



**RESOLUTION OF THE BOARD OF DIRECTORS OF
COMPASS CHARTER SCHOOLS**

Board Resolution 2017-02
Executive Compensation Study

The Board of Directors (“Board”) of Compass Charter Schools (“Compass”), a tax exempt, California nonprofit public benefit corporation operating public charter schools, does hereby adopt the following resolution pursuant to the provisions of the California Nonprofit Integrity Act, and as also required by the Internal Revenue Service requirements for tax exempt (501c3) entities:

WHEREAS, when Compass considers renewing or extending a contract term or modifying total compensation (separate from organization wide increases) to be paid to the Compass President & Chief Executive Officer (“CEO”), the Board must ensure that such compensation is reasonable; and

WHEREAS, the Board must determine the compensation of the Compass President & CEO within the confines of legal requirements and best practices for tax exempt, nonprofit corporations; and

WHEREAS, the Board must ensure the President & CEO’s compensation is within the range of similar organizations across the region, also taking into account other factors the Board believes pertinent to the setting of its President & CEO’s compensation; and

WHEREAS, the Board desires to take all recommended steps to ensure the compensation paid to the President & CEO is reasonable, and that the Board has followed legally required procedures, as detailed below:

1. Approval of Compensation. The Board must evaluate annually the compensation of the Compass’ “senior officer” and approve in advance any change to the compensation for the “senior officer.”
2. Definitions. For purposes of this resolution, the Compass’ senior officer is the President & CEO, and the total compensation paid to the President & CEO is understood to include a base salary, any bonuses, retirement benefits, fringe benefits, liability insurance premiums, and other monetary or non-monetary benefits provided.
3. Recusal. Any Board members related to the President & CEO, any employee Board members reporting to the President & CEO or under his supervision, or any other

individual having a personal interest in the compensation paid to the President & CEO, and the President & CEO himself have been excluded from the Board's discussion and determination of reasonable compensation.

4. Determining Compensation. The Board's review of compensation data will guide the Board prior to its making any decisions to alter the President & CEO's compensation to ensure the compensation to be paid is reasonable. When determining whether the compensation or any change to compensation is reasonable, the Board:
 - a. Has been presented with and considered comparability data and compared the compensation to be paid to the President & CEO with the compensation paid to the equivalent senior officers from at least three (3) similar organizations operating in metropolitan areas that have comparable revenues, employees, service populations and skills.
 - b. Recognizes the unique benefits provided by the President & CEO to Compass, including the following: his past, present and future commitment to Compass, the special knowledge, experience and relationships with community members possessed by the President & CEO, which would be difficult to replace, and his record of achievement at Compass.
5. Source of Comparability Data. The Board has reviewed comparability data by documenting the compensation paid to officers holding similar positions in similar organizations. (See attached documentation at **Exhibit A**, attached here and incorporated by reference.) Specifically, the compensation paid to school leaders at similar nonprofits operating public charter schools, as documented by Forms 990 filed with the IRS and an examination of compensation paid to r similar nonprofits operating public charter schools, as documented by Transparency California.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors hereby adopts the foregoing resolution.

BE IT FURTHER RESOLVED, that the Chair of the Board hereby is authorized to certify this resolution.

* * *

IN WITNESS WHEREOF, the Board of Directors has adopted the above resolution at a regular Board meeting this 26th day of June, 2017.

By: _____
Peter McDonald, Board Chair

Executive Compensation Study - Transparent California

<u>2013</u>	<u>Enrollment</u>	<u>Title</u>	<u>Salary</u>	<u>Auto</u>	<u>Cell</u>	<u>Retirement</u>	<u>Benefits</u>	<u>Total Comp</u>
Academy for Academic Excellence	1412	President/CEO	\$132,330.67	N/A	N/A	N/A	\$22,827.28	\$155,157.95
Guajome Park Academy Charter	1342	Superintendent	\$185,000.00	Other Pay: \$14,994.00			\$43,257.00	\$243,251.00
Natomas Charter	1638	Executive Director	\$143,352.24	N/A	N/A	N/A	\$21,651.41	\$165,003.65

2017 (assumes 3% raise annually) Total Comp

Academy for Academic Excellence	\$169,545.28
Guajome Park Academy Charter	\$265,806.94
Natomas Charter	\$180,303.94