

Teacher Compensation Strategy - Part A: Preliminary Plan for 22-23 and Beyond



Timeline for Teacher Compensation

February 2nd: Our current financial Position and discussion of our Teacher Compensation Strategy (part A)

Week of February 14th: Finance Committee Review of Teacher Compensation Strategy vs. 22-23 and 23-24 revenue projections

February 25th: Special Board Meeting: Approval of LCPS 2nd interim financials, Present Teacher Compensation Strategy vs Budget (part B) and Approve our Teacher Salary Rubric

April 13th: Update on Teacher retention and Hiring for the 22-23 School Year



Goal: 5% aggregate increases in Teacher Base Salary

Why is this important now?

- **Honoring teachers and their incredible work** during the last two years, and countering the “great resignation”
- **Staff Retention will ensure our aligned academic direction**, which is critical for our charter renewals in 2024, 2025, and 2026
- **Board commitment to compensation increases** from 2019 was put on hold due to COVID-19 and uncertain financial outlook
- **Address teacher sustainability** given the increases in cost of living and inflation
- **LCPS has lost ground in competitiveness** with surrounding district/CMO



For 2/25: Anticipated area charter increases and district comparisons

Key Metrics and Financial Variables for Teacher Compensation

What are the key metrics and drivers?

Enrollment:

- **21-22:** Today, we are at 1521 / 1561 students (97.4%)
- **22-23:** Budget Conservatively at 1560, with goal of 1608
- **23-24:** Budget Conservatively at 1625, with goal of 1692

LEA	21-22 SY	22-23 SY	23-24 SY	Max Cap*
Lighthouse K-8	314 Elem 218 Middle	312 Elem. 234 Middle	312 Elem. 234 Middle	525 (+20)
Lighthouse 9-12	311 High	300 High	300 High	320 (+20)
Lodestar K-12	309 Elem 236 Middle 133 High* (9-10)	312 Elem. 234 Middle 216 High* (9-11)	312 Elem. 234 Middle 300 High* (9-12)	816 (+20)
LCPS	1521	1608	1692	1661



Key Metrics and Financial Variables for Teacher Compensation

What are the key metrics and drivers?

ADA (Average Daily Attendance):

- **Historically:** We budget at 94%, with actual ADA around 94-95%
- **This year:** We are currently at 88%, and anticipate ADA between 87% and 89%
- **What should we budget for next year? Keeping an eye on Legislative updates**
 - "SB 579: Hold Harmless Protections: CDE would use the greater of the 2019–20 or 2021–22 fiscal year ADA. For the 2022–23 fiscal year, CDE would use the greater of the 2019–20, 2021–22, or 2022–23 ADA. In Assembly currently.
 - ***What that would mean for LCPS?***
 - Increase of ~900K to 21-22 Budget
 - We could budget at 94 to 95% per LEA for 22-23



For 2/25: For our budget and teacher compensation modeling, we will set a conservative range for ADA

Key Metrics and Financial Variables for Teacher Compensation

What are the key metrics and drivers?

Governor's Proposed Budget: If approved, LCPS would be able to meet 5% goal, assuming budgeted enrollment and favorable ADA legislation.

2022-23 Local Control Funding Formula Rates

(Estimates Based on Governor's January Budget Proposal)

	Grade Span			
	K-3	4-6	7-8	9-12
Base Rate (w/ 5.33% COLA)	\$8,524	\$8,652	\$8,909	\$10,324
K-3 CSR Grade Span Adjustment (@10.4%)	\$887			
9-12 Career/Tech Grade-Span Adjustment (@2.6%)				\$268
Adjusted Base Rate	\$9,411	\$8,652	\$8,909	\$10,593
Supplemental and Concentration Factors & Funding for "Unduplicated" Pupils				
Supplemental Add-On (@20%)	\$1,882	\$1,730	\$1,782	\$2,119
Concentration Threshold	55 percent			
Concentration Add-On (@65% for pupils above threshold)	\$6,117	\$5,624	\$5,791	\$6,885

LCFF Multi-Year COLA Estimates

Governor's Proposed/Estimated LCFF Cost-of-Living Adjustments

Year	2019-20	2020-21	2021-22	2022-23	2023-24
COLA	3.26%	Zero*	5.07%**	5.33%	3.61%

* The statutory COLA was 2.31 percent for 2020-21, but the budget trailer bill zeroed it out.

** Reflects compounding of 2.31 percent unfunded prior-year COLA plus estimated 1.5 percent

- Italicized estimated figures subject to change

Personnel Budget Overview and Funding Sources

How will we approach meeting our goal vs. budget in 22-23 and 23-24?

Employee Head Count and Current LCPS Yearly Payroll

- Currently, ~\$14MM of our ~\$27-28MM Budget is tied to our aggregate payroll expenses. ~\$7.8MM are teachers (not counting Special Education)
- We have three “types” of employees based on funding sources:
 - **Model:** Most teachers, staff, administrators, and Shared Service employees.
 - **Regular Grant Funded:** A small group of teachers and staff, and our After School Program staff
 - **One time Grant Funded (ESSER):** Independent Study Schools, In-Building Subs, Staff Members and Shared Service roles funded for COVID response (~20 employees this year)



Personnel Budget Overview - Academic Program Staffing

How will we approach meeting our goal vs. budget in 22-23 and 23-24?

Academic Program Model and Teachers Ratios

- **LCPS will first anchor in Teacher Compensation assumptions in Budget**, and then build around / hold / cut around to meet goal (tradeoffs will mainly come from operational and shared service roles)
- **Hardwire our Academic Model vs. Enrollment** (sections per grade)
 - 2 section Elementary - 16 teachers (.5 ELD) - 19:1
 - 3 section Middle - 12 teachers (.5 ELD) - 19:1
 - 3 section HS at full build out - 18 teachers + 1 college counselor 16:1
 - Lodestar HS - growth year. 2022-23 is most likely 14 teachers, 2023-24 is 18 + 1 college counselor (assuming enrollment)
- **Special Education** - currently in review; will present Seneca wind-down strategy and Personnel needed for our increases in special education students. (current estimate ~3MM in 22-23)



Current Teacher Salary Scale Comparison: LCPS and OUSD

Step	Base Salaries			OUSD(BA+45)		
	2019-20	2020-21	2021-22*	2019-20	2020-21	2021-22
1	50,000	51,000	52,000	2,099	1,422	555
2	50,750	51,258	52,526	2,074	877	248
3	51,511	52,026	53,576	1,017	(236)	(654)
4	53,056	53,587	54,648	756	(543)	(1,521)
5	54,648	56,287	56,287	543	289	(1,820)
6	56,287	59,101	59,101	377	1,235	(945)
7	57,976	62,034	62,034	261	2,299	49
8	59,715	63,895	63,895	207	2,305	(15)
9	61,506	65,811	65,811	181	2,340	(51)
10	63,351	67,786	67,786	233	2,459	(1)
11	65,252	69,820	69,820	329	2,624	94
12	67,210	71,243	71,243	494	2,192	(408)
13	68,554	72,667	72,667	1,838	3,617	1,016
14	69,925	74,121	74,121	3,209	5,070	2,470
15	71,324	74,890	74,890	4,608	5,840	3,239
16	72,750	75,660	75,660	6,034	6,609	4,009
17	74,205	76,431	76,431	7,489	7,381	4,780
18	75,689	76,824	76,824	8,973	7,774	5,173
19	77,203	77,203	77,203	10,487	8,152	5,552
20	77,589	77,589	77,589	10,873	8,538	5,938
21	77,977	77,977	77,977	9,444	7,045	5,272
22	78,367	78,367	78,367	9,834	7,435	5,662
23	78,759	78,759	78,759	10,226	7,827	6,054
24	79,153	79,153	79,153	10,620	8,221	6,448
25	79,549	79,549	79,549	11,016	8,617	6,844
26	79,947	79,947	79,947	9,621	7,160	5,340
27	80,347	80,347	80,347	10,021	7,560	5,740
28	80,749	80,749	80,749	10,423	7,962	6,142
29	81,153	81,153	81,153	10,827	8,366	6,546
30	81,559	81,559	81,559	11,233	8,772	6,952

Current Strengths and Challenges in Base Salary

Strengths:

- Teachers with experience - either at Lighthouse or external candidates with 12+ years outpace local comparison

Challenges:

- Currently, LCPS is below market on Teacher compensation in the first 12 year steps. ~80%+ of our teachers
- Our HR and Talent team has been able to hire for key roles despite this gap this year.
- We use various bridge overall compensation through stipend opportunities - they include: ELD assignments, leadership roles (grade level or culture team leads), and other stipend roles



A Proposed Model with the Aforementioned Assumptions

Step	Base Salaries				OUSD(BA+45)			
	2019-20	2020-21	%Increase	22-23	2019-20	2020-21	2021-22	2022-23
1	50,000	-		55,640	2,099	1,422	555	4,195
2	50,750	1.5%	7%	56,203	2,074	877	248	3,925
3	51,511	1.5%	7%	57,326	1,017	(236)	(654)	3,096
4	53,056	3.0%	7%	58,473	756	(543)	(1,521)	2,305
5	54,648	3.0%	7%	60,227	543	289	(1,820)	2,120
6	56,287	3.0%	6%	62,647	377	1,235	(945)	2,601
7	57,976	3.0%	6%	65,756	261	2,299	49	3,771
8	59,715	3.0%	6%	67,729	207	2,305	(15)	3,819
9	61,506	3.0%	5%	69,102	181	2,340	(51)	3,239
10	63,351	3.0%	5%	71,175	233	2,459	(1)	3,388
11	65,252	3.0%	5%	73,311	329	2,624	94	3,585
12	67,210	3.0%	4%	74,093	494	2,192	(408)	2,442
13	68,554	2.0%	4%	75,574	1,838	3,617	1,016	3,923
14	69,925	2.0%	4%	77,086	3,209	5,070	2,470	5,435
15	71,324	2.0%	4%	77,886	4,608	5,840	3,239	6,234
16	72,750	2.0%	4%	78,686	6,034	6,609	4,009	7,035
17	74,205	2.0%	3%	78,724	7,489	7,381	4,780	7,073
18	75,689	2.0%	3%	79,129	8,973	7,774	5,173	7,478
19	77,203	2.0%	3%	79,519	10,487	8,152	5,552	7,868
20	77,589	0.5%	3%	79,917	10,873	8,538	5,938	8,265
21	77,977	0.5%	3%	80,316	9,444	7,045	5,272	7,611
22	78,367	0.5%	3%	80,718	9,834	7,435	5,662	8,013
23	78,759	0.5%	3%	81,122	10,226	7,827	6,054	8,416
24	79,153	0.5%	3%	81,528	10,620	8,221	6,448	8,822
25	79,549	0.5%	3%	81,935	11,016	8,617	6,844	9,230
26	79,947	0.5%	3%	82,345	9,621	7,160	5,340	7,738
27	80,347	0.5%	3%	82,757	10,021	7,560	5,740	8,150
28	80,749	0.5%	3%	83,171	10,423	7,962	6,142	8,564
29	81,153	0.5%	3%	83,588	10,827	8,366	6,546	8,981
30	81,559	0.5%	3%	84,006	11,233	8,772	6,952	9,399

DRAFT/Preliminary Model: LCPS 22-23

Salary Rubric vs. OUSD

Strengths:

- **Equitable financial distribution:** A 7% to 3% increase on steps on the DRAFT LCPS Teacher rubric would be needed to exceed difference from OUSD's current scale at each year.
- **Our Goal:** Preliminary modeling shows that with our current distribution of teachers, that this would increase overall teacher compensation by 5.2%. (~\$400K increase)

Challenges:

- **Governor's COLA:** OUSD, local districts, and charter schools may also increase their teacher rubric salaries by 5%, and require adjustments in May/June

Summary of Part A and what to expect for Part B on 2/25

Summary:

- **In the next two weeks alongside our 2nd interim budget reporting, LCPS will develop a conservative model with realistic Enrollment / ADA targets (a few scenarios)** and test our Teacher Compensation Strategy vs. 22-23 and 23-24 revenue projections
- **Our current salary scale needs to be increased**, especially for teachers with less years of experience so that LCPS can be very competitive.

Expectations for Part B: Special Board Meeting on 2/25:

- **Organizational level analysis and preliminary budget presentation** to meet 5%+ overall teacher compensation increase, alongside district and charter salary comparisons for 22-23
- **Resolution for board consideration** for adoption of new Teacher Salary Rubric for the 22-23 and 23-24 school year.

