

CLARK COUNTY ASSOCIATION OF SCHOOL ADMINISTRATORS AND PROFESSIONAL-TECHNICAL EMPLOYEES

4055 South Spencer St., Suite 230 • Las Vegas, NV 89119

Stephen Augspurger, Executive DirectorOffice (702)796-9602 • Fax 1-702-447-6886 • Cell (702)279-0745
E-mail stephen.augspurger@ccasa.net

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VIA ELECTRONIC MAIL

Dear Clark County School District Trustees:

RE: Skorkowsky Hitches His Retirement Wagon to the Administrators' Arbitration Award

Predictably, the Clark County School District (CCSD) Trustees continue to ignore the letters from the Clark County Association of School Administrators and Professional-technical Employees (CCASAPE). CCASAPE, speaking on behalf of its member administrators, has previously corresponded with the Trustees on three separate occasions during the month of September 2017 (September 5, 13, and 20). Each letter documents significant budget mismanagement and a host of serious performance issues on the part of Superintendent, Pat Skorkowsky. Each letter speaks to the breach in trust that has grown to the point of being palpable. Not once, however, has the President of the Board of School Trustees, Deanna Wright, responded to the very serious concerns contained in these letters. Not once has President Wright reached out to the CCASAPE Executive Director to open the line of communication. Not once has Trustee Wright communicated an alternative view of the budget deficit issue nor has she disagreed with the facts presented in the CCASAPE letters. It is as if the Trustees have created their own reality, significantly disconnected from the view held by others, both inside and outside of the District. It is clear that the Trustees, led by President Wright, want to ignore the very real problem which they will ultimately be required to confront, but have thus far failed to publicly acknowledge, hoping all the time that the "negative noise" will go away; or at least the "armchair quarterback" and "outside critics" will disappear.

In the midst of a \$70 to \$80 million budget deficit, one that Superintendent Skorkowsky has admitted culpability for, the Superintendent, who has announced his retirement for June, 2018, received a Trustee-approved salary increase of thousands of dollars. This salary increase went into effect during the month of September 2017, a full two months after Superintendent Skorkowsky first revealed the multimillion dollar budget deficit to the Trustees and just days before he announced his retirement. Obviously, a budget deficit of this magnitude did not serve as a disincentive for the Superintendent to take his pay increase.

On Tuesday, September 26, 2017, Amelia Pak-Harvey, writing for the Las Vegas Review-Journal, revealed the Superintendent's base salary and benefit costs for the past three school years. It is important to know that the Trustee-approved salary increase for Superintendent Skorkowsky was directly related to and entirely dependent upon the salary increase awarded to District administrators by the arbitrator on May 26, 2017.

As such, this disturbing revelation raises a number of questions.

How did Superintendent Skorkowsky manage to benefit himself financially when the District was in the throes of a financial crisis? In an analysis of the Superintendent's salary information, as provided to the Review-Journal by the CCSD, CCASAPE has determined that the Superintendent received exactly the same raises/salary percentage increases and retroactive pay that all other rank and file administrators received as the result of the arbitrator's award. While the Superintendent was "lying awake at night worrying"

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about the impact of the budget crisis, he was also quietly working with the Trustees to increase his salary by thousands of dollars annually and padding his PERS retirement by thousands of dollars per year.

The CCASAPE analysis of the Superintendent's salary increase reveals the following:

Salary Enhancement

- 1. In 2015-2016, Superintendent Skorkowsky was paid an annual salary of \$264,247. With the implementation of the arbitrated salary settlement for administrators, for the 2015-2016 contract year, the Superintendent's salary increased to \$272,599. Therefore, the retroactive pay received by the Superintendent for 2015-2016 is \$8,352 (\$272,599 \$264,247).
- 2. In 2016-2017, Superintendent Skorkowsky was paid an annual salary of \$264,247. With the implementation of the arbitrated salary settlement for administrators, for the 2016-2017 contract year, the Superintendent's salary increased to \$280,777. Therefore, the retroactive pay received by the Superintendent for 2016-2017 is \$16,530 (\$280,777 \$264,247).
- 3. The combined total of retroactive pay received by the Superintendent as a result of the arbitrated salary settlement for administrators is \$24,882 (\$8,352 + \$16,530). The Superintendent's percentage of retroactive pay was identical to the percentage that all administrators received through the arbitrator's award.
- 4. Additionally, instead of earning his pre-arbitration salary of \$264,247 for 2017-2018, the Superintendent will receive an increased salary in the amount of \$280,777, a difference of \$16,530 for the year.

PERS Enhancement

- 1. Because the Superintendent's retirement benefit will be based on his highest 36 consecutive months of earnings, it is opportune that he received a salary increase in each of the three (3) years prior to his June 30, 2018 retirement.
- 2. As a result of receiving a combined \$41,412 in salary increases over the last three (3) years, the Superintendent's monthly retirement benefit will increase from approximately \$18,567 to \$19,464, an increase that is nearly \$900 per month higher than it would have been without the salary increases he received as a result of the arbitrated salary settlement for administrators.

While the optic associated with the salary and PERS enhancements is terrible, it is quite the financial deal for the Superintendent.

Why would the Superintendent's salary increase be tied to the CCASAPE arbitration? The answer to this question is simple. President Wright and the Trustees approved it. Mr. Skorkowsky's employment contract with the Board of School Trustees stipulates, "On the anniversary of the commencement date of this Agreement, Mr. Skorkowsky shall receive an increase in compensation equal to the cost of living adjustment, if any, given to members of the Clark County Association of School Administrators and Professional [sic] Employees (CCASAPE) in the calendar year in which the anniversary falls."

Stunning! Rather than negotiating a contract where salary increases are based on merit and accomplishment, the Superintendent loses an arbitration and as a result, pockets thousands of dollars in additional income and retirement benefits. CCASAPE finds it disturbing and troublesome that the Superintendent's salary is tied to the exact same salary adjustments that are negotiated for rank and file administrators, or as in the current case, his salary is tied to the exact same raises/salary percentage increases that were awarded by the arbitrator. The District may have lost the arbitration, but Superintendent Pat Skorkowsky was a winner.

Why was the arbitrator not impressed with the District's presentation during the arbitration hearing? It was made abundantly clear by the arbitrator that the Superintendent and his outside legal team never once made the case that the District could not afford to pay. Never once did the Superintendent and his outside counsel put forward a compelling argument in defense of the District that if the arbitrator ruled in favor of the union that the District's ability to provide an education for its students would be significantly compromised. The Superintendent and his outside counsel did shoddy work. The arbitrator saw it and ruled accordingly. The arbitrator's award repeatedly includes statements like those illustrated below:

- "First, the evidence established the District has the financial ability to pay the Association's requested monetary increases." (The CCASAPE arbitration award was less than ½ of one percent of the District's \$4.6 billion general fund budget for the 2015-2017 school years.)
- "The arbitrator concluded there was no compelling evidence offered by the District to indicate otherwise."
- "There was no compelling evidence indicating that the District would be unable to fulfill its obligation to educate children."
- "The evidence established the Trustees did not reject the Association's proposal based on a lack of ability to pay, but instead, did so as a matter of financial priorities."
- "The District offered no evidence that it has been required to implement staff layoffs, increase class sizes, or eliminate education programs, nor did it offer evidence that, if the Association's final offer were accepted, implementing any of the above curtailment measures would become necessary."

Assuredly, Superintendent Skorkowsky did not purposely set about to lose the arbitration. However, as documented in the arbitrator's award, he and his outside legal team failed to establish and put forth a compelling defense of the District's position. The Superintendent has characterized collective bargaining as a "broken system." What has happened here is not a collective bargaining problem...this is a Pat Skorkowsky problem. The District lost the arbitration, yet the Superintendent is the beneficiary with thousands of dollars in additional income and a staggeringly-high retirement benefit.

Why isn't there an appropriate firewall to ensure that the Superintendent's salary is not tied to nor dependent upon the collective bargaining organization with which he directly negotiated? Why haven't steps been taken by the Trustees to ensure that even the appearance of wrong doing is avoided? President Wright and her fellow Trustees obviously know that a firewall is necessary and that the appearance of collusion is to be avoided at all costs, because on August 10, 2017, the Board of School Trustees approved significant revisions they made to District Policy 4260 regarding confidential employees. Confidential employees are "at will" employees who work directly for Superintendent Skorkowsky and who are involved in the decision-making of collective bargaining. To avoid the appearance of wrong doing, the Board of School Trustees wisely established a policy that precludes high-ranking, confidential administrators, who are responsible for negotiating directly with CCASAPE, from receiving a salary increase tied to the salary increase that is negotiated with rank and file administrators. The revisions approved by the Trustees established that confidential employees under NRS 288.170, "who are designated by the superintendent and approved by the Board of School Trustees who are not covered by collective bargaining agreements, shall receive similar employment rights, entitlements, and benefits, with the exception of salary increases [emphasis added], and shall be subject to similar terms and conditions of employment as required of members of the appropriate bargaining unit organizing similarly situated employees, except as modified in a Confidential Employment Contract with the District."

Obviously, in this instance, what is good for the confidential employees is not good for Superintendent Skorkowsky. This revised policy did not apply to the Superintendent, with Trustee approval of course. But,

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the Superintendent took his money even when the revised Policy 4260 will not allow his immediate subordinates to do the same thing...the perfect example of a double standard.

What does the Superintendent say about why he is in this mess? Since first revealing the budget deficit in early July, the Superintendent has stated publicly, "I lay awake at night worrying about the individuals who are going to lose their jobs." The Superintendent has apologized multiple times for not seeing the deficit earlier. He has admitted his culpability for the ever-growing budget deficit numbers. He has blamed the arbitration award received by the administrators and has characterized collective bargaining as "a broken system." He has blamed his critics, both within and outside of the District. He has blamed the allocation of the marijuana tax at a recent meeting with the Chamber of Commerce. The Superintendent has even said that he is underpaid when it comes to other superintendents in large school districts.

How have others reacted? The CCSD budget deficit has captured state-wide attention as Governor Sandoval was recently quoted as saying, "...there needs to be some in-depth analysis to what the root cause is of the CCSD budget..." With respect to Superintendent Skorkowsky's budget mismanagement, the State Superintendent of Public Instruction, Dr. Steve Canavero expressed, "It is important to obtain some answers about the reasons for the deficit." Additionally, in response to the District's budget crisis, the Clark County Education Association (CCEA) has called for the removal of Superintendent Skorkowsky and the immediate appointment of an interim superintendent. Budget mismanagement has been a pervasive theme in each of the three CCASAPE letters you have received. CCASAPE points out that the Superintendent has spoken critically and assigned blame to the administrators' arbitration and to "the broken collective bargaining system." Yet, at the same time he assigns blame, he gains a financial windfall from a system which he ironically has criticized.

As unbelievable as all of this may sound, the Superintendent took his Trustee-approved salary increase and retroactive salary payments in the midst of the current CCSD budget crisis. Is it any wonder that there is an issue of trust? He took his salary increase and back pay while the Board approved over \$57 million in budget cuts, including the elimination of 272 positions. He took his Trustee-approved salary increase and retroactive salary payments as hundreds of District employees were being notified that they were subject to a reduction-in-force, with the very real potential to lose their employment and their livelihood. He took his money when his District, his employer of 30 years, was financially crumbling around him. And finally, he took his money with the full understanding that his projected PERS retirement income would be increased by an additional \$900 per month, for a total monthly retirement benefit of \$19,464, for as long as he lives.

So, what is the purpose of this letter? President Wright, this fourth CCASAPE letter has been written to bring to your attention, as well as to the attention of the other Trustees who remain in support of the Superintendent, the inappropriate and unacceptable manner and timing of the Superintendent's salary increase and retirement income enhancement.

This letter, as well as previous CCASAPE letters, has made a substantive case for how the Superintendent's representation of the District's position during the arbitration with administrators lacked effort. CCASAPE has provided undisputed facts revealing how the Superintendent has mismanaged the CCSD's multi-billion dollar general fund budget. And now, CCASAPE has revealed how the Superintendent has enhanced his own financial condition as well as his future financial status as a retiree, and he did so in a manner that was in complete disregard for the financial condition of the District and in complete disregard for the hundreds of employees who will be negatively impacted by budget cuts. The Trustees have been complicit in his actions by failing to hold him accountable and by irresponsibly approving an employment contract that allowed these extraordinary salary enhancements to be implemented in a manner unrelated to his performance as the Superintendent and directly tied to the bargaining group representing administrators.

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As Trustees, you have sufficient reason to remove this Superintendent from office. This Superintendent no longer has the trust of this community that is so essential. These ongoing distractions related to his decision-making and performance are so significant that he can no longer serve in the position successfully.

Trustee Wright, we ask again that you take the necessary steps to immediately appoint an interim superintendent who will restore confidence in the critical position of superintendent and who will lead the Clark County School District through this significant budget crisis. The decision on how you move forward is yours, along with your fellow Trustees.

Respectfully,

Stephen Augspurger, Executive Director

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Clark County Association of School Administrators

and Professional-technical Employees

c: CCASAPE Representative Council

CCSD Administrators

Superintendent Skorkowsky

Senator Michael Roberson, Chair, Advisory Committee Overseeing the Reorganization of CCSD

Steve Canavero, State Superintendent of Public Instruction

Elaine Wynn, Chairperson, State Board of Education

Las Vegas Review-Journal

Las Vegas Sun

The Nevada Independent