

# MEMO

**FROM:** Adam Andrzejewski, CEO/Founder, OpenTheBooks.com  
**DATE:** July 10, 2019  
**RE:** Analysis and calculation of taxpayer cost regarding Broward County Florida School Superintendent Employment Contract – Robert W. Runcie

**DISTRICT:** Broward County Public Schools  
**HIRE DATE:** 10/05/2011  
**INITIAL SALARY:** \$275,000  
**CURRENT AGE:** 58 years old

Current Contract: The original contract was signed on October 4<sup>th</sup>, 2011, and amended two times. The 1<sup>st</sup> Amendment was signed on September 17, 2013. The 2nd amendment was signed on November 7<sup>th</sup>, 2017, and extended the employment contract until June 30, 2023.

Contract Title: Superintendents Employment Agreement  
Term: currently through 2022-2023

Contract is in effect until June 30, 2023, unless the Superintendent and Board meet at least 12 months prior to termination and determine whether both parties desire to enter into a successor agreement.

Note: Contract and sources received by OpenTheBooks.com via the Public Records Act of the Sunshine Law March 1, 2019.

## SALARY SCHEDULE:

Year	Base Salary	Hourly Rate	Source
11/12	\$275,000	\$150.27	Contract Art. 3
12/13	\$275,000*	\$150.27	Contract Art. 3
13/14	\$283,618.00	\$154.98	A
14/15	\$289,858.00	\$158.39	A, B
15/16	\$297,103.98	\$162.35	B, C
16/17	\$314,268.00	\$171.73	B, C
17/18	\$342,370.00	\$187.09	C
18/19	\$349,902.14**	\$191.20	C
19/20	\$357,599.98**	\$195.41	C
20/21	\$365,467.17**	\$199.71	C
21/22	\$373,507.44**	\$204.10	C
22/23	\$381,724.60**	\$208.59	C

\*Assuming no pay raise for duration of this contract

\*\*Assuming a 2.2% annual pay raise each year of this contract, as seen in years past

**TOTAL COST OF PRIOR CONTRACTS (2011-2016): \$1,734,847.98**

**TOTAL COST OF MOST RECENT CONTRACT (2017-2022): \$2,170,571.33**

**TOTAL: \$3,905,419.31**

**FEDERAL MEDICARE & SOCIAL SECURITY CONTRIBUTION**

We confirmed with the Florida pension system that employers pay into federal Medicare and Social Security for school superintendents.

	Year	Base Salary	Hourly Rate	Source	ER Medicare (1.45% no cap)	ER Social Security (6.2% max cap by year)	ER Tax Total	
1								
2	11/12	\$275,000	\$150.27	Contract Art. 3	3,987.50	6,621.60	10,609.10	
3	12/13	\$275,000	\$150.27	Contract Art. 3	3,987.50	6,826.20	10,813.70	
4	13/14	\$283,618.00	\$154.98	A	4,112.46	7,049.40	11,161.86	
5	14/15	\$289,858.00	\$158.39	A, B	4,202.94	7,254.00	11,456.94	
6	15/16	\$297,103.98	\$162.35	B, C	4,308.01	7,347.00	11,655.01	
7	16/17	\$314,268.00	\$171.73	B, C	4,556.89	7,347.00	11,903.89	
8	17/18	\$342,370.00	\$187.09	C	4,964.37	7,886.40	12,850.77	
9	18/19	\$349,902.14	\$191.20	C	5,073.58	7,960.80	13,034.38	
10	19/20	\$357,599.98	\$195.41	C	5,185.20	8,239.80	13,425.00	
11	20/21	\$365,467.17	\$199.71	C	5,299.27	8,445.80	13,745.07	Forecasted Increase 2.2%
12	21/22	\$373,507.44	\$204.10	C	5,415.86	8,656.94	14,072.80	Forecasted Increase 2.2%
13	22/23	\$381,724.60	\$208.59	C	5,535.01	8,873.36	14,408.37	Forecasted Increase 2.2%

**Cost 2011-2016: \$67,600**

**Cost 2017-2023: \$81,536**

**TOTAL: \$149,136**

**WORK YEAR DEFINITION:** (Source D)

1830 Hours, 244 Days, 7.5 Hours per day

**CAR EXPENSES:** (Source Contract Article 3.4)

School Board provides an automobile for his exclusive use, and “shall pay for all expenses or provide any necessary services...including expenses for fuel, oil, insurance, maintenance, and repairs”

Estimated \$7,200 per year

**Cost 2011-2016: \$43,200**

**Cost 2017-2023: \$43,200**

**TOTAL: \$86,400**

**INSURANCE BENEFITS:** (Contract Article: 4)

Board provides Enhanced HMO Health Insurance, Basic Vision Insurance, and Enhanced DHMO Dental Insurance for Superintendent and his family for term of contract. Cost estimated at \$18,000 per year.

**Cost 2011-2016: \$108,000**

**Cost 2017-2022: \$108,000**

**TOTAL: \$216,000**

DISABILITY INSURANCE BENEFIT: (Contract Article: 12 – Disability)

Contract calls for the district to purchase a plan covering 2/3rds of salary income, up to a total of \$17,500. The industry standard premium is 1-3% of annual salary. Therefore, using the mid-point figure of 2%, the annual premiums of the median salary of both terms would total

**Cost 2011-2016:  $5672.36 \times 6 = \$34,034.16$**

**Cost 2017-2022:  $7151.99 \times 6 = \$42,911.94$**

**TOTAL: \$76,946.10**

LIFE INSURANCE POLICY: (Contract Article: 4.5 and Source F)

The district pays three times his current base salary in term life insurance policy. This was increased by \$2,694 in 2017.

**Cost 2011-2016:  $673.5 \times 6 = \$4,041$**

**Cost 2017-2022:  $3,367.50 \times 6 = \$20,205$**

**TOTAL: \$24,246**

RETIREMENT PLANS: (Source F)

In 2017, contract was amended to increase a 403(b) by an additional \$24,000, and a 457(b) by \$24,000.

**Cost 2017-2022:  $\$48,000 \times 6 = \$288,000$**

PAID TIME OFF (PTO):

VACATION and HOLIDAYS: (Contract Article: 6.1 – Vacation Leave Days)

38 days PTO each year, vacation accumulation carried over to the following year. Calculated as follows: Vacation (29 days), holiday (9 state holidays). In the original contract, he was given 24 vacation days, which was increased to 29 with the 1<sup>st</sup> Amendment in 2013.

(Formula: vacation days + holidays x daily pay rate)

Benefit 2011: (33 x \$1,127.03) \$37,200.90

Benefit 2012: (33 x \$1,127.03) \$37,200.90

Benefit 2013: (38 x \$1,162.35) \$44,169.30

Benefit 2014: (38 x \$1,187.93) \$45,141.15

Benefit 2015: (38 x \$1,217.63) \$46,269.75

Benefit 2016: (38 x \$1,287.98) \$48,943.05

Benefit 2017: (38 x \$1,403.18) \$53,320.65

Benefit 2018: (38 x \$1,434.00) \$54,492.00

Benefit 2019: (38 x \$1,456.58) \$55,691.85

Benefit 2020: (38 x \$1,497.83) \$56,917.35

Benefit 2021: (38 x \$1,530.75) \$58,168.50

Benefit 2022: (38 x \$1,564.43) \$59,448.15

**Cost 2011-2016: \$258,925.05**

**Cost 2017-2022: \$338,038.50**

**TOTAL: \$596,963.55**

SICK: (Contract Article: 7.1)

4 days a year, with an addition of 1 each subsequent month, for a total of 16 sick days per year.

(Formula: sick days x daily pay rate)

Benefit 2011: (16 x \$1,127.03) \$18,032.48

Benefit 2012: (16 x \$1,127.03) \$18,032.48

Benefit 2013: (16 x \$1,162.35) \$18,597.60

Benefit 2014: (16 x \$1,187.93) \$19,006.88

Benefit 2015: (16 x \$1,217.63) \$19,482.08

Benefit 2016: (16 x \$1,287.98) \$20,607.68

Benefit 2017: (16 x \$1,403.18) \$22,450.88

Benefit 2018: (16 x \$1,434.00) \$22,944.00

Benefit 2019: (16 x \$1,456.58) \$23,305.28

Benefit 2020: (16 x \$1,497.83) \$23,965.28

Benefit 2021: (16 x \$1,530.75) \$24,492.00

Benefit 2022: (16 x \$1,564.43) \$25,030.88

**Cost 2011-2016: \$113,759.20**

**Cost 2017-2022: \$142,188.32**

**TOTAL: \$255,947.52**

PENSION -- FLORIDA STATE MANAGEMENT SERVICES RETIREMENT SYSTEM

(FSMSRS) (Contract Article 4.3)

Like all other Broward County school employees, Runcie is a member of the Florida Retirement System. Therefore, Runcie contributes 3% and the school contributes 8.47% of base salary. Over the 11—year term of the contract (through 2022-2023), taxpayers will contribute approximately \$330,000. Runcie was vested after eight-years in 2019.

**Cost 2011-2016: (\$1,734,847 base salary X .0847) = \$146,942**

**Cost 2017-2022: (\$2,170,571 base salary X .0847) = \$183,847**

**TOTAL: \$330,789**

CURRENT ACCUMULATED PTO BANKS: (Source: E)

805.15 hours total accumulation (per FOIA disclosure) The break-out is 640.75 accrued sick hours and 164.4 accrued vacation hours.

**TOTAL ESTIMATED COST: 805.15 X \$187.09 = \$150,635.51**

**(not included in total compensation, since it's already counted under PTO benefits)**

MEDICAL EXAM BENEFIT: (Contract Article: 4.2 – Medical Examination)

\$3,500 per year

**Cost 2011-2016: \$21,000**

**Cost 2017-2022: \$21,000**

**TOTAL: \$42,000**

COMMUNICATIONS TECHNOLOGY: (Contract Article: 4.8 and Source G)

The Board bears the cost of information and communications technology. He was compensated \$1,263.12 for his internet services spanning from July 2016 to June 2018. We estimate \$631.56

in communication expenses per year.

**Cost 2011-2016: \$3,789.36**

**Cost 2017-2022: \$3,789.36**

**TOTAL: \$7,578.72**

TRAVEL EXPENSES: (Contract Article 5)

The Board reimburses all reasonable travel expenses, and encourages the superintendent to travel for professional conferences and meetings. Since November 2014, he has accumulated direct travel costs of \$44,231.38. \$1,742 was spent on airlines upgrades like First Class, Even More Space, Even More Speed, and + Seats. He routinely stays in hotels like Marriot, Hilton, and Hyatt, attends retreats in Aspen, Colorado and LA, California, and has rented a Dodge Charger as his “most economical option” rental car.

**COST: \$44,231**

MOVING/TRANSITIONAL EXPENSES: (Contract Article 5.5)

The Board will reimburse the Supt. up to \$20,000 in moving and transitional expenses, including moving, transportation, housing, and travel related expenses.

**COST: \$20,000**

YEARS OF SERVICE PURCHASE: (Contract Article 4.3 amended)

By the year 2021, the Board will contribute \$80,000 to a years of service purchase in his retirement plan.

**COST: \$80,000**

**TOTAL COST 2011-2016: \$2,556,138**

**TOTAL COST 2017-2022: \$3,523,287**

**TOTAL COST OVER THE LIFE OF CONTRACT:**

**\$6,079,425\* \*\***

**DISCLOSURE:**

Our auditors at OpenTheBooks.com calculations are based on district production of superintendent’s contracts, our request for BCPS review of our findings, online posting of state rules regarding public pension agreements, and disclosures from the Florida State Management Services Retirement System (FSMSRS).

\*We estimate that our calculations are accurate within a margin of +-5%.

\*\* Furthermore, our estimate does not account for the employer cost of the Florida unemployment tax or benefit provided (if employer is self-insured); the employee value of “other work” opportunities allowed by contract; the present value of the “professional liability insurance benefit”; “personal days” were not quantified; or for the probability of a full taxpayer buyout of all remaining contract value after a triggering event, i.e. termination without cause. These liabilities could be substantial.