum was \$81,700. This means that total compensation for all superintendents, including those with no additional monetary benefits, averaged \$128,450, ranging from almost \$74,000 to \$321,000.

Additional nonmonetary benefits that may be provided under district policy instead of contract provisions include technology benefits, transportation benefits, and paid leave days. According to a survey of districts, all but nine provided technology benefits to superintendents, such as cellular phones and computers. The most common transportation benefits were reimbursement of actual work-related travel and a district-owned vehicle for limited use by the superintendent while at work. Leave days provided included sick days, vacation (or annual) days, personal days, and emergency days.

In summary, OEA staff reviewed statutes and regulations along with local district policies, superintendent contracts and amendments, board minutes, and Munis reports that were provided by districts. While some issues were found that should be reviewed by local boards and district personnel, most districts are following proper procedures for the hiring of the superintendent and most contracts are being adhered to. Some issues discovered through review of district documents involved procedures that must be followed in order to add, remove, or amend

superintendent salary or benefits; other issues related to mistakes made in the district for the payment of salary or benefits.

Recommendations

- 1.1 If it is the intent of the General Assembly that a superintendent contract should always end on June 30, the General Assembly should consider clarifying the statute by removing the phrase “unexpired term” from KRS 160.350(1).**
- 1.2 The General Assembly should consider clarifying the reference to highly skilled certified educator in KRS 160.350(3).**
- 2.1 The Kentucky Department of Education should consider providing training or documentation to districts on the correct way to enter benefits into Munis in order for each benefit to be treated appropriately for tax and retirement purposes.**
- 3.1 Local boards should ensure that the hiring of the superintendent, approval of the contract, and any subsequent amendment to the contract, terms, salary, or benefits shall be adopted in an open session of the board and clearly reflected in the minutes.**
- 3.2 The employment contract between the local board of education and the superintendent should be clearly written; terms of employment, salary, and benefits should be specifically stated. Care should be taken to avoid vague or conflicting provisions.**
- 3.3 The board, superintendent, and district finance officer should annually review salary and benefits paid to or on behalf of the superintendent. Salary and benefits should be compared to the contract and any amendments to ensure that benefits are being provided correctly.**

Chapter 1

Superintendent Employment

Introduction

A superintendent is the chief officer of a Kentucky school district.

A superintendent is the chief officer of a Kentucky school district.^a Hired by the local board of education, the superintendent is to exercise general supervision and management of the district and be the executive agent of the board of education.

Background And Description Of Study

In October 2012, the auditor of public accounts released two school district examinations that included specific findings and recommendations relating to superintendent contracts and benefits. At that time, a third examination was under way.

In December 2012, the Education Assessment and Accountability Review Subcommittee directed the Office of Education Accountability (OEA) to provide an overview of statutes, regulations, and local district policies regarding the contracts, hiring, evaluation, and removal or nonrenewal of superintendents. In addition, the study was to include a comprehensive review of all superintendent contracts including salary, benefits, and other contract terms.

In order to complete that request, OEA staff collected information from all districts in March 2013. Data was collected from each district in two ways. First, a list of documents was requested from all districts including contracts, board minutes, district policies, and Munis reports from the district finance system. Second, an online survey was sent to all superintendents to collect additional information. Copies of both requests are found in Appendix A and Appendix B.

Also in March 2013, the Kentucky Commissioner of Education and the Auditor of Public Accounts called for greater transparency for superintendent contracts and benefits; as a result, the Kentucky Department of Education (KDE) began collecting and reporting superintendent salary and benefit information on its website.

^a During the period this study covers, there were 174 school districts in Kentucky. Due to the merger of two districts effective July 1, 2013, there are now 173.

Beginning in July 2013, districts are required to annually submit contract and benefit information for the superintendent.¹ Finally, as of July 2013, the auditor has released nine school district examinations; six of those examinations included specific findings and recommendations relating to superintendent contracts or benefits.²

Major Conclusions

While some issues were found that should be reviewed, most districts are following proper procedure.

Some superintendent contracts do not contain adequate information to fully understand the salary and benefits being offered.

Local boards and district staff should annually review contracts and accounts payable records to ensure that all benefits agreed to are provided and that no additional benefits have been provided that are not in the contract.

There is still significant confusion regarding procedural requirements of the board, such as open meetings law, open sessions, and recording actions in the minutes.

Comparisons between superintendents based on salary alone could be misleading.

- While some issues were found that should be reviewed by local boards and district personnel, most districts are following proper procedures for the hiring of the superintendent, and most contracts are being adhered to.
- Some superintendent contracts do not contain adequate information to understand the salary and benefits being offered; they lack clarity and a full explanation of benefits. Confusing, vague, or contradicting provisions make it difficult for superintendents, boards, and members of the public to fully understand the total compensation package provided. Additionally, lack of detail and clarity potentially provide a liability to the district for payment of benefits that the board may not have intended to provide.
- As a result of both contract structure and district error, some superintendents are receiving benefits for which there is no documentation of board approval. Other superintendents are not receiving benefits to which they appear to be entitled. Local boards and district staff should annually review contracts and accounts payable records to ensure that all benefits agreed to are provided and that no additional benefits have been provided. Staff should also ensure that benefits are entered into Munis correctly to ensure that tax obligations and retirement benefits are calculated correctly.
- There is still significant confusion regarding board responsibility for procedural requirements, such as complying with the open meetings law, approving the necessary items in open session, and recording actions in the minutes. These actions are necessary for items such as evaluations, contract approval, and amendments, including raises.
- Comparisons between superintendents based on salary alone could be misleading. More than half of all superintendents receive benefits that add, on average, approximately \$13,000 to the superintendent's total compensation. This varies widely, as some superintendents receive no benefits in addition to their salary, and one superintendent receives more than \$80,000 in additional benefits. Comparisons between superintendents should be based on salary and all additional benefits received.

Organization Of The Report

The remainder of Chapter 1 includes discussions of the responsibilities and requirements of both the local board of education and the superintendent; superintendent training and professional development; an overview of the superintendent hiring and continued employment process; the Open Meetings Act; and the evaluation process of the superintendent. The chapter also contains an analysis of superintendent employment patterns in Kentucky from FY 1994 to FY 2013.^b

Chapter 2 contains detailed information on the superintendent employment contract. The expectations, term, and conditions of employment are spelled out in the contract between the board of education and the superintendent. The chapter details certain contract provision and their frequency, as well as information from the Kentucky auditor of public accounts and a discussion of the tax and retirement consequences encountered in the payment of benefits.

Chapter 3 contains information on superintendent salaries and benefits for FY 2012, in order to calculate the total compensation package for the superintendent for that year. Salary and total compensation are presented with regard to district size and are compared to teacher salary. Information regarding technology benefits, transportation benefits, and leave days is also provided.

Superintendent Responsibilities And Requirements

Superintendents are subject to a number of requirements and responsibilities, including certification and statutory responsibilities.

In both statutes and employment contracts, school superintendents are subject to a number of requirements and responsibilities.

Prior to hiring, superintendents are required to be certified by the Education Professional Standards Board (EPSB). An individual can receive a superintendent certification after completing the requirements in 16 KAR 3:010, which state that the individual must complete an approved program of preparation; complete 2 years of experience as a school principal, districtwide administrator, or other selected positions; be eligible for a Kentucky teaching certificate; hold a master's degree; and complete Levels I and II preparation and certification for school principal or supervisor of instruction. The EPSB also permits a

^b A fiscal year covers the same period as a school year, and both are referred to by their ending year; for example, fiscal year 2012 and school year 2012 both cover July 1, 2011, to June 30, 2012.

superintendent to be certified through an alternative certification program (16 KAR 9:080).

Requirements of the superintendent upon initial hiring as contained in KRS 160.350(2) are as follows:

- Superintendents shall not assume the duties in the district until a certificate for school superintendent issued by the Education Professional Standards Board has been provided to the board.
- Superintendents shall complete training within 1 year of assuming their duties.
- Superintendents shall not serve as director or officer of a bank, trust company, or savings or loan association that has school district funds on deposit.
- Superintendents shall establish residency in Kentucky after their appointment.

Ongoing general responsibilities and duties of the superintendent as an executive agent of the board are outlined in KRS 160.370:

- A superintendent shall be the executive agent of the board that appoints him or her and is required to meet with the board except when the superintendent's tenure, salary, or administration of the superintendent's office is being discussed.
- Superintendents shall see that laws, regulations, and policies are carried into effect.
- A superintendent shall be the professional adviser of the board in all matters.
- A superintendent shall prepare rules, regulation, bylaws, and statements of policy for approval and adoption by the board.
- Superintendents shall have general supervision of the general conduct of the schools, the course of instruction, the discipline of pupils, and the management of business affairs.
- A superintendent shall be responsible for the hiring and dismissal of all personnel in the district.

General responsibilities of the superintendent in regard to the district are contained in KRS 160.390. The superintendent

- shall be devoted exclusively to the duties of the office;
- shall exercise general supervision of the schools, examine their condition and progress, and stay informed of the progress in other districts;
- shall prepare or have prepared all budget, salary schedules, and reports required of his or her board by the Kentucky Board of Education;
- shall stay advised of the need of extension of the school system of the district;

- shall receive and examine reports from teachers and other school officers;
- shall make reports as required by the board;
- shall be responsible to the board on the general condition of the schools; and
- shall be responsible for all personnel actions and for reporting the actions to the board.

A superintendent may serve as secretary of the board of education but is not to receive compensation for that role in addition to what is received for the superintendent position (KRS 160.440).

Other specific duties of the superintendents are detailed in separate statutes.

Superintendent Training And Professional Development

New superintendents undergo training in specific content areas, as well as ongoing professional development.

The requirement that new superintendents undergo training is further spelled out in KRS 156.111. The Kentucky Department of Education is responsible for the Superintendents Training Program and Assessment Center and oversees the curriculum and implementation of the program. The purpose of the training program is to improve the individual skills of superintendents or to provide knowledge in specific subject areas (704 KAR 3:406). In order to evaluate the superintendents' knowledge of the subjects, KDE requires that all participants in the training complete assessments of the content covered, as well as a culminating project. Training is to cover the following five subjects:

- Core concepts of management—up to 18 hours,
- School-based decision making—up to 9 hours,
- Kentucky school law—up to 9 hours,
- Kentucky school finance—up to 12 hours, and
- School curriculum and assessment—up to 24 hours.

Superintendents who demonstrate mastery on the assessments are certified as meeting the requirements of KRS 156.111. Those superintendents who do not demonstrate mastery are eligible to participate in further training as a requirement to be reassessed. New superintendents must successfully complete the requirements of KRS 156.111 and 704 KAR 3:406 within 1 year of being hired or have their names referred to the EPSB for consideration of revocation of the superintendent certificate.

Additionally, KRS 156.111 requires the Kentucky Board of Education to establish continuing professional development

requirements for school superintendents. The current regulation states that superintendents are required to participate in 42 hours of KDE approved continuing education over 24 months or complete an annual individual personal growth training plan composed of at least 21 hours. Failure to comply with the requirements of the regulation may also result in referral to EPSB (704 KAR 3:406).

Board Of Education Responsibilities

The board of education is responsible for hiring or appointing the superintendent, the board secretary, the board treasurer, and the board attorney.

The board of education of each school district is in place to provide management and control of the district as necessary for the “promotion of education and the general health and welfare of pupils” (KRS 160.290). The actions of the board are to be recorded by the secretary and are a public record open to inspection (KRS 160.270(2)). Among other duties, the board of education is responsible for hiring or appointing the superintendent, the board secretary, the board treasurer, and the board attorney (KRS 160.350, 160.440, 160.560).

Actions of the board are to be conducted in open session and recorded in the minutes.

As a general matter, a board of education speaks only through its minutes.³ Actions of the board are to be conducted in open session and recorded in the minutes. Exceptions to the open session requirements are discussed below.

The board is also responsible for adopting school district policies.

The board is also responsible for adopting school district policies. The Kentucky School Boards Association (KSBA) develops proposed policies for member districts to adopt. Each district can adopt the proposed policy, modify it, or develop its own policy.

Open Meetings Act

All school board meetings are to be open to the public unless specifically exempted under the Open Meetings Act.

KRS 61.805(2)(c) specifies that a school district board is considered a public agency for the purposes of open meetings requirements. According to statute, “the formation of public policy is public business and shall not be conducted in secret” (KRS 61.800). In the course of a board conducting official business, all meetings shall be open to the public at all times unless specifically exempted under KRS 61.810. Table 1.1 outlines the specific exceptions to the open meetings requirements.

Additionally, as part of the open meetings requirements, all public agencies shall provide for a schedule of regular meetings to be made available to the public (KRS 61.820).

Table 1.1
Selected Exceptions To The Open Meetings Requirement
Contained In KRS 61.810(1)

Subsection	Exception
(b)	Deliberations on the future acquisition or sale of real property if the value would likely be affected
(c)	Discussions of proposed or pending litigation
(e)	Collective bargaining negotiations between public employers and employees
(f)	Discussions of hearings that might lead to the appointment, discipline, or dismissal of an employee, member, or student, without restricting the right to a public hearing. This exception shall not be interpreted to permit discussion of general personnel matters in secret.
(g)	Specific proposal discussions between a public agency and a representative of a business, if open discussions would jeopardize the siting, retention, expansion, or upgrading of the business
(k)	Meetings that federal or state law specifically require to be conducted in private
(m)	Meetings that the constitution deems shall be held in private

Source: Compiled by staff.

According to opinions of the attorney general, a board may go into closed session to discuss the hiring of a new superintendent but not the reappointment of a current superintendent.

The exception contained in section (f) specifically notes that “This exception shall not be interpreted to permit discussion of general personnel matters in secret.” Numerous attorney general opinions have clarified this section in regard to a superintendent’s hiring. For example, according to attorney general opinions, a board of education may go into closed session to discuss the hiring of a new superintendent and candidates for the position. Also, a school board may meet in closed session with a committee it has chosen to assist in selecting a new superintendent without violating the open meetings law (OAG 80-247). The discussion of whether to renew a superintendent’s contract cannot be done in closed session when it does not involve an appointment, discipline, or dismissal; the reappointment of a current superintendent does not qualify under this section (12-OMD-145).

When going into closed session, the board is to give notice of the reason and may not discuss any other topic.

When a board is going into closed session for issues falling under subsection (b), and for issues under subsection (f) when it does not relate to students, the board shall follow the requirements outlined in KRS 61.815. During open session, the board is to give notice of the general nature of the business that will be discussed in closed session, the reason for the closed session, and the specific

provision of KRS 61.810 that authorizes the closed session. While still in open session, a motion must be made and passed by majority vote to go into closed session. No final action may be taken in closed session, and no topics other than those publicly announced may be discussed during the closed session. Note that these steps may not be necessary when an issue relates to students.

Another exception deals specifically with superintendent evaluations; KRS 156.557(6) states that preliminary discussions relating to the superintendent's evaluation prior to the summative evaluation shall be conducted in closed session, but the summative evaluation of the superintendent shall be discussed and adopted in an open meeting of the board and reflected in the minutes. More discussion of the superintendent evaluation can be found later in this chapter.

Superintendent Hiring Process

The board must approve the hiring and the contract of the superintendent, and it must be reflected in the minutes.

The board of education is responsible for hiring a small number of personnel, including the superintendent. The board of education must approve the hiring and the contract during open session, and it must be reflected in the minutes. Any subsequent changes to the contract must also be approved in open session and reflected in the minutes.

When a vacancy occurs in the office of superintendent, a screening committee is formed.

When a vacancy occurs, a screening committee is formed in order to aid in the hiring of the new superintendent. That screening committee is composed of two teachers, one board of education member, one principal, one parent, and one classified employee. If none of the members listed above is a minority, and the district has a minority student population of 8 percent or more, a minority parent is also included (KRS 160.352).

Many school districts hire an outside entity to assist with the superintendent search and hiring process.

Many school districts choose to hire an outside entity to assist with the superintendent search and hiring process. In the March 2013 survey sent to all school districts by OEA, 113 districts indicated that they used outside assistance for their last superintendent search. Table 1.2 shows the results of that question in detail.

Table 1.2
Assistance To Districts During Their
Most Recent Superintendent Search

Organization Providing Assistance	Number of Districts
Kentucky School Boards Association	94
Kentucky Association of School Administrators	10
National search firm	8
None	58
Did not respond to this question	9

Note: Some districts gave more than one answer.

Source: Staff compilation of results from district survey.

The screening committee makes a recommendation to the board, but the board is not required to hire from the recommendation.

The screening committee makes a recommendation to the board of education regarding who should be appointed as superintendent. According to KRS 160.352(4), the board shall consider the recommendation of the screening committee but is not required to hire from the recommendation.

Superintendent Contract

Superintendent contracts are not specifically addressed in statute or regulation.

Superintendent contracts are not specifically addressed in statute or regulation. KRS 160.350 generally addresses the term of appointment of the superintendent and permits the board to set a salary to be paid in regular installments. KRS 160.291(4) permits payments of salary, extra duty, and fringe benefits. Superintendent employment contracts should be drafted with consideration given to clarity of terms, ensuring that the contract and amendments meet requirements of contract law.

Terms of a superintendent's contract should be clearly expressed in writing, and any modification should be clearly laid out in an amendment. Both should be signed and dated by both parties, and copies should be maintained.

Terms of a superintendent's initial contract should be clearly expressed in a written document. Vague and conflicting contract terms can result in mistakes in the calculation of salary and payment of benefits. Subsequent modifications to a superintendent's contract should be clearly laid out in a formal contract amendment. Actions of a board to approve a contract amendment—whether to add, modify or remove a benefit or contract term—should be clearly stated in the official minutes of the board and provided in an amendment to the contract. Amendments and modifications to contracts should be signed and dated by the parties, as are initial contracts, indicating an offer and acceptance of the terms. Copies should be maintained with the contract as amendments become part of the contract and are subject to disclosure upon request.

Employment Term

The superintendent is hired for a term of no more than 4 years.

The superintendent is hired for a term of no more than 4 years (KRS 160.350(1)). In OEA’s superintendent survey, 146 superintendents indicated that their current contract was for a 4-year term. Twelve superintendents responded that they were in a 3-year contract, and 13 responded that they were in a 2-year contract.^c

Most superintendent contracts begin July 1 and expire on June 30; there is ambiguity in statute regarding whether these dates are required.

Dates Of Term. While most superintendent contracts begin on July 1 and expire on June 30, there is ambiguity in KRS 160.350(1) regarding whether these dates are required. The statute indicates that a “term of office shall begin on July 1.” In the event of a vacancy in the district, “the term shall expire on the day the vacancy occurs.” The board is to then hire a new superintendent for a term that begins at the time of the new appointment. When a vacancy occurs in the middle of a school year, a district can avoid a long period without a superintendent. An appointment made midyear for a contract of an even 1, 2, 3, or 4 full years would then end midyear as well. For example, a 4-year appointment that began in December would end in December 4 years later. The same section states that “In the case of a vacancy in the office for an unexpired term, the board of education shall make the appointment so that the term will end on June 30.” Most districts, therefore, create the length of a midyear appointment to end on June 30. Using the example above, a 4-year appointment that began in December would end 3 years and 7 months later, on June 30. However, the provision that a term will end on June 30 appears to apply to an “unexpired term,” while the statute states that a term shall expire on the day a vacancy occurs; that is, there is no unexpired term.

In OEA staff’s review of contracts that covered FY 2012, three superintendent contracts were for a term that did not end on June 30.

Recommendation 1.1

Recommendation 1.1

If it is the intent of the General Assembly that a superintendent contract should always end on June 30, the General Assembly should consider clarifying the statute by removing the phrase “unexpired term” from KRS 160.350(1).

^c Three districts did not have a full-time superintendent at the time and did not answer this question.

After 4 years, the contract may be extended for 1 year.

Contract Extensions. KRS 160.350(4) states that after the first contract, or after 4 years, whichever is longer, the board may extend the contract for 1 year beyond the current term. Commonly referred to as the “rollover provision” or the “evergreen clause,” this statute allows the board to employ a superintendent for 4 years and then annually add a year of employment to that contract. This provision cannot be used during the first 4 years of employment. The contract extension must be done through specific action of the board in an open meeting, and it must be reflected in the minutes.

A rollover provision is enacted in one of two ways. In some instances an additional year is added to the end of the 4-year term when the superintendent is nearing the end of the term; in this way, the superintendent continually has 1 year remaining on the term. Alternatively, some districts add the additional year when the first year of the 4-year term is complete. In this example, a superintendent would continually have a 4-year term remaining.

More information on rollover provisions is provided in Chapter 2.

Evaluation Of The Superintendent

Superintendents are to be evaluated annually; the evaluation is not required to be in writing.

Superintendents are to be evaluated annually by the board pursuant to 704 KAR 3:345. The evaluation is not required by state regulation to be in writing; however, the board policy or superintendent contract may require it to be in writing. If so, the evaluation should be made available to the public upon request.

Process Of Evaluating The Superintendent

The preliminary discussions relating to the evaluation shall be in closed session. The summative evaluation shall be discussed and adopted in open session and reflected in the minutes.

Per KRS 156.557(6), the superintendent is to be evaluated according to a policy developed by the local board and approved by KDE. Any preliminary discussions relating to the evaluation of the superintendent by the board, or between the board and the superintendent prior to the summative evaluation, shall be conducted in closed session. The summative evaluation of the superintendent shall be discussed and adopted in an open meeting of the board and reflected in the minutes.

District documents collected by the Office of Education Accountability (OEA) indicate that summative evaluations are often not discussed and approved in open session.

District documents collected by OEA indicate that summative evaluations are often not discussed and approved in open session. While the board is permitted to go into closed session for a preliminary discussion of the superintendent evaluation, the reason for the closed session must be stated publicly and reflected in the minutes. When the board reconvenes in open session, the

evaluation must be discussed and approved by members through a vote. These actions must be reflected in the minutes.

Board Policies On Superintendent Evaluation

OEA collected board policies on superintendent evaluations. A majority of districts have adopted the standard policy developed by the Kentucky School Boards Association.

OEA collected board policies on superintendent evaluations as well as copies of the last two evaluations of the superintendent and minutes showing board approval. These documents show that most districts perform some type of annual superintendent evaluation as required by the state.

A majority of districts have adopted the policies and performance standards documents developed by KSBA. Of the 155 districts whose district policies could be reviewed, 116 adopted the KSBA-recommended policy, which requires that the evaluation be in writing. Of those, 12 put in additional requirements as well. Thirty-one districts adopted the KSBA policy but deleted the requirement that the evaluation be in writing. Eight districts have created a policy that is significantly different from the KSBA policy.

Changes To Superintendent Evaluation Process

The current superintendent evaluation process is undergoing changes. Districts must now discuss specific items during the superintendent evaluation.

The Kentucky Department of Education is currently making changes to the requirements for superintendent evaluations. According to documents distributed by KDE, by December 2013 local boards and superintendents must include three specific items in their superintendent evaluations: a review of the progress toward district delivery targets, such as student achievement and graduation rates; a review of district resources and operations; and a review of district facilities. These three areas must be discussed publicly in a board meeting and documented in the board minutes. Copies of minutes that reflect those discussions must be provided to KDE by December 2013.

In 2014, those three discussion items and the documentation process will become part of the summative evaluation of the superintendent and will be required annually until a new superintendent evaluation system is put in place. That new system is currently being developed with an expected implementation date of the 2015-2016 school year. That new system, or a locally developed system with the same criteria, is to be adopted by all districts.⁴

Vacancies

Vacancies can be created by action of the board or the superintendent or through unforeseen circumstances.

Vacancies can be created in the office of superintendent by action of the board or the superintendent or through other unforeseen circumstances, such as disability or death. Some superintendent contracts reviewed by OEA staff specified a point in the term by which the board and superintendent must communicate their intent to each other as to whether the contract will be renewed. When the board is aware that the superintendent will not be fulfilling another term, regardless of the reason, the board may begin the search process with sufficient time to hire a new superintendent immediately upon the end of the current superintendent's term.

Through Board Action

Vacancies can be created when a board removes a superintendent or does not renew the contract of a superintendent.

Vacancies can be created when a board removes a superintendent or does not renew the contract of a superintendent.

KRS 160.350(3) specifies that a superintendent can be removed for cause by a four-fifths vote by the board and upon approval of the commissioner of education. The statute also states that superintendents may be removed at the recommendation of a highly skilled certified educator; however, the definition of a highly skilled educator was removed from other statutes in prior years.

Recommendation 1.2

Recommendation 1.2

The General Assembly should consider clarifying the reference to highly skilled certified educator in KRS 160.350(3).

Through Superintendent Action

Vacancies are created through superintendent action when a superintendent resigns or retires.

Vacancies are created through superintendent action when a superintendent resigns or retires. This can occur at the end of the contract term or in the middle of the term. Superintendent contracts regularly contain the provision that the contract may be terminated upon mutual agreement of the superintendent and the board.

Acting Superintendents

When a vacancy occurs in the period between a school board election and when newly elected members are sworn in, an acting superintendent will be appointed.

As discussed in a previous section, when unexpected vacancies occur, the board is to appoint a new superintendent following the process outlined above, whose term shall begin immediately on the date of appointment. One exception is when the superintendent vacancy occurs in the period between a school board election and

when newly elected members are sworn in. In this situation, the position shall not be filled until the new board members take office. When a vacancy occurs during this period, an acting superintendent will be appointed but is limited to a 6-month appointment that can be renewed for one additional 3-month appointment. For vacancies outside this period, the board may appoint an acting superintendent while the screening committee conducts its search (KRS 160.350(1)).

Continued Employment Of Superintendent

A superintendent is eligible for continuing contract status in the district.

A superintendent is eligible for continuing contract status in the district; KRS 161.721 states that “the superintendent shall be eligible for continuing contract status when he meets all requirements prescribed in KRS 161.720 to 161.810 for continuing contracts for teachers.”

The Office of the Attorney General has interpreted this statute on multiple occasions. OAG 76-82 specifically stated in part:
if an individual appointed as superintendent under KRS 160.350 already has continuing contract status in the district, he need not lose that status upon being appointed superintendent ... If, on the other hand, the individual appointed as superintendent does not have continuing contract status in the district at the time of the appointment, when he as superintendent meets the continuing contract status requirements for teachers, he becomes eligible for that status with the district. Under either one of these two situations we believe if a superintendent is given continuing contract status, he acquires no less and, by the same token, no greater rights than is afforded by statute to a teacher who has achieved continuing contract status.

This OAG opinion and others state that a superintendent who begins a fifth year in the district has acquired continuing contract status in the same manner as a teacher would (OAG 80-147). Thus, just as a tenured teacher is entitled to a position for which the teacher is certified but not promised a specific job in a specific school, a superintendent who has acquired continuing contract status is entitled to ongoing employment in the district, but not the superintendent position.

In a survey, 17 districts indicated that the former superintendent had returned to employment in the district at some point.

It is not clear how often individuals leave the superintendent position and go directly into teaching. In the March 2013 survey by OEA, districts were asked whether a former superintendent had

subsequently been employed by the district in another position after leaving the position of superintendent. Seventeen districts indicated that a former superintendent had returned to employment in the districts at some point, although not necessarily immediately. Of those, 13 superintendents returned to administrative positions, four to teaching positions, and two to coaching positions. Two did not provide a job title. Some districts listed multiple positions.

The count above does not include superintendents who may have been employed in another school district. Superintendents who moved to the superintendent position in another district will be discussed later in this chapter.

Kentucky Superintendent Employment, Fiscal Year 1994 To Fiscal Year 2013

OEA staff examined data from FY 1994 to FY 2013 in order to determine the superintendent of each district during each year of that period.

OEA staff examined data from FY 1994 to FY 2013 in order to determine the superintendent of each district during each year of that period. The primary source of data was the Kentucky Schools Directory published each fall by KDE. One important caveat to this data source is that the published superintendent for each district is for a specific point in time at each school year. Some districts have an acting or interim superintendent in place at the time the data are collected for the directory, and that individual's name appears in the directory. A superintendent appointed during that school year would appear in the next directory. A superintendent who left during the school year would still be reflected in the directory for the entire year. In those instances, it is difficult to know which superintendent was in place in that district for the majority of certain school years. When analyzing the data, an individual only listed for 1 year was assumed to be an acting or interim superintendent and was not included in some statistics listed below.

OEA staff estimated historical longevity and turnover, examined movement of superintendents between school districts, and gathered information on female and minority superintendents.

OEA staff estimated historical longevity and turnover, examined movement of superintendents between school districts, and gathered information on female and minority superintendents. Because the gender of the superintendent is not available historically, some gender information was based on personal knowledge and individual research. In some instances, staff limited the calculation to superintendents whose starting and ending date could be determined over that period. Finally, OEA gathered recent data from the 2012-2013 school year in the March 2013 survey to school districts.

Data from 1994 to 2013 were examined to determine superintendent employment patterns over time. While 1994 was included as the beginning point of the analysis, many calculations below begin in 1995. This is due to the fact that the superintendent was often not included in longevity or turnover measures until it was determined that employment had exceeded 1 year.

Superintendent Longevity

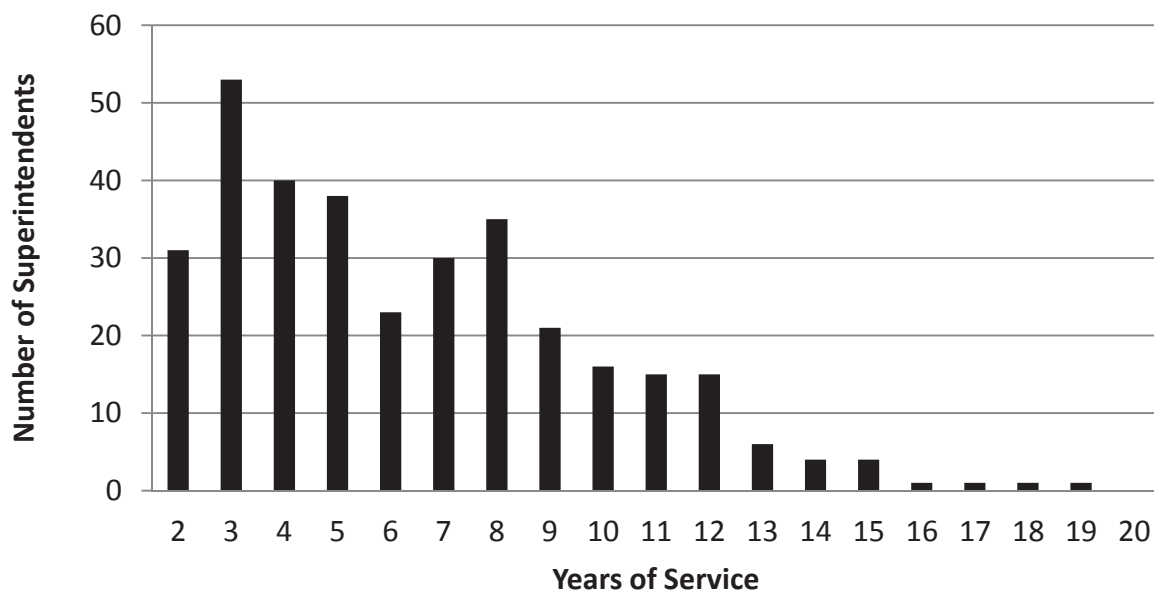
Current superintendents have been in the job an average of 5.9 years.

In its survey, OEA asked in what school year the current superintendent first entered into a contract as superintendent with the district. Survey responses indicated that current superintendents have been in the job an average of 5.9 years. Thirty superintendents reported that they began employment in the current (2012-2013) school year. Removing those new superintendents, the average increases to 6.8 years.

Over the period of 1995 to 2013, the average length of employment for a superintendent in one school district was approximately 6.4 years.

Over the period of 1995 to 2013, the average length of employment for a superintendent in one school district was approximately 6.4 years. Figure 1.A shows the frequency of total years of service over this period for superintendents, as estimated by OEA staff. Only superintendents whose starting and ending employment dates could be determined are included.

Figure 1.A
Years Of Service As Superintendent In One District
1995-2013



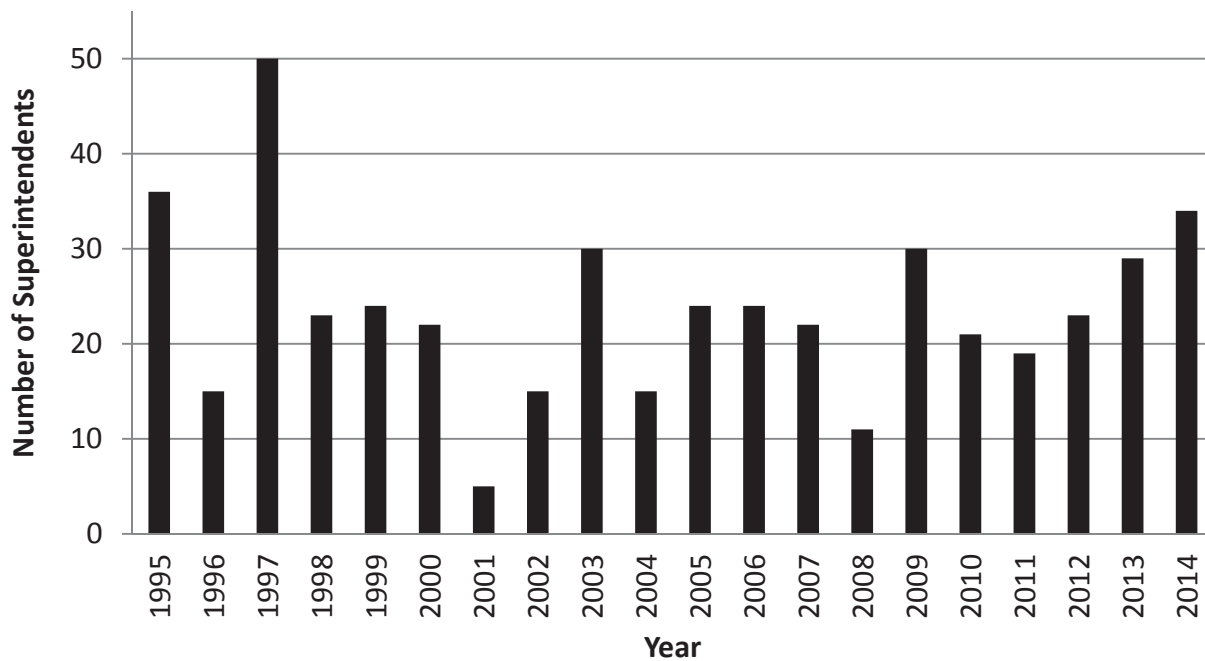
Source: OEA staff analysis of data from the Kentucky Schools Directory.

Superintendent Turnover

On average between 1995 and 2014, 24 school district superintendent positions turned over per year, which is approximately 14 percent.

OEA staff also examined superintendent turnover in each year since 1995. A turnover in the superintendent position was defined as one superintendent replacing another superintendent. The placement of an interim or acting superintendent was not recognized as an additional turnover. The results of this analysis are found in Figure 1.B. On average between 1995 and 2014, 24 school district superintendent positions turned over per year, which is approximately 14 percent. In the 2013-2014 school year, 34 superintendent positions have been filled or are in the process of being filled with a new superintendent. Other years of higher turnover were 1995, 1997, 2003, and 2009.

Figure 1.B
Turnover In The Superintendent Position
1995-2014



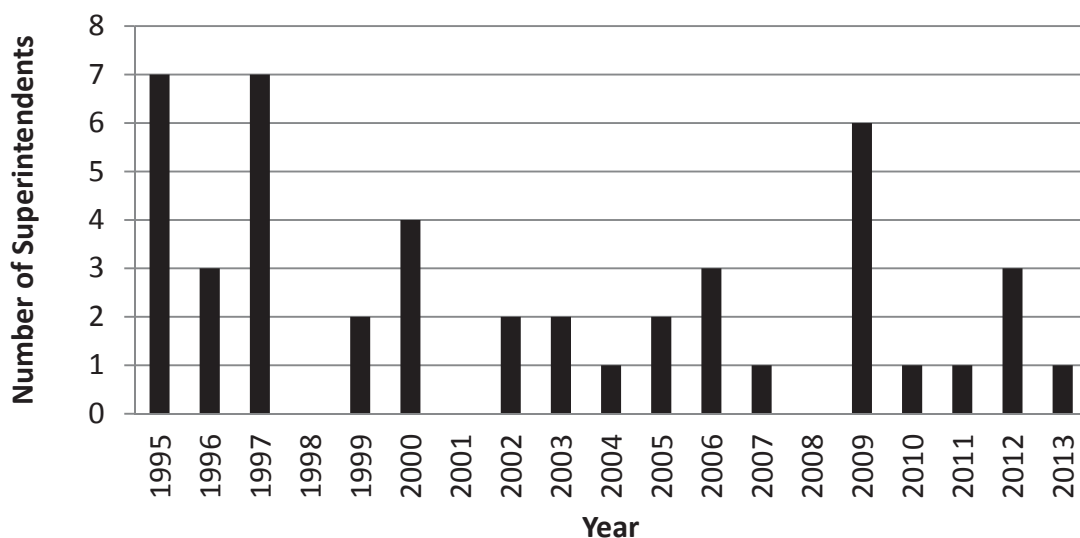
Source: OEA staff analysis of data from the Kentucky Schools Directory. School year 2014 data is current as of September 2013.

Superintendent Movement Between Districts

On average between 1995 and 2013, approximately 2.5 superintendents moved from one school district to another each year.

Superintendent movement between districts was defined by OEA as a superintendent leaving one district to immediately take a position as superintendent in another district, excluding interims. Superintendent movement is not uncommon. OEA analysis of the data since 1994 shows that superintendent movement between districts has varied over the years. Figure 1.C shows the number of superintendents moving from one district to another in the period examined. On average between 1995 and 2013, approximately 2.5 superintendents moved from one school district to another each year.

Figure 1.C
Movement Between Superintendent Positions
1995-2013



Source: OEA staff analysis of data from the Kentucky Schools Directory.

Note that movement from one district to another fills one vacancy while creating another. For example, in 2009 six superintendents moved districts. Of the 30 turnovers in 2009 noted in Figure 1.B, 6 were filled by current superintendents, which created 6 additional vacancies when those individuals left their districts. Therefore, increased movement between districts by current superintendents inflates the total number of vacancies statewide but does not inflate the number of new superintendents coming into districts. It also means that a vacancy in the office of superintendent does not necessarily mean that a superintendent has left the office of superintendent entirely.

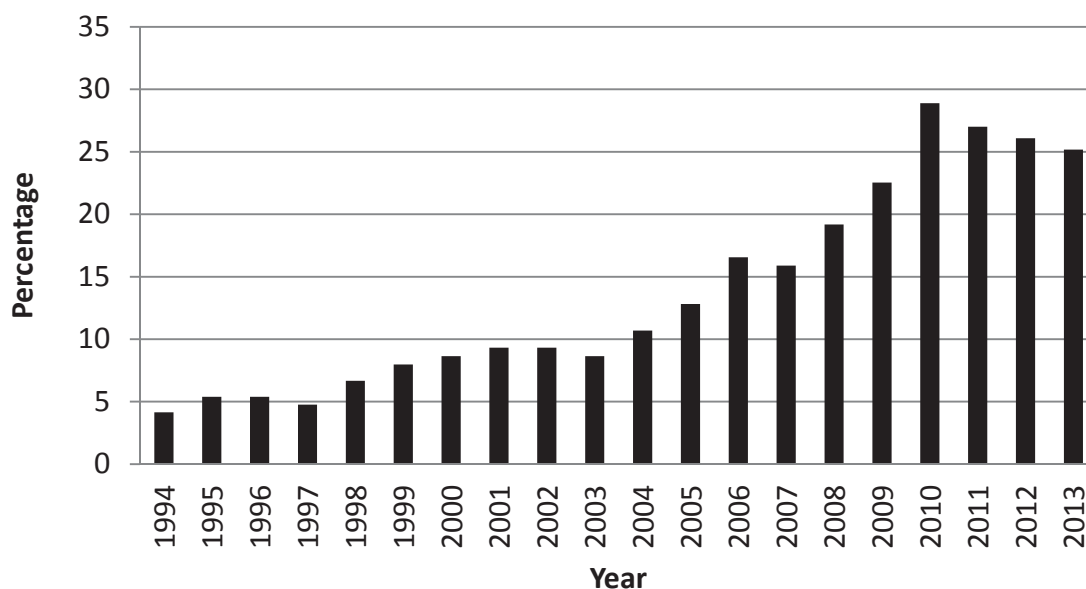
Taking into account movement between districts, the average years of service as superintendent, including all years regardless of location, increases from 6.4 to 6.8 years.

Female And Minority Superintendents

The percentage of female superintendents rose from 4 percent in 1994 to approximately 25 percent in 2013.

As shown in Figure 1.D, the percentage of female superintendents rose from 4 percent in 1994 to approximately 25 percent in 2013. In 2010, the American Association of School Administrators (AASA) reported that female superintendents made up 24.1 percent of all superintendents in the United States.⁵ In that same year, 28.9 percent of superintendents in Kentucky were female.

Figure 1.D
Percentage Of Female Superintendents In Kentucky
1994-2013



Source: OEA staff analysis of data from the Kentucky Schools Directory.

Between 1994 and July 2013, three minority superintendents have served in Kentucky public schools.

Between 1994 and July 2013, four minority superintendents have served in Kentucky public schools. The first female minority superintendent began her role in FY 2005, and the first male minority superintendent began his role in FY 2010. The third minority superintendent began on July 1, 2013. In 2006, AASA reported that minority superintendents made up around 6 percent of superintendents in the United States.⁶

KDE has established the 2-year Minority Superintendent Intern Program to train and support minorities who are interested in becoming school superintendents.

Since FY 2004, KDE has established the 2-year Minority Superintendent Intern Program to train and support minorities who are interested in becoming school superintendents. The three minority individuals having served as superintendents in Kentucky were participants in this program. Nine participants have completed the internship, and three participants are currently participating in the internship.⁷

Chapter 2

The Superintendent Employment Contract

Introduction

Superintendent contracts are between the superintendent and the board of education. They outline employment expectations, salary, benefits, and other requirements of the superintendent.

Superintendent employment contracts are between the superintendent and the board of education. They outline employment expectations, salary, benefits, and other requirements of the superintendent. Contracts may be drafted by the board attorney, the board may follow the format of previous contracts, or other entities may provide examples of contracts. This chapter discusses the superintendent employment contract; it contains information regarding certain contract provisions and their frequency; information on problematic contract provisions; a section on recommendations from the auditor of public accounts regarding superintendent contracts; and information on the tax and retirement consequences of the payment method of some contract provisions.

OEA staff reviewed superintendent contracts and district financial documents to compare contract provisions with actual payment of benefits.

OEA staff reviewed superintendent employment contracts for all districts available. For the discussion in this chapter, the focus is primarily on the superintendent contract in place during all or most of the 2011-2012 school year in each district. However, other contracts were reviewed as provided to OEA. For FY 2012, there were 174 school districts, and 166 contracts were reviewed. One district was unable to locate a copy of the contract in place during that period, and the superintendent has retired; seven other districts had interim or acting superintendents for the majority of the year.

OEA staff also reviewed district financial documents in order to compare contract provisions with actual payment of benefits. Districts provided Munis detailed check history reports for superintendents, as well as payments made to or on behalf of the superintendent through accounts payable. Districts that had an acting or interim superintendent in place during all or part of FY 2012 were not included in this part of the analysis.

Provisions In Most Contracts

Superintendent employment contracts should, and usually do, contain provisions dealing with the term and working days for the

employment period, salary, benefits, and expectations of the superintendent.

Employment Term And Working Days

The term of the contract states the beginning and ending day of the employment agreement between the local board and the superintendent.

The term of the contract states the beginning and ending day of the employment agreement between the local board and the superintendent. KRS 160.350 limits the term to no more than 4 years. While most contract terms are for a period that ends on June 30, OEA reviewed three current superintendent contracts for terms ending on a different day. One contract reviewed did not include a beginning or ending date for the term of employment.

The number of days the superintendent is expected to work within each year should be stated in the contract. Almost two-thirds of the contracts reviewed were stated to be for 240 working days.

The number of days the superintendent is expected to work within each year should be stated in the contract. Generally, a standard year contains 260 working days; in the contracts covering FY 2012 reviewed by OEA, almost two-thirds of superintendent contracts were stated to be for 240 working days, granting the superintendent 20 days of unpaid noncontract days each year. Additional paid vacation days are separate and discussed in more detail later in the report. Some contracts state that days worked in excess of the number of contracted days may be paid to the superintendent at a daily rate. Contracts that do not state the number of expected working days do not clearly outline the expectations of the board. During its review of superintendent contracts, OEA found at least 20 that did not state the number of working days expected.

Salary And Raises

Superintendent contracts should contain the superintendent salary. Raises should be clearly stated.

Superintendent contracts should contain the superintendent salary; this may be listed as either a dollar amount or as a formula used to calculate the salary. For example, a superintendent salary may be calculated as 1.75 times the salary of a teacher of equal rank and experience. Salary raises above the stated contract amount should be clearly stated in the contract. Typically, three types of raises are addressed: merit raises, annual raises, and annual increment raises given to other certified staff in the district.

Merit raises may be based on evaluation of the job performance of the superintendent. Annual raises may also be directly stated in the contract as the percentage or dollar amount the salary will increase each year, regardless of performance. OEA reviewed one contract that stated “the annual salary paid to the superintendent must stay within the top 15 percent of all districts in Kentucky,” but the

process to verify that amount and adjust the salary was not spelled out.

Most superintendent contracts address whether the superintendent should receive any annual increment raise given to other staff in the district.

In addition to raises mentioned above, most superintendent contracts address whether the superintendent should receive any annual increment raise given to other certified staff in the district. For example, some contracts explicitly state that the superintendent shall receive any districtwide increases given to other certified staff. Some clarify that the superintendent shall receive “across the board” raises but not “rank and service” raises. Many contracts contain the provision that the superintendent is to receive the “greatest percentage increase received by any certified employee on the district salary schedule.” For clarity, some contracts state that the superintendent is not to receive any raise not approved by the board. One contract states that “District-wide increases for classified/certified employees shall not apply to the Superintendent unless expressly determined by the Board, it being understood that any increases to the Superintendent’s compensation shall require specific Board action.” Only one contract reviewed does not contain any provisions regarding raises.

Raises or other changes to the superintendent salary that are not explicitly laid out in the contract should be approved by the board in open session and reflected in the minutes.

Raises or other changes to the superintendent salary that are not explicitly laid out in the contract should be approved by the board in open session and reflected in the minutes. Minutes should accurately reflect the raise amount so there is no confusion in how the adjustment should be entered by district staff. Many superintendent contracts contain the provision that raises in salary will be done through an amendment to the contract. In a recent report on a school district, the auditor of public accounts has stated the following:

Per the contract between the Board and Superintendent, any salary adjustments shall be in the form of an amendment to the agreement ... Raises were documented in the minutes for the Board; however, this is insufficient to meet the requirements of the contract.⁸

Benefits

Superintendent contracts usually contain information on the benefits that will be provided to the superintendent upon employment.

Superintendent contracts usually contain information on the benefits that will be provided to the superintendent upon employment. Common benefits are discussed below, although no single benefit listed is in the majority of contracts. More information on benefits is provided in Chapter 3.

Insurance benefits may cover health, life, dental, vision, disability, and professional liability.

Insurance. Common insurance benefits include health, life, dental, vision, disability, and professional liability insurance. Contracts

generally specify whether the superintendent will pay any premiums not ordinarily provided by the board or whether the board will pay or reimburse the superintendent for those amounts. Some contracts allow the superintendent up to a specific dollar amount to select different coverages.

Travel and reimbursement benefits might include a district vehicle, a vehicle allowance, or reimbursements.

Travel And Reimbursements. Benefits in this category might include a district vehicle, a vehicle allowance, mileage reimbursements for travel in a personal vehicle, or reimbursements for travel in accordance with board policy. When a vehicle is provided for use by the superintendent, the contract generally states whether the vehicle can be used for personal use, including commuting to and from work. Alternatively, the board may clarify the limits of benefits in this area. One contract states, “The superintendent shall not be paid any monthly allowance for vehicle and in-county travel expenses in addition to his regular salary.”

Superintendents are frequently required or permitted by contract to join professional or civic organizations. Contracts usually state what dues will be paid by the board.

Professional Dues. Superintendents are frequently required or permitted by contract provision to join various professional and civic organizations, such as the Kentucky Association of School Superintendents or the Kentucky Association of School Administrators. Contracts usually state whether the board will pay these dues. Some contracts state that the board will pay reasonable membership dues to any organizations that the superintendent feels are necessary to carry out his or her duties, without listing specific ones. Some provisions require board approval, and others specify an annual dollar amount limit for those dues.

Retirement benefits may include annuities, payments to a retirement account, or reimbursement of superintendent contributions to the Kentucky Teachers’ Retirement System.

Retirement Benefits. Retirement benefits in the form of annuities, payments to a retirement account, or reimbursement of superintendent contributions to the Kentucky Teachers’ Retirement System are often contained in the contract. Some provisions list an annual or monthly dollar amount or a percentage of salary to be provided under this section.

Contracts often contain the number of vacation, sick, personal, emergency, or other paid leave days to be provided to the superintendent. Contracts should specify how many days are provided; whether unused days can accumulate or be paid out from year to year; if they can accumulate, the maximum number that can be accumulated; and the maximum number that can be paid out at retirement.

Leave Days. Contracts often contain provisions regarding the number of vacation, sick, personal, emergency, or other paid leave days to be provided to the superintendent. Some contracts contain the provision that “the superintendent shall accrue all leave days as authorized by board policy for certified employees.” If superintendents are to receive leave days different from district policies, these contract provisions should specify how many days are provided; whether unused days can accumulate or be paid out from year to year; if they can accumulate, the maximum number that can be accumulated; and the maximum number that can be paid out at retirement.

When contracts lack clarity regarding the number of additional paid leave days that can be taken, as well as provisions for those days if they are *not* taken, there is potential to create misunderstanding between the superintendent and the board.

Because superintendents are often employed to work 240 days per year, there are approximately 20 “noncontract,” or nonworking, days already included in the calendar year. When contracts lack clarity regarding the number of additional paid leave days that can be taken, as well as provisions for those days if they are *not* taken, there is potential to create misunderstanding between the superintendent and the board. There may be financial implications as well. In a recent report on a school district, the Auditor of Public Accounts noted that when the school district is liable for payment of annual leave, also known as vacation leave, “the total value of annual leave liabilities can increase rapidly.”⁹ The Auditor recommended in that report that the superintendent notify the board or a designated board member when the superintendent took sick or annual leave for a scheduled contract workday, and the Auditor further recommended that this requirement should be included in the superintendent’s contract.¹⁰

Some contracts contain provisions that superintendents do or do not receive the same benefits provided to other district staff.

General Benefit Provisions. Some contracts contain the provision that the superintendent shall be entitled to all benefits applicable to 12-month certified employees. In contrast, some contain the provision that “All benefits of the superintendent are specifically spelled out in this agreement and override any general policy which might be in existence for other employees.” One contract with this provision did not contain explicit benefits for leave days or any insurance. One contract reviewed contained no mention of benefits at all.

Duties And Expectations Of Superintendent

Contracts often contain provisions outlining the duties and expectations of the superintendent.

Contracts often contain provisions outlining the duties and expectations of the superintendent. One common inclusion is that the superintendent will serve as secretary of the board, for which no additional pay will be received, as per KRS 160.440. Contracts also often list job duties of the superintendent, both general and specific. One superintendent’s contract outlined additional job duties, outside those of the superintendent office, that the superintendent was to be responsible for in exchange for additional pay.

More than 80 percent of contracts reviewed contained a provision addressing evaluations.

Another standard provision deals with expectations between the board and the superintendent regarding evaluations. Because annual evaluations of the superintendent are a statutory requirement, they are to be conducted whether or not they are included in the contract. However, more than 80 percent of all contracts reviewed contained a provision addressing the expectation for evaluations of the superintendent by the board.

Evaluations are to be conducted in accordance with statutes and district policies. While preliminary discussions of the evaluation may be conducted in closed session, final discussion and approval of the evaluation must be in open discussion. One contract reviewed contained a provision that “all aspects” of the evaluation discussions “shall be treated confidentially by the board.” Such broad confidentiality is not consistent with statute (KRS 156.557(6)).

Provisions In Many Contracts

This section contains contract provisions that were contained in many, though not most, of the contracts reviewed by OEA.

Rollover Provision

Rollover provisions allow the board, after 4 years of employment, to extend the contract of the superintendent by 1 year beyond the current term.

As outlined in Chapter 1, KRS 160.350(4) allows the board, after 4 years of employment, to extend the contract of the superintendent by 1 year beyond the current term. Because this is a statutory provision, it can be invoked even if it is not mentioned in the superintendent contract. Forty-eight contracts reviewed contained a provision that discussed the extension of the contract. Thirty-two specified that the contract could be extended by action of the board, and 16 stated that the contract would automatically extend at a certain point in time, commonly referred to as an “automatic rollover.”

Automatic rollover provisions state that a contract will extend automatically at a certain point in time; these provisions are not allowed.

Automatic rollover provisions in a contract usually state that “Pursuant to KRS 160.350(4), this contract shall annually be extended for one year, unless the Board by majority vote prior to June 30th of that year, elects not to extend the contract.” Some contracts contained a provision that failure to notify both parties by a certain date of intention to not renew would have the effect of automatically extending the contract an additional year. In a letter from the Attorney General dated December 17, 2007, provisions that allow a contract extension through inaction of the board were declared to “not be a valid means of extending a contract pursuant to KRS 160.350(4).” The letter stated that “It is an established principle of Kentucky law that a board of education speaks only through the minutes of its meetings ... Therefore, in order for the extension of the contract to be a valid act of the board, it must be voted upon at a public meeting.”

Districts with automatic rollover provisions in their superintendents’ contracts that desire to extend the contract an

additional year are still required to do so in an open session of a board meeting and must have that action reflected in the minutes. One superintendent contract reviewed by OEA was for a term that expired on June 30, 2007, and contained an automatic rollover provision. No minutes were provided that indicated public board approval of annual contract extensions since 2007.

Residency Requirements And Moving Expenses

Some superintendent contracts contained a provision requiring the superintendent to reside within the school district; 18 contained provisions allowing for the payment of moving expenses.

Some superintendent contracts reviewed contained a provision requiring the superintendent to reside within the school district. Eighteen contracts contained provisions allowing for the payment of moving expenses by the board for the relocation of the superintendent. Moving allowances were generally maximum dollar amounts that would be provided, or provisions that the board would pay the lowest of a stated number of quotes to be received.

Superintendent Spouse Travel

At least nine contracts reviewed contained provisions that permitted reimbursement of travel expenses incurred by the superintendents' spouses.

In addition to the travel allowances or reimbursements provided to the superintendent, at least nine contracts reviewed contained provisions that permitted reimbursement of travel expenses incurred by the superintendents' spouses. In five districts, this contract provision stated that "in consideration of the irregular work schedule and significant time demands of the office of superintendent, the board shall reimburse the cost of the superintendent's spouse accompanying the superintendent one time per year to a professional activity attended by the superintendent." One contract provided for spouse travel on two occasions, and one contract did not state a limit to the number of spouse trips that will be reimbursed. Two contracts stated that should the superintendent's spouse be employed in the same school district, the spouse is granted up to 5 leave days per year, in addition to travel expenses, to travel with the superintendent to educational or professional meetings.

Medical Exam

At least 22 contract required the superintendent to receive an annual medical exam.

At least 22 contracts required the superintendent to receive an annual medical exam; some of the provisions also required a physician's certificate of physical and mental competency to be filed with the board after that exam.

Education

Seventeen contracts reviewed by OEA contained provisions relating to the continuing education of the superintendent. Twelve provided tuition or a combination of tuition, fees, travel, and other expense.

Some contracts that provide expenses related to furthering the superintendent's education also contain provisions requiring that the superintendent pay back all or part of that benefit should the superintendent leave the district within a set period of time.

Fifty-two superintendent contracts contained a reference to benefits in the form of a cellular phone, a computer, or a monthly allowance for the purchase of technology equipment or services. In addition to benefits spelled out in contracts, superintendents often receive technology benefits that are provided to some other district employees.

Other provisions found in few contracts were a bonus or the payment of attorney fees.

Seventeen contracts reviewed by OEA contained provisions relating to the continuing education of the superintendent. Five of those contracts stated that superintendents were to be allowed time to further their own education at their own expense, without loss of pay or vacation time during breaks in the academic calendar. Twelve contracts provided tuition, or a combination of tuition, fees, travel, and other expenses.

Some contracts that provide expenses related to furthering the superintendent's education also contain provisions requiring that the superintendent pay back all or part of that benefit should the superintendent leave the district within a set period of time. Caution should be taken that provisions of this type do not extend past the contract term of employment. For example, one superintendent contract stated that as a condition of this provision, the superintendent agreed to continue as superintendent of the district until June 30, 2017, and is to make repayments to the district for any portion of that extended period that is not served as superintendent. However, the superintendent employment contract extended only until June 30, 2014. Provisions that extend beyond the current contract term may bind a future board of education, which is not permitted.

Technology

Many superintendent contracts outline technology benefits provided to the superintendent. Fifty-two superintendent contracts contained a reference to benefits in the form of a cellular phone, a computer, or a monthly allowance for the purchase of technology equipment or services. In addition to benefits spelled out in contracts, superintendents often receive technology benefits that are provided to other district employees in certain categories. Chapter 3 provides further information on the number of superintendents receiving these types of benefits, regardless of contract provisions.

Provisions In Few Contracts

This section summarizes other contract provisions sometimes found during OEA's review of superintendent contracts.

Bonuses

Only one contract reviewed contained a provision for a retention bonus to the superintendent. That provision called for a lump sum amount to be awarded to the superintendent upon the completion of his term.

Attorney

While many superintendents' contracts provided the superintendent access to the board attorney as necessary, one district provided that the board would compensate the superintendent's private attorney at a rate of \$150 per hour plus expenses, up to a limit of \$5,000.

Problematic Contract Provisions

When reviewing superintendent contracts, OEA encountered a number of contract provisions or aspects that were problematic or cause for concern.

When reviewing superintendent contracts, OEA encountered a number of contract provisions or aspects that were problematic or cause for concern. Some provisions were contrary to state statute or served to bind a future board; others were vague, contradictory, or confusing. Examples are provided below.

Provisions That Are Not Permitted

A clause stating the automatic rollover of a contract without specific board approval is not permitted, as well as the addition of a rollover clause in a first contract.

Automatic Rollover Clause. The automatic rollover of a contract without specific board approval is not permitted, and clauses that incorrectly allow this have been discussed above. In addition, rollover clauses—even if specified to be done by board action—that are contained in a contract during the first 4 years of employment are contrary to KRS 160.350(4), which states that the contract may be extended “after the completion of a superintendent’s first contract or after four (4) years, whichever comes last.” At least two initial contracts reviewed by OEA contained a rollover clause.

Clauses providing benefits retroactively are not permitted since payment or benefits may not be provided retroactively.

Retroactive Benefits. Also not allowed is a contract providing benefits retroactively to a superintendent. KRS 160.291(4) states in part that “All payments made for salaries, extra duties, and fringe benefits by the board of education under the authority of this section are deemed to be for services rendered and for the benefit of the common schools.” In citing this statute, and Section 3 of the Constitution of Kentucky, an opinion of the Office of the Attorney General interprets this section to mean that additional benefits provided for past service of a district employee would be

unconstitutional, as the past service was already compensated for through salary and other fringe benefits (OAG 96-23). A December 2012 letter to a school district from the Department of Education stated that a retroactive raise granted to school district employees would not be permitted since it would be for services already rendered by the district employees; further, “a retroactive raise or bonus for school district employees would fall within the category of a ‘present’ or a ‘gratuity’ and prohibited by the Kentucky Constitution and KRS 160.291.”¹¹

In its review of superintendent contracts, OEA noted two contracts with provisions that provided benefits retroactively. One district, in a January contract, provided additional leave days and retirement benefits for the current school year, and one district provided reimbursement for “past and future tuition.”

Superintendent contract provisions cannot extend beyond the term of the contract. Contract provisions that do extend beyond the term may bind a future board composed of different board members to an agreement made by a previous board.

Binding A Future Board. Superintendent contract provisions cannot extend beyond the term of the contract. Contract provisions that do extend beyond the term may bind a future board composed of different board members to an agreement made by a previous board. For example, one contract reviewed by OEA contained a provision that provided for benefits in a future contract: “if the board decides to renew the Superintendent’s contract for an additional term, the parties hereto provide that Superintendent will then be provided ten vacation days a year.”

Two contracts contained provisions that guaranteed the superintendent could return to a previous job, or a comparable job, in the district in the event of nonrenewal of the superintendent contract.

Two contracts contained provisions that guaranteed the superintendent could return to a previous job, or a comparable job, in the district in the event of nonrenewal of the superintendent contract. One contract stated:

In the event the superintendent is not awarded another contract at the expiration of this agreement he shall continue to be employed as a tenured administrator by the board in some administrative position with a salary and benefits equal to that which he would receive had he remained in the position of The board shall place in the contract of each successor superintendent a clause requiring the reemployment of superintendent as herein provided.

In addition to binding a future board to this agreement, board members are specifically prohibited in KRS 160.170 from interfering with district hiring outside of those specifically provided in statute. Therefore, the board is not permitted to specify that the superintendent is to return to a specific position.

Provisions That Are Vague Or Without Limit

Some superintendent contracts reviewed by OEA staff contained provisions that were vague, not defined, or unlimited in the benefits that they provided.

Some superintendent contracts reviewed by OEA staff contained provisions that were vague, not defined, or unlimited in the benefits that they provided.

For example, at least 10 superintendent contracts contained the provision that

Should any nontaxable fringe benefit provided to the superintendent pursuant to this contract become taxable to the superintendent during the term of the contract, the board shall pay additional compensation to the superintendent at a rate that will maintain the superintendent's level of compensation.

This represents a board commitment to compensate a superintendent for unknown, potential future taxes, which introduces uncertainty for district finances in future years. Other contracts contained provisions that the board will "pay the reasonable membership dues and attending expenses incurred by superintendent in her membership in any major civic clubs" or reimburse "the reasonable cost of computer equipment, cellular telephone or smart phone, internet services or other necessary communication services," with no limit stated and no definition of *reasonable*. One contract stated that the

Board shall provide a vehicle for use by the Superintendent. The Board shall provide gas, service, maintenance, insurance and upkeep on said automobile. Due to the Superintendent's duties, the Board finds it in their best interest to permit the superintendent to use the vehicle for both personal and business travel.

Such language provides clear intentions but no limit as to the cost of the benefit the board is agreeing to provide.

Some other provisions were unclear in the intentions of the board. One provision stated that

the board shall provide the Superintendent a travel allowance each month for the use of the Superintendent's personal car for travel complete for business purposes, as defined by District policy, both inside and outside the District.

The amount of the travel allowance was not stated, and no board policy exists that speaks to this type of benefit. Another contract stated that "the Superintendent may select a health, vision and dental plan that covers her spouse and her dependents," but did not clarify whether those benefits were to be paid by the board, or simply available for the superintendent to choose from.

Finally, many contracts do not specify policies regarding the accumulation or payout of leave days, particularly vacation or annual days. Because unused leave days can accumulate quickly, the lack of a clear district policy regarding the payout of those days either on a regular basis or at the time of retirement can present an unknown financial liability to the district. It may be difficult for district staff to account for the use of leave days versus noncontract days if there is not a specific work calendar in place for the superintendent.

Provisions That Are Contradictory Or Confusing

Some contracts reviewed contained provisions that were contradictory or confusing.

Some contracts reviewed contained provisions that were contradictory or confusing. Careful attention should be made to ensure that superintendent benefits are agreed upon and clearly stated in the contract. OEA noted some specific examples of contradictory clauses:

- One district contract stated that the superintendent was to receive 15 vacation days, while another provision in the same contract stated the superintendent was to receive 20 vacation days.
- Another contract contained the provision that the superintendent “shall be solely responsible for any contribution to the Kentucky Teachers Retirement, any contribution to Social Security, disability insurance, and life insurance.” Later in that same contract a provision stated that “the Board shall reimburse the superintendent for his contribution to the Kentucky Teacher Retirement System.”
- One contract stated that “the superintendent shall receive a percentage increase in his annual salary commensurate with the percentage increase in teachers salaries paid in the district,” as well as a provision stating that “any future increase in salary paid to the super will be tied to the annual evaluation of the superintendent by the board.” These provisions make it unclear whether a superintendent should receive a districtwide salary increase that is not tied to an annual evaluation.
- At least five contracts reviewed stated that “All benefits of the superintendent are specifically spelled out in this agreement and override any general policy which might be in existence for other employees,” while also stating that “the superintendent shall be entitled to all benefits applicable to twelve month certified employees.” These conflicting provisions introduce uncertainty over whether districtwide benefits are provided to the superintendent.
- Some contracts stated that the superintendent was to receive all benefits received by district employees, but the contract

provided for other benefits that were different from those received by other employees. This occurred most frequently in regard to insurances and leave days provided.

Contract Structure

Some concerns were found with contract structure. In general, contracts should be written clearly, contain all necessary information, and correctly reflect the agreement.

The final section of problematic contract provisions discusses general concerns with contract structure. Adherence to best practice provides unambiguous, consistent employment contracts between the local board of education and the superintendent. In general, contracts should be written clearly, contain all necessary information, and correctly reflect the agreement. It would be considered best practice for the document to have page numbers, initials of both parties on all pages, initials next to any modifications made by hand, and signatures of both parties at the end of the document. A number of contracts reviewed by OEA contained issues with the structure of the contract that introduced uncertainty.

Contracts that contain general headings should include the specific benefits covered in the text of the contract.

Headings. Headings in a contract are generally not part of the provision of the agreement. However, contracts that contain general headings should include the specific benefits covered in the text of the contract. In one contract, a section heading read “Health and Dental Insurance” while the text said “Health insurance shall be provided for the Superintendent through the state plan and paid for by the board,” with no mention of dental insurance.

Form contracts should be personalized and used correctly.

Form Contracts. Multiple districts used a preformatted example contract that appeared to have been provided by an outside source. While not incorrect, these contracts often contain multiple versions of the same provision in order to allow each district to choose the provisions most appropriate to their situation. These provisions are often listed at the bottom of the contract. As a result, three districts had unnumbered contract provisions under the signature line and in one instance going onto additional pages. The provisions were under a heading that read “Optional Superintendent Contract Provisions” or “Additional Optional Coverage for Superintendent.” The addition of provisions after the signature line and under a heading indicating that they were “optional” could create confusion between the parties.

Hand modifications to a typed contract should be initialed and dated by both parties.

Hand Modifications. One superintendent contract contained handwritten modifications to the typed contract for the term of employment and level of health insurance coverage. Another contract contained handwritten modifications to the employment

term. In neither instance was the modification initialed or dated by either party, and in only one instance was the provision clarified in board minutes.

Kentucky Auditor Of Public Accounts

The Kentucky auditor of public accounts has issued recommendations to school boards and superintendents regarding contracts and benefits.

In recent reports, the Kentucky auditor of public accounts has issued recommendations to school boards and superintendents regarding contracts and benefits. One report includes the following recommendation:

We recommend the Board take official action during a Board meeting to approve any compensation or benefits the District decides to provide to the Superintendent. Further, we recommend the Board ensure that all payments and benefits being received by the Superintendent be clearly documented in the Superintendent's current employment contract. The contract should include, either in the body or in an attachment incorporated into the contract, the actual full compensation and benefits package of the Superintendent. If the Board continues to extend the employment contract of the Superintendent on an annual basis, the provision for the current contract should be clearly presented along with any changes in salary, benefits, or other terms or conditions of employment.¹²

The auditor has recommended that the board attorney review the contract and maintain a copy of it.

The auditor has also recommended that the Board's attorney review the Superintendent's proposed contract prior to being approved by the Board to ensure the contract clearly represents the salary, benefits, or other terms and conditions associated with the Superintendent's employment as well as that "one copy of the contract be maintained by the Board's attorney to ensure that it is available for review."¹³

Payment Of Benefits

Benefits can be provided to the superintendent through a variety of methods, including direct payment, direct provision by the board, reimbursement of a specific expenditure, charges made to a district credit card, lump sum payment to the superintendent, or an increase in salary.

The method of payments for benefits may or may not be specifically designated in the contract. Regardless, benefits can be provided to the superintendent through a variety of methods:

- Through direct payment to the vendor; for example, the district pays professional association dues directly to an organization, or tuition payments directly to a university
- Through direct provision by the district; for example, the district directly provides a board-owned vehicle

- Through reimbursement of a specific expenditure; for example, the superintendent pays for a benefit or expense and the district reimburses that amount after documentation is provided
- Through charges made to the district credit card; for example, gasoline or meal expenses may be charged to the district credit card instead of paid for personally by and reimbursed to the superintendent
- Through lump-sum payment to the superintendent; for example, the district provides a lump-sum payment for a certain amount, and the superintendent chooses insurance coverage accordingly
- Through an increase in salary; for example, in lieu of any specifically directed payments or reimbursements, the district increases the superintendent salary by the same amount.

It is important to note that this section is not meant to provide tax or legal advice, and districts and superintendents should consult the appropriate professionals to ensure they are in compliance with laws and regulations.

Depending on the benefit and the way the district provides it, tax and retirement consequences to the superintendent will differ.

Depending on the benefit and the way the district provides it, tax and retirement consequences to the superintendent will differ. For example, travel benefits are provided through most of the methods mentioned above. Travel benefits provided directly by the district, such as through a board-owned vehicle for business use, or the use of the district credit card, are nontaxable benefits with no tax or retirement implications to the superintendent. However, if the superintendent makes personal use of the board-owned vehicle, the Internal Revenue Service considers that a taxable benefit.¹⁴ Realized, itemized expenses for which the superintendent incurs and is provided reimbursement are not considered taxable; however, a travel allowance not specifically linked to actual expense is considered taxable. When benefits are assumed to be included in the salary, the entire salary is taxed and the higher salary is considered for payment of retirement benefits; however, the superintendent may account for the personal purchase of benefits on individual tax forms as appropriate.

Districts choose the methods by which benefits are provided.

Districts choose the methods by which benefits are provided. Some districts choose a lower base salary and the addition of other benefits. The lower salary results in lower retirement benefits, and additional benefits are each different in their tax treatment. Some districts choose a higher salary but no additional benefits. This highest salary results in higher retirement benefits and may be viewed as more transparent. In addition to vague and nonspecific

benefit terms, differing means for providing benefits complicate the comparison of salaries and benefits across districts.

Reimbursement of Kentucky Teachers' Retirement System payments or health insurance premiums were not entered correctly by districts in some instances.

Reimbursement of Kentucky Teachers' Retirement System (KTRS) payments are normally provided through reimbursement on the superintendent's paycheck. KTRS reimbursements should be considered taxable income in order for them to be appropriately reflected on the employee's annual tax statements. KTRS reimbursements are not considered additional salary for payment of KTRS benefits at the time of retirement. During FY 2012, of the 39 districts providing KTRS reimbursements to the superintendent, at least 6 districts did not enter KTRS reimbursements appropriately into Munis such that the payments would be shown on the employee's W-2. At least one district coded KTRS reimbursements as income that is both taxable and subject to additional KTRS benefit and payment, which reduces the reimbursement to the employee as well as overstates salary at the time of retirement.

Health insurance premium reimbursements paid by the district are also often not entered correctly. Of the 73 districts that provided reimbursement of the employee portion of health insurance premiums, 26 did not enter that payment into Munis such that the payment would be appropriately reflected on the superintendent's W-2. Although health insurance premium payments are not subject to income tax, the benefit provided by the employer must be stated on the W-2. At least three districts entered the reimbursement as regular salary, meaning the reimbursement overstates salary for KTRS purposes and causing the benefit to be taxable to the superintendent.

OEA recommends that districts and superintendents consult with the appropriate tax and legal professionals in order to determine whether benefits provided to employees are entered correctly in Munis.

Similar inconsistencies were noted in the documents for other benefits provided by districts to superintendents. OEA recommends that districts and superintendents consult with the appropriate tax and legal professionals in order to determine whether benefits provided to employees are entered correctly in Munis. In addition, the Kentucky Department of Education should consider providing training or documentation to districts on the correct way to enter benefits into Munis.

Recommendation 2.1

Recommendation 2.1

The Kentucky Department of Education should consider providing training or documentation to districts on the correct way to enter benefits into Munis in order for each benefit to be treated appropriately for tax and retirement purposes.

Chapter 3

Superintendent Salaries And Benefits

OEA requested documents from each school district that included contracts, board minutes, detailed payroll check information for superintendents, and reports of benefits paid to or on behalf of the superintendent for fiscal year 2012.

In March 2013, OEA requested documents from each school district that included contracts, board minutes, detailed payroll check information for superintendents, and reports of benefits paid to or on behalf of the superintendent for fiscal year 2012 (July 1, 2011, to June 30, 2012). OEA staff reviewed this information to estimate the complete salary and benefit package provided to each superintendent, and it is summarized in this chapter.

Districts with an acting or interim superintendent were not included in the analysis; 159 districts are included below.

Not all districts are included in the analysis below. One district was unable to locate a copy of the contract in place during FY 2012. Fourteen districts had an acting or interim superintendent in place during all or part of FY 2012 and are also not included in the analysis in order to provide consistent comparisons between districts. The 159 remaining districts are included below, except where noted. Also, some benefits provided to superintendents were excluded because they were provided to all district employees.^d

OEA also requested that districts complete an online survey.

Along with the request for documents, OEA also asked that districts complete an online survey that contained detailed questions on salary and benefits. Some results of that survey are highlighted below. However, where possible, district documentation was used in place of survey answers.

The intention of this review was to provide a general overview of salary and selected additional benefits provided. OEA review of district information was not an audit or an investigation.

The intention of this review was to provide a general overview of salary and selected additional benefits provided. OEA review of district information was not an audit or an investigation. Some information reviewed by OEA staff resulted in follow-up questions or requests for additional information from district staff. At times, OEA recommended that districts consult with the board, finance officer, or board attorney in regard to the payment of benefits; however, not all district errors were brought to the attention of the district at the time of review. OEA did not review credit card statements, reimbursement request documents, or board meeting minutes beyond what was provided to OEA by district staff. While comprehensive in its nature, the process of gathering information from districts should not be viewed as a complete analysis of every

^d Two districts were included in which the superintendent was not in place for the entire year; however, sufficient information was provided to OEA to calculate what a full year of salary and benefits would be.

aspect of superintendent compensation. OEA analysis was intended to capture salary and benefit information, and not necessarily to detect problems. Some issues that were found are listed in Appendix D.

This chapter contains an analysis of superintendent salaries, additional benefits, and the dollar amount of the total compensation, which was defined by OEA to include salary, retirement contributions or payments, insurance payments or reimbursements, tuition payments, and some additional benefits. Some benefits, such as technology and travel benefits, are discussed; however, the total value of the benefit is not assigned a dollar amount. Finally, the chapter concludes with a discussion of leave days provided to superintendents.

Salary

Superintendent salary information for FY 2012 was taken from superintendent check history reports generated by each district. Salary includes base pay as well as additional pay such as payment for unused vacation days, or payment for additional job duties. Salary does not include payment for sick or vacation days when that payment comes at the time of retirement.

Superintendent salary information for FY 2012 was taken from superintendent check history reports generated by each district. Salary includes base pay as well as additional pay such as payment for unused vacation days, or payment for additional job duties. Salary does not include payment for sick or vacation days when that payment comes at the time of retirement. Fifteen retiring superintendents received lump payments at the time of retirement in FY 2012 ranging from almost \$19,000 to more than \$184,000, and totaling almost \$824,000. Because these payouts represent payment for leave days accumulated over multiple years and are often allowed only at the time of retirement, these payments were not included as FY 2012 salary. Payments made to superintendents for unused leave days that occur before the time of retirement are included as salary.

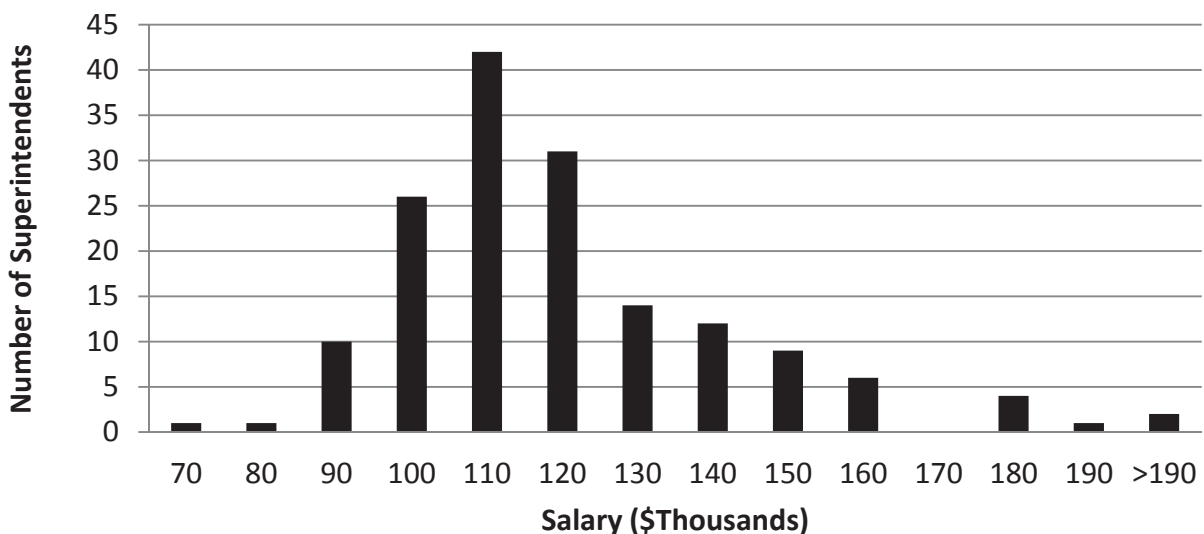
During FY 2012, four superintendents had additional job responsibilities for which specific compensation was attached. That additional pay was included as salary, since not all districts have chosen to itemize additional job duties of the superintendent and corresponding pay. Instead, some superintendents take on additional responsibilities as part of superintendent duties in their district.

The average salary for the districts for which OEA had full information was just more than \$120,000 in FY 2012. Salary ranged from just less than \$74,000 to \$276,000.

In FY 2012, the superintendent was the highest-paid employee in all but three school districts.¹⁵ The average salary for the 159 districts for which OEA had full information was just more than \$120,000 in FY 2012. Salary ranged from just less than

\$74,000 to \$276,000.^c Figure 3.A shows the frequency of salaries, rounded to the nearest \$10,000. The most frequent salary amount is approximately \$110,000, with 42 superintendents receiving approximately that amount.

**Figure 3.A
Superintendent Salary
Fiscal Year 2012**



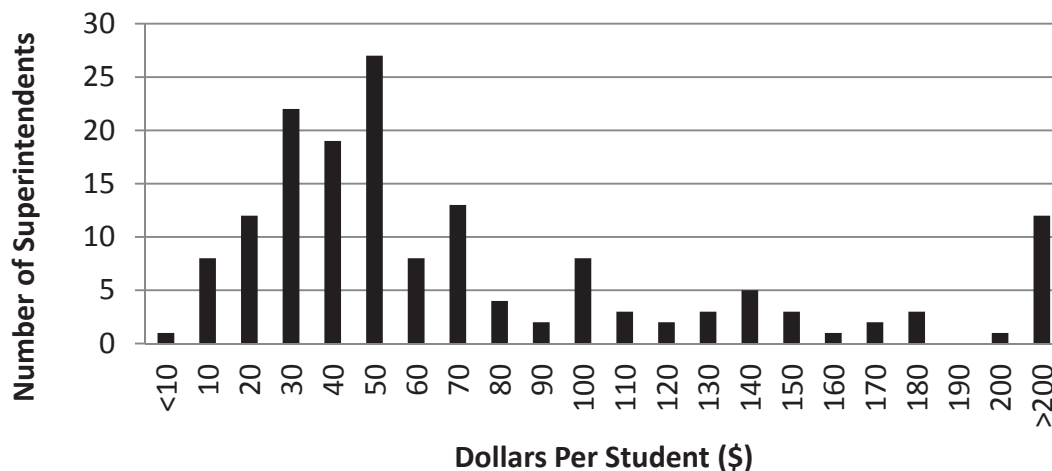
Note: Salaries have been rounded to the nearest \$10,000.
Source: OEA staff analysis of district documents.

Salary can also be viewed relative to district characteristics. On average, superintendents receive \$31.79 in salary per student.

Salary can also be viewed taking into account a number of district variables. The next two figures consider the size of the district. Figure 3.B shows the superintendent salary divided by the number of students in the district; the result is dollars of superintendent salary per student membership. The statewide weighted average is \$31.79 of salary per student, ranging from a low of \$2.91 per student to a high of \$929.70 per student. In general, there is more variation in district size than in superintendent salary; as a result, the larger districts result in a smaller per-student figure, and the smaller districts result in a larger per-student figure.

^c The lowest-paid superintendent has previously retired and now returned; therefore, salary is limited to the daily wage threshold as defined by the Kentucky Teachers' Retirement System.

Figure 3.B
Superintendent Salary Per Student
Fiscal Year 2012



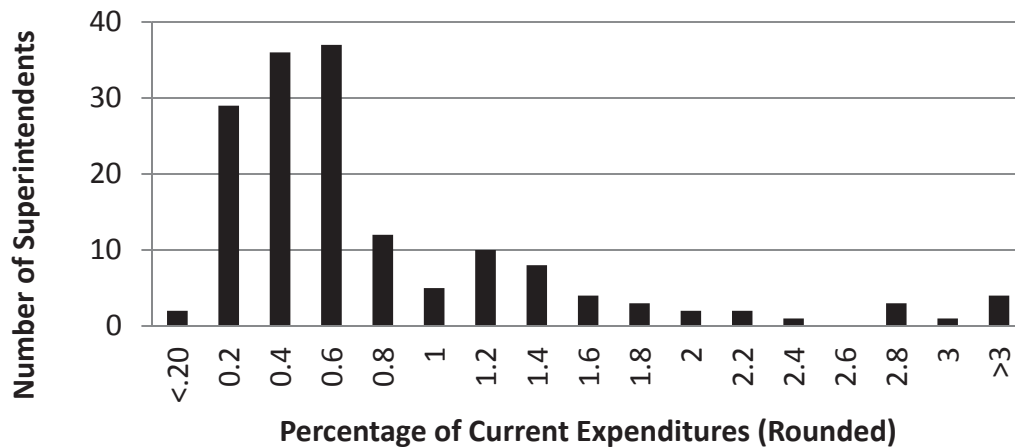
Note: Averages have been rounded to the nearest \$10.

Source: OEA staff analysis of district documents; Kentucky. Dept. of Educ. *Historical SAAR Data*. Web. July 10, 2013.

On average, 0.325 percent of all district expenditures is spent on superintendent salaries.

Another way to capture district size is through current district expenditures. For this purpose, current expenditures are defined as all expenditure except those for debt repayment, capital outlays and equipment expected to last more than 1 year, and programs outside the scope of P-12. Superintendent salary as a percent of current expenditures for FY 2012 is shown in Figure 3.C. The statewide weighted average shows that 0.325 percent of all district expenditures, as defined above, is spent on superintendent salaries. This ranges from a minimum of 0.025 percent to a maximum of 6.9 percent of district expenditures.

Figure 3.C
Superintendent Salary As A Percent Of Current Expenditures
Fiscal Year 2012



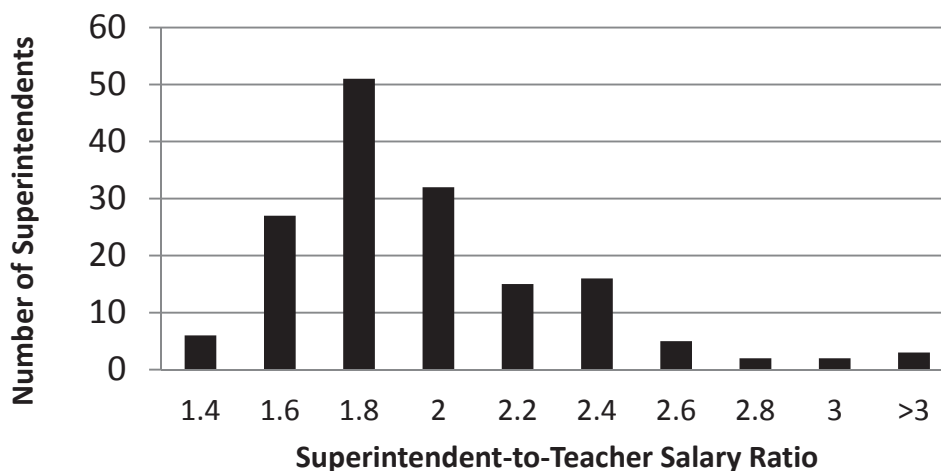
Note: Percentages have been rounded to the nearest 0.2.
Source: OEA staff analysis of district documents; Kentucky. Dept. of Educ. *Annual Financial Reports*. Unpublished CD-ROM, March 2013.

The average superintendent salary is 1.98 times as great as the average teacher salary.

One final way to look at superintendent salary is to compare superintendent salary to average teacher salary in the district. This is done as a way to capture cost of living differences and regional pay differences around the state. Superintendents' salaries were divided by the number of contract days they were expected to work; average teacher salary for the district was divided by working days, as indicated in the Kentucky Professional Staff Data. In this way, daily salary rates could be compared between superintendents and teachers.

Figure 3.D shows the ratio of superintendent to teacher salaries. On average, the ratios indicates that the statewide average superintendent salary is 1.98 times as great as the average teacher salary, after taking into account the number of days worked. The ratios range from a minimum of 1.31 to a maximum of 3.35.

Figure 3.D
Superintendent Salary As A Ratio To Teacher Salary
Fiscal Year 2012



Note: Ratios have been rounded to the nearest 0.2.

Source: OEA staff analysis of district documents; Kentucky. Dept. of Educ. *Staff Data*. Unpublished CD-ROM. Jan. 2013.

Finally, in addition to district size and geographic differences, superintendent salaries could take into account education and experience of the individual, specific skills, or other factors. Because OEA did not have comprehensive information on these variables, they are not included in this report.

Benefits

Comparisons of salary alone can be incomplete. In addition to salary, superintendents often receive additional benefits.

Comparisons of salary alone can be incomplete. In addition to salary, superintendents often receive additional benefits. In order to compare total compensation package, salary as defined above was added to additional benefits received by the superintendent for which a dollar amount could reliably be assigned. The benefits included are

- reimbursements of superintendent payments into the Kentucky Teachers' Retirement System;
- additional retirement benefits, usually in the form of payments into a deferred compensation or annuity plan;
- insurance allowances or reimbursements for the following types of insurance: health, life, dental, vision, disability, and cancer;
- tuition reimbursement; and
- other selected benefits, including Medicare reimbursement or housing allowance.

Fifty-eight superintendents receive no additional monetary benefits included in this analysis. For the remaining 101 superintendents, the value of additional benefits equals approximately \$12,800.

Not all benefits above are received by every superintendent. Fifty-eight superintendents receive none of the benefits listed above; in these cases, total compensation is the same as salary in the previous section. For the remaining 101 superintendents, the value of additional benefits equals approximately \$12,800, although the maximum is approximately \$81,700. Each of the benefits included in total compensation is summarized in Table 3.1 and described further below. Upon review of districts' financial data, OEA found at least five instances in which the superintendent declined to take benefits of monetary value.

Where possible, additional benefits received by the superintendent that are also received by all other district employees are not included.

Table 3.1
Summary Of Superintendent Benefits
Fiscal Year 2012

Benefit	Number of Superintendents	FY 2012 Range	FY 2012 Average
Payment of health insurance premiums	73	\$183–\$14,000	\$4,800
Payment of dental insurance premiums	40	\$40–\$1,600	\$730
Reimbursement of KTRS contributions	39	\$5,800–\$18,500	\$12,500
Payment of life insurance premiums	39	\$72–\$5,300	\$1,500
Payment of vision benefits	20	\$40–\$940	\$225
Payment of disability insurance premiums	15	\$780–\$5,700	\$2,700
Deferred compensation or annuity payments	15	\$5,000–\$40,000	\$14,900
Payment of tuition benefits	6	\$6,000–\$18,400	\$13,300

Source: OEA staff analysis of district documents.

Payment Of Health Insurance Premiums

Seventy-three districts pay or reimburse health insurance premiums paid by the superintendent

Seventy-three districts pay or reimburse health insurance premiums paid by the superintendent. Contracts frequently stipulate that superintendents are entitled to board payment of premiums for the enhanced family plan as offered by the state. However, some districts pay for a private plan, some superintendents cross-reference with a spouse employed by the

state, and some reimburse only for a single coverage plan. Therefore, the amounts reimbursed under this benefit do vary.

In fiscal year 2012, health insurance premiums paid or reimbursed by districts average almost \$4,800 among the 73 districts that provide this benefit. The benefit ranged from \$183 per year to just more than \$14,000.

In fiscal year 2012, health insurance premiums paid or reimbursed by districts average almost \$4,800 among the 73 districts that provide this benefit. The benefit ranged from \$183 per year just more than \$14,000. Approximately one-third of superintendents received \$7,400, which is the employee portion of the enhanced family plan offered by the state.

OEA review of district documents found an additional six districts that were not providing health insurance reimbursements to superintendents, even though the provision was contained in the contract. Of these, two were not provided because the superintendent has voluntarily waived coverage. Other instances revealed that the district and superintendent were not aware of the contract provision.

Payment Of Dental Insurance Premiums

Forty districts paid or reimbursed dental insurance premiums for the superintendent in FY 2012.

Forty districts paid or reimbursed dental insurance premiums for the superintendent in FY 2012. An additional five superintendents' contracts entitled them to dental insurance benefits that were not received. Of the five, two were not received because the superintendent declined the benefit. The other three were not received because the district and superintendent were not aware of the contract provision. When OEA staff brought the omission to the attention of district staff, they indicated the mistake would be corrected in future years.

Dental insurance benefits are approximately \$730, ranging from approximately \$40 to \$1,600.

Dental insurance benefits averaged approximately \$730 for those districts providing the benefit, with a low of approximately \$40 and a high of approximately \$1,600 for the year.

Reimbursement Of Payments Into Kentucky Teachers' Retirement System

Thirty-nine districts reimburse all or part of Kentucky Teachers' Retirement System payments to the superintendent. Payments average almost \$12,500, ranging from about \$5,800 to almost \$18,500.

Like teachers, superintendents are required to pay approximately 10.8 percent of their salaries into the Kentucky Teachers' Retirement System to be credited toward a pension at the time of retirement.^f Thirty-nine districts reimburse all or part of these payments to the superintendent. Payments average almost \$12,500, ranging from approximately \$5,800 to almost \$18,500.

^f The employee contribution for employees hired before July 1, 2008, is 10.355 percent. The contribution for employees hired after July 1, 2008, is 10.855 percent.

Payment Of Life Insurance Premiums

Thirty-nine districts paid or reimbursed life insurance premiums; payments average just more than \$1,500, ranging from \$72 to \$5,300.

Thirty-nine districts paid or reimbursed life insurance premiums for the superintendent in FY 2012. Contracts often state the amount and type of life insurance policy that will be purchased by the district. Premium payments from the district range from \$72 to \$5,300 for the year, with the average reimbursement at just more than \$1,500.

Payment Of Vision Benefits

Twenty districts paid or reimbursed vision insurance premiums or actual vision expense; payments averaged about \$225, ranging from approximately \$40 to \$940.

Twenty districts paid or reimbursed vision insurance premiums or actual vision related expenses to the superintendent in FY 2012. Vision benefits averaged approximately \$225 for the year, ranging from just more than \$40 to approximately \$940. Two additional superintendents are contractually entitled to vision insurance but have not taken out a policy.

Payment Of Disability Insurance Premiums

Fifteen districts provided disability insurance to the superintendent; premiums averaged almost \$2,700, ranging from \$780 to almost \$5,700.

Fifteen districts provided disability insurance to superintendents in FY 2012. Premium payments for the year range from \$780 to almost \$5,700, averaging almost \$2,700. Two additional superintendents are contractually entitled to disability insurance but have opted to not receive the benefit in that year.

Deferred Compensation Or Annuity Payments

Fifteen superintendents received payments into a deferred compensation or annuity plan, ranging from almost \$5,000 to just more than \$40,000, and averaging almost \$15,000.

Fifteen superintendents received payments into a deferred compensation or annuity plan, representing a different form of retirement benefit paid to the superintendent. Deferred compensation or annuity payments for FY 2012 range from almost \$5,000 to just more than \$40,000, averaging around \$14,900 for those districts. An additional three superintendents were entitled to district payments; two were not receiving them as a result of district error, and one was not receiving a district match because no payment had been made by the superintendent.

Payment Of Tuition Benefits

Six superintendents received tuition payments, averaging \$13,300 but ranging from approximately \$6,000 to \$18,400. Six additional superintendents are entitled to tuition benefits but did not receive payments in FY 2012.

Six districts provided tuition payments or reimbursements to superintendents in FY 2012. In four districts, the payment was approximately \$13,800. The other two payments were the highest, at approximately \$18,400, and the lowest, at approximately \$6,000. The average for the six was \$13,300.

More than six superintendents are entitled to tuition related benefits; however, the timing of tuition payments may vary so that benefit payments may not occur in each fiscal year.

Other Benefits

Other benefits received by superintendents during FY 2012 include

- housing allowance (two superintendents);
- cancer or other supplemental insurances (four);
- Kentucky Education Association (KEA) dues (four); and
- Medicare reimbursements (one).

Total Compensation

Total compensation is calculated as salary plus the value of selected benefits described above.

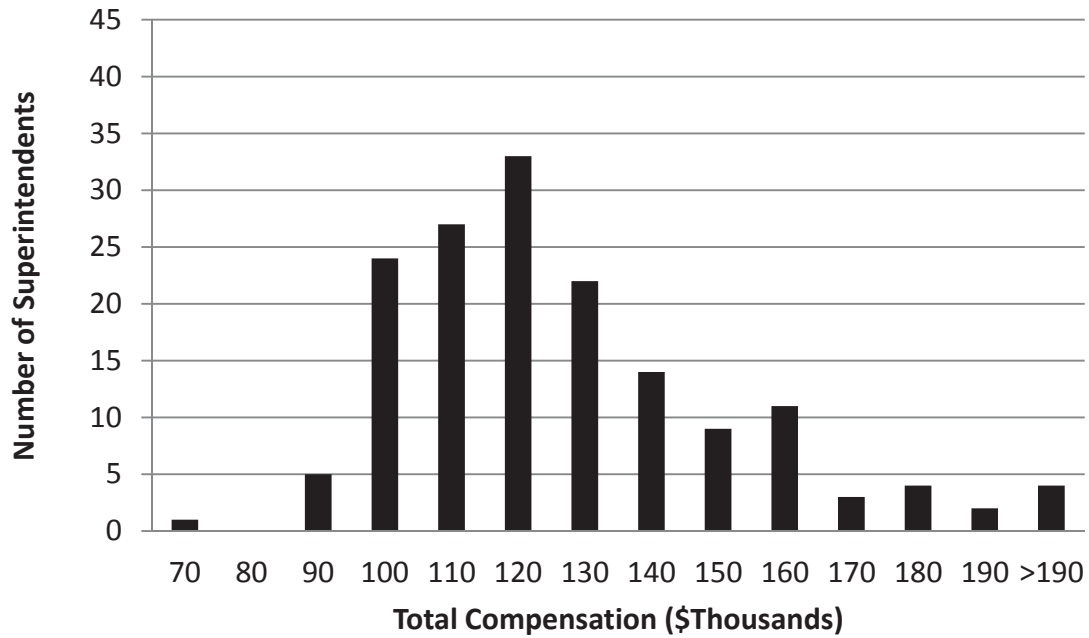
Total compensation was calculated for each superintendent by adding the dollar amount of benefits described above to the original salary number discussed in the previous section. Therefore, total compensation is defined as salary, payment for additional job duties, payment for sick or vacation days that does not come at the time of retirement, plus the value of selected benefits: reimbursement of KTRS contributions; deferred comp or annuity payment; health, life, dental, vision, and disability insurances; tuition benefits; and other miscellaneous benefits such as moving expenses, housing allowances, supplemental insurances, KEA dues, and Medicare reimbursements.

Total compensation does not include payment for leave days that is paid at the time of retirement; payment for technology benefits such as cell phones, computers, or Internet; payment for any travel benefits, including vehicle allowances, mileage, reimbursements, or use of district vehicle; or payment for any professional dues or publications.

Total compensation averages approximately \$128,450, ranging from almost \$74,000 to approximately \$321,000. Total compensation was on average about 7 percent higher than salary alone.

Total compensation averages approximately \$128,450, ranging from the same salary minimum of almost \$74,000, to a new maximum of approximately \$321,000. Four superintendents have total compensation that, when rounded to the nearest \$10,000, exceeds \$190,000. Figure 3.E shows the frequency of total compensation. Total compensation was on average 7 percent higher than salary alone. When considering only those districts that provide additional benefits, total compensation was approximately 10 percent higher than salary. Increases ranged from no change for the 58 superintendents who received no additional benefits, to one superintendent whose total compensation package was 45 percent higher than salary alone.

Figure 3.E
Superintendent Total Compensation
Fiscal Year 2012

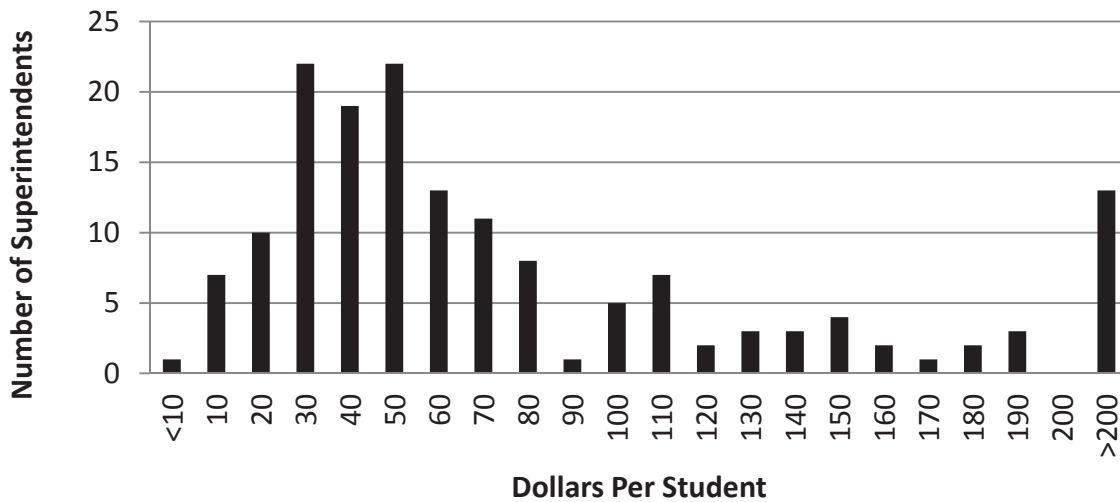


Note: Salaries have been rounded to the nearest \$10,000.
Source: OEA staff analysis of district documents.

Total compensation per student averaged \$33.96, ranging from \$3.38 per student to \$929.70 per student.

Like salary, total compensation can be shown by considering the size of the district. Figure 3.F shows superintendent total compensation in dollars per student. The statewide weighted average is \$33.96 per student, ranging from \$3.38 per student to the same high of \$929.70 per student.

Figure 3.F
Superintendent Total Compensation Per Student
Fiscal Year 2012



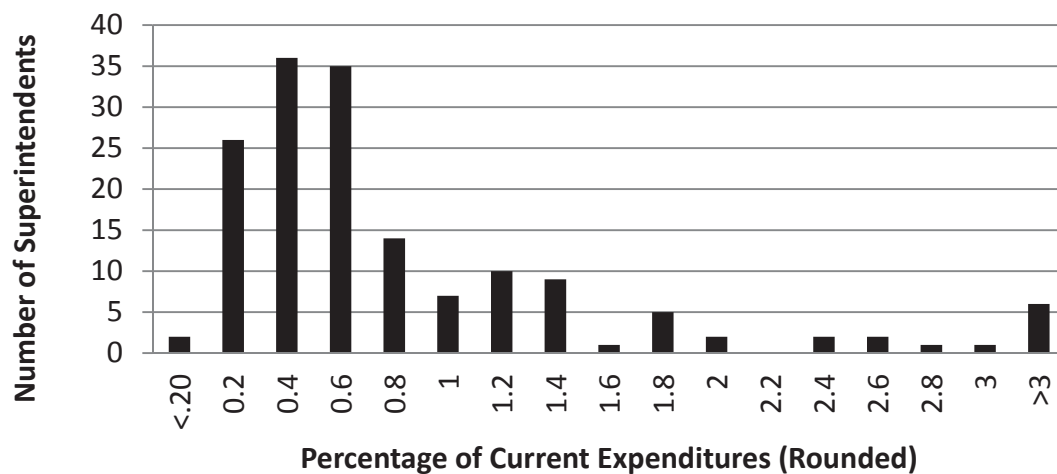
Note: Averages have been rounded to the nearest \$10.

Source: OEA staff analysis of district documents; Kentucky. Dept. of Educ. *Historical SAAR Data*. Web. July 10, 2013.

On average, 0.35 percent of district expenditures is spent on superintendent total compensation. This ranged from 0.029 percent to 6.9 percent.

Figure 3.G shows the total compensation of the superintendent as a percent of current district expenditures in FY 2012. The statewide weighted average shows that 0.35 percent of all district expenditures, as defined above, is spent on superintendent salaries. This ranges from 0.029 percent to 6.9 percent of district expenditures.

Figure 3.G
Superintendent Total Compensation
As A Percent Of Current District Expenditures
Fiscal Year 2012



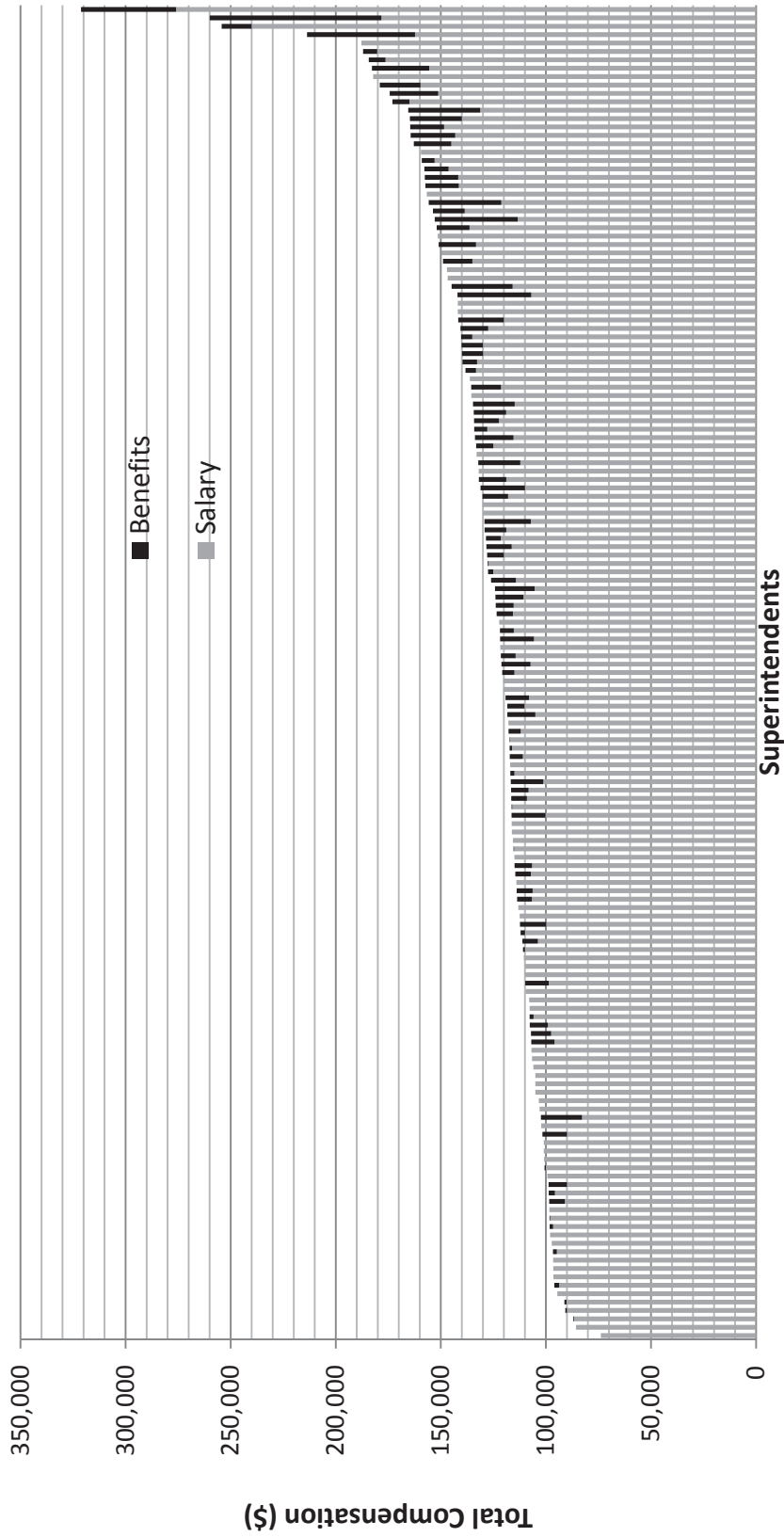
Note: Percentages have been rounded to the nearest 0.2.

Source: OEA staff analysis of district documents; Kentucky. Dept. of Educ. *Annual Financial Reports*. Unpublished CD-ROM, March 2013.

Superintendents with different salaries may have similar levels of total compensation; the reverse is also true.

Figure 3.H shows the 159 superintendents included in this analysis. Each vertical bar shows the total compensation of the superintendent. As can be seen in the figure, superintendents with different salaries may have similar levels of total compensation; the reverse is also true.

Figure 3.H
Superintendent Total Compensation
Fiscal Year 2012



Source: OEA staff compilation of district documents.

Benefits Not Included In Total Compensation

Some benefits were not included in total compensation because a monetary value cannot be uniformly assigned.

This section discusses benefits received by superintendents that were not included in total compensation. These benefits are provided through either superintendent contract provisions, or district policy. Because a monetary value cannot be uniformly assigned to these benefits, they were not included in the calculations of total compensation above.

Technology Benefits

According to the survey, only nine districts do not provide any technology benefits to the superintendent. A smartphone with a data plan, a tablet, and a laptop are the most common technology benefits.

It is common for districts to provide technology benefits for superintendents. Fifty-two superintendents' contracts reviewed by OEA specifically included a provision addressing technology benefits; however, four superintendents indicated on the survey that they had opted to decline technology benefits provided in their contract, and technology devices or services are often provided districtwide, or to certain classes of employees such as administrators. For that reason, technology benefits summarized in this section are the benefits as indicated to OEA on the March 2013 district survey. That survey requested information on benefits provided to superintendents by the district at that point in time. Therefore, information on technology benefits is for the 2012-2013 school year.

It is not known which of the technology benefits below are provided only to the superintendent, as opposed to other or all employees. According to the survey, only nine districts do not provide any technology benefits to superintendents. At least seven superintendents indicated that the district pays for only part of the service plan they use.

As Table 3.2 shows, 103 superintendents (59 percent) receive both a smartphone and smartphone service/data plan, 103 (59 percent) receive a tablet, and 102 (59 percent) receive a laptop.

Table 3.2
Technology Benefits Of Kentucky Superintendents
Fiscal Year 2013

Technology Benefit Provided	Number of Superintendents	Percentage of Superintendents
Smartphone and service	103	59 %
Tablet	103	59
Laptop	102	59
Tablet service	30	15
Internet	14	9
Smartphone service, not phone	9	5
Cell phone and service	9	5

Note: Districts could choose more than one response.
Source: OEA staff compilation of March 2013 survey.

Districts are not necessarily providing the same combinations of benefits to superintendents. Table 3.3 shows the most common combinations of benefits provided to superintendents.

Table 3.3
Combinations Of Technology Benefits
Of Kentucky Superintendents
Fiscal Year 2013

Technology Benefit Provided	Number of Superintendents	Percent of Superintendents
Laptop and both smartphone and service	71	41%
Tablet and smartphone and service	67	39
Tablet and laptop	62	36
Tablet, laptop, smartphone and service	47	27
Tablet, tablet service, laptop, smartphone and service	16	9

Note: Districts could choose more than one response.
Source: OEA staff compilation of March 2013 survey.

Transportation

Transportation-related benefits are also common, especially reimbursement for actual travel expenses.

It is common for districts to provide transportation-related benefits to the superintendent. As with technology benefits summarized above, this section first summarizes the benefits as indicated to OEA on the March 2013 district survey. The survey requested information on benefits provided to superintendents by the district

at that point in time. Therefore, information on transportation benefits is first summarized for the 2012-2013 school year.

A majority of districts (103) provide reimbursements for actual work-related travel expenses. Additionally, 42 districts (24 percent) provide a district-owned vehicle that can be used for limited purposes while at work. Transportation benefits for the 2012-2013 school year are detailed in Table 3.4.

**Table 3.4
Transportation Benefits Provided
To Superintendents
Fiscal Year 2013**

Transportation Benefit Provided	Number of Superintendents	Percent of Superintendents
Reimbursement for work-related travel expenses (such as mileage)	103	59%
District-owned vehicle for limited use by superintendent while at work	42	24
Vehicle allotment (superintendent uses personal vehicle)	23	13
District-owned vehicle for full-time (work and personal) use by superintendent	21	12
Access to city or district gas tanks	21	12
Use of gas credit cards	18	10
Vehicle maintenance at district bus garage	16	9
Reimbursement or payment for personal vehicle for superintendent	4	2

Note: Districts could choose more than one response.

Source: OEA staff compilation of March 2013 survey.

Note that policies for the same types of transportation benefits differed between districts. For example, one district indicated that mileage was reimbursed at a rate below the rate set by the state. At least five districts reimburse only for out-of-district travel, while at least three reimburse only for in-district travel. Vehicle allotments vary in amount and are intended to cover different transportation expenses.

Six districts did not indicate that any transportation benefits were provided to the superintendent. Three superintendents volunteered that they had declined transportation benefits either in full or in

part; however, because this question was not directly asked, the actual number is not known.

The second part of the analysis of transportation benefits is based on the document review of actual benefits provided during the 2011-2012 school year. This review collected more detailed information on some of the general benefits outlined above. Because the survey question and the document review covered 2 different school years, direct comparison is not possible. However, there were no notable differences in the types of benefits provided between the years.

In FY 2012, 23 superintendents were provided a vehicle allowance averaging approximately \$7,000, and ranging from \$1,500 to \$10,800. Twenty districts indicated that the superintendent received a taxable benefit from the use of a board-owned vehicle for personal use.

In FY 2012, 23 superintendents were provided a vehicle allowance that was reflected on the detailed check history reports provided by the district. Total annual vehicle allowances for those 23 districts averaged approximately \$7,000, and ranged from \$1,500 per year to \$10,800 per year. Twenty additional districts indicate on the reports that the superintendent had received the benefit of personal use of a board-owned vehicle. As a result, an amount had been designated as a noncash benefit provided to the superintendent. This benefit amount averaged \$947, ranging from approximately \$100 to \$3,900. This amount is not provided to the superintendent as payment but rather reflects the taxable value of the vehicle benefit provided.

Leave Days

It is common for superintendents to receive leave days, such as sick, vacation, and personal days.

In addition to noncontract days, it is common for superintendents to receive leave days. This section summarizes the sick days, vacation days (also known as annual leave), and personal days as indicated on the March 2013 district survey. In its survey, OEA asked superintendents to indicate the number of leave days provided in FY 2012 and to indicate whether the leave days accumulated or were paid out upon request. OEA staff also examined superintendents' contracts for provisions addressing leave days; the staff made comparisons between the survey data and the contract information available. Some contracts mention that the superintendent will receive the same leave days as all district employees and do not mention the number given to district employees. In these districts, OEA staff filled in missing data by consulting the district's policy; however, if an answer was given, the survey response was used. Three superintendents volunteered that they declined to take the leave days that do not accumulate and that they declined to be paid for the unused days; however, because this question was not directly asked, the full number of superintendents declining this benefit is not known.

Of the 174 districts, two districts did not answer any part of the leave day section because a superintendent was not under contract at the time of the survey.

Statute allows no less than 10 days of sick leave; according to the survey, most superintendents receive either 10 or 12 days.

Sick Days. KRS 161.155 allows no less than 10 days of sick leave. Of the 172 responses, 101 superintendents indicated they received 10 sick days, 58 superintendents received 12 sick days, and 13 superintendents received more than 12. The survey indicated that current superintendents receive an average of 11 sick days. Table 3.5 provides a breakdown on sick days.

Table 3.5
Sick Leave Days Provided
To Superintendents
Fiscal Year 2012

Number of Sick Days	Number of Superintendents
10	101
12	58
15	5
20	4
13	2
14	2

Source: OEA staff compilation of March 2013 survey and contract information.

Per KRS 161.155(10)(b), sick leave not taken during any school year by an employee who began employment with a local school district before July 1, 2008, shall accumulate without limitation and be credited to that employee. Employees who began on or after July 1, 2008, cannot accumulate more than 300 days.

Additionally, KRS 161.155(10)(a) permits a board to compensate unused sick leave at up to 30 percent of the employee’s annual salary when the employee retires. Although all districts are required to accumulate sick days, OEA staff did not determine how many districts have policies that allow unused sick days to be paid out upon a superintendent’s retirement and at what percentage.

More than half of superintendents receive vacation days; for those receiving vacation days, the average is 15 days.

Vacation Days. The survey indicated at least 97 superintendents (56 percent) receive vacation days. Of those districts that do not give vacation days, several indicated on the survey that the superintendent has noncontract days in lieu of paid vacation days. For example, one district wrote “the superintendent does not get

vacation days. But he is employed for 240 days and therefore has ‘non-contracted days.’”

Of those receiving vacation days, superintendents receive an average of 15 days. As indicated in Table 3.6, 20 is the most common allotment of vacation days.

Table 3.6
Vacation Leave Days Provided
To Superintendents
Fiscal Year 2012

Number of Vacation Days	Number of Superintendents
20	44
10	31
15	10
5	6
30	3
12	2
9	1

Source: Staff compilation of March 2013 survey and contract information.

Contract provisions and district policies are varied on the accumulation and payout of unused vacation days.

Of those districts that answered the survey regarding accumulation and payment of vacation days, six indicated they can be paid out upon request each year, and 20 indicated vacation days must be used within the school year. Fifty-four districts indicated that vacation days may accumulate; however, districts’ contracts differ on the accumulation and payout policies. Examples of districts’ contract provisions concerning vacation day accumulation and payout are as follows:

- One district stated the superintendent would be allowed to accumulate a maximum of 40 days for which compensation may be made at retirement. If the superintendent has more than the maximum, the board will reimburse the superintendent up to seven unused days yearly.
- At least two district contracts stated vacation days accumulated without limit per year but shall not exceed 60 days; however the superintendents may be paid for up to 10 unused vacation days at daily rate per year.
- One district had a provision permitting the superintendent to carry over and accumulate a maximum of 10 days of unused accrued annual leave per year and no more than 60 days in total.

According to KRS 161.540 (1)(d), no more than 60 days of unused vacation shall be considered as part of the member’s compensation in consideration for contributions to the Kentucky Teachers’ Retirement System. However, no statute limits the number of vacation days that may accumulate and be paid out. As noted above, some districts offer a payout each year, some cap the days that can be paid out each year or in total, some have a cap on how many will accumulate, and some have combinations.

Almost all districts provide personal days to superintendents; 3 days is the most common number provided.

Personal Days. Each district board may provide up to 3 personal leave days per school year to school employees, without loss of salary, according to KRS 161.154. Of the survey and contracts reviewed, 163 provided 3 personal days or less, and three districts provided more than 3 days of personal leave, as shown in Table 3.7.

Table 3.7
Personal Leave Days Provided
To Superintendents
Fiscal Year 2012

Number of Personal Days	Number of Superintendents
3	75
2	60
1	28
4	1
6	1
10	1

Source: OEA staff compilation of March 2013 survey and contract information.

Although law regulates how many personal days school employees may receive, no statute indicates whether personal days can accumulate or be paid out. More than 60 percent of survey respondents indicated they could accumulate personal days. Although it was not asked directly, many superintendents volunteered that unused personal days are transferred to sick leave at the end of the school year.

Districts may allow employees up to 3 emergency days; however, OEA did not include a question on the survey regarding the number of emergency days provided.

Emergency Days. KRS 161.152 states that each district may allow full-time employees up to 3 emergency days without loss of salary and without affecting sick leave. However, the law does not address whether unused emergency days are able to accumulate or roll over to sick leave. For example, at least one district allows

unused emergency days to be transferred and credited to an employee's accumulated sick leave account.

OEA did not include a question on the survey regarding the number of emergency days provided.

Conclusion

In conclusion, OEA reviewed documents that were provided by districts. While some issues were found that should be reviewed further, most districts are following proper procedures and most contracts are being adhered to.

In conclusion, OEA staff reviewed statutes and regulations along with local district policies, superintendent contracts and amendments, board minutes, and Munis reports that were provided by districts. While some issues were found that should be reviewed by local boards and district personnel, most districts are following proper procedures for the hiring of the superintendent, and most contracts are being adhered to. Some issues discovered through review of district documents involve the necessary procedure that must be followed in order to add, remove, or amend superintendent salary or benefits; others relate to mistakes made in the district for the payment of salary or benefits. This report makes three final recommendations in regard to superintendent hiring, contracts, and benefits.

Recommendation 3.1

Recommendation 3.1

Local boards should ensure that the hiring of the superintendent, approval of the contract, and any subsequent amendment to the contract, terms, salary, or benefits shall be adopted in an open session of the board and clearly reflected in the minutes.

Recommendation 3.2

Recommendation 3.2

The employment contract between the local board of education and the superintendent should be clearly written; terms of employment, salary, and benefits should be specifically stated. Care should be taken to avoid vague or conflicting provisions.

Recommendation 3.3

Recommendation 3.3

The board, superintendent, and district finance officer should annually review salary and benefits paid to or on behalf of the superintendent. Salary and benefits should be compared to the contract and any amendments to ensure that benefits are being provided correctly.

Endnotes

- ¹ Kentucky. Dept. of Educ. *Superintendent Compensation*. Web. Aug. 2, 2013.
- ² Kentucky. Auditor of Public Accounts. School District Examinations. Web.
- ³ Herrick, James M. Office of the Attorney General. Assistant Attorney General. Letter to Timothy Crawford. Dec. 17, 2007.
- ⁴ Holliday, Terry, PhD. Dept. of Educ. Commissioner. Letter to local board chairs and superintendents. July 10, 2013. Email.
- ⁵ American Association of School Administrators. "10-Year Study on the American School Superintendent Released." Web. July 17, 2013.
- ⁶ American Association of School Administrators. "Superintendent and District Data." Web. July 17, 2013.
- ⁷ Kentucky. Dept. of Educ. Office of Next Generation Learners. *Next Generation Professionals*. "Minority Superintendent Intern Program." Web. July 17, 2013.
- ⁸ Kentucky. Auditor of Public Accounts. 2013 Ashland Independent School District Examination. Web. July 17, 2013. P. 17.
- ⁹ Kentucky. Auditor of Public Accounts. 2013 Dayton Independent School District Examination. Web. P. 14.
- ¹⁰ *Ibid.*, Pp. 16, 18.
- ¹¹ Brown, Kevin. Kentucky Dept. of Educ. Associate Commissioner and General Counsel. Letter to Ken Crawford, Chairman. Dec. 7, 2012.
- ¹² Kentucky. Auditor of Public Accounts. 2013 Mason County School District Examination. Web. P. 39.
- ¹³ *Ibid.*, P. 37; Kentucky. Auditor of Public Accounts. 2013 Dayton Independent School District Examination. Web. P. 46.
- ¹⁴ United States. Internal Revenue Service. Publication 15-B. Web. Aug. 2, 2013.
- ¹⁵ Kentucky. Dept. of Educ. Professional Staff Data. Unpublished CD-ROM. December 2012.

Appendix A

District Document Request

Dear Superintendent,

In December, the Education Accountability and Assessment Review Subcommittee of the Kentucky General Assembly directed the Office of Education Accountability to study superintendent employment issues. The purpose of the study is to inform the legislature on the current status of superintendent salaries and benefits, along with other issues related to their employment. As part of the study, *your office will receive an email invitation to participate in a survey*. In addition, it is necessary to collect documents and data maintained at each school board office. We would like to have all of the requested information by **March 15, 2013**. Please, send these documents electronically. We have confirmed with Kentucky Department of Education staff that the *detail check history report* requested in item 4 can be provided in a text file and that the MUNIS GL account reports requested in item 5 can be provided in Microsoft Excel format. If you have any questions about submitting in these formats, call Sabrina Olds for assistance.

All other documents can be scanned and emailed to Sabrina Olds, sabrina.olds@lrc.ky.gov. If you cannot scan and email the documents, please mail hard copies to Marcia Seiler, 475 Coffee Tree Road, Frankfort, KY 40601.

Please provide the following information:

1. A copy of all superintendent contracts and extensions (rollovers), including any board-approved addendums or modifications, for the current superintendent. If your district has a vacancy or an interim superintendent, please provide these documents for the prior superintendent.
2. A copy of the official minutes of meetings in which the board of education approved the contracts, extensions (rollovers), and any addendums or modifications.
3. A copy of the 2011 and 2012 W-2 for the superintendent. (Please redact any confidential information such as SS#, date of birth, and home address)*
4. The MUNIS *detail check history report* for FY 2011 and FY 2012 for the superintendent. Please provide explanation for any item in the MUNIS report that does not clearly state the purpose of the payment.
5. The MUNIS *invoice history by GL account report* for
 - all payments made to the superintendent and
 - all payments made to vendors through accounts payable for benefits on behalf of the superintendent for FY 2011 and FY 2012 (exclude the following vendors: *KTRS and cell phone and Internet services*).
6. Copies of the last two evaluations of the superintendent and supporting board minutes.
7. Copies of the relevant board policies, if any of the documents you send refer to or rely upon a board policy or other document, such as for leave days or salary increases.
8. Board minutes documenting action if a superintendent was fired, nonrenewed, or resigned during the term of a contract since FY 2003.

9. The name, email address, and phone number of the person who responded to this request for documents and who can provide additional information if needed.

Thank you for providing the requested documents and information. If you have any questions, please call Sabrina Olds at (502)564-8167.

Marcia Ford Seiler

*Item number 3 was later removed from our document request.

Appendix B

Superintendent Survey

Introduction. The Kentucky General Assembly has directed the Office of Education Accountability (OEA) to study issues related to superintendent employment.

As part of this study, OEA is surveying districts to obtain relevant information regarding superintendents' employment, evaluation, and contract issues. Information related to these topics is essential for providing legislators with a greater understanding of these issues.

The survey may be completed by the superintendent or other staff person with access to specific information regarding the superintendent's contract and benefits received. Access to specific contracts, financial information, and board minutes will be necessary to complete the survey.

The survey should take 30-45 minutes.

We would appreciate your answers no later than March 15, 2013. If you have questions, call Sabrina Olds or Marcia Seiler at (502) 564-8167, or e-mail at sabrina.olds@lrc.ky.gov or marcia.seiler@lrc.ky.gov.

1. Please select your district:

(All 174 school districts in service as of January 2013 were listed)

2. In what school year did the current superintendent first enter into a contract, as superintendent, with the district?

Position is vacant

Position is currently being filled by an interim superintendent

1993-1994

1994-1995

1995-1996

1996-1997

1997-1998

1998-1999

1999-2000

2000-2001

2001-2002

2002-2003

2003-2004

2004-2005

2005-2006

2006-2007

2007-2008

2008-2009

2009-2010

2010-2011

2011-2012

2012-2013

3. What is the length of the superintendent's current contract?

1 year

2 year

3 year

4 year

4. What was the superintendent's FY 2012 annual salary, excluding benefits?**5. Which of the following were received by the superintendent in FY 2012?**

Raise

Bonus

KTRS reimbursement

401K

IRA

Personal vehicle insurance

Life insurance

Health insurance

Dental insurance

Vision insurance

Vehicle allotment

District vehicle

Gas stipend

Professional dues/publications

Tuition reimbursement

District purchased years of KTRS service

Moving allowance

Medicare reimbursement

KASS and/or KASA dues

Other (please specify)

6. If the superintendent received a raise in FY 2012, describe how it was calculated (for example, percentage of salary or flat amount).

FY 2012 raise amount

How raise was calculated

7. If the superintendent received a bonus in FY 2012, describe how it was calculated (for example, percentage of salary or flat amount).

FY 2012 bonus amount

How bonus was calculated

What board-established criteria were used to determine award of bonus

8. If the district contributes to an IRA, 401K, or other retirement plan on behalf of the superintendent, provide FY 2012 employer annual contribution and method of calculating

contribution (for example, percentage of salary or flat amount).

FY 2012 contribution

How contribution is calculated

9. If the superintendent received KTRS or Medicare reimbursement in FY 2012, what percentage of the superintendent's payment was reimbursement.

KTRS FY 2012 reimbursement

Percentage of superintendent's KTRS payment reimbursed

Medicare FY 2012 reimbursement

Percentage of superintendent's Medicare payment reimbursed

10. Does the district pay or reimburse the superintendent for health insurance premiums, in addition to the premiums paid by the state? If yes, please provide the amount paid in FY 2012.

Yes

No

Amount paid by district

11. If the district provides a life insurance policy for the superintendent, provide the FY 2012 employer and superintendent costs, and the value of the plan.

FY 2012 district premium

FY 2012 superintendent premium

Plan value

12. Does the district pay or reimburse the superintendent for dental insurance premiums? If yes, please provide the amount paid in FY 2012.

Yes

No

Amount paid by district

13. Does the district pay or reimburse the superintendent for vision insurance premiums? If yes, please provide the amount paid in FY 2012.

Yes

No

Amount paid by district

14. Indicate the number of leave days provided to the superintendent in FY 2012, and indicate if the leave days accumulated or were paid out upon request.

Sick (Days, Payment)

Vacation (Days, Payment)

Personal (Days, Payment)

Other (Please specify)

15. Which of the following best describes devices and services provided by the district to the superintendent (check as many as apply)?

The district provides a smartphone and pays the monthly voice/data service plan.

The district provides a smartphone but does not pay the monthly voice/data service plan.
The district pays the monthly voice/data service plan for the superintendent's personal smartphone, but does not provide the phone.
The district provides a cell phone (non-smartphone) and pays the monthly voice service plan.
The district provides a cell phone (non-smartphone) but does not pay the monthly voice service plan.
The district pays the monthly voice service plan for the superintendent's personal cell phone (non-smartphone), but does not provide the phone.
The district provides a tablet computer (such as an iPad).
The district provides a tablet data plan.
The district provides a laptop.
The district provides a laptop data plan.
The district provides a desktop computer at home.
The district provides internet service at home.
Other (please specify)

16. What transportation-related benefits does the district provide to the superintendent (check all that apply)?

Vehicle allotment (superintendent uses personal vehicle)
District-owned vehicle for full-time (work and personal) use by superintendent
District-owned vehicle for limited use by the superintendent while at work
Reimbursement or payment for a personal vehicle for the superintendent (provide details below)
Reimbursement for actual work-related travel expenses (for example, mileage reimbursement)
Vehicle maintenance at district bus garage
Use of gas credit cards
Access to city or district gas tanks
Provide details if district gives allowance for purchase of personal vehicle

17. If the district has had a change in superintendent since FY 2003, please indicate the reason that the superintendent left. If more than one superintendent has left the position, choose more than one reason.

Superintendent retired
Superintendent resigned
Board did not renew contract (contract expired)
Board terminated contract (prior to end of contract term)
Other (please specify)

18. What search assistance did the board use during the most recent superintendent search (check all that apply)?

KSBA
KASS
KASA
National search firm
None

19. Since FY 2003, have any former superintendents been subsequently employed in another position in the district? If yes, please indicate the individuals' names, the dates they were rehired, and the positions they filled.

Yes

No

Details

20. Please provide the name, email address, and phone number of the person who completed this survey in case we need to ask follow-up questions.

Name

Email address

Phone number

Appendix C

District Information Request Methodology

District documents and survey responses were collected during March 2013. A list of requested documents and a link to the online survey were emailed to all district superintendents on March 4, 2013. The deadline was stated as March 15, 2013. On March 13, 2013, reminder emails were sent to districts that had not submitted the documents, not completed the survey, or not responded to both requests. Districts that did not respond to one or both requests by March 18, 2013, received a phone call from OEA staff between March 18 and March 26. Survey responses were at 100 percent by March 26, 2013. Documents were all sent in by Thursday, March 28, 2013.

While the request for documents and link to the online survey were both sent directly to the superintendent, in some cases the superintendent designated another individual in the district to fulfill one or both requests.

Appendix D

District Examples From Fiscal Year 2012

In addition to those examples included in the report, the following list contains specific issues found during OEA document and contract review. OEA based these findings on documents provided by the district as a result of the document request or, in some instances, follow-up questions. At times, OEA was made aware that the superintendent or the district made a payment in order to correct an error.

Superintendent Salary, Raises, And Other Pay

Eleven superintendents received either a raise or a step increase that other certified employees received; however, their contracts did not contain provisions allowing this.

One superintendent received a one-time payment of \$5,000 for overseeing a construction project. The payment was authorized by the chairman of the board via email but was not documented in board minutes.

One superintendent received an additional \$50 for bus driver training. Other district employees receive this payment, but there was no contract provision or board minutes authorizing this payment to the superintendent.

One superintendent received \$3,255 in excess extra duty pay due to a district miscalculation.

One superintendent contract stipulated that the superintendent was to receive up to \$660 for the year in reimbursements for health, vision, and dental insurance. Total reimbursements for the year were \$698.21, an overpayment of \$38.21.

One superintendent received an additional payment of \$1,125 for acting as the adult education coordinator. The additional payment is not in the contract, and no board minutes were provided approving the payment.

One superintendent was paid \$396.32 less than the contract stated.

One superintendent received an additional \$22,967.05 in salary for extra duties in the district; the extra payments are not in the contract, and no board minutes were provided that authorized the additional payments.

Leave Days

One superintendent received payment for 20 days of leave. The superintendent contract states that up to 60 days can be accumulated to be paid upon retirement but does not contain a provision for annual payout.

Vehicle Benefits

One contract stated that a vehicle allowance would be based on board policy. No board policy exists, and the superintendent received \$727 per month, for a total of \$8,724.

One local board provided an automobile allowance of \$600 per month to a superintendent. The amount was not included in the original contract. The benefit was outlined in a memo on district letterhead, signed by the board chairman and vice chairman. The memo stated that “All board members were polled and agree to this payment”; however, minutes stating that this action had occurred in open session were not included.

Kentucky Teachers’ Retirement System Reimbursements

One board approved KTRS reimbursements up to \$10,000. The superintendent was reimbursed \$10,214.16, an overpayment of \$214.16.

One superintendent received KTRS reimbursement of \$14,646.24; however, there was no contract provision allowing this benefit, and no board minutes were provided that showed approval.

One superintendent was reimbursed \$276.64 less than paid toward KTRS due to a district error.

One superintendent was reimbursed \$400 less than paid toward KTRS due to a district error.

One superintendent was reimbursed \$1,104.53 less than paid toward KTRS due to a district error.

Health Insurance

One superintendent was entitled to up to \$100 per month for health insurance; due to an oversight by the superintendent and the district, this was not paid.

One superintendent was not receiving family health insurance due to being unaware that the contract contained that provision.

One superintendent was receiving health insurance benefits totaling \$745.56 after the prior contract was amended to include it. When the superintendent entered into a new contract, the new contract did not contain the benefit, and there is no new amendment.

One district overpaid health insurance benefits to the superintendent by \$745.56.

One superintendent contract contained a provision allowing for payment of a family health insurance plan; due to district oversight, the benefit was not paid.

One superintendent received \$840.00 in health flexible benefits payments; while health insurance was provided in the contract, there was no provision for additional health benefits.

Life Insurance

One superintendent contract contained a provision allowing for payment of a life insurance policy; however, the superintendent was not aware of the provision, and due to district oversight, the policy was not purchased and the benefit was not received. The superintendent had the provision removed from the new contract.

One superintendent was receiving life insurance benefits totaling \$214.06 after the prior contract was amended to include it. When the superintendent entered into a new contract, the new contract did not contain the benefit, and there is no new amendment.

One superintendent contract stated that the board will pay for all health related insurances. Under this provision, the district provided \$3,718.56 worth of premium payments toward two separate life insurance plans.

Dental Insurance

One superintendent contract allows for \$800 per year in dental benefits; the district reimbursed the superintendent \$1,109.27, an overpayment of \$309.27.

One superintendent contract contains a provision providing an enhanced family dental plan; however, the superintendent was not aware of the provision, and the benefit had not been provided by the district.

One superintendent was reimbursed \$117.99 less than paid toward a dental insurance plan that was to be fully covered.

One district paid \$493.69 toward dental insurance for the superintendent; however, the contract did not contain a provision for this benefit, and no board minutes were provided showing later approval.

One superintendent was receiving dental insurance benefits totaling \$327.85 after the prior contract was amended to include it. When the superintendent entered into a new contract, the new contract did not contain the benefit, and there is no new amendment.

One superintendent was not reimbursed \$975.52 in dental insurance benefits that the contract allowed.

One superintendent was reimbursed \$373.44 less than he paid toward a dental insurance plan that was to be fully covered.

One superintendent was not reimbursed \$934.92 in dental insurance benefits that the contract allowed.

One district did not pay dental insurance for the superintendent despite a contract provision for this benefits; the superintendent was owed \$326.88.

Vision Insurance

One district paid \$226.80 in vision insurance for the superintendent; however, the contract did not contain a provision for this benefit, and no board minutes were provided showing later approval.

One district paid \$83.80 in vision insurance for the superintendent; however, the contract did not contain a provision for this benefit, and no board minutes were provided showing later approval.

One district paid \$144.36 in vision insurance for the superintendent; however, the contract did not contain a provision for this benefit, and no board minutes were provided showing later approval.

One district paid \$336.96 in vision insurance for the superintendent; however, the contract did not contain a provision for this benefit, and no board minutes were provided showing later approval.

One district did not pay vision insurance for the superintendent despite a contract provision for this benefit; the superintendent was owed \$77.16.

Retirement Benefits

One superintendent contract contained a provision that the district would match up to \$250 per month in additional retirement benefits. However, due to district error the district did not match the superintendent's payments.

One superintendent received \$985.24 in additional retirement benefits. Although this benefit is received by all employees in the district, the superintendent's contract states that all benefits are specifically spelled out in the contract and overrides any policy that exists for other employees.

One superintendent received a \$15,528.68 overpayment in retirement benefits due to a district miscalculation of contract salary.

Other Benefits

One district paid \$487.68 toward a cancer insurance policy for the superintendent. The district stated that the benefit was provided because the superintendent contract states that the superintendent shall receive the benefits received by teachers; however, while teachers are offered the option to purchase this insurance, the district does not pay for it.

One superintendent contract contained a provision to pay for up to \$300 per year for civic dues. Civic dues paid totaled \$516, an overpayment of \$216.

One superintendent received \$544.64 in membership dues to an organization not listed in the contract.

Appendix E

Selected Statutes

156.111 Superintendents Training Program and Assessment Center -- Assessment of superintendents required -- Examination.

- (1) Prior to July 1, 1992, the Department of Education shall establish a Superintendents Training Program and Assessment Center. The assessment center shall be modeled after the American Association of School Administrators assessment process or a similar validated process. The department may provide assessment centers regionally and shall provide for assessor training. The center shall include, but not be limited to, training for superintendents in the following subjects:
 - (a) Core concepts of management;
 - (b) School-based decision making;
 - (c) Kentucky school law;
 - (d) Kentucky school finance; and
 - (e) School curriculum and assessment.
- (2) At the conclusion of the training, each participant shall complete a written comprehensive examination based on the content of the training.
- (3) In addition to any applicable certification and experience requirements, to be qualified and eligible for continued employment as a school superintendent, effective July 1, 1994, the school superintendent shall have successfully completed the assessment center process. A person hired for the first time as superintendent in Kentucky after June 30, 1994, shall successfully complete the assessment center process within one (1) year of assuming his duties as superintendent.
- (4) The Kentucky Board of Education shall adopt administrative regulations to govern the training content, number of hours, written examination, and criteria for successful completion of the training and assessment center process. The board shall also establish the continuing professional development requirements for school superintendents, to be effective July 1, 1994.

156.132 Removal or suspension of public school officers -- Procedure, grounds, conditions.

As used in this section, except subsection (1), "public school officer" means a person who previously served as a superintendent of schools or board member during which time charges were brought against him under this section.

- (1) The chief state school officer shall recommend, by written charges to the proper school authorities having immediate jurisdiction, the removal of any superintendent of schools, principal, teacher, member of a school council, or other public school officer as to whom he has reason to believe is guilty of immorality, misconduct in office, incompetency, willful neglect of duty, or nonfeasance. In the case of a member of a school council, the written charges shall be provided to the local board of education.

- (2) The chief state school officer shall recommend by written charges the suspension by the Kentucky Board of Education of any district board member, superintendent of schools, or other public school officer whom he has reason to believe is guilty of immorality, misconduct in office, incompetency, willful neglect of duty, or nonfeasance. If the charges brought under this subsection represent an immediate threat to the public health, safety, or welfare, the Kentucky Board of Education shall summarily suspend the person against whom the charges are made. The action by the Kentucky Board of Education may be taken upon a recommendation of the chief state school officer, or the action may be taken by a majority vote of the Kentucky Board of Education without recommendation from the chief state school officer.
- (3) The Kentucky Board of Education may suspend a district superintendent of schools or other public school officer under subsection (2) of this section or remove him pursuant to subsection (5) of this section only if, after thirty (30) days of receipt of the written charges specified in subsection (1) of this section, the proper school authorities having immediate jurisdiction, either the superintendent or the district board of education, have refused to act, have acted in bad faith, arbitrarily, or capriciously, or if a recommendation to the district board would have been futile.
- (4) Any officer suspended by the Kentucky Board of Education under subsection (2) of this section shall be furnished with an emergency order specifying in detail the reasons for suspension and notifying the officer of his right to appeal the action and have an emergency hearing pursuant to KRS 13B.125.
- (5) As an alternative to first seeking suspension, the chief state school officer may recommend by written charges the removal by the Kentucky Board of Education of any district board member, superintendent of schools, or other public school officer whom he has reason to believe is guilty of immorality, misconduct in office, incompetency, willful neglect of duty, or nonfeasance. The officer against whom the written charges are issued by the chief state school officer shall be furnished with the written charges and notice of procedural rights conferred under KRS Chapter 13B. Within twenty (20) days after receipt of the charges, the officer may notify the Kentucky Board of Education of his intention to appear and answer the charges. Upon appeal, an administrative hearing shall be conducted in accordance with KRS Chapter 13B. If the officer fails to notify the board of his intention to appear and answer the charges, the Kentucky Board of Education may remove the officer by a majority vote, and the dismissal shall be final.
- (6) The hearing shall be public or private at the discretion of the accused former or current superintendent and shall be public when testimony is taken for board members.
- (7) The Kentucky Board of Education may meet in closed session to consider the evidence and may by a majority vote remove the officer. If the board votes to remove the officer, the board shall prepare final order specifying which charge or charges it found to be the basis for removal. If within ninety (90) days from the date of suspension if applicable, the state board has not removed the officer, or has dismissed the charges, the suspended officer shall be reinstated and shall be paid his full salary for the period of suspension.
- (8) The officer shall have a right to appeal on the record to the Circuit Court located in the county of the school district in accordance with KRS Chapter 13B. If the decision of the court is against removal, the officer shall be paid his full salary from the date of suspension. The payment shall be made from funds appropriated to the State Department of

Education.

- (9) If a superintendent of schools is removed from office or resigns while charges are pending pursuant to this section after July 15, 1994, any continuing contract pursuant to KRS 161.720 to 161.810 shall be terminated. If the removal is reversed upon appeal, the continuing contract shall be restored and he shall be paid his full salary for the period of suspension.

156.136 Vacancies caused by suspension -- Appointment -- Term -- Payment.

The Kentucky Board of Education, upon suspension of any officer or district board of education member under KRS 156.132, shall name a person to fill the vacancy caused by such suspension. Persons appointed by the Kentucky Board of Education to fill vacancies under KRS 156.132 and this section shall hold office only during the time an officer is suspended, not to exceed ninety (90) days from the date of suspension. At the expiration of such period, vacancies shall be filled in the manner provided by law for the office. Persons appointed by the Kentucky Board of Education to fill vacancies caused by suspension shall be paid from funds of the district board of education. Any person employed to fill the position of a superintendent who has been removed by the Kentucky Board of Education under KRS 156.132 shall be employed by the district board of education for periods not to exceed one (1) year if the superintendent has appealed to the courts and if the courts have not taken final action.

156.557 Definitions -- Statewide system of evaluation for all certified personnel -- Criteria for statewide plan -- Policy and procedures for evaluation -- Administrative regulations -- Use of alternative effectiveness and evaluation system -- Appeals -- Prohibition against disclosure of confidential information.

- (1) As used in this section:
 - (a) "Formative evaluation" means a continuous cycle of collecting evaluation information and providing feedback with suggestions regarding the certified employee's professional growth and performance;
 - (b) "Local formative growth measures" means measures that are rigorous and comparable across schools in a local district;
 - (c) "Student growth" means the change in student achievement for an individual student between two (2) or more points in time including achievement on state assessments required per KRS 158.6453; and
 - (d) "Summative evaluation" means the summary of, and conclusions from, the evaluation data, including formative evaluation data that:
 1. Occur at the end of an evaluation cycle; and
 2. Include a conference between the evaluator and the evaluated certified employee and a written evaluation report.
- (2) Prior to the beginning of the 2014-2015 school year, the Kentucky Department of Education, in consultation with the Kentucky teacher and principal steering committees and other groups deemed appropriate by the commissioner of education, shall develop a framework for a statewide personnel evaluation system. The Kentucky Board of Education shall promulgate administrative regulations to establish a statewide professional growth

and effectiveness system for the purposes of supporting and improving the performance of all certified school personnel. The system shall promote the continuous professional growth and development of skills needed to be a highly effective teacher or a highly effective administrator in a school or district. The Kentucky Board of Education shall include parent surveys as a source of data once a valid and reliable survey tool becomes available for this purpose.

- (3) The professional growth and effectiveness system shall:
 - (a) Use multiple measures of effectiveness, including student growth data as a significant factor in determining the effectiveness of teachers and administrators, that utilize both state standardized tests and local formative growth measures that are rigorous and comparable across schools in a local district;
 - (b) Include both formative and summative evaluation components;
 - (c) Measure professional effectiveness;
 - (d) Support professional growth;
 - (e) Have at least three (3) performance levels;
 - (f) Be used to inform personnel decisions;
 - (g) Be considerate of the time requirements of evaluators at the local level and shall not require that all certified school personnel have a formal summative evaluation each year; and
 - (h) Rate teachers or administrators by multiple measures instead of a single measure.
- (4) The performance criteria by which teachers and administrators shall be evaluated shall include but not be limited to:
 - (a) Performance of professional responsibilities related to his or her assignment, including attendance and punctuality and evaluating results;
 - (b) Demonstration of effective planning of curricula, classroom instruction, and classroom management, based on research-based instructional practices, or school management skills based on validated managerial practices;
 - (c) Demonstration of knowledge and understanding of subject matter content or administrative functions and effective leadership techniques;
 - (d) Promotion and incorporation of instructional strategies or management techniques that are fair and respect diversity and individual differences;
 - (e) Demonstration of effective interpersonal, communication, and collaboration skills among peers, students, parents, and others;
 - (f) Performance of duties consistent with the goals for Kentucky students and mission of the school, the local community, laws, and administrative regulations;
 - (g) Demonstration of the effective use of resources, including technology;
 - (h) Demonstration of professional growth;
 - (i) Adherence to the professional code of ethics; and
 - (j) Attainment of the teacher standards or the administrator standards as established by the Education Professional Standards Board that are not referenced in paragraphs (a) to (i) of this subsection.
- (5) The following provisions shall apply to the statewide professional growth and effectiveness

system:

- (a) Certified school personnel, below the level of superintendent, shall be evaluated by using the system developed by the Kentucky Department of Education;
 - (b) The evaluation system shall include formative evaluation and summative evaluation components; and
 - (c) The Kentucky Board of Education shall adopt administrative regulations incorporating written guidelines for a local school district to follow in implementing the professional growth and effectiveness system and shall require the following:
 1. All evaluations of certified school personnel below the level of the district superintendent shall be in writing on evaluation forms and under evaluation procedures developed by a committee composed of an equal number of teachers and administrators;
 2. The immediate supervisor of the certified school personnel member shall be designated as the primary evaluator. At the request of a teacher, observations by other teachers trained in the teacher's content area or curriculum content specialists may be incorporated into the formative process for evaluating teachers;
 3. All monitoring or observation of performance of a certified school personnel member shall be conducted openly and with full knowledge of the personnel member;
 4. Evaluators shall be trained, tested, and approved in accordance with administrative regulations adopted by the Kentucky Board of Education in the proper techniques for effectively evaluating certified school personnel. Evaluators shall receive support and resources necessary to ensure consistent and reliable ratings;
 5. The professional growth and effectiveness system shall include a plan whereby the person evaluated is given assistance for professional growth as a teacher or administrator. The system shall also specify the processes to be used when corrective actions are necessary in relation to the performance of one's assignment; and
 6. The training requirement for evaluators contained in subparagraph 4. of this paragraph shall not apply to district board of education members.
- (6)
 - (a) Each superintendent shall be evaluated according to a policy and procedures developed by the local board of education and approved by the department.
 - (b) The summative evaluation of the superintendent shall be in writing, discussed and adopted in an open meeting of the board and reflected in the minutes, and made available to the public upon request.
 - (c) Any preliminary discussions relating to the evaluation of the superintendent by the board or between the board and the superintendent prior to the summative evaluation shall be conducted in closed session.
 - (7) Local districts may submit a written request to use an alternative effectiveness and evaluation system to the Kentucky Board of Education. The Kentucky Board of Education shall consider and approve a local district's use of an alternative effectiveness and evaluation system instead of the statewide system only if the Kentucky Board of Education

determines the alternative system:

- (a) Is as rigorous, reliable, valid, and educationally sound as the statewide professional growth and effectiveness system;
 - (b) Uses multiple measures of effectiveness, including student growth data as a significant factor in determining the effectiveness of teachers and administrators, that utilize both state standardized tests and local formative growth measures that are rigorous and comparable across schools in a local district;
 - (c) Includes both formative and summative evaluation components;
 - (d) Measures professional effectiveness;
 - (e) Supports professional growth;
 - (f) Has at least three (3) performance levels;
 - (g) Is used to inform personnel decisions;
 - (h) Is considerate of the time requirements of evaluators at the local level and does not require that all certified school personnel have a formal summative evaluation each year; and
 - (i) Rates teachers and administrators by multiple measures instead of a single measure.
- (8) The Kentucky Board of Education shall establish an appeals procedure for certified school personnel who believe that the local school district failed to properly implement the evaluation system. The appeals procedure shall not involve requests from individual certified school personnel members for review of the judgmental conclusions of their personnel evaluations.
- (9) The local board of education shall establish an evaluation appeals panel for certified school personnel that shall consist of two (2) members elected by the certified employees of the local district and one (1) member appointed by the board of education who is a certified employee of the local board of education. Certified school personnel who think they were not fairly evaluated may submit an appeal to the panel for a timely review of their evaluation.
- (10) The Kentucky Department of Education shall annually provide for on-site visits by trained personnel to a minimum of fifteen (15) school districts to review and ensure appropriate implementation of the evaluation system by the local school district. The department shall provide technical assistance to local districts to eliminate deficiencies and to improve the effectiveness of the evaluation system. The department may implement the requirement in this subsection in conjunction with other requirements, including, but not limited to, the scholastic audit process required by KRS 158.6455.
- (11) The disclosure, pursuant to KRS Chapter 61, of any data or information, including student growth data, that local school districts or the Department of Education collect on individual classroom teachers under the requirements of KRS 156.557 is prohibited.

160.350 Superintendent of schools -- Appointment -- Term -- Vacancy -- Qualifications -- Removal -- Contract extension.

- (1) After considering the recommendations of a screening committee, as provided in KRS 160.352, each board of education shall appoint a superintendent of schools whose term of office shall begin on July 1, following the individual's appointment. The appointment may

be for a term of no more than four (4) years. In the event a vacancy occurs in the office of superintendent prior to the expiration of the term set by the board, the term shall expire on the date the vacancy occurs. Therefore, the board may appoint a superintendent for a new term as provided in this subsection, which shall begin on the date of the superintendent's appointment, except when the vacancy occurs after a school board election and before the newly elected members take office. When a vacancy occurs during this period, the position shall not be filled until the new members take office, but the board may appoint an acting superintendent to serve a term not to exceed six (6) months. This appointment may be renewed once for a period not to exceed three (3) months. If a vacancy occurs, a local board may also appoint an acting superintendent during the period the screening committee pursuant to KRS 160.352 conducts its business and prior to the actual appointment of the new superintendent. No superintendent shall resign during a term and accept a new term from the same board of education prior to the expiration date of the present term. In the case of a vacancy in the office for an unexpired term, the board of education shall make the appointment so that the term will end on June 30. The board shall set the salary of the superintendent to be paid in regular installments.

- (2) An individual shall not assume the duties of superintendent in a district until he or she provides the board of education with a copy of a certificate for school superintendent issued by the Education Professional Standards Board or its legal predecessor. A superintendent shall hold a valid certificate throughout the period of employment. A superintendent candidate who is to begin the duties of superintendent after June 30, 1994, shall successfully complete the training program and assessment center process within one (1) year of assuming the duties of superintendent. A superintendent shall not serve as director or officer of a bank, trust company, or savings or loan association that has the school district's funds on deposit. Following appointment, the superintendent shall establish residency in Kentucky.
- (3) A superintendent of schools may be removed for cause by a vote of four-fifths (4/5) of the membership of a board of education and upon approval by the commissioner of education. However, if the dismissal of the superintendent has been recommended by a highly skilled certified educator pursuant to KRS 158.6455 and the action is approved by the commissioner of education, the board shall terminate the superintendent's contract. Written notice setting out the charges for removal shall be spread on the minutes of the board and given to the superintendent. The board shall seek approval by the commissioner of education for removing the superintendent. The commissioner of education shall investigate the accuracy of the charges made, evaluate the superintendent's overall performance during the superintendent's appointment, and consider the educational performance of the students in the district. Within thirty (30) days of notification, the commissioner of education shall either approve or reject the board's request.
- (4) After the completion of a superintendent's first contract or after four (4) years, whichever comes last, the board of education may, no later than June 30, extend the contract of the superintendent for one (1) additional year beyond the current term of employment.

160.352 Screening committee -- Minority representation -- Recommendations for superintendent.

- (1) For purposes of this section the term "minority" means American Indian; Alaskan native; African-American; Hispanic, including persons of Mexican, Puerto Rican, Cuban, and Central or South American origin; Pacific islander; or other ethnic group underrepresented in a local school district.
- (2) Each board of education shall appoint a superintendent of schools after receiving the recommendations of a screening committee. A screening committee shall be established within thirty (30) days of a determination by a board of education that a vacancy has occurred or will occur in the office of superintendent, except that when the board determines a vacancy will not occur before six (6) months from the date of determination, the board shall establish a screening committee at least ninety (90) days before the first date on which the position may be filled.
- (3) A screening committee shall be composed of:
 - (a) Two (2) teachers, elected by the teachers in the district;
 - (b) One (1) board of education member, appointed by the board chairman;
 - (c) One (1) principal, elected by the principals in the district;
 - (d) One (1) parent, elected by the presidents of the parent-teacher organizations of the schools in the district;
 - (e) One (1) classified employee, elected by the classified employees in the district; and
 - (f) If a minority member is not elected or appointed to a screening committee in districts with a minority population of eight percent (8%) or more, as determined by the enrollment on the preceding October 1, the committee membership shall be increased to include one (1) minority parent. This minority parent member shall be elected by the parents in an election conducted by the local school board. Parents in the district shall be given adequate notice of the date, time, place, and purpose of the election.
- (4) Prior to appointing a superintendent of schools, the board of education shall consider the recommendations of the screening committee, but the board shall not be required to appoint a superintendent from the committee's recommendations.

160.370 Superintendent as executive agent of board -- Duties.

The superintendent shall be the executive agent of the board that appoints him and shall meet with the board, except when his own tenure, salary, or the administration of his office is under consideration. As executive officer of the board, the superintendent shall see that the laws relating to the schools, the bylaws, rules, and regulations of the Kentucky Board of Education, and the regulations and policies of the district board of education are carried into effect. He may administer the oath required by the board of education to any teacher or other person. He shall be the professional adviser of the board in all matters. He shall prepare, under the direction of the board, all rules, regulations, bylaws, and statements of policy for approval and adoption by the board. He shall have general supervision, subject to the control of the board of education, of the general conduct of the schools, the course of instruction, the discipline of pupils, and the management of business affairs. He shall be responsible for the hiring and dismissal of all personnel in the district.

160.380 School employees -- Restrictions on appointment of relatives, violent offenders, and persons convicted of sex crimes -- Restriction on assignment to alternative education program as disciplinary action -- National and state criminal history background checks on applicants, new hires, and school-based decision-making council parent members -- Application and renewal forms -- Employees charged with felony offenses.

[excerpt]

- (2) Except as provided in KRS 160.346:
 - (a) All appointments, promotions, and transfers of principals, supervisors, teachers, and other public school employees shall be made only by the superintendent of schools, who shall notify the board of the action taken. All employees of the local district shall have the qualifications prescribed by law and by the administrative regulations of the Kentucky Board of Education and of the employing board. Supervisors, principals, teachers, and other employees may be appointed by the superintendent for any school year at any time after February 1 preceding the beginning of the school year. No superintendent of schools shall appoint or transfer himself or herself to another position within the school district;

160.390 General duties as to condition of schools -- Responsibilities -- Reports.

- (1) The superintendent shall devote himself exclusively to his duties. He shall exercise general supervision of the schools of his district, examine their condition and progress, and keep himself informed of the progress in other districts. He shall prepare or have prepared all budgets, salary schedules, and reports required of his board by the Kentucky Board of Education. He shall advise himself of the need of extension of the school system of the district, shall receive and examine reports from teachers and other school officers, and shall make reports from time to time as required by the rules of his board or as directed by the board. He shall be responsible to the board for the general condition of the schools. He shall be responsible for all personnel actions including hiring, assignments, transfer, dismissal, suspension, reinstatement, promotion, and demotion and reporting the actions to the local board.
- (2) All personnel actions by the superintendent as described in subsection (1) shall be recorded in the minutes of the local board of education at the next meeting after the action is taken and shall not be effective prior to receipt of written notice of the personnel action by the affected employee from the superintendent.

160.400 Duties of outgoing superintendent.

An outgoing superintendent shall, before his last month's salary is paid, make all reports required by law to date of his retirement and shall have information assembled to date of his retirement for any reports to be made by the incoming superintendent.

160.410 Expenses of superintendent and employees.

A board of education may pay the necessary expenses of its superintendent and other employees when such expenses are incurred on order of the board.

160.440 Secretary of board of education.

Each board of education shall appoint a secretary for a term of one (1), two (2), three (3), or four (4) years. The secretary shall not be a member of the board of education. The board of education of any district may appoint its superintendent as secretary. However, a superintendent who serves as secretary to the board shall not receive compensation in addition to that which he receives for serving as superintendent. The board may fix a reasonable salary for the secretary. The secretary shall keep the records of the board and perform other duties imposed upon him by the board. All orders of the board must be signed by the secretary and countersigned by the chairman of the board. The secretary shall be custodian of all securities, documents, title papers, and other papers of the board under such conditions as the board may direct. The secretary, when other than the superintendent, shall make all records of the board available to the superintendent and the board of education at any time and shall furnish the superintendent of schools and the board of education such information as is revealed by the records at any time upon the request of the superintendent or the board of education.

160.990 Penalties.

- (1) Any person who violates any of the provisions of KRS 160.250 shall be fined not more than two hundred dollars (\$200).
- (2) Any person who violates any of the provisions of KRS 160.300 shall be fined not less than ten (\$10) nor more than fifty dollars (\$50).
- (3) Any superintendent who violates any of the provisions of KRS 160.350 to 160.400 shall be fined not less than one hundred (\$100) nor more than one thousand dollars (\$1,000) for each offense, and the violation is grounds for revocation of his certificate.
- (4) Any person who violates any of the provisions of KRS 160.550 shall be fined not less than fifty (\$50) nor more than one hundred dollars (\$100), and shall be subject to removal from office.
- (5) The Kentucky Board of Education may withhold funds allotted under KRS 157.350 from any local district which violates subsection (4) of KRS 160.380 in the amount of one thousand dollars (\$1,000) per violation.
- (6) In addition to penalties listed in this section, any local district which violates subsection (4) of KRS 160.380 shall be fined not less than five hundred dollars (\$500) nor more than one thousand dollars (\$1,000).

161.662 Status of disabled teachers and superintendents.

- (1) Teachers and superintendents with continuing status who retire because of disability shall, notwithstanding provisions of KRS 161.720 to 161.810 to the contrary, retain continuing status in the school district from which they retired for twenty-four (24) calendar months from the date of retirement, if the teacher or superintendent:
 - (a) Is approved for disability retirement under the provisions of KRS 161.661, or
 - (b) Is approved for disability retirement but elects to have benefits calculated on the service retirement formula under the provisions of KRS 161.661, or
 - (c) Is disqualified from receiving disability retirement benefits by KRS 161.661(2) but is otherwise eligible for disability retirement under the remaining provisions of KRS

161.661.

- (2) (a) If the superintendent recovers from disability and presents written notice of such recovery, supported by the statement of a licensed physician, to the employing board of education within the twenty-four (24) calendar month period but not later than April 15 prior to the beginning of the school term, the board of education shall reinstate the superintendent to active continuing status at the beginning of the school term. If notice of recovery from disability is not presented to the employing board of education within the twenty-four (24) calendar month period, or if the superintendent states to the board, in a verified document, prior to expiration of the twenty-four (24) calendar month period that he or she will not return to employment in the school system, the continuing service contract of the superintendent shall terminate as by retirement under the provisions of KRS 161.661.
- (b) If the teacher recovers from disability and presents written notice of such recovery, supported by the statement of a licensed physician, to the superintendent within the twenty-four (24) calendar month period but not later than April 15 prior to the beginning of the school term, the superintendent shall reinstate the teacher to active continuing status at the beginning of the school term. If notice of recovery from disability is not presented to the superintendent within the twenty-four (24) calendar month period, or if the teacher states to the superintendent, in a verified document, prior to expiration of the twenty-four (24) calendar month period that he or she will not return to employment in the school system, the continuing service contract of the teacher shall terminate as by retirement under the provisions of KRS 161.661.
- (3) Retirement because of disability under this section shall not be cause for termination of the contract of a teacher or superintendent under KRS 161.790 during the twenty-four (24) calendar month period described in this section. A teacher or superintendent who applies for disability retirement under the provisions of KRS 161.661 shall retain continuing service status during the period of time the application for disability retirement is being processed. If the application is not approved, the teacher or superintendent may return to the contract, employment, or leave status held prior to submission of the application.
- (4) (a) If the superintendent recovers from the disability and presents written notice of such recovery, supported by the statement of a licensed physician, to the employing board of education within twenty-five (25) through forty-two (42) months from the date of retirement, the board shall give priority consideration to reemployment of the superintendent for the first available position for which the superintendent is qualified and certified.
- (b) If the teacher recovers from the disability and presents written notice of such recovery, supported by the statement of a licensed physician, to the superintendent within twenty-five (25) through forty-two (42) months from the date of retirement, the superintendent shall give priority consideration to reemployment of the teacher for the first available position for which the teacher is qualified and certified.

161.721 Superintendent eligible for continuing contract status.

The superintendent shall be eligible for continuing contract status when he meets all requirements prescribed in KRS 161.720 to 161.810 for continuing contracts for teachers.

161.740 Eligibility for continuing service status -- Limited status employee on approved military leave -- Transfer of teachers -- Reinstatement after service in Armed Forces.

- (1) Teachers eligible for continuing service status in any school district shall be those teachers who meet qualifications listed in this section:
 - (a) Hold a standard or college certificate as defined in KRS 161.720 or meet the certification standards for vocational education teachers established by the Education Professional Standards Board.
 - (b) When a currently employed teacher is reemployed by the superintendent after teaching four (4) consecutive years in the same district, or after teaching four (4) years which shall fall within a period not to exceed six (6) years in the same district, the year of present employment included, the superintendent shall issue a written continuing contract if the teacher assumes his duties, and the superintendent shall notify the board of the action taken. A limited status employee on approved military leave shall be awarded service credit for each year of military service or each year of combined military and school service within a school year toward continuing contract status. If the leave time will qualify the teacher for continuing contract status, the local district may require the teacher to complete a one (1) year probationary period upon return. If required, the local district shall notify the teacher in writing within fourteen (14) days following receipt of the military leave request. Each day served in the General Assembly by a board of education employee during a regular or extraordinary session shall be included in the computation of a year as defined in KRS 161.720(2).
 - (c) When a teacher has attained continuing contract status in one district and becomes employed in another district, the teacher shall retain that status. However, a district may require a one (1) year probationary period of service in that district before granting that status. For purposes of this subsection, the continuing contract of a teacher shall not be terminated when the teacher leaves employment, all provisions of KRS 161.720 to 161.810 to the contrary notwithstanding, and the continuing service contract shall be transferred to the next school district, under conditions set forth in this section, for a period of up to seven (7) months from the time employment in the first school district has terminated. Nothing contained herein shall be construed to give a teacher a right to reemployment in the first school district during the seven (7) month period following termination.
 - (d) Service credit toward a continuing contract shall begin only when a teacher is properly certified as defined in KRS 161.720(6) or, in the case of a vocational education teacher, when the required certification standards established by the Education Professional Standards Board have been met.
- (2) Vocational education teachers fulfilling the requirements in subsection (1) of this section as of July 15, 1982, shall be eligible for continuing service status.
- (3) Whether employed under a limited contract or continuing service contract status, any teacher or superintendent who has been or may be hereafter inducted into the Armed Forces of this country, shall at the expiration of service be reemployed or reinstated in a comparable position as of the beginning of the next school year, provided application is made at least thirty (30) days before the opening of school, unless physically or mentally incapacitated according to medical notations on official discharge papers. Vacancies

created by military leaves shall be filled by teachers or superintendents employed by the board of education under a limited contract of one (1) year or less.

161.780 Termination of contract by teacher or superintendent -- Resignation binding as of date of acceptance.

- (1) No teacher shall be permitted to terminate his or her contract within fifteen (15) days prior to the first instructional day of the school term at a school to which the teacher is assigned or during the school term without the consent of the superintendent. No superintendent shall be permitted to terminate his or her contract within thirty (30) days prior to the beginning of the school term or during the school term without the consent of the employing board of education. A teacher shall be permitted to terminate his or her contract at any other time when schools are not in session by giving two (2) weeks written notice to the employing superintendent. A superintendent shall be permitted to terminate his or her contract at any other time when schools are not in session by giving two (2) weeks written notice to the employing board of education. Upon complaint by the employing board or superintendent to the Education Professional Standards Board, the certificate of a teacher or superintendent terminating his contract in any manner other than provided in this section may be suspended for not more than one (1) year, pursuant to the hearing procedures set forth in KRS 161.120.
- (2) If a teacher voluntarily resigns his contract during the school term, the resignation shall be in writing and shall become binding on the date the resignation is accepted by the superintendent. No further action by the employing board is necessary. The resignation is effective on the date specified in the letter of resignation. A resignation, once accepted, may be withdrawn only with the approval of the employing board of education. Nothing in this subsection shall release the teacher from liability to the local board of education for breach of contract.

