

A Strategic Plan for Placing the Superintendent Keys on the Desk



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It has been said that every year a Superintendent will make at least ten people upset to an unreasonable level, but the goal is to make sure they do not find each other! However, the social media age had made it easier for them to connect and try to (or succeed in) getting elected to the school board with the idea of making a leadership change. This fact, along with the job getting harder due to the pandemic, have made some people lose the joy for the work they do every day. In either of these scenarios, the realization hits everyone that they cannot be a Superintendent forever.

Whichever scenario has you thinking of tossing the keys on the desk, it is important to know if you need to get out while things are going well, if there is a benefit to hanging on to get that extra year or two of service, or if you can, as it is said, drive the car until the wheels fall off. Each answer may be correct for you depending on your financial plan and the stage of your career.

This is a hard decision to make. There are Superintendents that will share that they got out too early and either they still have the fire for the work or they did not financially plan well enough, but we also hear of the peer who held on too long and did not get the send-off their career deserved. Being honest with yourself is the first step in determining if you need to execute an exit plan.



It is important to take time each year to contemplate “If I had to leave the district this year, what would I do and what is the ideal timeline.” This allows you to consider the ramifications on you, financially, professionally, and personally, and which exit decision is best suited to the situation.

Most Superintendents know a peer that had an exit that was abrupt and may not have been foreseen, but even those can be done properly if the Superintendent understands some of the basic principles of what can and cannot be done when a separation occurs.

The following pages cover things to consider before even discussing an exit with the Board.

Decision Points

If you are voluntarily deciding to retire, the most important factors to consider are if you financially can afford to retire (what kind of retirement you hope to enjoy), what/when is best for the District, what date makes the most sense for you, and when to you the Board. Consider the following questions.

- **Can you financially afford to retire?** A pension is the best thing and worst thing to happen to educators. You will have an income, but many states do not provide a cost of living adjustment to keep up with inflation. If you have not saved enough to fund those escalating expenses or if you have an unrealistic view of what you want to spend in retirement, then you may not be able to retire. Be sure to get a pension estimate well in advance so that you can have a sound review of what kind of income you can expect.
- **When is best for the district?** A consideration is always going to be when is best for the District for there to be a transition in leadership. You likely want the relationships you have built and the results you have achieved to survive your transition, so it is important to think when a change will have the least impact on District operations. There are a number of variables, but aiming for either the end of the school year, end of the summer, or end of the calendar year creates natural transition points for all parties.
- **What date makes sense for you?** Either personal reasons or pension rules can mean that you prefer a certain separation date or you may need to utilize unique strategies to achieve your own goals. Many states have rules dictating when you achieve a full year of service and those do not always align with the natural transition timeframes. That is when you use the days you have accrued over time to reach those key dates, while also being available as needed for the District. Know when is a good last day for you and work from that starting point.



- **What do you want to do once you retire?** Each person's ideal retirement looks different. Some will want to continue working in some way, others want time with the family, and others may want to go start in an entirely different field. If you have done a good job of building relationships with your peers during your career, the moment you announce your retirement you will be called with opportunities. It is important to know what you want to do and how that fits into your overall financial situation.
- **When should you tell the Board?** This is one of the most challenging decisions as once you tell the Board, you are a lame duck and the Board's will to listen to your recommendations begins to decrease rapidly. In that discussion with the Board have an outline of your proposed timeline; including the use of any vacation days you have at your disposal. Other items will be settled after you announce, but having the timeline established will help you manage a quick transition to a potential interim and help the Board begin the search process.

Strategies to Improve Your Pension and Savings

Your contract is your most important financial document while you are working and your separation agreement is the punctuation mark on that statement. It is your last opportunity to enhance your retirement savings and add that last year of service to your pension calculation. If not done properly, then not only have you missed those opportunities but you have also likely created a significant tax situation for yourself by not taking advantage of the different tax deferred plans.

Educators have three different plans that can be utilized to shelter payments of days or potential payouts: a 457(b), 403(b), and 401(a). While these accounts can provide significant amounts of funds to be tax-deferred, it is important to plan ahead to ensure you have the maximum amount of space in these retirement accounts. It is also important to determine if you can utilize unused vacation days to earn an additional year of service credit and allow you to be out of the office sooner so the District can begin moving on. These arrangements typically call for Superintendent-Emeritus title and can be a strategy that works best for the Board and Superintendent.

These strategies though should not be organized rapidly in the heat of the moment, but rather should be thought out well ahead of time with people knowledgeable in these areas so you can make the necessary adjustments in advance so you have the most options available for your retirement.



Succession Planning

Succession planning is a critical component in the private sector that receives a great deal of attention from the governing body of a corporation; however this has not typically been the case in public schools. While it is not a guarantee that the Board will want to look internally for their next Superintendent and it is likely that they will want to at least consider outside candidates, that does not mean that you should not have someone ready to take over if needed.

There has been a trend recently of Boards hiring more internal candidates, making it important to recruit and retain highly competent deputies. If the Board knows early enough that they have an internal candidate that they would like to retain, then Boards are beginning to offer those individuals more sophisticated employment contracts that include annuities, the payment of pension contributions, or other benefits to show their interest in promoting that person when the existing Superintendent retires. Timing of these arrangements is key and should not be communicated as a guarantee of the position, but can be a good tool to help the Superintendent, the Board, and the potential successor have a smooth transition.

The Exit

Once the agreement is finalized, you can then enter the next phase of your life with confidence knowing you utilized every tool to get yourself in the best position. You have earned this time and the ability to focus on things that matter the most to you and your family. The important factor is to plan ahead well in advance and make sure you have definitive answers to the decision points so you can implement the right strategies in your separation agreement to put the exclamation point to the end of an exceptional career.

Never hesitate to seek professional advice when beginning to plan your exit. If you have questions or would like to talk about your situation, schedule a virtual meeting with me using this link: www.tcgservices.com/mmoses.

