



Board Agenda Item #	III D- Action Item
Date:	May 27, 2020
To:	Board of Directors
From:	Alfredo Rubalcava, CEO
Staff Lead:	Suat Acar, COO
RE:	Modification to Pay for Home Office Employees Due to COVID-19

Proposed Board Motion

Approve Board Resolution # 20200527-03 to temporarily suspend pay increases for exempt and nonexempt Home Office employees as a cost saving measure in response to COVID-19.

Background

As the newly adopted Pay Raise Scale reflects an increase in cost for Magnolia Public Schools (“MPS”), and as MPS has experienced increased costs/decreased revenue related to COVID-19, including: costs associated with transitioning students and staff to providing/receiving high quality distance learning, anticipated declines in state and local funding and a corresponding decline in revenue, MPS will experience a significant and untenable budgetary impact if cost savings are not realized elsewhere.

As employee compensations represents a significant portion of the MPS budget and MPS has always sought to provide competitive compensation for the retention of qualified staff, the portion of the budget earmarked for employee compensation presents an option for cost savings by way of a salary freeze.

The following modifications to exempt and nonexempt Home Office employee’s wages and salaries are recommended:

1. Increases in salaries and wages are paused for the 2020-2021 work year, pinning salaries and wages to the amounts provided in the 2019-2020 work year; and
2. Increases in salary or wages based on an employee performance rating of “effective,” “highly effective,” or based on any other rating or performance metric, are suspended for the 2020-2021 work year; and
3. Suspension of cost of living adjustments (COLA) to pay; and
4. The modifications in the Resolution are intended to pin compensation at the levels

in 2019-2020, except that no exempt employee shall receive less than the minimum rate applicable for exempt employee employment, and no nonexempt employee shall receive less than the applicable state and local minimum wage.

Budget Implications

All Magnolia Public Schools and home office budgets will be impacted by these corresponding actions. More details are forthcoming in the MPS 2020-21 consolidated budget.

Exhibits (attachments):

Resolution # 20200527-03



Magnolia Public Schools Board of Directors
Resolution No. 20200527-03
CONCERNING MODIFICATIONS TO HOME OFFICE
NONEXEMPT AND EXEMPT EMPLOYEE PAY FOR THE
2020-2021 WORK YEAR IN RESPONSE TO COVID-19

WHEREAS, Magnolia Public Schools Board of Directors operates the following schools (collectively “Magnolia Public Schools”):

- Magnolia Science Academy 1 – Reseda
- Magnolia Science Academy 2 – Valley
- Magnolia Science Academy 3 – Carson
- Magnolia Science Academy 4 – Venice
- Magnolia Science Academy 5 – Los Lobos
- Magnolia Science Academy 6 – Palms
- Magnolia Science Academy 7 – Northridge
- Magnolia Science Academy 8 – Bell
- Magnolia Science Academy – Santa Ana
- Magnolia Science Academy – San Diego

WHEREAS, on March 4, 2020 the Governor of the State of California declared an emergency statewide relating to the coronavirus pandemic (“COVID-19”) and has directed state agencies to provide updated and specific guidance to schools; and

WHEREAS, on March 13, 2020, the Governor of the State of California issued Executive Order N-26-20 directing the closure of physical school sites and campuses; and

WHEREAS, Magnolia Public Schools closed its on-site campus locations to reduce the risk of illness to students, staff, and other stakeholders on March 13, 2020; and

WHEREAS, Magnolia Public Schools has expended substantial funds to provide students with high quality distance education and to transition the school sites to operate programs and manage staff remotely in response to COVID-19; and

WHEREAS, the Los Angeles County Office of Education has estimated that Magnolia Public Schools and other schools within the jurisdiction of the county will experience a loss of funding/revenue for the 2020-2021 work year.

NOW THEREFORE BE IT RESOLVED THAT THE Board of Directors of Magnolia Public Schools adopts the following revisions to Home Office employee pay as follows:

1. Increases to Home Office employee salaries and wages are suspended for the 2020-2021 work year. Employees continuing in the same position will be paid according to the applicable hourly wage rates or salary for the position as of the date of execution of this Resolution. Employees in different positions and new employees will be paid according to the hourly wage rate or salary the employee would have been entitled to in the 2019-2020 work year for the same work.
2. Home Office employees shall not be eligible for pay increases for the 2020-2021 work year based on their performance rating as “effective” or “highly effective,” or any other performance rating in the work year or prior work year.
3. A cost of living adjustment shall not be made for the 2020-2021 work year.
4. Except where an exempt Home Office employee experiences a change in duties or is in non-work status, the applicable salary available for the work year shall not be less than the applicable salary for the 2019-2020 work year due to the modifications imposed by this Resolution. This shall not impact other/non-Resolution considerations affecting pay, such as the length of employment, changes in work assignments and duties, and employee leaves.
5. No exempt employee shall be paid less than the applicable minimum salary for exempt employee employment in California, and no nonexempt employee shall be paid less than the applicable state and local minimum wage. Magnolia Public Schools shall adjust compensation as appropriate to ensure it is lawfully compliant with applicable minimum wage or salary standards.

PASSED AND ADOPTED by the Board of Directors of the Magnolia Public Schools on this 27 day of May 2020.

AYES:

NOES:

ABSTAIN:

ABSENT:

Secretary
Magnolia Public Schools