



NEW JERSEY ASSOCIATION OF SCHOOL ADMINISTRATORS

920 West State Street • Trenton, New Jersey 08618-5394
609.599.2900 / Fax: 609.599.1893 website: <http://njasa.net>

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NJASA Statement Re:
New Jersey Association of School Administrators v. Bret Schundler
(A-98) (066789)

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Contacts:

NJASA Appellate Counsel David B. Rubin, Esq. rubinlaw@att.net; O: 732-767-0440

NJASA Director of Communications Anne H. Gallagher agallagher@njasa.net O: 609-599-2900

STATEMENT

Trenton, NJ – Today, the New Jersey Supreme Court issued its decision in *NJASA v. Schundler*. It is important to note, that this case did not rule on the issue of the validity of the State imposing Maximum Salary Amounts or salary caps on superintendents. The regulations imposing the caps did not become effective until February 7, 2011 and were not before the Court. The Court generally upheld the Commissioner of Education’s regulations governing sick leave payouts and payments to deceased members’ estates, but there were some encouraging signs in the Court’s decision:

The Court squarely held that members cannot be denied compensation for sick days accumulated as of the effective date of N.J.S.A. 18A:30-3.5, or thereafter under a contract in effect at that time, even if it exceeds the \$15,000 payout limit for “new” contracts. The Court distinguished between the applicability of N.J.S.A. 18A:30-3.6 and 3.5, noting that N.J.S.A. 18A:30-3.6 only applies to employees hired after its effective date.

The Court left for another day the question of whether automatic renewal resulting from failure to give timely notice of non-renewal is a “new” contract for purposes of N.J.S.A. 18A:17-20.1, and how that interplays with N.J.A.C. 6A: 23A- 3.1.

The Court also left open the question of whether the term “compensation” in the tenure statutes means only salary, or includes the entire package of economic benefits.

The Court did rule that the Legislature can prospectively impact the terms and conditions of employment of public employees, but in so doing cannot infringe on constitutional rights or existing contract rights. In other words legislative changes cannot be imposed retroactively on existing contracts.

Since the Court’s decision was limited to interpreting the meaning of statutes adopted by the Legislature, we will continue to work with the Legislature to clarify these matters in the best interests of our membership.