

REVENUE: No revenue impact

FISCAL: No fiscal impact

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<b>Action:</b>	Do Pass
<b>Vote:</b>	8 - 0 - 1
<b>Yeas:</b>	Clem, Dallum, Greenlick, Komp, Lim, Roblan, Whisnant, Buckley
<b>Nays:</b>	0
<b>Exc.:</b>	Krummel
<b>Prepared By:</b>	Derrick Olsen, Administrator
<b>Meeting Dates:</b>	5/01 (Subcommittee on Education Innovation), 5/07

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**WHAT THE MEASURE DOES:** Prohibits school districts, education service districts, and public charter schools from entering into contracts with administrators providing compensation for work not performed. Prohibits administrator after contract termination from purchasing district property or using district property differently than a member of the public. Allows school districts, education service districts, and public charter schools to enter into contracts with administrators for health benefits beyond employment period under certain circumstances. Defines administrator. Applies to contracts on or after the effective date of the measure. Declares emergency; takes effect on passage.

**ISSUES DISCUSSED:**

- Examples in press of “golden parachutes”
- Public perception and bond measures/local option taxes for schools
- Exception for temporary continuation of health insurance
- Does not apply to principals and vice principals
- Salaries of superintendents
- Dismissal with cause vs. dismissal without cause
- Limit on authority of school boards
- Bill will not affect contracts already signed

**EFFECT OF COMMITTEE AMENDMENT:** No amendment.

**BACKGROUND:** In 2005, news stories highlighted administrator compensation packages when they completed employment with districts, so called “golden parachutes”. Reports indicated that one administrator receive \$267,900 and three years of paid health insurance. Another report indicated that a departing superintendent was able to purchase a luxury car valued at \$26,665 for \$7,900. The public reaction to the stories of extra compensation was negative and was said to influence support for public schools and public school districts in general.

The Senate Education and General Government Committee gave SB 384-A a Do Pass as Amended recommendation with a 4-0-1 vote, and it passed the Senate 27-0-3.

5/8/2007 5:03:00 PM

*This summary has not been adopted or officially endorsed by action of the committee.*