



MAGNOLIA PUBLIC SCHOOLS

Board Of Directors

Board Agenda Item #	II C
Date:	May 12, 2016
To:	Board of Directors
From:	Terri Boatman, Director of Human Resource
Staff Lead:	Terri Boatman, Director of Human Resource
RE:	Non-Certificated/Admin/Special Instruction Roles Pay Bands

Proposed Board Recommendation

I move that the board approve the new compensation model for Non-Certificated, Administration, and Special Instruction school employee pay rates.

Background

One of the most basic functions of management is to establish a compensation scheme that is competitive and equitable and that promotes employee engagement and high performance. A well-designed compensation philosophy supports the organization's strategic plan and initiatives, business goals, competitive outlook, operating objectives, and compensation and total reward strategies.

Currently, the process for establishing an individual's salary has been base in qualifications criteria which may or may not be required for the position and that continue to lag with other school districts and CMO's. The pay sheet identifies compensation components based on a variety of variables including degree, credential, years of experience, time with Magnolia and extra duty. In theory, a member of the non-certificated team may not have a credential, and the degree should be a consideration in the offer process, but not necessarily be a variable in compensation decisions, as years of experience may off set formal learning. The advantages to this processes have been to establish more consistent salary levels at each site based on criteria.

However, this process is no longer effectively yielding candidates who are qualified and for retaining our highly effective staff because we continue to lag against districts and other CMO's.

Therefore, we are recommending a new system that addresses these concerns. For recruiting and retention purposes, we recommend establishing salary ranges and pay bands of compensation for certain school level positions. Salary range is the range of pay that has been established to be paid to employees performing a particular job or function. Salary range generally has a minimum pay rate, a maximum pay rate, and a series of mid-range opportunities for pay increases. The salary range was determined by market pay rates, established through market pay studies, for



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people doing similar work in similar industries in the same region of the country. Pay rates and salary ranges are also set up by individual employers and recognize the level of education, knowledge, skill, and experience needed to perform each job. The salary range demonstrates the interrelationships of the jobs utilized by an employer. The salary range reflects our needs such as the overlap in salary ranges that will allow career development and pay increases without promotion at each level and the percentage of increase the organization will offer an employee for a promotion.

In addition, we face recruiting competition from other non-profits, CMO's and for public schools. An analysis of school roles shows that Magnolia's current compensation scale lags in comparison to other school districts and charter schools in Southern CA.

The minimum for most salary bands mirror impending changes to the California minimum wage law which was signed by the Governor this week which will increase the State minimum wage to \$15.00 an hour which has already been approved by the City of LA.

Currently salary ranges for positions are as follows:

Position	Minimum Salary	Median Salary	Max
Dean	\$62000	\$68000	\$85000
Principal	\$85000	\$92000	\$97440
SPED Teacher	\$54000	\$59000	\$64000
TA	\$12.00		\$15.00
Custodians	\$10.00	\$12.93	\$14.76
School Psychologist	\$54,300	\$54,300	\$54,300
Office Manager	\$14.48	\$18.29	\$22.40
Office Clerk	\$9.62	\$14.52	\$17.00
IT Personnel	\$10.00	\$14.00	\$22.00
School Aides/Security	\$10.00	\$14.00	\$22.00



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New Salary Ranges:

Position	Minimum Salary	Median Salary	Max
Dean	\$70,000	\$82,000	\$94,000
Principal	\$90,000	\$102,000	\$114,000
SPED Teacher	\$58,000	\$70,000	\$82,000
TA	\$15.00	\$20.77	\$26.53
Custodians	\$15.00	\$20.77	\$26.53
School Psychologist	\$58,000	\$70,000	\$82,000
Office Manager	\$18.00	\$23.75	\$29.53
Office Clerk	\$15.00	\$20.77	\$26.53
IT Personnel	\$15.00	\$20.77	\$26.53
Security Aides	\$15.00	\$20.77	\$26.53

Budget Implications

Our analysis of the 2016-2017 budget allowed for a 2% increase in salaries. The guidance of the application of the new pay bands for admin, non-certificated and special instruction roles will not exceed 2% of total salaries.

Our proposal is to raise the base salaries of anyone to the minimum. The % increase based on the means would be:

Position	% increase from Mean
Dean	2.94%
Principal	5.88%
SPED Teacher	7.04%
TA	
Custodians	16.01%
School Psychologist	7.04%
Office Manager	0
Office Clerk	3.30%
IT Personnel	7.14%
School Aides/Security	7.14%



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The overall total impact to the school budget would remain at 2% since these adjustments affect a smaller population of employees and the majority of the employees are already within the bands and will receive a 2% increase.

Name of Staff Originator:

Attachments

Compensation Overview
New Salary Scale for School Positions
New budget

Non-Certificated/Admin and Special Instructional Roles School Salary Bands

Position	Min		Mid		Max	
Deans of Academics, Culture and Students		\$ 70,000.00		\$ 82,000.00		\$ 94,000.00
Principals		\$ 90,000.00		\$ 102,000.00		\$ 114,000.00
SPED Teachers		\$ 58,000.00		\$ 70,000.00		\$ 82,000.00
School Psychologiss		\$ 58,000.00		\$ 70,000.00		\$ 82,000.00
School Librarian		\$ 54,000.00		\$ 66,000.00		\$ 78,000.00
Office managers	\$ 18.00	\$ 37,440.00	\$ 23.76	\$ 49,440.00	\$ 29.53	\$ 61,440.00
Administrative Assistants	\$ 16.00	\$ 33,280.00	\$ 21.77	\$ 45,280.00	\$ 27.53	\$ 57,280.00
Office Clerks	\$ 15.00	\$ 31,200.00	\$ 20.77	\$ 43,200.00	\$ 26.53	\$ 55,200.00
School Aides	\$ 15.00	\$ 31,200.00	\$ 20.77	\$ 43,200.00	\$ 26.53	\$ 55,200.00
Security Clerks	\$ 15.00	\$ 31,200.00	\$ 20.77	\$ 43,200.00	\$ 26.53	\$ 55,200.00
IT Support	\$ 15.00	\$ 31,200.00	\$ 20.77	\$ 43,200.00	\$ 26.53	\$ 55,200.00
TA's	\$ 15.00	\$ 31,200.00	\$ 20.77	\$ 43,200.00	\$ 26.53	\$ 55,200.00
Custodians	\$ 15.00	\$ 31,200.00	\$ 20.77	\$ 43,200.00	\$ 26.53	\$ 55,200.00
ASES Coaches	\$ 10.00	\$ 20,800.00	\$ 15.76	\$ 32,800.00	\$ 21.53	\$ 44,800.00

Non-Certificated/Admin/Special Instruction Roles Salary Scale

Business Case

One of the most basic functions of management is to establish a compensation scheme that is competitive and equitable and that promotes employee engagement and high performance. A well-designed compensation philosophy supports the organization's strategic plan and initiatives, business goals, competitive outlook, operating objectives, and compensation and total reward strategies. As such, most compensation philosophies define the following basic tenets:

- To identify what the organization's pay programs and total reward strategies are.
- To identify how the pay programs and strategies support the organization's business strategy, competitive outlook, operating objectives and human capital needs.
- To attract people to join the organization.
- To motivate employees to perform at the best of their competencies, abilities and skill sets.
- To retain key talent and reward high-performing employees.
- To define the competitive market position of the organization in relation to base pay, incentive compensation and benefits opportunities.
- To define how the organization plans to pay and reward competitively, based on business conditions, competition and ability to pay.

A strong compensation philosophy is typically tied to an organization's mission, core business, operating strategies and competitive outlook. Some important questions discussed as a leadership team in developing our compensation philosophy follow:

- Does the organization wish to lead, lag or meet the market in terms of compensation and total rewards? How does this decision vary by position type?
- Is the organization currently leading, lagging or meeting the market? Why?
- Where is the organization positioned in terms of market competitiveness?
- What is the organization's mix of base pay, variable and incentive pay, working conditions and benefits offerings?
- How are pay and total rewards distributed?
- Do employees value the organization's programs, including pay, health care benefits, retirement and savings benefits, vacation and paid time off, incentives, and profit sharing?
- What are the strengths and weaknesses of the organization's current compensation and total rewards programs?

- Is the organization able to attract, hire and retain the resources it needs to be competitive and operationally effective?
- Does the organization have any potential constraints in executing a unified and consistent compensation philosophy, such as legal, union and non-union issues, internal and external labor markets, or special contracts?
- How long do employees stay with the organization?
- What is the turnover rate at the organization?
- Why do employees leave the organization? Where are they going?
- What are the organization's career development and promotion policies and strategies?
- What is the organization's labor mix?
- Who are the organization's main competitors?

Current State:

Currently Magnolia non-Certificated/admin salaries are based on the components of the pay sheet. The pay sheet identifies compensation components based on a variety of variables including degree, credential, years of experience, time with Magnolia and extra duty. In theory, a member of the school's administrative team may not have a credential, and the degree should be a consideration in the offer process, but not necessarily be a variable in compensation decisions, as years of experience may off set formal learning.

In addition, we face recruiting competition from other non-profits, CMO's and for profit businesses. An analysis of school and administrative roles shows that Magnolia's current compensation scale lags in comparison to other CMO's and public school systems in Southern CA.

Recommendation:

For recruiting and retention purposes, we recommend establishing salary ranges and pay bands to non-certificated/Admin positions versus applying compensation per the pay sheets.

Salary range is the range of pay that has been established to be paid to employees performing a particular job or function. Salary range generally has a minimum pay rate, a maximum pay rate, and a series of mid-range opportunities for pay increases. The salary range was determined by market pay rates, established through market pay studies, for people doing similar work in similar industries in the same region of the country.

Pay rates and salary ranges are also set up by individual employers and recognize the level of education, knowledge, skill, and experience needed to perform each job. The salary range demonstrates the interrelationships of the jobs utilized by an employer. The salary range reflects our needs such as the overlap in salary ranges that will allow career development and pay

increases without promotion at each level and the percentage of increase the organization will offer an employee for a promotion.

The salary range for executive-level positions is normally the largest; the salary range for lower-level positions is normally the narrowest.

Salary range is also affected by additional demographic and market factors. The number of people available to perform a specific job in the employer's region, competition for employees with the needed skills and education, and the availability of jobs, in general help employers set the salary range for a particular job.

Process:

Building a market and performance based pay structure encompassed the following steps.

Steps	Activities																		
Gathering background information	Job Analysis, Job Description, and Department Identification																		
Determining source of external data	Utilized external comp data from Towers Watson, Salaries.com, Edjoin and other CMO's.																		
Conduct market data analysis	Completed using sources listed above.																		
Identify Non-Certificated/Admin Roles	<table border="0" style="width: 100%;"> <tr> <td style="width: 50%;">Deans</td> <td style="width: 50%;">SPED Teachers</td> </tr> <tr> <td>Principals</td> <td>School Psychologists</td> </tr> <tr> <td>Office Managers</td> <td>Librarians</td> </tr> <tr> <td>Administrative Assistants</td> <td></td> </tr> <tr> <td>Teaching Assistants</td> <td></td> </tr> <tr> <td>School Aides</td> <td></td> </tr> <tr> <td>IT Support</td> <td></td> </tr> <tr> <td>ASES Coaches</td> <td></td> </tr> <tr> <td>Other roles</td> <td></td> </tr> </table>	Deans	SPED Teachers	Principals	School Psychologists	Office Managers	Librarians	Administrative Assistants		Teaching Assistants		School Aides		IT Support		ASES Coaches		Other roles	
Deans	SPED Teachers																		
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Administrative Assistants																			
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School Aides																			
IT Support																			
ASES Coaches																			
Other roles																			
Implement and evaluate the new pay structure	New contracts will be issues after approval from Board																		

Potential Concerns:

- Compression and equity: we may want to consider adjustments that address undesired compression, such as closeness in pay rates, between employees.
- Length of Service: We may consider adjusting pay rates to reflect length of service, experience or performance. In these situations, employees' pay rates may be increased a certain percentage above the range minimum for each year of service or higher level of performance. Employees with pay rates higher than the recommended adjusted rate would receive no increase; employees with pay rates lower than the recommended adjusted rate would receive an adjustment. For example, organizations that want to recognize years of service might increase each employee's pay 3 percent for each year of service in the position, up to 10 years.
- New Employees: Pay rates for new employees are set at the minimum of the range. Any exceptions must be approved by the CEO, COO and/or CFO and must be documented.
- Annual Increases: Annual increases will be tied to the annual performance ratings. Employees who rate a "meets expectation" would receive the budgeted increase amount whereas an employee who rates above average would be eligible to receive a higher percentage increase.

Summary:

We believe that moving toward salary banding and salary scale based on the external market will drive employee engagement and help Magnolia attract top talent for all functions.

Upon approval, we will extend new contracts to employees which will reflect their new rates.

Our strategy for implementation:

- Raise all salaries to the min for each band and job title.
- Additional increases may be given based on Regional Director approval and the school's salary budget.
- We will make adjustments for equity if an employee in the department has a pay rate that is lagging behind peers. Adjustments will be based on years of service and performance.