



Board Agenda Item #	III D- Action Item
Date:	March 8, 2018
To:	MPS Board of Directors
From:	Caprice Young, Ed.D., CEO & Superintendent
Staff Lead:	Caprice Young, Ed.D., CEO & Superintendent
RE:	C-Team Executive Compensation Comparison Benchmarks and recommendation

Proposed Board Recommendation

Revise the executive compensation band of the Chief Financial Officer from \$120,000 to \$180,000 to \$150,000 to \$230,000 based on the market benchmarks provided.

Background

In 2016, the MPS board established a broad executive compensation salary band of \$120,000 to \$180,000 for all non-CEO C-Level positions. That salary band was established based on a review of the 990 tax records for similar organizations available at the time, generally 2013 data. Since then, the industry has seen a significant rise in the compensation levels of Charter Management Organization (CMO) leadership. The table below shows a comparison of the compensation across similar CMOs.¹ Finding similar organizations is not exact because CMOs vary tremendously in the number of students they serve, how many schools they manage, how many authorizers they report to, and what stage of growth or crisis they face. While Magnolia is no longer in crisis, because of the number of authorizers we juggle, we deal with quite a bit of complexity. For many of our top positions, we also compete with private sector and traditional school district similar roles.

In 2015, the actual salary ranges for CMO positions similar to ours were:

Position Equivalent	Low	Mean	High
Chief Financial Officer (CFO)	\$158,000	\$199,000	\$227,000
Chief Operating Officer (COO)	\$167,000	\$206,000	\$244,000
Chief Academic Officer (CAO)	\$167,000	\$205,000	\$268,000
Chief Accountability Officer	\$191,000	\$191,000	\$191,000

¹ CMOs included in the review: Green Dot, Alliance for College Ready Public Schools, Achievement First, High Tech High, ICEF, KIPP LA, Summit, and Success Academies.

(CAO')			
Chief External Officer (CXO)	\$147,000	\$222,000	\$295,000
General Counsel/Director of Facilities (GC or CFO')	\$181,000	\$301,000	\$420,000
Regional Director/Area Superintendent	\$167,000	\$196,000	\$227,000

Actual 2015 CFO salaries were:

Achievement First	\$226,578
Alliance For College Ready Public Schools	\$247,000
High Tech High	\$223,787
ICEF	\$173,476
KIPP LA	\$165,795
Success Academy	\$196,394
Summit	\$157,820

Because most recruitment postings for these positions are listed as “Depends on Qualifications,” it is difficult to know how much salaries have changed in the two years since these 990 filings, but recruiters have told me that they remain in the higher end of this range for well-qualified candidates. Our C-Team members currently are compensated in the lower end of our \$120,000 to \$180,000 range and are susceptible to recruitment; however, they all value their ability to make an impact at Magnolia and appreciate the investment we make in their professional development and education.

Our CFO, however, is near the top of the salary band and significantly under-market in terms of salary. Given our history of challenges and given the immense impact she has made on our financial credibility during the past year, it makes sense to increase the CFO salary band to a market competitive rate and to allow for a raise commensurate with her experience and performance. This item proposes to create a new CFO salary range that would allow for a salary increase and leave room to grow over time.

Budget Impact

Changing the CFO salary range will not directly impact the budget; however, an increase in the salary range will allow an increase in the CFO’s salary during the 2018-19 budget year. The CEO will weight appropriate trade offs in the overall budget proposed to the board including any C-Team level increases.

Name of Staff Originator

Caprice Young, Ed.D., CEO & Superintendent

Attachments

None.