

CASBO

CONNECTICUT ASSOCIATION OF SCHOOL BUSINESS OFFICIALS

School Business Administrators ... vital partners in school leadership.

The Connecticut Association of School Business Officials, and the members who comprise it, are dedicated to linking the goals of Boards of Education to the effective management of resources to accomplish quality education.

Certified school business administrators are required to continue their professional education. The majority of administrators hold a Master's Degree as required for the "Professional" level of certification. Similar to other administrators, these are professionals dedicated to the betterment of schools and the education system in the State of Connecticut. Unlike teachers however, certificated school business administrators are not eligible for membership in the Connecticut Teachers' Retirement System (CTRS).

Benefit

The efficient and effective management of district resources is critical; especially with regard to No Child Left Behind requirements. School districts would benefit by allowing them to recruit the "best and brightest" from a larger pool of experienced candidates. Participation in CTRS by school business administrators would enhance the administrators' employment options.

Background

Legislation enacted in 1983 required the State Department of Education (SDE) to adopt regulations for the certification of School Business Administrators (SBAs).

In addition, this legislation specifically excluded persons serving in SBA positions to be eligible for membership in the Connecticut Teachers' Retirement System (CTRS).

As mandated, SDE adopted regulations requiring a person to hold an SBA certificate (Endorsement 085) if the person were employed by a local board of education in a position that is responsible for six (6) or more of the eleven (11) administrative functions delineated by the regulations.

However, an exemption exists if a person is employed in a similar administrative position that performs less than the six of the eleven administrative functions and possesses an Intermediate Administration or Supervision Certificate (Endorsement 092). In this case, the person is eligible for membership in CTRS.

There are approximately 100 SBAs employed in the public schools of Connecticut who are not eligible for membership in CTRS by virtue of their certification status. It is the only certificated position excluded from CTRS membership. Because of this unique situation, a current CTRS member who accepts an SBA position is no longer eligible for continuing CTRS membership. Conversely, a person performing under an SBA endorsement may become eligible for CTRS membership if he/she subsequently performs less than six (6) of the administrative functions and holds Intermediate Administration or Supervision Certificate (Endorsement 092- (IA Certificate))

SBAs are more likely to be employed in small to mid-size school districts where the position is responsible for the majority of administrative functions. Larger school districts with more staff are likely to allocate these duties to various staff for which Intermediate Administration or Supervision Certificate (Endorsement 092) is appropriate and required (Assistant Superintendent for Business, Human Resources Director etc.)

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Rationale for including SBAs in CTRS

- School districts would benefit from having SBAs participate in CTRS because they would no longer be responsible for the payment of Social Security (SS) payroll taxes (6.2% of compensation) for newly-hired SBAs and would not have any obligation for making any CTRS contributions to the plan (CTRS members are excluded from participating in SS). Only 9 out of 84 respondents to a recent CASBO survey indicated they were not paying full SS contributions. Those districts currently offering a pension plan would also see additional savings if the SBA is no longer participating in a district plan (56 out of 84 respondents to a recent CASBO survey were participating in a town-sponsored pension plan).
- School districts will benefit by being able to attract and recruit qualified candidates from other school districts since the benefits under CTRS are portable from district to district.
- The current law is inherently unfair to small to mid-sized school districts that will typically utilize an SBA position rather than an IA position. Districts that employ SBAs generally will have a more difficult time attracting qualified candidates than districts that have positions which are eligible for CTRS.
- Based on data from CTRS's latest actuarial valuation as of 6/30/2004, we estimate the normal cost to the State for the inclusion of SBAs to be approximately \$153,200 in FY 2007-08, representing 0.14422% of the State's total normal cost of \$106,288,463 for that fiscal year. We estimate that the cost of ultimately including all SBAs in CTRS would cost the State 0.5853% of the State's total normal cost based on an assumption of 189 participating SBAs in FY 2019-2020
- The current law, barring SBAs from participation in CTRS, is a deterrent to current members considering a promotional career path change to a position of SBA since they will no longer be eligible for CTRS membership.
- Current certification standards are just as rigorous as those of a teacher/administrator regarding degree requirements and continuing education credits.
- Pension portability is also another factor. Accepting a new position in another school district may lead to the loss of CTRS membership if the new position requires an SBA certificate rather than an IA Certificate.
- Many school districts that employ SBAs and have a pension plan do not provide pension benefits comparable to CTRS and there is generally no portability of pension benefits from district to district.
- Inclusion of SBAs as members of CTRS for those individuals currently serving as SBAs would be voluntary in nature and for which a lifetime election to participate or not participate would be made. Service credit in CTRS would be prospective only with no provision for buying pre-CTRS membership (42 out of 84 respondents to the recent CASBO survey indicated that they were "somewhat likely" or "very likely" to opt for CTRS membership if given the opportunity to do so).
- All newly certified SBAs employed on or after the effective date of the legislation would be required to participate in CTRS.

Conclusion

School Business Administrators inclusion in CTRS would benefit employees and school districts alike.