

ONE HUNDRED THIRD LEGISLATURE - FIRST SESSION - 2013
COMMITTEE STATEMENT
LB470

Hearing Date: Tuesday February 05, 2013
Committee On: Education
Introducer: Scheer
One Liner: Adopt the Superintendent Pay Transparency Act

Roll Call Vote - Final Committee Action:
Advanced to General File with amendment(s)

Vote Results:
Aye: 8 Senators Avery, Cook, Davis, Haar, Kolowski, Scheer, Seiler, Sullivan
Nay:
Absent:
Present Not Voting:

Proponents:
Senator Jim Scheer
Shawn D. Reuner
Tim Gay
Patrick Gerhart

Representing:
Introducer
Media of Nebraska, Incorporated
Papillion-LaVista School District
Platte Institute

Opponents:
John Bonaiuto

Representing:
Nebraska Association of School Boards and Nebraska
Council of School Administrators

Neutral:

Representing:

Summary of purpose and/or changes:

Legislative Bill 470 would require school districts to include an identification of costs for superintendents in the annual proposed budget statement would create the Superintendent Pay Transparency Act to require school boards to publish superintendent contracts, contract amendments, and associated costs.

Section 13-504 would be amended by requiring school districts to annually include in the district's proposed budget statement a separate identification of all costs which are reasonably anticipated to be incurred as a result of the approval of a contract for superintendent services or the approval of any amendment to such contract.

Section 2 would name the Superintendent Pay Transparency Act.

Section 3 would require that prior to the approval of a contract or contract amendment for superintendent services, the school board would publish a copy of the contract or amendment and a reasonable estimate of all current and future costs to the district at least 5 days before the meeting of the board at which the contract or amendment will be considered. The publication would be required to also specify the date, time, and place of the public meeting at which the contract or amendment will be considered. Electronic publication on the school district web site would satisfy the publishing requirement if prominently displayed and public access is allowed to the entire contract or amendment.

Section 4 would require school boards to file a copy of the contracts and contract amendments for superintendent services with the Department of Education by the next succeeding August 1 after approval. The Department would not

have a duty to review the contracts or amendments, but would be required to publicly post them on the Department's web site.

Section 5 would require the Commissioner of Education to withhold of state aid granted pursuant to the Tax Equity and Educational Opportunities Support Act (TEEOSA) for failure to file contracts and contract amendments for superintendent services in a timely manner until the contract or amendment is received by the Department. Withholding would occur only after notice to the school board and an opportunity to be heard. The Commissioner would also be required to direct the county treasurer to withhold all school money belonging to the school district until such time as the Commissioner notifies the treasurer that the contract or amendment has been received. County treasurers are required to then withhold the money. For school districts that are members of learning communities, the school money belonging to the district is based on the proportionate share of state aid and property tax receipts allocated to the district by the learning community coordinating council. If a school board does not comply prior to the end of the state's biennium following the biennium which included the school fiscal year for which state aid was calculated, the state aid funds would revert to the General Fund. The amount of any reverted funds would be included in data provided to the Governor in accordance with section 79-1031. That section requires an estimate of TEEOSA aid be provided by the Department with assistance from the Property Tax Administrator, the Legislative Fiscal Analyst, and the Budget Division to the Governor, Appropriations Committee, and Education Committee.

Section 6 would clarify that all amendments to a contract for superintendent services would be subject to the Act, including, but not limited to, amendments involving salary increases or benefit changes.

The measure would become operative on July 1, 2013 pursuant to a stated operative date combined with an emergency clause.

Explanation of amendments:

The committee amendments would replace the original provisions of LB 470. The amendments would also create the Superintendent Pay Transparency Act to require school boards to publish superintendent contracts, contract amendments, and associated costs and require school districts to include an identification of the costs in the annual proposed budget statement. In addition, the amendments would require educational service unit (ESU) boards to identify costs and publish the contracts and contract amendments for ESU administrators. Modifications to the original provisions would require the publication of contracts, contract amendments, and costs 3 days prior to approval by the board for existing superintendents and existing ESU administrators and 2 days after approval by the board for new superintendents and new ESU administrators. Along with the publication of estimated costs, a description of the costs would be required.

Section 13-504 would be amended by requiring school districts and ESU's to annually include in the proposed budget statement a separate identification and description of all current and future costs which are reasonably anticipated as a result of any contract, or amendments thereto, for superintendent services or ESU administrator services to be rendered.

Section 2 would name the Superintendent Pay Transparency Act.

Section 3 would set out the requirements for school boards and ESU boards to publish contracts, contact amendments and cost information. For current superintendents and ESU administrators, the boards would be required to publish a copy of any proposed contract or proposed contract amendment for future superintendent or ESU administrator services to be rendered and a reasonable estimate and description of all current and future costs to the district or ESU at least 3 days before the meeting of the board at which the contract or amendment will be considered. The publication would be required to also specify the date, time, and place of the public meeting at which the contract or amendment will be considered. For new superintendents and ESU administrators, the same information regarding the contract would be published within 2 days after the meeting at which the contract was approved. In either case, electronic publication on the school district web site would satisfy the publishing requirement if prominently displayed and public access is allowed to the entire contract or amendment.

Section 4 would require school boards to file a copy of the contracts and contract amendments for superintendent services with the Department of Education by the next succeeding August 1 after approval. The Department would not have a duty to review the contracts or amendments, but would be required to publicly post them on the Department's web site.

Section 5 would require the Commissioner of Education to withhold of state aid granted pursuant to the Tax Equity and Educational Opportunities Support Act (TEEOSA) and cores services and technology infrastructure funds for failure to file contracts and contract amendments for superintendent services in a timely manner until the contract or amendment is received by the Department. Withholding would occur only after notice to the board president and the superintendent or ESU administrator and an opportunity to be heard. The Commissioner would also be required to direct the county treasurer to withhold all school money belonging to the school district or ESU until such time as the Commissioner notifies the treasurer that the contract or amendment has been received. County treasurers are required to then withhold the money. For school districts that are members of learning communities, the school money belonging to the district is based on the proportionate share of state aid and property tax receipts allocated to the district by the learning community coordinating council. If a school board or ESU board does not comply prior to October 1 following the school fiscal year for which the state aid or core services and technology infrastructure funding was calculated, the funds would revert to the General Fund. The amount of any reverted funds would be included in data provided to the Governor in accordance with section 79-1031. That section requires an estimate of TEEOSA aid be provided by the Department with assistance from the Property Tax Administrator, the Legislative Fiscal Analyst, and the Budget Division to the Governor, Appropriations Committee, and Education Committee.

Section 6 would clarify that all amendments to a contract for superintendent services or ESU administrator services would be subject to the Act, including, but not limited to, amendments involving salary increases or benefit changes.

The measure would become operative on July 1, 2013 pursuant to a stated operative date combined with an emergency clause.

Kate Sullivan, Chairperson