

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action: Do Pass as Amended and Be Printed Engrossed

Vote: 4 - 0 - 1

Yeas: Kruse, Morse, Westlund, Walker

Nays: 0

Exc.: Metsger

Prepared By: Dana Richardson, Administrator

Meeting Dates: 1/25, 2/8

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:

- Termination of poor administrators
- Cost of providing a severance package versus the cost of losing a lawsuit on the contract
- Whether similar provisions should apply to community colleges

EFFECT OF COMMITTEE AMENDMENT: 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.

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.