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# POLICY

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## BRIEFING

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## ACTUAL PAY: A SURVEY OF MISSOURI PUBLIC SCHOOL SUPERINTENDENT SALARY AND BENEFIT PACKAGES

Superintendents hold a particularly important position in school districts, in charge of both fiscal and organizational management. In 2009, Missouri's public school superintendents earned an average of \$105,717, an amount that increased even during a recession, to \$106,368 in 2010. These figures represent salary alone, but benefits such as health insurance, annuities, and automobile allowances can substantially increase total compensation. Once these other benefits are taken into account, a superintendent's non-salary compensation can equal 50 percent of his or her actual salary.

Superintendent salary levels are most commonly calculated through the use of a salary schedule or specified raises. Relatively few school districts in Missouri — 65 out of the 451 that responded — explicitly state that compensation will be in any way based on superintendent evaluations. This study uses contracts and salary data to determine what connection there is, if any, between superintendent pay and student achievement, which factors

determine compensation, and how Missourians can take action if they are unhappy with compensation practices.

### RESPONSIBILITIES AND EVALUATION

The primary role of a superintendent is meeting with the school board to create policy and then implementing that policy. According to a national survey of superintendents led by Thomas Glass, a professor of leadership at the University of Memphis, nearly 90 percent of superintendents reported that their respective boards of education accepted superintendent-recommended policies 90–100 percent of the time. Superintendents' other roles are largely dependent on district size, of which there is an extremely wide range in Missouri. For example, the superintendent at Saint Louis Public Schools (student enrollment: 27,554) has a set of responsibilities likely much different from those of the superintendent at the Knox County School District (student enrollment: 563).

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Superintendents in very small districts often work part-time or take on other roles, such as principal, teacher, or librarian. In larger districts, they may be expected to serve as political leaders, often interacting with elected officials. Superintendents of large districts typically spend more time communicating with the school board, while those in smaller districts are more involved in the day-to-day school affairs and must adapt both to local circumstances and to a small or even nonexistent central office staff.

Superintendent pay in Missouri positively correlates with district size, but pay for superintendents in the first three quartiles of district size is fairly similar until the fourth quartile, where pay increases by almost \$50,000 — to \$141,106.

When hiring a superintendent, the school board can look outside the district for candidates with administrative experience, or promote from within. Despite a common perception to the contrary, promoting internally is more common in larger districts. Only 23.9 percent of superintendents working for districts with fewer than 300 students reported being promoted from within the district, whereas 42.1 percent of superintendents at districts with more than 25,000 students reported being promoted from within. School districts often look to surrounding districts or to a candidate's previous pay to help establish compensation levels, which are sometimes set in an attempt to signal that the board has chosen a high-quality administrator. Although a superintendent can earn a high salary through exceptional performance, a high salary is not a predictor for excellent performance.

There are three broad types of superintendent evaluation: global, criteria-driven, and data-driven. Global evaluations typically entail a narrative or discussion with the school board. A criteria-driven evaluation can use rating forms or a duties checklist. Districts rarely implement data-driven evaluations, which use measures like student test scores and graduation rates, so boards must more often base evaluations more on personal and political factors. There is a push to use student progress as part of superintendent evaluations. The No Child Left Behind Act (NCLB) was one attempt to incorporate student performance data into evaluations, a practice that Missouri's Department of Elementary and Secondary Education (DESE) also recommends.

## LITERATURE REVIEW

A study by Ronald Ehrenberg, a labor economics professor at Cornell, Richard Chaykowski, a professor at Queen's University, and Randy Ehrenberg, a former vice principal in New York's Ithaca City School District, used regression analysis to find which variables correlate with superintendent wages in New York. They found that the two most important factors were age and years of tenure in the district. Other factors that correlated with superintendent salary included size of school districts, per-capita income of district residents, and the percentage of residents possessing a bachelor's degree or higher. Several other district and superintendent characteristics, such as percentage of nonwhite district residents, superintendent education level, whether the district was in an urban area, the percentage of residents who had children, and the percentage of residents who



owned their homes, were not found to be statistically significant. In their study, only 31 percent of superintendents listed student academic achievement as a factor that they believed played a part in their evaluations, but the researchers still found a weak but positive correlation between scores on New York’s standardized mathematics test and superintendent pay.

A study of 1,000 Texas school districts partially replicated these findings. Kenneth Meier, a professor of political science at Texas A&M University, and Vicky Wilkins, an associate professor at the University of Georgia, examined Texas superintendent pay with a logarithmic wage regression. The factors they found to be statistically significant included budget size, percentage of district funds that come from local sources, experience, age, tenure, and whether a superintendent possessed a doctorate. Performance on Texas’ standardized test was found to be statistically significant, but small. Superintendent pay increased by 0.09 percent for each additional percentage point of students passing the test.

Phil Young, a professor at the University of California–Davis, found superintendent district experience, previous experience, district enrollment, and a geographic cost measure to be statistically significant determinants of superintendent pay.

## DATA

This study focuses on three factors typically believed to influence employee pay. The first of these, “compensating wage differentials,” is extra pay for a more difficult job. The second, “human capital,” represents extra pay for factors like experience and education. The

third, “merit pay,” refers to the idea that pay linked to performance will raise performance levels.

Data in this study come from three sources: superintendent contracts from 451 of Missouri’s 521 public school districts, five years of superintendent salary data from DESE, and U.S. 2000 Census data, organized by school district. (All contracts collected for this study are available at [tinyurl.com/26e2fvc](http://tinyurl.com/26e2fvc) online.) This data understates total compensation because factors such as annuities and car payments are not reflected in the salary data from DESE. Also, superintendent contracts frequently omit the monetary cost of health and life insurance policies.

The data contain 2,217 observations, which includes observations of 461 unique school districts over a five-year period. Non-traditional districts and districts with a superintendent working part-time or making less than \$40,000 were excluded from the data, which means that rural districts are somewhat underrepresented, and the gap between superintendent pay in urban and rural settings is even larger than it seems.

A logarithmic regression indicates that superintendent salary is highly correlated with district characteristics. District size, measured by enrollment, is the largest factor. Other characteristics found to be statistically significant were the percentage of students receiving free or reduced-priced lunches, the percentage of residents with a college degree, the percentage of non-white residents, whether a district is urban or rural, and whether a district served only grades K–8.

Superintendent pay correlates positively with both the percentage of district residents with a college degree and the percentage of non-white district

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**Comparison of Annuity Payments Awarded to Missouri School Superintendents Among Salary Quartiles, and by Percentage of District Students Eligible for Free or Reduced-Price Lunches**

QUARTILE	NUMBER OF SUPERINTENDENTS RECEIVING ANNUITY PAYMENTS	MEAN FRLPCT	ANNUITY PAYMENTS MEAN	ANNUITY PAYMENTS MINIMUM	ANNUITY PAYMENTS MAXIMUM
1st	2	57.85	\$2,300	\$1,200	\$3,400
2nd	2	58.5	\$1,200	\$1,200	unknown
3rd	7	41.6	\$8,221	\$2,700	\$12,500
4th	22	36.25	\$12,534	\$2,400	\$44,000

\* Mean of *frlpct* for all Missouri school districts, excluding charter and special schools.

residents. The first may be at least partially explained by higher incomes among those with college degrees, while the second may reflect the tendency of urban superintendents to earn more.

A test of whether superintendent pay correlates with academic achievement used scores on Missouri Assessment Program (MAP) mathematics test. Meier and Wilkins found only a weak correlation that was not statistically significant. The method employed here tested whether improved test scores led to a larger increase in salary, and the analysis shows no measurable relationship between changes in superintendent salary and student achievement on the MAP mathematics test.

## CONTRACTS

Superintendent contracts vary greatly in length, but almost all specify duration, responsibilities, salary, benefits, days off, evaluation process, and termination conditions. Contracts allow for an examination of non-salary benefits and the evaluation methods used by school boards. Nearly all included a clause to ensure that a superintendent would never be paid less in the future than the amount awarded in the current contract, but roughly 14 percent were given raises based on their annual evaluations.

Superintendents receive a wide range of non-salary benefits: 23 percent receive a car allowance, 6.2 percent receive a car from the district, and 6.9 percent receive additional monetary compensation, through annuities. According to three superintendents contacted for the study, annuities are used to offset the compensation differences between public school superintendents and the amount that an individual charged with running a similarly sized corporation would be paid. Because superintendent salaries are public information, disguising a portion of compensation as annuity payments could also serve as a means by which school boards and superintendents attempt to avoid a measure of public scrutiny.

## CONCLUSION

Salary is not the only form of compensation that superintendents receive. To find total superintendent compensation, reporters, district residents, and other interested parties must look at each benefit package. Superintendent pay is currently correlated largely with the composition of the school district, but superintendents would have more incentive to implement policies to bring about higher student achievement if their salaries were more closely tied to academic results and school board evaluations. There should be a more open discussion about superintendent compensation, how it is determined, and whether district residents are receiving the sufficient benefits for the costs.

***For more details, please see Show-Me Policy Study no. 24, which is available at [www.showmeinstitute.org](http://www.showmeinstitute.org).***

