

## **Magnolia Public Schools Governing Board**

### **Summary of Compensation and Benefits Survey Data for Chief Executive Officer/Superintendent**

**June 2018**

Prior to any Board action to approve any decisions regarding executive compensation (including approval of base salary increases, incentive compensation, bonuses, etc.), the Board must first exercise due diligence (review of comparable compensation practices) to ensure compliance with IRS restrictions on excess compensation for nonprofit executives, including a charter school Executive Director (“ED”) and other positions with substantial influence over the affairs of the organization. The Board’s review and approval of the executive compensation must occur: initially upon hiring the executive; whenever the term of employment, if any, is renewed or extended; and whenever the officer’s compensation is modified. However, separate review and approval is not required if the modification of compensation extends to substantially all employees.

In reviewing the reasonableness of compensation for nonprofit executives, the IRS considers “compensation” broadly and will look at the value of salary, as well as non-fixed compensation (incentive compensation/bonuses), and benefits. If the IRS determines compensation is not reasonable, severe consequences may result. Thus, the best way to avoid risk of penalties is to go through the process of establishing reasonable compensation in advance of any salary increase, and for the Board to properly document it has engaged in such a process. This approach will also meet the legal requirements specific to California nonprofits under the California Nonprofit Integrity Act.

The following is a summary of our findings following review and comparison of a sampling of total compensation levels received by public school leaders in California. Compensation figures are from the State Controller’s Office for the 2016 calendar year. Student enrollment figures are from the California Department of Education for the 2016-17 school year. The Chief Executive Officer/Superintendent of Magnolia Public Schools oversees multiple schools with a total student population of over 3,400. Based on these facts, this study compared salary packages of like classifications – specifically, Superintendents of similarly-sized School Districts. The seven districts surveyed in this summary have an average student population of approximately 3,300. Of the seven districts sampled, the average total compensation package (base salary plus other compensation) for district leaders is \$250,744. The average base salary is \$218,403. The median base salary is \$217,500. It should be noted that a majority of the Superintendents in this study have been with the Districts listed for at least three years.

<b>Moraga Elementary School District</b>	<b>1,832 Students</b>
Superintendent	
<b>Total Compensation Package</b>	<b>\$234,307</b>
Base Salary	\$209,504
Other compensation (insurance and retirement)	\$24,803
<b>Silver Valley Unified School District</b>	<b>2,104 Students</b>
Superintendent	
<b>Total Compensation Package</b>	<b>\$236,267</b>
Base Salary	\$213,849
Other Compensation (insurance and retirement)	\$22,418
<b>Cucamonga Elementary School District</b>	<b>2,458 Students</b>
Superintendent	
<b>Total Compensation Package</b>	<b>\$234,978</b>
Base Salary	\$206,138
Other Compensation (insurance and retirement)	\$28,840
<b>Temple City Unified School District</b>	<b>5,831 Students</b>
Superintendent	
<b>Total Compensation Package</b>	<b>\$248,695</b>
Base Salary	\$217,500
Other compensation (insurance and retirement)	\$31,195
<b>El Segundo Unified School District</b>	<b>3,474 Students</b>
Superintendent	
<b>Total Compensation Package</b>	<b>\$278,416</b>
Base Salary	\$227,971
Other compensation (insurance and retirement)	\$50,445
<b>Wiseburn Unified School District</b>	<b>4,495 Students</b>
Superintendent	
<b>Total Compensation Package</b>	<b>\$282,953</b>
Base Salary	\$234,448
Other compensation (insurance and retirement)	\$48,505
<b>Laguna Beach Unified School District</b>	<b>2,929 Students</b>
Superintendent	
<b>Total Compensation Package</b>	<b>\$239,594</b>
Base Salary	\$219,414
Other compensation (insurance and retirement)	\$20,180