



2018-19 COMPENSATION INCREASE PROPOSAL OVERVIEW

***PREPARED FOR THE PERSONNEL COMMITTEE
MEETING ON FEBRUARY 21, 2018***





OVERVIEW SUMMARY

Staff prepared an analysis of potential school site staff salary increases based on anticipated increased revenues from the state and assuming (for the analysis) no increase in the number of students we serve (because new students also come with new costs). This provided an “apples-to-apples” comparison of current to projected financials.

Assumptions:

- New ongoing revenues of \$2,479,704 and one time revenues of \$559,508
- STRS increase from 14.4% to 16.3% of salary expense (rising to 19.1% by 2020-21)
- PERS increase from 15.5% to 18.1% of salary expense (rising to 25.0% by 2020-21)
- Health and Welfare increase of up to 10.5% above 2017-18 rates
- Principal driven expected non-personnel increases in expenses (unique to each school)
- Maintaining CMO fees at current levels (although we are doing a separate analysis of potential CMO fee calculations that would be more closely targeted to school size/needs)

Based on these assumptions, Magnolia as a whole can afford a salary increase for teachers, administrators, and other staff of approximately 5 to 8% on average, but in some cases as high as 11.67% in schools with current low base salaries.

PROPOSED NEW INCREASES



	Average % Salary Increase	Average Increase	Total Cost Including Benefits
Teachers	8.27%	\$4,685	\$999,260
Administrators	6.75%	\$5,481	\$224,292
Other	5.40%	Budgeted Pool	\$342,624
Total Cost of Increases			\$1,566,576

MPS average teachers' salaries (excluding special duties and performance pay) goes up from \$56,648 to \$61,333.

(See David's detailed sheets.)

- Raises all base salaries to \$46,600
- Increases non-MPS experience pay from \$500 to \$750 per year
- Provides annual lump sum performance bonus of \$2,000 to \$4,000 for high performers
- Realigns administrators' compensation to the salary scale
- Creates a pool of 5.4% to provide increases to other staff



OVERALL AFFORDABILITY

Our current projection shows that we will need to find other cuts to make this work, but principals and C-Team leaders are confident we will be successful in prioritizing the well-being of our team members and get this done.

(Please refer to next spreadsheet, provided in Excel also.)

MPS P1	\$M
Revenue	\$52.9
Expenses	\$51.2
Net Op Income	\$1.7
+ New Rev.	\$3.0
- New Exp.	\$1.7
- Comp. Increases	\$1.6
Net	(\$0.3)
Net % of Current Exp.	Less than 1%

OPERATIONAL CASE



1st Interim 2017-18
Board Approved - November 2017

	MSA-1	MSA-2	MSA-3	MSA-4	MSA-5	MSA-6	MSA-7	MSA-8	MSA-SA	MSA-SD	MERF
Total ADA	524	447	436	171	200	159	274	472	708	391	
Revenue											
LCFF Entitlement	5,484,674	4,574,891	4,481,571	1,731,925	1,929,828	1,476,568	2,628,620	4,594,558	6,751,562	2,969,208	-
Federal Revenue	1,135,781	514,733	516,116	234,372	247,827	175,300	253,209	338,348	618,521	131,511	-
Other State Revenues	1,058,131	415,325	523,834	166,940	210,305	221,334	593,416	610,544	626,911	424,437	-
Local Revenues	69,650	37,173	40,578	22,385	136,178	1,200	37,408	34,273	67,812	78,739	6,442,850
Fundraising and Grants	68,185	23,464	13,575	4,017	2,017	14,749	12,898	22,236	37,258	33,051	103,174
Total Revenue	7,816,421	5,565,586	5,575,674	2,159,639	2,526,155	1,889,151	3,525,550	5,599,960	8,102,063	3,636,946	6,546,024
Expenses											
Compensation and Benefits	3,547,324	3,179,649	2,834,932	1,085,264	1,461,162	1,182,176	1,672,274	2,727,429	4,497,127	2,199,259	3,093,481
Books and Supplies	528,813	384,759	455,677	169,842	274,711	129,346	203,550	433,350	679,040	127,765	65,421
Services and Other Operating Exp	2,876,940	1,851,605	2,111,108	829,185	702,081	514,219	1,469,029	2,207,990	2,221,823	1,424,179	2,969,566
Depreciation	153,345	51,413	20,196	15,656	18,908	28,726	44,909	96,064	505,350	30,295	933
Other Outflows	-	-	-	-	-	-	-	-	173,107	-	-
Total Expenses	7,106,422	5,467,426	5,421,913	2,099,947	2,456,862	1,854,468	3,389,763	5,464,833	8,076,447	3,781,498	6,129,401
Operating Income	710,000	98,160	153,761	59,692	69,292	34,684	135,787	135,127	25,616	(144,552)	416,623
% of Operating Expense	9.99%	1.80%	2.84%	2.84%	2.82%	1.87%	4.01%	2.47%	0.32%	-3.82%	6.80%

Projected Revenue Increase 2018-19											
LCFF Base Rate											
One Time Discretionary Funds (from \$147 to \$295)	\$148										
Total	360,976	338,628	220,427	103,728	174,137	92,691	77,674	207,120	742,474	161,850	-
Projected Expenditure Increase 2018-19											
STRS (from 14.43% to 16.28%)	1.85%	42,108	36,122	29,889	13,660	17,128	12,990	18,695	32,805	51,867	26,643
PERS (from 15.5331% to 18.1%)	2.60%	10,582	9,966	13,867	2,183	3,414	4,146	6,575	7,881	15,149	5,218
H & W (projected increase =10. 5%)		41,952	43,150	42,304	12,141	31,096	16,159	18,168	28,697	51,826	27,731
Change in Supplies and Operating Exp. Based on Projections		216,635	112,473	88,582	42,199	42,864	52,533	-	81,138	350,836	-
Total		311,276	201,711	174,642	70,184	94,502	85,828	43,438	150,520	469,678	59,592
Proposed 2018-19 Salary Increases:											
Teachers		91,125	68,308	87,715	61,771	75,067	33,015	100,030	87,250	286,269	108,710
School Administrators		36,317	43,978	21,644	14,972	14,452	5,791	24,514	21,818	24,041	16,765
Classified Clerical and Office Salaries (5.4% increase)		25,332	26,495	38,922	4,856	9,427	12,455	17,256	20,950	36,463	14,816
Total		152,774	138,781	148,281	81,599	98,946	51,261	141,800	130,018	346,773	140,291
Net Impact 2018-19		(25,576)	64,319	(38,118)	(27,787)	10,350	(20,809)	(66,992)	(3,615)	30,735	19,808
Projected Net Income after Salary Increases		684,424	162,479	115,643	36,905	79,642	13,875	68,795	131,513	56,351	(124,744)
% of Operating Expense		9.04%	2.80%	2.01%	1.64%	3.01%	0.70%	1.92%	2.29%	0.63%	-3.13%



COMPARISON WITH OTHERS



See handouts attached



RECOMMENDATION

Adopt the revised salary schedules for teachers and administrators, establish the 5.4% pool for other salary increase, and affirm board support for principals' to waive the salary schedule limitations in unique situations with approval from the CEO that the waiver is financial sound, academically necessary, and consistent with Magnolia's commitment to equal opportunities for all staff without regard to gender, race, ethnicity, national origin, or sexual orientation.

MAGNOLIA PUBLIC SCHOOLS
1st Interim 2017-18
Board Approved - November 2017

	MSA-1	MSA-2	MSA-3	MSA-4	MSA-5	MSA-6	MSA-7	MSA-8	MSA-9A	MSA-SD	MERF	Total
Total ADA	524	447	435	171	200	159	274	472	708	391		3,780
Revenue												
LCFF Entitlement	5,484,674	4,574,891	4,481,571	1,731,925	1,929,828	1,476,568	2,628,620	4,594,558	6,751,562	2,969,208	-	36,623,406
Federal Revenue	1,135,781	514,733	516,116	234,372	247,827	175,300	253,209	338,348	618,521	131,511	-	4,165,717
Other State Revenues	1,058,131	415,325	523,834	166,940	210,305	221,334	593,416	610,544	626,911	424,437	-	4,851,178
Local Revenues	69,650	37,173	40,578	22,385	136,178	1,200	37,408	34,273	67,812	78,739	6,442,850	6,968,246
Fundraising and Grants	68,185	23,464	13,575	4,017	2,017	14,749	12,898	22,236	37,258	33,051	103,174	334,622
Total Revenue	7,816,421	5,565,586	5,575,674	2,159,639	2,526,155	1,889,151	3,525,550	5,599,960	8,102,063	3,636,946	6,546,024	52,943,169
Expenses												
Compensation and Benefits	3,547,324	3,179,649	2,834,932	1,085,264	1,461,162	1,182,176	1,672,274	2,727,429	4,497,127	2,199,259	3,093,481	27,480,077
Books and Supplies	528,813	384,759	455,677	169,842	274,711	129,346	203,550	433,350	679,040	127,765	65,421	3,452,274
Services and Other Operating Exp	2,876,940	1,851,605	2,111,108	829,185	702,081	514,219	1,469,029	2,207,990	2,221,823	1,424,179	2,969,566	19,177,725
Depreciation	153,345	51,413	20,196	15,656	18,908	28,726	44,909	96,064	505,350	30,295	933	965,796
Other Outflows	-	-	-	-	-	-	-	-	173,107	-	-	173,107
Total Expenses	7,106,422	5,467,426	5,421,913	2,099,947	2,456,862	1,854,468	3,389,763	5,464,833	8,076,447	3,781,498	6,129,401	51,248,979
Operating Income	710,000	98,160	153,761	59,692	69,292	34,684	135,787	135,127	25,616	(144,552)	416,623	1,694,190
% of Operating Expense	9.99%	1.80%	2.84%	2.84%	2.82%	1.87%	4.01%	2.47%	0.32%	-3.82%	6.80%	
Projected Revenue Increase 2018-19												
LCFF Base Rate		360,976	338,628	220,427	103,728	174,137	92,691	77,674	207,120	742,474	161,850	2,479,704
One Time Discretionary Funds (from \$147 to \$295)	\$ 148	77,499	66,183	64,377	25,268	29,660	23,590	40,572	69,804	104,713	57,842	559,508
Total		438,475	404,811	284,804	128,996	203,797	116,280	118,247	276,924	847,186	219,692	3,039,212
Projected Expenditure Increase 2018-19												
STRS (from 14.43% to 16.28%)	1.85%	42,108	36,122	29,889	13,660	17,128	12,990	18,695	32,805	51,867	26,643	290,550
PERS (from 15.5331% to 18.1%)	2.60%	10,582	9,966	13,867	2,183	3,414	4,146	6,575	7,881	15,149	5,218	130,446
H & W (projected increase =10.5%)		41,952	43,150	42,304	12,141	31,096	16,159	18,168	28,697	51,826	27,731	337,144
Change in Supplies and Operating Exp. Based on Projections		216,635	112,473	88,582	42,199	42,864	52,533	-	81,138	350,836	-	987,260
Total		311,276	201,711	174,642	70,184	94,502	85,828	43,438	150,520	469,678	59,592	1,745,400
Proposed 2018-19 Salary Increases:												
Teachers		91,125	68,308	87,715	61,771	75,067	33,015	100,030	87,250	286,269	108,710	999,260
School Administrators		36,317	43,978	21,644	14,972	14,452	5,791	24,514	21,818	24,041	16,765	224,292
Classified Clerical and Office Salaries (5.4% increase)		25,332	26,495	38,922	4,856	9,427	12,455	17,256	20,950	36,463	14,816	342,624
Total		152,774	138,781	148,281	81,599	98,946	51,261	141,800	130,018	346,773	140,291	1,566,176
Net Impact 2018-19		(25,576)	64,319	(38,118)	(22,787)	10,350	(20,809)	(66,992)	(3,615)	30,735	19,808	(272,365)
Projected Net Income after Salary Increases		684,424	162,479	115,643	36,905	79,642	13,875	68,795	131,513	56,351	(124,744)	1,421,825
% of Operating Expense		9.04%	2.80%	2.01%	1.64%	3.01%	0.70%	1.92%	2.29%	0.63%	-3.13%	2.61%

Impact Factor:		MPS Exp	Prior Exp	Add-ons	Performance	Base	
		\$1,015	\$750	Varies	\$2,000 / \$4,000	\$46,600	
		No change made to scale	If changed in scale from \$508 to \$750	When add-ons are revised	If performance pay is increased from \$1,500/\$2,000	If base school salary is increased to \$46,600	
SCENARIO C		Total Salary Impact (\$)	Total Salary Impact (\$)	Total Salary Impact (\$)	Total Salary Impact (\$)	Total Salary Impact (\$)	
		due to default annual increase	due to change in prior experience pay	due to revisions to add-ons	due to revisions to performance pay	due to revisions to the base school salaries	
		2018-19	2018-19	2018-19	2018-19	2018-19	
	MSA-1	26	\$26,390	\$16,940	-\$63,000	\$24,500	\$39,884
	MSA-2	22	\$22,330	\$21,538	-\$38,000	\$15,000	\$33,748
	MSA-3	18	\$18,270	\$23,716	-\$13,500	\$24,000	\$9,162
MSA-4	8	\$8,120	\$7,260	\$8,500	\$5,500	\$20,472	
MSA-5	12	\$12,180	\$10,406	\$3,500	\$11,500	\$18,408	
MSA-6	6	\$6,090	\$2,420	-\$14,000	\$10,000	\$15,354	
MSA-7	13	\$13,195	\$7,018	\$17,000	\$28,000	\$19,942	
MSA-8	15	\$15,225	\$11,132	\$35,450	\$27,500	\$7,635	
MSA-SD	14	\$14,210	\$15,972	\$8,700	\$23,000	\$21,476	
MSA-SA	38	\$38,570	\$34,606	\$29,000	\$46,000	\$97,242	
	172						
MPS Total:		\$174,580	\$151,008	-\$26,350	\$215,000	\$283,323	
Ave Inc per Teacher		\$1,015	\$878	-\$153	\$1,250	\$1,647	

This is a rough ESTIMATE of the effect of scale changes. It helps with the breakdown of changes to make comparisons between effects of different factors. It does NOT consider exact final salaries since there are additional considerations in making final offers. See the next column for a more accurate estimation of increases.

A more accurate ESTIMATE of increases to the salaries of existing teachers

Total Salary Increase per Site:	Average Increase per Teacher per Site	Total Salary Increase per Site:	Average Increase per Teacher per Site	% Increase
\$44,714	\$1,720	\$73,488	\$2,826	4.85%
\$54,616	\$2,483	\$55,087	\$2,504	4.00%
\$61,648	\$3,425	\$70,738	\$3,930	6.72%
\$49,852	\$6,232	\$49,816	\$6,227	11.01%
\$55,994	\$4,666	\$60,538	\$5,045	8.92%
\$19,864	\$3,311	\$26,625	\$4,438	8.13%
\$85,155	\$6,550	\$80,670	\$6,205	11.24%
\$96,942	\$6,463	\$70,363	\$4,691	8.73%
\$83,358	\$5,954	\$87,670	\$6,262	11.67%
\$245,418	\$6,458	\$230,862	\$6,075	11.19%
\$797,561	\$4,637	\$805,855	\$4,685	8.27%
MPS Total Increase (ESTIMATE)	MPS Average Increase Per Teacher (ESTIMATE)	MPS Total Increase (ESTIMATE)	MPS Average Increase Per Teacher (ESTIMATE)	

\$4,637

SCENARIO C	MPS Current Base	MPS Average Teacher Salary	MPS Total Teacher Salary (line item)	MPS Total Teacher Benefits (line item)	MPS Total Teacher Compensation (Salary + Benefits)	MPS Proposed Base	MPS Average Teacher Salary	MPS Total Teacher Salary (line item)	MPS Total Teacher Benefits (line item)	MPS Total Teacher Compensation (Salary + Benefits)	MPS Proposed Base	MPS Average Teacher Salary	% of change	MPS Total Teacher Salary (line item)	MPS Total Teacher Benefits (line item)	MPS Total Teacher Compensation (Salary + Benefits)	Notes
	A	B	C	D	E	A'	B'	C'	D'	E'	Change A to A'	Change B to B'	Change B to B'	Change C to C'	Change D to D'	Change E to E'	
	2017-18	2017-18	2017-18	2017-18	2017-18	2018-19	2018-19	2018-19	2018-19	2018-19							
MSA-1	\$45,066	\$58,296	\$1,515,689	\$363,765	\$1,879,454	\$46,600	\$61,122	\$1,589,177	\$381,402	\$1,970,579	\$1,534	\$2,826	4.85%	\$73,488	\$17,637	\$91,125	
MSA-2	\$45,066	\$62,582	\$1,376,812	\$330,435	\$1,707,247	\$46,600	\$65,086	\$1,431,899	\$343,656	\$1,775,555	\$1,534	\$2,504	4.00%	\$55,087	\$13,221	\$68,308	
MSA-3	\$46,091	\$58,512	\$1,053,215	\$252,772	\$1,305,987	\$46,600	\$62,442	\$1,123,953	\$269,749	\$1,393,701	\$509	\$3,930	6.72%	\$70,738	\$16,977	\$87,715	
MSA-4	\$44,041	\$56,540	\$452,320	\$108,557	\$560,876	\$46,600	\$62,767	\$502,135	\$120,512	\$622,647	\$2,559	\$6,227	11.01%	\$49,816	\$11,956	\$61,771	
MSA-5	\$45,066	\$56,535	\$678,417	\$162,820	\$841,237	\$46,600	\$61,580	\$738,955	\$177,349	\$916,304	\$1,534	\$5,045	8.82%	\$60,538	\$14,529	\$75,067	
MSA-6	\$44,041	\$54,580	\$327,480	\$78,595	\$406,075	\$46,600	\$59,018	\$354,105	\$84,985	\$439,090	\$2,559	\$4,438	8.13%	\$26,625	\$6,390	\$33,015	
MSA-7	\$45,066	\$55,226	\$717,938	\$172,305	\$890,243	\$46,600	\$61,431	\$798,608	\$191,666	\$990,273	\$1,534	\$6,205	11.24%	\$80,670	\$19,361	\$100,030	
MSA-8	\$46,091	\$53,751	\$806,262	\$193,503	\$999,765	\$46,600	\$58,442	\$876,625	\$210,390	\$1,087,015	\$509	\$4,891	8.73%	\$70,383	\$16,887	\$87,250	
MSA-SD	\$45,066	\$53,662	\$751,268	\$180,304	\$931,572	\$46,600	\$59,924	\$838,938	\$201,345	\$1,040,283	\$1,534	\$6,262	11.67%	\$87,670	\$21,041	\$108,710	
MSA-SA	\$44,041	\$54,315	\$2,063,973	\$495,354	\$2,559,327	\$46,600	\$60,390	\$2,294,835	\$550,760	\$2,845,595	\$2,559	\$6,075	11.19%	\$230,882	\$55,407	\$286,269	
MPS		\$56,648	\$9,743,374	\$2,338,410	\$12,081,783		\$61,333	\$10,549,229	\$2,531,815	\$13,081,043		\$4,685	8.27%	\$805,855	\$193,405	\$999,260	

SCENARIO C		MPS Current Base	MPS Average School Leader Salary	MPS Total School Leader Salary (line item)	MPS Total School Leader Benefits (line item)	MPS Total School Leader Compensation (Salary + Benefits)	MPS Proposed Base	MPS Average School Leader Salary	MPS Total School Leader Salary (line item)	MPS Total School Leader Benefits (line item)	MPS Total School Leader Compensation (Salary + Benefits)	MPS Proposed Base	MPS Average School Leader Salary	% of change	MPS Total School Leader Salary (line item)	MPS Total School Leader Benefits (line item)	MPS Total School Leader Compensation (Salary + Benefits)
		A	B	C	D	E	A'	B'	C'	D'	E'	Change A to A'	Change B to B'	Change B to B'	Change C to C'	Change D to D'	Change E to E'
# of school leaders		2017-18	2017-18	2017-18	2017-18	2017-18	2018-19	2018-19	2018-19	2018-19	2018-19	2018-19	2018-19				
MSA-1	4	\$45,066	\$82,293	\$329,172	\$79,001	\$408,173	\$46,100	\$89,615	\$358,460	\$86,030	\$444,490	\$1,034	\$7,322	8.90%	\$29,288	\$7,029	\$36,317
MSA-2	4	\$45,066	\$79,171	\$316,684	\$76,004	\$392,688	\$46,100	\$88,038	\$352,150	\$84,516	\$436,666	\$1,034	\$8,967	11.20%	\$35,466	\$8,512	\$43,978
MSA-3	4	\$46,091	\$78,250	\$313,000	\$75,120	\$388,120	\$46,100	\$82,614	\$330,455	\$79,309	\$409,764	\$9	\$4,364	5.58%	\$17,455	\$4,189	\$21,644
MSA-4	2	\$44,041	\$81,711	\$163,421	\$39,221	\$202,642	\$46,100	\$87,748	\$175,495	\$42,119	\$217,614	\$2,059	\$6,037	7.39%	\$12,074	\$2,898	\$14,972
MSA-5	2	\$45,066	\$87,500	\$175,000	\$42,000	\$217,000	\$46,100	\$93,328	\$186,655	\$44,797	\$231,452	\$1,034	\$5,828	6.66%	\$11,655	\$2,797	\$14,452
MSA-6	2	\$44,041	\$83,000	\$166,000	\$39,840	\$205,840	\$46,100	\$85,395	\$170,670	\$40,961	\$211,631	\$2,059	\$2,335	2.81%	\$4,670	\$1,121	\$5,791
MSA-7	2	\$45,066	\$81,121	\$162,241	\$38,938	\$201,179	\$46,100	\$91,005	\$182,010	\$43,682	\$225,692	\$1,034	\$9,885	12.18%	\$19,769	\$4,745	\$24,514
MSA-8	4	\$46,091	\$77,220	\$308,880	\$74,131	\$383,011	\$46,100	\$81,619	\$326,475	\$78,354	\$404,829	\$9	\$4,399	5.70%	\$17,595	\$4,223	\$21,818
MSA-SD	4	\$45,066	\$83,250	\$333,000	\$79,920	\$412,920	\$46,100	\$86,630	\$346,520	\$83,165	\$429,685	\$1,034	\$3,380	4.06%	\$13,520	\$3,245	\$16,765
MSA-SA	5	\$44,041	\$82,456	\$412,282	\$98,948	\$511,230	\$46,100	\$86,334	\$431,670	\$103,601	\$535,271	\$2,059	\$3,878	4.70%	\$19,388	\$4,653	\$24,041
	33																
MPS		\$81,202	\$2,679,680	\$643,123	\$3,322,803		\$86,684	\$2,860,560	\$686,534	\$3,547,094		\$5,481	6.75%	\$180,880	\$43,411	\$224,291	

MPS Total
Teacher
Compensation
(Salary +
Benefits)
Change E to E'

A more accurate ESTIMATE of increases to the salaries of
existing teachers

	Total Salary Increase per Site:	Average Increase per Teacher per Site	% Increase	
MSA-1	\$73,488	\$2,826	4.85%	\$91,125
MSA-2	\$55,087	\$2,504	4.00%	\$68,308
MSA-3	\$70,738	\$3,930	6.72%	\$87,715
MSA-4	\$49,816	\$6,227	11.01%	\$61,771
MSA-5	\$60,538	\$5,045	8.92%	\$75,067
MSA-6	\$26,625	\$4,438	8.13%	\$33,015
MSA-7	\$80,670	\$6,205	11.24%	\$100,030
MSA-8	\$70,363	\$4,691	8.73%	\$87,250
MSA-SD	\$87,670	\$6,262	11.67%	\$108,710
MSA-SA	\$230,862	\$6,075	11.19%	\$286,269
MPS	\$805,855	\$4,685	8.27%	\$999,260

MPS Total Increase
(ESTIMATE)

MPS Average
Increase Per
Teacher

MPS Average School Leader Salary B	MPS Average School Leader Salary B'	MPS Average School Leader Salary Change B to B'	% of change Change B to B'
MSA-1	\$82,293	\$89,615	\$7,322 8.90%

MPS Total
School Leader
Compensation
(Salary +
Benefits)
Change E to E'

MSA-1

\$36,317

MSA-2	\$79,171	\$88,038	\$8,867	11.20%
MSA-3	\$78,250	\$82,614	\$4,364	5.58%
MSA-4	\$81,711	\$87,748	\$6,037	7.39%
MSA-5	\$87,500	\$93,328	\$5,828	6.66%
MSA-6	\$83,000	\$85,335	\$2,335	2.81%
MSA-7	\$81,121	\$91,005	\$9,885	12.18%
MSA-8	\$77,220	\$81,619	\$4,399	5.70%
MSA-SD	\$83,250	\$86,630	\$3,380	4.06%
MSA-SA	\$82,456	\$86,334	\$3,878	4.70%
MPS	\$81,202	\$86,684	\$5,481	6.75%

MSA-2	\$43,978
MSA-3	\$21,644
MSA-4	\$14,972
MSA-5	\$14,452
MSA-6	\$5,791
MSA-7	\$24,514
MSA-8	\$21,818
MSA-SD	\$16,765
MSA-SA	\$24,041
MPS	\$224,291



Board Agenda Item #	Agenda # II B- Recommended Action Item
Date:	02.22.2018
To:	Magnolia Board of Directors- Personnel Committee
From:	Caprice Young, Ed.D., CEO & Superintendent
Staff Lead:	Orielle Revish, HR Director Suat Acar, Chief Operations Officer David Yilmaz, Chief Accountability Officer
RE:	Recommend to Approve the MPS Employee Pay Raise Scale for Full-Time Teaching Positions

Proposed Board Recommendation

I move that the committee approve the MPS Employee Pay Raise Scale for Full-Time Teaching Positions.

Background

General

MPS has been implementing a board-approved pay raise scale for full-time teaching staff since the 2014-15 school year. Salary for full-time teaching positions has four major components: base school salary, employee qualifications pay, employee performance pay, and pay for additional duties. MPS Home Office has met with teachers, school leaders, and our board numerous times in the past to solicit feedback and refine our pay raise scale to meet the needs of our teaching staff within budget. As such, improvements and revisions have been made to the scale in the past as approved by our board. The purpose of this agenda is to recommend the approval of the revised pay raise scale effective July 1, 2018.

Past Revisions to the Scale

Revisions have been made in the past such as increasing the base school salaries based on school budget, size, and challenge, as well as the cost of living at the school location. Another great addition to the scale, as directed by the board, has been the introduction of performance pay for Effective (\$1,500) and Highly Effective (\$2,000) teachers. As explained in detail in MPS' board-approved employee evaluation protocols, survey and student assessment data as well as supervisor's evaluation of the employee on MPS Framework for Teaching are used in teaching staff evaluations. Pay for additional duties is crucial for MPS as we need to involve our teaching staff in leadership roles and get their support in running MPS signature programs, such as

running a department or a grade level, coordinate EL services, serve as WASC coordinator, or to coach special competitions, to name a few. The Home Office has updated the list of available and needed additional duties add-on points in 2017-18 to better fit our needs.

In the past, MPS implemented differential pay for some hard-to-find subject areas and this differential was removed at the board meeting on March 10, 2016.

Proposed Revisions

After meetings with the personnel committee, principals, deans, c-team, HR, and other stakeholders, we propose the following revisions to the pay raise scale. The attached scale document for teaching positions is a clean copy of the final scale that reflects all changes made in yellow highlights.

- 1) Employees will be able to update their degree or credential during the new work year, and these updated qualifications will be used in prorated salary calculations as of the date of submission.
- 2) Performance pay is based on the employee's performance rating. Performance pay is given only to existing full-time employees who have completed at least a half-year at MPS based on their performance in the finished year.
- 3) A one-time signing bonus may be provided to new employees for hard-to-fill subjects upon approval by the Home Office on a case by case basis. (See the Employee Handbook for details.)
- 4) Prior experience coefficient will be increased from \$508 per year to \$750 per year.
- 5) Experience cap: Total experience, i.e., the sum of prior experience and MPS experience will be capped at 25 years. For total experience that is more than 25 years, MPS experience will be considered before prior experience.
- 6) Pay for Additional Duties has been updated.

SCENARIO A:

- All base school salaries will be set at \$46,100.
- Performance pay will be increased from \$2,000 to \$5,000 for Highly Effective teachers and \$1,500 to \$3,000 for Effective teachers.

SCENARIO B: *(more conservative scenario)*

- All base school salaries will remain the same.
- Performance pay will be increased from \$2,000 to \$4,000 for Highly Effective teachers and \$1,500 to \$2,000 for Effective teachers.

Scenarios A and B will be analyzed below under Budget Implications.

Budget Implications

The attached Budget Impact document includes an estimate of increases in total teacher salaries per site as well as average increase in teacher salaries. Following is the estimated increase in average teacher salaries per site if the scale is approved:

SCENARIO A:

- All base school salaries will be set at \$46,100.
- Performance pay will be increased from \$2,000 to \$5,000 for Highly Effective teachers and \$1,500 to \$3,000 for Effective teachers.

	ESTIMATE of increases to the salaries of teachers			Change in MPS Total Teacher Compensation (Salary + Benefits)
	Total Salary Increase per Site:	Average Increase per Teacher per Site	% Increase	
MSA-1	\$83,489	\$3,211	5.51%	\$103,525
MSA-2	\$63,538	\$2,888	4.61%	\$78,787
MSA-3	\$62,505	\$3,473	5.93%	\$77,506
MSA-4	\$53,816	\$6,727	11.90%	\$66,731
MSA-5	\$66,538	\$5,545	9.81%	\$82,507
MSA-6	\$29,625	\$4,938	9.05%	\$36,735
MSA-7	\$87,170	\$6,705	12.14%	\$108,091
MSA-8	\$77,243	\$5,150	9.58%	\$95,781
MSA-SD	\$94,670	\$6,762	12.60%	\$117,390
MSA-SA	\$249,757	\$6,573	12.10%	\$309,699
MPS	\$868,350	\$5,049	8.91%	\$1,076,753
	MPS Total Increase (ESTIMATE)	MPS Average Increase Per Teacher (ESTIMATE)		

In SCENARIO A, we estimate the **average teacher salary** to change from \$56,648 to \$61,696, resulting in an increase of **\$5,049**. This is about **8.91%** increase in salaries. The attached document also provides insight into the impact of the different factors to the increase in average teacher pay: default annual experience increase (+\$1,015), change in prior experience pay (+\$878), revisions to additional duty pay (- \$153), revisions to performance pay (+2,163), and increase in base school salary (+\$1,147). As can be seen in the document, revisions to the *performance pay* provides the most increase to the average teacher salary.

The above table, as copied from the attached Budget Impact document, shows an estimate of the budget impact per site including percent increase and increases in teacher salaries and benefits. MPS total impact of teacher salaries and benefits is estimated to be **\$1,076,753** in this scenario.

SCENARIO B: *(more conservative scenario)*

- All base school salaries will remain the same.
- Performance pay will be increased from \$2,000 to **\$4,000** for Highly Effective teachers and \$1,500 to **\$2,000** for Effective teachers.

	ESTIMATE of increases to the salaries of teachers			MPS Total Teacher Compensation (Salary + Benefits)
	Total Salary Increase per Site:	Average Increase per Teacher per Site	% Increase	
MSA-1	\$45,596	\$1,754	3.01%	\$56,539
MSA-2	\$33,872	\$1,540	2.46%	\$42,001
MSA-3	\$44,343	\$2,464	4.21%	\$54,985
MSA-4	\$30,683	\$3,835	6.78%	\$38,046
MSA-5	\$42,615	\$3,551	6.28%	\$52,843
MSA-6	\$11,271	\$1,879	3.44%	\$13,976
MSA-7	\$60,728	\$4,671	8.46%	\$75,302
MSA-8	\$63,237	\$4,216	7.84%	\$78,414
MSA-SD	\$66,194	\$4,728	8.81%	\$82,080

MSA-SA	\$141,297	\$3,718	6.85%	\$175,208
MPS	\$539,834	\$3,139	5.54%	\$669,394
	MPS Total Increase (ESTIMATE)	MPS Average Increase Per Teacher (ESTIMATE)		

In SCENARIO B, we estimate the **average teacher salary** to change from \$56,648 to \$59,786 resulting in an increase of **\$3,139**. This is about **5.54%** increase in salaries. The attached document also provides insight into the impact of the different factors to the increase in average teacher pay: default annual experience increase (+\$1,015), change in prior experience pay (+\$878), revisions to additional duty pay (- \$153), revisions to performance pay (+1,250), and there is no increase made to the base school salary (+\$0). As can be seen in the document, revisions to the *performance pay* provides the most increase to the average teacher salary.

The above table, as copied from the attached Budget Impact document, shows an estimate of the budget impact per site including percent increase and increases in teacher salaries and benefits. MPS total impact of teacher salaries and benefits is estimated to be **\$669,394** in this scenario.

SCENARIO C:

- All base school salaries will be set at **\$46,600**.
- Performance pay will be increased from \$2,000 to **\$4,000** for Highly Effective teachers and \$1,500 to **\$2,000** for Effective teachers.

	ESTIMATE of increases to the salaries of teachers			MPS Total Teacher Compensation (Salary + Benefits)
	Total Salary Increase per Site:	Average Increase per Teacher per Site	% Increase	
MSA-1	\$73,488	\$2,826	4.85%	\$91,125
MSA-2	\$55,087	\$2,504	4.00%	\$68,308

MSA-3	\$70,738	\$3,930	6.72%	\$87,715
MSA-4	\$49,816	\$6,227	11.01%	\$61,771
MSA-5	\$60,538	\$5,045	8.92%	\$75,067
MSA-6	\$26,625	\$4,438	8.13%	\$33,015
MSA-7	\$80,670	\$6,205	11.24%	\$100,030
MSA-8	\$70,363	\$4,691	8.73%	\$87,250
MSA-SD	\$87,670	\$6,262	11.67%	\$108,710
MSA-SA	\$230,862	\$6,075	11.19%	\$286,269
MPS	\$805,855	\$4,685	8.27%	\$999,260
	MPS Total Increase (ESTIMATE)	MPS Average Increase Per Teacher (ESTIMATE)		

In SCENARIO C, we estimate the **average teacher salary** to change from \$56,648 to \$61,333, resulting in an increase of **\$4,685**. This is about **8.27%** increase in salaries. The attached document also provides insight into the impact of the different factors to the increase in average teacher pay: default annual experience increase (+\$1,015), change in prior experience pay (+\$878), revisions to additional duty pay (- \$153), revisions to performance pay (+1,250), and increase in base school salary (+\$1,647). As can be seen in the document, revisions to the *base school salary* provides the most increase to the average teacher salary.

The above table, as copied from the attached Budget Impact document, shows an estimate of the budget impact per site including percent increase and increases in teacher salaries and benefits. MPS total impact of teacher salaries and benefits is estimated to be **\$999,260** in this scenario.

How Does This Action Relate/Affect/Benefit All MSAs?

A competitive salary scale discussion is needed to maintain and grow our Effective and Highly Effective teachers and to recognize their performance.

Name of Staff Originator:

Orielle Revish, HR Director

Suat Acar, Chief Operations Officer

David Yilmaz, Chief Accountability Officer

Exhibits (attachments):

MPS Pay Raise Scale 2018-19 (Teaching Positions)

Budget Impact 2018-19

Projected with Salary Increase (budget)



Los Angeles Unified School District

2017-2018 Salaries for Teachers with Regular Credentials (T) C Basis

Preparation Salary (T) Table (Regular Credentials): 2017-2018 rates continue the 2017-2018 rates. This table applies only to employees holding regular credentials (i.e., non-emergency, non-intern) and a Bachelor's Degree, or possession of certain vocational or industrial arts credentials.

Pay Scale Group (Req. Pts.)	Pay Scale Level									
	1	2	3	4	5	6	7	8	9	10
20 (Minimum)	\$50,368	\$50,428	\$50,965	\$51,502	\$51,561	\$51,645	\$53,124	\$54,366	\$56,239	\$57,838
21 (+ 14 points)	50,428	50,965	51,502	51,561	51,645	53,638	54,366	56,800	58,435	60,380
22 (+ 28 points)	50,965	51,024	51,561	51,645	53,399	55,475	57,349	59,019	60,714	63,518
23 (+ 42 points)	51,024	51,561	51,645	53,399	55,237	57,385	59,592	61,299	63,088	66,883
24 (+ 56 points)	51,561	51,645	53,399	55,237	57,385	59,628	61,919	63,697	65,881	70,141
25 (+ 70 points)	51,645	53,399	54,926	58,077	60,332	62,694	64,317	66,310	68,888	73,470
26 (+ 84 points)	53,638	55,189	56,800	60,392	62,742	65,200	66,835	69,162	71,907	76,727
27 (+ 98 points)	54,831	57,373	59,043	62,814	65,260	67,814	69,437	72,062	74,914	80,116

Additional Pay Scale Group	11	12	13	14
(continued)				
27 (+ 98 points)	80,498	80,844	81,214	81,560

	Career Increments (CI)			
	First CI (C1)	Second CI (C2)	Third CI (C3)	Fourth CI (C4)
	\$82,801	83,434	85,641	87,085
+ MA	83,385	84,018	86,225	87,669
+ DR	83,969	84,602	86,809	88,253

Los Angeles Unified School District

2017-2018 Salaries for Teachers with Regular Credentials (T) (Continued)

This table provides teachers with annual salaries from the Preparation (T) Salary Table, which applies to employees holding regular credentials and a Bachelor's Degree, or possession of certain vocational or industrial arts credentials (minimum requirement).

Career Increment(s) (CI)	Employees paid on this table can earn a career increment for longevity of service with LAUSD. To qualify for the first career increment, the teacher must have been paid on the maximum Pay Scale Group (27) and Pay Scale Level (10-14) for five qualifying years. The two semester unit "recency" requirement is eliminated pursuant to the Memorandum of Understanding with UTLA adopted by the Board of Education on April 26, 2005.
Multiculture Requirement:	Subsequent to being initially placed on the salary schedule (rating-in), an employee must complete a minimum of two semester units or equivalent study to qualify for schedule advancement (Educational Code Sections 44560-44562).
Bilingual Differential:	New employees may be eligible for up to \$3,000 depending on the employee's qualifications, type of school assignment, services provided, and certification held.
National Board Certification:	The District pays probationary and permanent classroom teachers who hold National Board Certification an additional 15% salary compensation: 7½ % in recognition of their certification and 7½ % upon completion of 92 hours of professional duties outside the normal duties and hours.
Salary Point:	A salary point is a unit of measure used by the District to determine placement/advancement on the salary table. A salary point is equivalent to one semester unit or 1.5 quarter units. A semester unit, as determined by the University of California, requires a minimum of 15 contact hours with an instructor and 30 hours of outside preparation.
Master's Degree:	\$584 annually. Degree must have been awarded by a regionally accredited university.
Doctorate Degree:	\$1,168 annually. An employee with a master's degree and a doctor's or equivalent degree shall receive the doctor's differential only. Degree must have been awarded by a regionally accredited university.

The annual rates shown, including degree differentials and career increments, are for full-time annual assignments (6 hours or 8 hours). Annual amounts are rounded to the nearest whole number. To obtain the actual annual amount multiply the respective basis monthly payment rate by 12 (page 1)

Refer to the District-UTLA Collective Bargaining Agreement, Articles XIV, XV, and Appendix E for rules and requirements regarding salary, including, but not limited to: rating-in, step/schedule placement and advancement, salary point credit, differentials, staff development, career increments, employee filing of required documents, etc.

2016-2017 Teacher Salary Schedule

Level of Practice	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10
Entering (0-1.99)	\$52,470	\$52,654	\$52,838	\$53,023	\$53,208	\$53,395	\$53,582	\$53,769	\$53,957	\$54,146
Achieving (2.00-2.49)	\$58,268	\$58,472	\$58,677	\$58,882	\$59,088	\$59,295	\$59,503	\$59,711	\$59,920	\$60,130
Effective (2.50-2.99)	\$64,707	\$64,934	\$65,161	\$65,389	\$65,618	\$65,848	\$66,078	\$66,309	\$66,542	\$66,774
Highly Effective (3.00-3.49)	\$71,733	\$71,858	\$72,109	\$72,362	\$72,615	\$72,869	\$73,124	\$73,380	\$73,637	\$73,895
Master Teacher (3.50-4.00)	\$79,382	\$79,520	\$79,799	\$80,078	\$80,358	\$80,640	\$80,922	\$81,205	\$81,489	\$81,775
Level of Practice	Step 11	Step 12	Step 13	Step 14	Step 15	Step 16	Step 17	Step 18	Step 19	Step 20
Entering (0-1.99)	\$54,336	\$54,526	\$54,717	\$54,908	\$55,100	\$55,293	\$55,487	\$55,681	\$55,876	\$56,071
Achieving (2.00-2.49)	\$60,340	\$60,551	\$60,763	\$60,976	\$61,189	\$61,403	\$61,618	\$61,834	\$62,050	\$62,268
Effective (2.50-2.99)	\$67,008	\$67,243	\$67,478	\$67,714	\$67,951	\$68,189	\$68,428	\$68,667	\$68,907	\$69,149
Highly Effective (3.00-3.49)	\$74,153	\$74,413	\$74,673	\$74,935	\$75,197	\$75,460	\$75,724	\$75,989	\$76,255	\$76,522
Master Teacher (3.50-4.00)	\$82,061	\$82,348	\$82,636	\$82,925	\$83,216	\$83,507	\$83,799	\$84,092	\$84,387	\$84,682
Level of Practice	Step 21	Step 22	Step 23	Step 24	Step 25	Step 26	Step 27	Step 28	Step 29	Step 30
Entering (0-1.99)	\$56,268	\$56,465	\$56,662	\$56,861	\$57,060	\$57,259	\$57,460	\$57,661	\$57,863	\$58,065
Achieving (2.00-2.49)	\$62,486	\$62,704	\$62,924	\$63,144	\$63,365	\$63,587	\$63,809	\$64,033	\$64,257	\$64,482
Effective (2.50-2.99)	\$69,391	\$69,634	\$69,877	\$70,122	\$70,367	\$70,614	\$70,861	\$71,109	\$71,358	\$71,607
Highly Effective (3.00-3.49)	\$76,790	\$77,059	\$77,329	\$77,599	\$77,871	\$78,143	\$78,417	\$78,691	\$78,967	\$79,243
Master Teacher (3.50-4.00)	\$84,979	\$85,276	\$85,574	\$85,874	\$86,174	\$86,476	\$86,779	\$87,082	\$87,387	\$87,693





MPS EMPLOYEE PAY RAISE SCALE

FULL-TIME TEACHING POSITIONS

Last Amended: 1/22/18

MPS EMPLOYEE PAY RAISE SCALE (FULL-TIME TEACHING POSITIONS)

SALARY CALCULATIONS

Components of Employee Salaries

School Level: Teaching Positions

1	Base School Salary		
		+	
2	Employee Qualifications Pay		
		+	
3	Employee Performance Pay		
		+	
4	Pay for Additional Duties		

→ Base Employee Salary

Narrative:

- 1) The MPS Board of Directors will closely work with the Home Office to review and update this employee pay raise scale and approve it at one of its meetings prior to the fiscal year to which it applies.
- 2) This Board-approved pay raise scale will be in effect as of July 1, 2018 and until the next Board approval of an updated scale. MPS reserves the right to modify this pay raise scale, as well as any policies affecting employee compensation, including but not limited to maintaining any pay raise scale at all.
- 3) This policy replaces and overrides any previous pay/bonus policy.
- 4) This pay raise scale applies to all full-time teaching staff.
- 5) Salary for full-time teaching positions has four major components: base school salary, employee qualifications pay, employee performance pay, and pay for additional duties.
- 6) Additional duties for employees will be assigned add-on points as explained further in this scale. These duties have to be approved by the school administration and the Home Office. The add-on points for such additional duties are not part of employee's base salary; they are earnings on top of the base employee salary designated for the extra duties performed for the specific year of service. Payment for additional duties will be made during and only for the fiscal year in which the duties are performed. See "Additional Duties" for details.
- 7) Employees currently receiving above the scale will continue to receive that amount until the scale catches up to that amount.
- 8) Retroactive salary increases are not permitted.
- 9) For employment-based visa holders, proposed salary based on scale cannot be under the prevailing wages as

determined by the DOL.

10) Employees will be able to update their degree or credential during the new work year, and these updated qualifications will be used in prorated salary calculations as of the date of submission.

11) Performance pay is based on the employee's performance rating. Performance pay is given only to existing full-time employees who have completed at least a half-year at MPS based on their performance in the finished year. (See "Employee Performance" for details.)

12) A one-time signing bonus may be provided to new employees for hard-to-fill subjects upon approval by the Home Office on a case by case basis. (See the Employee Handbook for details.)

13) Whether identified or not in this scale, the Home Office will make the final determination regarding salary calculations for any employee at any position and has the authority to make any revisions based on changing budget conditions.

1) BASE SCHOOL SALARY

Base School Salary		
Location	School	Base
Los Angeles County (Reseda)	MSA-1	\$45,066→\$46,600
Los Angeles County (Van Nuys)	MSA-2	\$45,066→\$46,600
Los Angeles County (Carson)	MSA-3	\$46,091→\$46,600
Los Angeles County (Los Angeles)	MSA-4	\$44,041→\$46,600
Los Angeles County (Reseda)	MSA-5	\$45,066→\$46,600
Los Angeles County (Los Angeles)	MSA-6	\$44,041→\$46,600
Los Angeles County (Northridge)	MSA-7	\$45,066→\$46,600
Los Angeles County (Bell)	MSA-Bell	\$46,091→\$46,600
San Diego County (San Diego)	MSA-San Diego	\$45,066→\$46,600
Orange County (Santa Ana)	MSA-Santa Ana	\$44,041→\$46,600

Narrative:

1) The Base School Salary for each school is determined based on the specific school budget, size, and challenge, as well as the cost of living at the school location.

2) Based on the above parameters, the Board may adjust the Base School Salaries each year.

2) EMPLOYEE QUALIFICATIONS PAY

Qualifications				
Field #	Qualification	Coefficient	Points	Max
1	Degree	\$1,015	1 or 3. See notes.	3
2	Credential	\$1,015	1 or 2. See notes.	2
3	Prior Experience	\$750	1 for each year up to 15	15
4	MPS Experience	\$1,015	1 for each year up to a total* of 25	25

Narrative:

- 1) Degree: 1 point for master's degree; 3 points for doctoral degree. Points are not added; the highest degree will be considered.
 - 2) Credential: 1 point for California Clear Teaching Credential; 2 points for National Board Certification. Points are not added. Preliminary credential or additional number of credentials do not earn points.
 - 3) Prior Experience: Cap of 15 years will be applied for prior full-time, full-year teaching, school leader, and other related field work experience. Student teaching as part of the credentialing program does not count for experience. Employees need to verify their prior employment. Final decision will be made by the Home Office.
 - 4) MPS experience is valued more than prior experience; both full and partial MPS years will be added and the sum will be rounded to the lower multiple of one-half.
- * Total experience, i.e., the sum of prior experience and MPS experience will be capped at 25 years. For total experience that is more than 25 years, MPS experience will be considered before prior experience.

3) EMPLOYEE PERFORMANCE PAY

Available Performance Pay	
School Level: Teaching Positions	\$5,000 vs. \$4,000

End-of-Year Overall Evaluation Ratings	
Rating	Earns % of Available Performance Pay
4: Highly Effective (HE)	100%
3: Effective (E)	60% of \$5,000 (\$3,000) VS. 50% of \$4,000 (\$2,000)
2: Developing (D)	N/A
1: Ineffective (I)	N/A

Narrative:
<p>1) The Home Office will develop a performance evaluation system where employees will earn annual performance points out of 100.</p> <p>2) Employees who receive a “4: Highly Effective (HE)” rating on their end-of-year overall evaluation will earn 100% of the available performance pay and those who receive a “3: Effective (E)” rating will earn 60% vs. 50% of the available performance pay.</p> <p>3) Available performance pay will be an additional \$5,000 vs. \$4,000 (for school level teaching positions) to the employee's base salary. This amount will be in effect until the next Board approval of an updated/revised scale.</p> <p>4) MPS believes in use of data in determining employee performance. As explained in detail in MPS’ board-approved employee evaluation protocols, survey and student assessment data as well as supervisor’s evaluation of the employee on MPS Framework for Teaching are used in teaching staff evaluations.</p> <p>5) Performance pay is given only to existing full-time employees who have completed at least a half-year at MPS based on their performance in the finished year. Corresponding performance pay is included in next year's salaries.</p>

4) PAY FOR ADDITIONAL DUTIES

Coefficient	
Coefficient for Additional Duties	\$1,000

Additional Duties	
Duty	Add-on Points
Schoolwide Coordination Duties	
Discipline Coordinator	5.0
I.T. Coordinator/Technician	5.0
Testing Coordinator	5.0
After School Coordinator	5.0
MTSS Coordinator (incl. RTI, SSPT, Title I, etc.)	5.0
EL Coordinator	5.0
Literacy Program Coordinator (incl. myON, A.R., etc.)	3.0
Athletic Director	3.0
STEAM Festival/Expo Coordinator	2.0
WASC Self-Study Coordinator	1.5
Blended Learning Coordinator	1.0
Extracurricular Activities Coordinator	1.0
Chair/Mentorship/Special Committee Duties	
Department Chair	3.0 (for 5+) or 2.0 (for 1-4) *
Grade Level Chair	3.0 (for 5+) or 2.0 (for 1-4) *
Student Leadership/Gov't. Advisor	2.0
BTSA Mentor	1.5
CAP Mentor	1.0
Reflection Committee Team Member	1.0
Club/Competition Duties	
Special Club (Category 1)	1.0
Special Club (Category 2)	2.0
Extra Club	1.0
Seasonal Sports Coach	1.0
Additional Teaching Duties	
AP Teacher (per AP course)	2.0

Extra Teaching Hours	1.0 **
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Narrative:

- 1) The coefficient for additional duties is \$1,000 per add-on point.
- 2) Additional duties for employees will be assigned add-on points as indicated in the table for additional duties. These duties have to be approved by the school administration and the Home Office annually prior to the duties are performed.
- 3) The add-on points for additional duties are not part of employee's base salary; they are earnings on top of the base employee salary designated for the extra duties performed for the specific year of service.
- 4) Payment for additional duties will be made during and only for the fiscal year in which the duties are performed. Depending on the duties, this amount can either be included in the semi-monthly salary or paid to the employee in several installments. Pay for additional duties will be prorated based on the date additional duties are assumed.
- 5) * Department chair and grade level chair add-on points are 3.0 for supervising staff of five or more and 2.0 for supervising staff of one to four.
- 6) Special Club (Category 1) includes approved clubs that either have a STEM focus or prepare students for a special competition but do not require as extensive time commitment and preparation as a Category 2 club. Ex: Advanced Math/MathCounts, Science Olympiad, and other approved STEM clubs; Spelling Bee, Geography Bee, and other approved clubs that prepare for a competition. Special Club (Category 2) includes approved clubs that have a special focus, typically in STEM fields, require an extensive time commitment and preparation, and generally culminate in a competition. Ex: VEX/Seaperch Robotics, FIRST Lego, Future City, Academic Decathlon/Pentathlon.
- 7) Extra clubs are clubs employees offer in addition to their required two (2) after-school tutoring/club sessions.
- 8) ** For middle/high school grades, each additional weekly teaching hour over the standard 25 hours, plus 2.5 hours of SSR/Advisory, will earn the employee 1.0 point for their annual salary. For example; a teacher teaching 27 hours, plus 2.5 hours of SSR/Advisory per week, over a year will earn 2.0 add-on points, i.e., and additional \$2,000 for the year. MPS does not recommend extra teaching hours other than in extenuating circumstances.
- 9) Payments for any additional duties not described herein (Saturday tutoring, other approved hourly duties, etc.) will be resolved by the school administration and the Home Office via payroll.
- 10) Exceptions: The add-on points for additional duties are for full-time teaching staff and other approved staff on a case-by-case basis. Principals and assistant principals/deans do not earn add-on points for any of the additional duties listed in this table. After-school coordinators do not earn add-on points for after-school coordination if they are already being paid separately for that duty, e.g., through an after-school grant. Computer teachers who also do IT technician duties for less than 50% of their time can earn add-on points for their IT technician duties. If they do IT for 50% or more of their time, they will be regarded as IT Technician for salary calculations.
- 11) Final decision for any add-on points will be made by the school administration and the Home Office.

Revision History:

Revision	Date	Description of changes	Requested By
0	5/12/14	Initial Release	David Yilmaz
1	3/10/16	The difference in pay between teachers teaching different subjects is removed; one percent is added to base pay (excluding benefits).	Terri Boatman
2	3/8/17	Additional duties and corresponding add-on points are revised by the Home Office.	Orielle Revish
3	2/22/18	Edited to reflect all changes, including current base school salaries, prior and total experience caps and pay, additional duty pays, employee performance pay, and signing bonus.	David Yilmaz



Board Agenda Item #	Agenda # IIA- Recommended Action Item
Date:	02.22.2018
To:	Magnolia Board of Directors- Personnel Committee
From:	Caprice Young, Ed.D., CEO & Superintendent
Staff Lead:	Orielle Revish, HR Director Suat Acar, Chief Operations Officer David Yilmaz, Chief Accountability Officer
RE:	Recommend to Approve the Proposed School Leader Salary Scale

Proposed Board Recommendation

I move that the committee approve the MPS Employee Pay Raise Scale for School Leaders.

Background

General

MPS has been implementing a board-approved pay raise scale for school leaders (Principals and Assistant Principals/Deans) since the 2014-15 school year. In the initial versions of the policy, salary for school leaders had three major components: base school salary, employee qualifications pay, and employee performance pay. MPS Home Office has met with school leaders and our board numerous times in the past to solicit feedback and refine our pay raise scale to meet the needs of our school leaders within budget. As such, improvements and revisions have been made to the scale in the past as approved by our board. The purpose of this agenda is to recommend the approval of the attached pay raise scale effective July 1, 2018.

Past Revisions to the Scale

Revisions have been made in the past such as increasing the base school salaries based on school budget, size, and challenge, as well as the cost of living at the school location. Another great addition to the scale, as directed by the board, has been the introduction of performance pay for Effective (\$1,500) and Highly Effective (\$2,000) principals. As explained in detail in MPS’ board-approved employee evaluation protocols, survey and student assessment data as well as supervisor’s evaluation of the employee on California Professional Standards for Educational Leaders (CPSEL) are used in school leader evaluations.

A major change to the school leader pay scale was made on May 12, 2016 where a salary band was introduced for dean and principal salaries. Introducing the band assured that our school leader salaries did not go below the following minimum salary amounts.

Position	Minimum Salary	Median Salary	Max
Dean	\$70,000	\$82,000	\$94,000
Principal	\$90,000	\$102,000	\$114,000

The past and current salary scales did not distinguish school leaders' prior experience whether it was for a principal position, AP/Dean position, or other related field work experience. It also did not include school enrollment as a factor in salary calculations. Moreover, feedback from our stakeholders tells us to introduce an effective evaluation system and performance based pay.

Proposed Revisions

After meetings with the personnel committee, principals, deans, c-team, HR, and other stakeholders, we propose the attached pay raise scale for school leaders. Following are some highlights from the document.

- 1) The following salary bands will be applied to school leader positions:

Assistant Principal/Dean	Minimum: \$70,000	Maximum: \$100,000
Principal	Minimum: \$90,000	Maximum: \$130,000

If the pay raise calculations for a school leader result in an amount either below the band minimum or above the band maximum, the minimum or the maximum amounts will be applied respectively.

- 2) Qualifications pay will differentiate principal experience from AP/dean experience and other field related experience. The prior experience (other) and MPS experience (other) has been set at \$750 and \$1,015 to be consistent with the pay raise scale for teachers. AP/Dean and Principal experience coefficients are introduced to appreciate school leadership experience.

Field #	Qualification	Coefficient	Points	Max
4	Prior Experience (Other)	\$750	1 for each year up to 15	15
5	Prior Experience (AP/Dean)	\$1,125	1 for each year up to 15	15

6	Prior Experience (Principal)	\$1,350	1 for each year up to 15	15
7	MPS Experience (Other)	\$1,015	1 for each year up to a total* of 25 rs	25
8	MPS Experience (AP/Dean)	\$1,250	1 for each year up to a total* of 25	25
9	MPS Experience (Principal)	\$1,500	1 for each year up to a total* of 25	25

3) Position points for assistant principals and deans have been set as 15; no differentiation is made among different types of deans. Position points for principals is now based on both the grade span and enrollment of the school:

Position Points

Principal	School Enrollment:			
	0-199	200-399	400-599	600+
Grade Span:				
K-5 or 6-8	25	30	35	40
K-8, 9-12 or 6-12	30	35	40	45
K-12	35	40	45	50

4) MPS Experience was capped at 15 years. This is causing an inconvenience for school leaders who have started their career at MPS. Their experience is capped at 15 years for life per the scale while a school leader who has prior experience can earn up to 10 prior + 15 MPS = 25 experience years.

As proposed in the leadership scale, we are proposing to increase the total number of years to be capped at 25. Sample language is as follows:

Experience						
Lower Priority			→	Higher Priority		
Prior Experience (Other)	Prior Experience (AP/Dean)	Prior Experience (Principal)	MPS Experience (Other)	MPS Experience (AP/Dean)	MPS Experience (Principal)	
Prior experience capped at 15 years			Total experience* capped at 25 years			

* Total experience, i.e., the sum of prior experience and MPS experience will be capped at 25 years. For total experience that is more than 25 years, MPS experience will be considered before prior experience and experience with

higher coefficients will be prioritized. See the table above for experience in priority order to be counted towards the 25 years.

SCENARIO A:

- All base school salaries will be set at \$46,100.
- Performance pay will be increased from \$2,000 to \$5,000 for Highly Effective school leaders and \$1,500 to \$3,000 for Effective school leaders.

SCENARIO B: *(more conservative scenario)*

- All base school salaries will remain the same.
- Performance pay will be increased from \$2,000 to \$4,000 for Highly Effective school leaders and \$1,500 to \$2,000 for Effective school leaders.

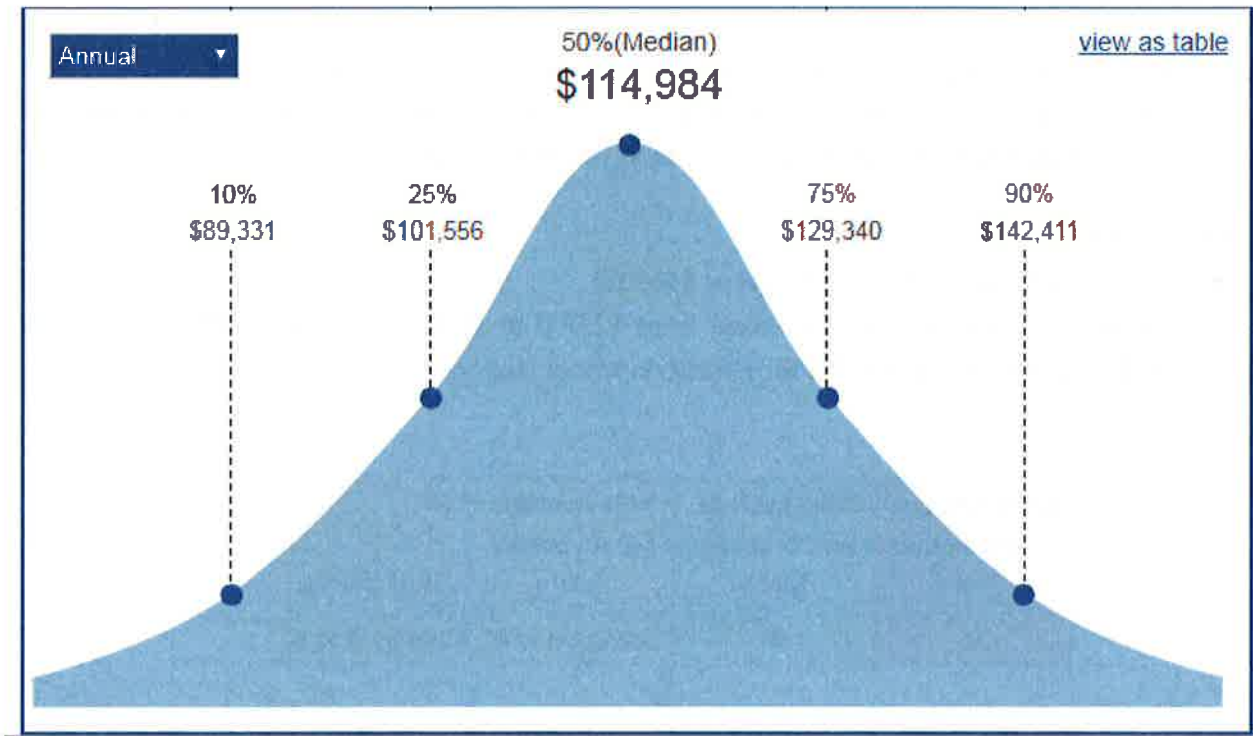
SCENARIO C:

- All base school salaries will be set at \$46,600.
- Performance pay will be increased from \$2,000 to \$4,000 for Highly Effective school leaders and \$1,500 to \$2,000 for Effective school leaders.

Scenarios A, B, and C will be analyzed below under Budget Implications.

Comparison Study

The attached document “Los Angeles Principal Salary Data” shows that the median annual School Principal salary in Los Angeles, CA is \$114,984, as of January 30, 2018, with a range usually between \$101,556-\$129,340 not including bonus and benefit information and other factors that impact base pay.



SCENARIO A:

MPS principal salary will range from about \$93K to \$114K with a median salary of about \$102K.

SCENARIO B:

MPS principal salary will range from about \$92K to \$111K with a median salary of about \$101K.

SCENARIO C:

MPS principal salary will range from about \$94K to \$113K with a median salary of about \$101,655.

Budget Implications

The attached Budget Impact document includes an estimate of increases in total school leader salaries per site as well as average increase in school leader salaries. Following is the estimated increase in average school leader salaries per site if the scale is approved:

SCENARIO A:

- All base school salaries will be set at \$46,100.
- Performance pay will be increased from \$2,000 to \$5,000 for Highly Effective school leaders and \$1,500 to \$3,000 for Effective school leaders.

	MPS Average School Leader Salary	MPS Average School Leader Salary	MPS Average School Leader Salary	% of change
	B	B'	Change B to B'	Change B to B'
MSA-1	\$82,293	\$90,115	\$7,822	9.51%
MSA-2	\$79,171	\$88,538	\$9,367	11.83%
MSA-3	\$78,250	\$82,364	\$4,114	5.26%
MSA-4	\$81,711	\$88,248	\$6,537	8.00%
MSA-5	\$87,500	\$93,578	\$6,078	6.95%
MSA-6	\$83,000	\$85,835	\$2,835	3.42%
MSA-7	\$81,121	\$91,505	\$10,385	12.80%
MSA-8	\$77,220	\$82,119	\$4,899	6.34%
MSA-SD	\$83,250	\$87,005	\$3,755	4.51%
MSA-SA	\$82,456	\$86,634	\$4,178	5.07%
MPS	\$81,202	\$87,032	\$5,830	7.18%

In SCENARIO A, we estimate the **average school leader salary** to change from \$81,202 to \$87,032, resulting in an increase of \$5,830. This is about 7.18% increase in salaries. The factors that cause the increase include \$1,500 per year principal experience pay for years served at MPS, recognition of prior leadership experience, increase in base school salary, and more importantly the increase in the performance pay. The following table, as copied from the attached Budget Impact document, shows an estimate of the budget impact per site for the increases in school

leader salaries and benefits. MPS total impact of school leader salaries and benefits is estimated to be **\$238,551** in this scenario.

	MPS Total School Leader Compensation (Salary + Benefits)
	Change E to E'
MSA-1	\$38,797
MSA-2	\$46,458
MSA-3	\$20,404
MSA-4	\$16,212
MSA-5	\$15,072
MSA-6	\$7,031
MSA-7	\$25,754
MSA-8	\$24,298
MSA-SD	\$18,625
MSA-SA	\$25,901
MPS	\$238,551

SCENARIO B: (more conservative scenario)

- All base school salaries will remain the same.
- Performance pay will be increased from \$2,000 to **\$4,000** for Highly Effective school leaders and \$1,500 to **\$2,000** for Effective school leaders.

	MPS Average School Leader Salary	MPS Average School Leader Salary	MPS Average School Leader Salary	% of change
	B	B'	Change B to B'	Change B to B'

MSA-1	\$82,293	\$88,081	\$5,788	7.03%
MSA-2	\$79,171	\$86,504	\$7,333	9.26%
MSA-3	\$78,250	\$82,364	\$4,114	5.26%
MSA-4	\$81,711	\$85,189	\$3,478	4.26%
MSA-5	\$87,500	\$92,561	\$5,061	5.78%
MSA-6	\$83,000	\$83,128	\$128	0.15%
MSA-7	\$81,121	\$89,471	\$8,351	10.29%
MSA-8	\$77,220	\$81,110	\$3,890	5.04%
MSA-SD	\$83,250	\$85,748	\$2,498	3.00%
MSA-SA	\$82,456	\$84,799	\$2,342	2.84%
MPS	\$81,202	\$85,452	\$4,249	5.23%

In SCENARIO B, we estimate the **average school leader salary** to change from \$81,202 to \$85,452, resulting in an increase of **\$4,249**. This is about **5.23%** increase in salaries. The factors that cause the increase include \$1,500 per year principal experience pay for years served at MPS, recognition of prior leadership experience, and more importantly the increase in the performance pay. The following table, as copied from the attached Budget Impact document, shows an estimate of the budget impact per site for the increases in school leader salaries and benefits. MPS total impact of school leader salaries and benefits is estimated to be **\$173,889** in this scenario.

	MPS Total School Leader Compensation (Salary + Benefits)
	Change E to E'
MSA-1	\$28,708
MSA-2	\$36,369
MSA-3	\$20,404
MSA-4	\$8,625

MSA-5	\$12,550
MSA-6	\$317
MSA-7	\$20,709
MSA-8	\$19,293
MSA-SD	\$12,390
MSA-SA	\$14,522
MPS	\$173,889

SCENARIO C:

- All base school salaries will be set at \$46,600.
- Performance pay will be increased from \$2,000 to \$4,000 for Highly Effective school leaders and \$1,500 to \$2,000 for Effective school leaders.

	MPS Average School Leader Salary	MPS Average School Leader Salary	MPS Average School Leader Salary	% of change
	B	B'	Change B to B'	Change B to B'
MSA-1	\$82,293	\$89,615	\$7,322	8.90%
MSA-2	\$79,171	\$88,038	\$8,867	11.20%
MSA-3	\$78,250	\$82,614	\$4,364	5.58%
MSA-4	\$81,711	\$87,748	\$6,037	7.39%
MSA-5	\$87,500	\$93,328	\$5,828	6.66%
MSA-6	\$83,000	\$85,335	\$2,335	2.81%
MSA-7	\$81,121	\$91,005	\$9,885	12.18%
MSA-8	\$77,220	\$81,619	\$4,399	5.70%
MSA-SD	\$83,250	\$86,630	\$3,380	4.06%
MSA-SA	\$82,456	\$86,334	\$3,878	4.70%
MPS	\$81,202	\$86,684	\$5,481	6.75%

In SCENARIO C, we estimate the **average school leader salary** to change from \$81,202 to \$86,684, resulting in an increase of **\$5,481**. This is about **6.75%** increase in salaries. The factors that cause the increase include \$1,500 per year principal experience pay for years served at MPS, recognition of prior leadership experience, increase in base school salary, and more importantly the increase in the performance pay. The following table, as copied from the attached Budget Impact document, shows an estimate of the budget impact per site for the increases in school leader salaries and benefits. MPS total impact of school leader salaries and benefits is estimated to be **\$224,291** in this scenario.

	MPS Total School Leader Compensation (Salary + Benefits)
	Change E to E'
MSA-1	\$36,317
MSA-2	\$43,978
MSA-3	\$21,644
MSA-4	\$14,972
MSA-5	\$14,452
MSA-6	\$5,791
MSA-7	\$24,514
MSA-8	\$21,818
MSA-SD	\$16,765
MSA-SA	\$24,041
MPS	\$224,291

How Does This Action Relate/Affect/Benefit All MSAs?

A competitive salary scale discussion is needed to maintain and grow our Effective and Highly Effective school leaders and to recognize their performance.

Name of Staff Originator:

Orielle Revish, HR Director

Suat Acar, Chief Operations Officer

David Yilmaz, Chief Accountability Officer

Exhibits (attachments):

MPS Pay Raise Scale 2018-19 (School Leaders)

Budget Impact 2018-19

Los Angeles Principal Salary Data

Projected with Salary Increase (budget)



MPS EMPLOYEE PAY RAISE SCALE

SCHOOL LEADER POSITIONS

Last Amended: 1/22/18

MPS EMPLOYEE PAY RAISE SCALE (SCHOOL LEADER POSITIONS)

SALARY CALCULATIONS

Components of Employee Salaries

School Level: School Leader Positions		
1	Base School Salary	
	+	
2	Employee Qualifications Pay	
	+	
3	Employee Performance Pay	
		➔ Base Employee Salary

Narrative:

- 1) The MPS Board of Directors will closely work with the Home Office to review and update this employee pay raise scale and approve it at one of its meetings prior to the fiscal year to which it applies.
 - 2) This Board-approved pay raise scale will be in effect as of July 1, 2018 and until the next Board approval of an updated scale. MPS reserves the right to modify this pay raise scale, as well as any policies affecting employee compensation, including but not limited to maintaining any pay raise scale at all.
 - 3) This policy replaces and overrides any previous pay/bonus policy.
 - 4) This pay raise scale applies to all full-time school leaders, i.e., principals, APs, and deans.
 - 5) Salary for school leader positions has three major components: base school salary, employee qualifications pay, and employee performance pay.
 - 6) The following salary bands will be applied to school leader positions:

Assistant Principal/Dean	Minimum: \$70,000	Maximum: \$100,000
Principal	Minimum: \$90,000	Maximum: \$130,000
- If the pay raise calculations for a school leader result in an amount either below the band minimum or above the band maximum, the minimum or the maximum amounts will be applied respectively.
- 7) Employees currently receiving above the scale will continue to receive that amount until the scale catches up to that amount.
 - 8) Retroactive salary increases are not permitted.

- 9) For employment-based visa holders, proposed salary based on scale cannot be under the prevailing wages as determined by the DOL.
- 10) Employees will be able to update their degree or credential during the new work year, and these updated qualifications will be used in prorated salary calculations as of the date of submission.
- 11) Performance pay is based on the employee's performance rating. Performance pay is given only to existing full-time employees who have completed at least a half-year at MPS based on their performance in the finished year. (See "Employee Performance" for details.)
- 12) A one-time signing bonus may be provided to new employees for hard-to-fill positions upon approval by the Home Office on a case by case basis. (See the Employee Handbook for details.)
- 13) Whether identified or not in this scale, the Home Office will make the final determination regarding salary calculations for any employee at any position and has the authority to make any revisions based on changing budget conditions.

1) BASE SCHOOL SALARY

Base School Salary		
<u>Location</u>	<u>School</u>	<u>Base</u>
Los Angeles County (Reseda)	MSA-1	\$45,066 → \$46,600
Los Angeles County (Van Nuys)	MSA-2	\$45,066 → \$46,600
Los Angeles County (Carson)	MSA-3	\$46,091 → \$46,600
Los Angeles County (Los Angeles)	MSA-4	\$44,041 → \$46,600
Los Angeles County (Reseda)	MSA-5	\$45,066 → \$46,600
Los Angeles County (Los Angeles)	MSA-6	\$44,041 → \$46,600
Los Angeles County (Northridge)	MSA-7	\$45,066 → \$46,600
Los Angeles County (Bell)	MSA-Bell	\$46,091 → \$46,600
San Diego County (San Diego)	MSA-San Diego	\$45,066 → \$46,600
Orange County (Santa Ana)	MSA-Santa Ana	\$44,041 → \$46,600

Narrative:

- 1) The Base School Salary for each school is determined based on the specific school budget, size, and challenge, as well as the cost of living at the school location.
- 2) Based on the above parameters, the Board may adjust the Base School Salaries each year.

2) EMPLOYEE QUALIFICATIONS PAY

Qualifications				
Field #	Qualification	Coefficient	Points	Max
1	Position	\$1,015	See table below.	50
2	Degree	\$1,015	1 or 3. See notes.	3
3	Credential	\$1,015	1 or 2. See notes.	2
4	Prior Experience (Other)	\$750	1 for each year up to 15	15
5	Prior Experience (AP/Dean)	\$1,125	1 for each year up to 15	15
6	Prior Experience (Principal)	\$1,350	1 for each year up to 15	15
7	MPS Experience (Other)	\$1,015	1 for each year up to a total* of 25	25
8	MPS Experience (AP/Dean)	\$1,250	1 for each year up to a total* of 25	25
9	MPS Experience (Principal)	\$1,500	1 for each year up to a total* of 25	25

Position Points				
Assistant Principal/Dean		15		
Principal		School Enrollment:		
Grade Span:	0-199	200-399	400-599	600+
K-5 or 6-8	25	30	35	40
K-8, 9-12 or 6-12	30	35	40	45
K-12	35	40	45	50

Experience					
Lower Priority			Higher Priority		
→					
Prior Experience (Other)	Prior Experience (AP/Dean)	Prior Experience (Principal)	MPS Experience (Other)	MPS Experience (AP/Dean)	MPS Experience (Principal)
Prior experience capped at 15 years			Total experience* capped at 25 years		

Narrative:

1) Position: See the table above for points for each position. Principal's position points will be based on the grade span of the school for the new work year and the school enrollment based on the P-2 report of the current year. Based on Census Day data of the new work year, i.e., first Wednesday of October, if an increase in enrollment requires an adjustment to the position points, updated position points will be used in prorated salary calculations as of November. Final decision will be made by the Home Office for extenuating circumstances.

2) Degree: 1 point for master's degree; 3 points for doctoral degree. Points are not added; the highest degree will be considered.

3) Credential: 1 point for California Preliminary Administrative Services Credential; 2 points for California Clear Administrative Services Credential. Points are not added.

4) Prior Experience: Cap of 15 years will be applied for prior full-time, full-year school leader, teaching, and other related field work experience. See the table above for coefficients. For prior experience that is more than 15 years, experience with higher coefficients will be prioritized, i.e., principal experience will be considered first, followed by AP/Dean experience and other related field work experience. Student teaching as part of the credentialing program does not count for experience. Employees need to verify their prior employment. Final decision will be made by the Home Office.

5) MPS experience is valued more than prior experience; both full and partial MPS years will be added and the sum will be rounded to the lower multiple of one-half.

* Total experience, i.e., the sum of prior experience and MPS experience will be capped at 25 years. For total experience that is more than 25 years, MPS experience will be considered before prior experience and experience with higher coefficients will be prioritized. See the table above for experience in priority order to be counted towards the 25 years.

3) EMPLOYEE PERFORMANCE PAY

Available Performance Pay	
School Leader Positions	\$5,000 vs. \$4,000

End-of-Year Overall Evaluation Ratings	
Rating	Earns % of Available Performance Pay
4: Highly Effective (HE)	100%
3: Effective (E)	60% vs. 50%
2: Developing (D)	N/A
1: Ineffective (I)	N/A

Narrative:
<p>1) The Home Office will develop a performance evaluation system where employees will earn annual performance points out of 100.</p> <p>2) Employees who receive a “4: Highly Effective (HE)” rating on their end-of-year overall evaluation will earn 100% of the available performance pay and those who receive a “3: Effective (E)” rating will earn 60% vs. 50% of the available performance pay.</p> <p>3) Available performance pay will be an additional \$5,000 vs. \$4,000 (for school leader positions) to the employee's base salary. This amount will be in effect until the next Board approval of an updated/revised scale.</p> <p>4) MPS believes in use of data in determining employee performance. As explained in detail in MPS' board-approved employee evaluation protocols, survey and student assessment data as well as supervisor's evaluation of the employee on California Professional Standards for Educational Leaders (CPSEL) are used in school leader evaluations.</p> <p>5) Performance pay is given only to existing full-time employees who have completed at least a half-year at MPS based on their performance in the finished year. Corresponding performance pay is included in next year's salaries.</p>

Revision History:

Revision	Date	Description of changes	Requested By
0	5/12/14	Initial Release	David Yilmaz
1	3/25/15	One percent is added to base pay (excluding benefits); base school salaries and coefficients for employee qualifications are revised.	Oswaldo Diaz
2	5/12/16	Salary bands are introduced.	Terri Boatman
3	2/22/18	Edited to reflect current base school salaries and language for employee evaluation ratings. Coefficients for employee qualifications and available performance pay amounts are revised; the band maximums are revised; school enrollment is made a factor in principal position points.	David Yilmaz