



Rethinking Compensation: Ensuring Equitable Salaries After One-Time Funds Run Out

Agenda

- ／ Welcome + Introductions
- ／ Poll
- ／ The Challenge
- ／ Innovative Ways to Solve It
- ／ Q&A

Who We Are

✓ Your presenters



Jennifer Svendsen
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CEO, ACE Charter Schools

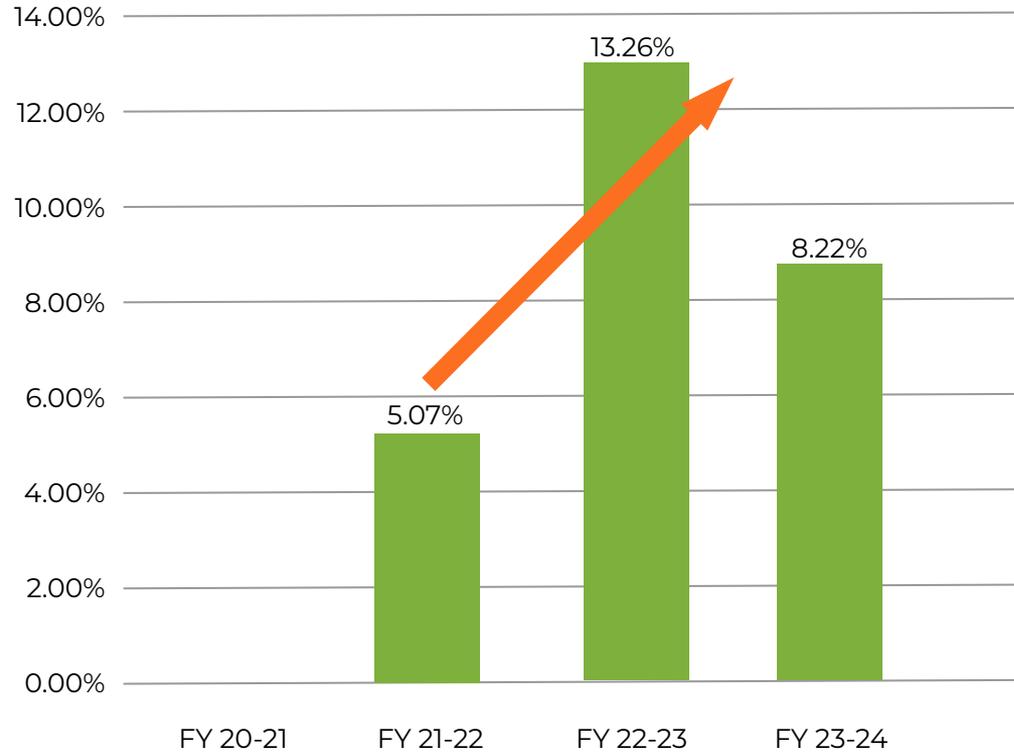
Poll

As a charter school or CMO leader, the biggest challenge I am currently facing is around:

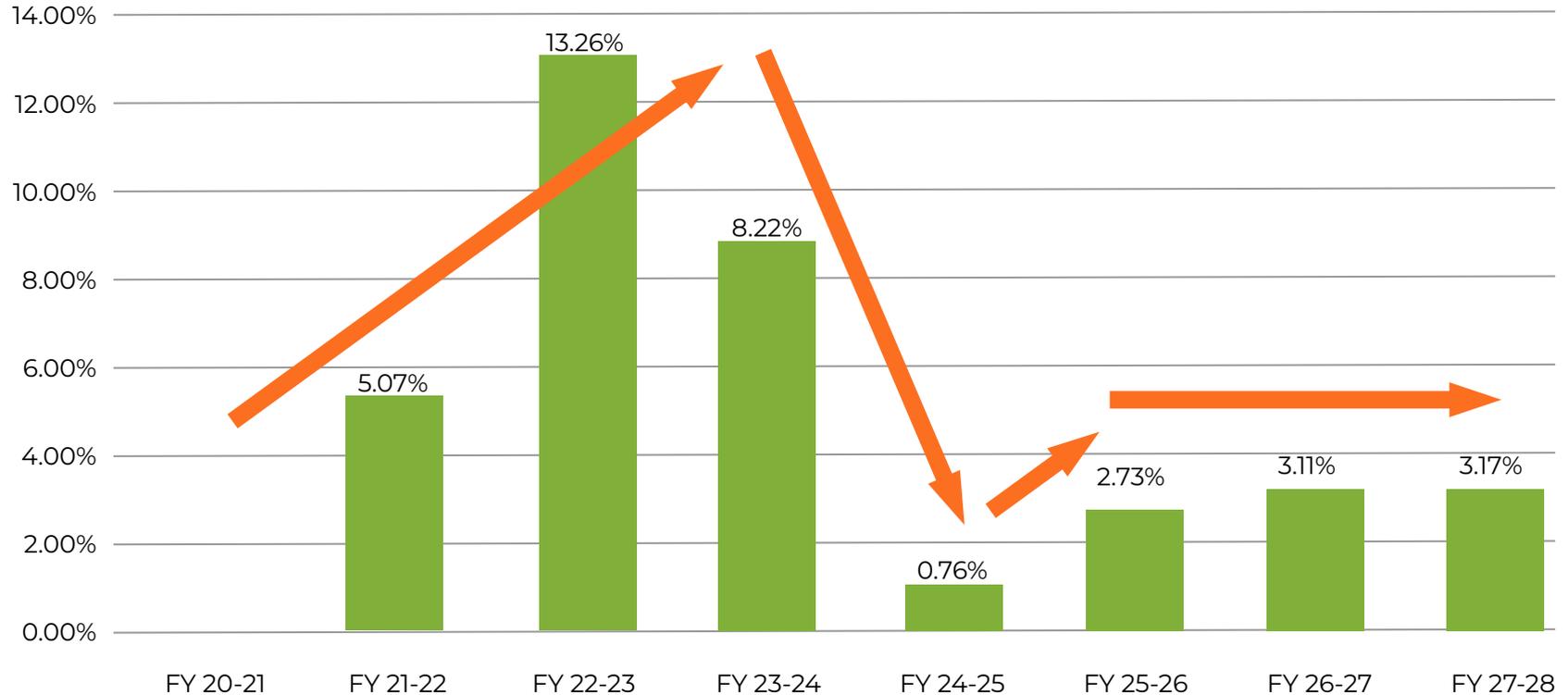
- \ budget
- \ teacher pipeline/retention
- \ student enrollment
- / other

The Challenge

\ The Revenue Golden Years - COLA



\ The Reality of Coming Years - COLA



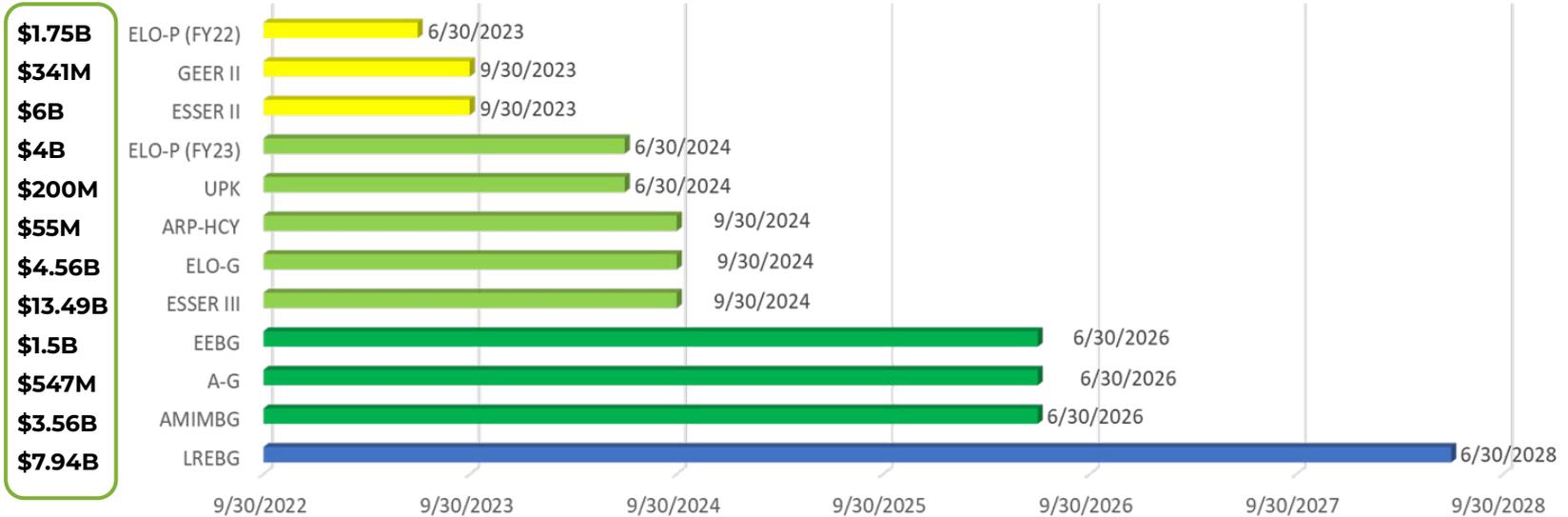
\ Declining California Tax Receipts

Growth of State Spending Since 2018

	January Proposal	May Revision	Enacted in June
\ 2018-19	\$190.3	\$199.2	\$201.4
\ 2019-20	\$209.1	\$213.5	\$214.8
\ 2020-21	\$222.2	\$203.3	\$202.1
\ 2021-22	\$227.2	\$267.7	\$262.5
\ 2022-23	\$286.4	\$300.7	\$307.9
\ 2023-24	\$296.9	\$306.5	\$310.8
\ 2024-25	\$291.5	TBD	TBD

Growth of State Spending Since 2018 (in billions)

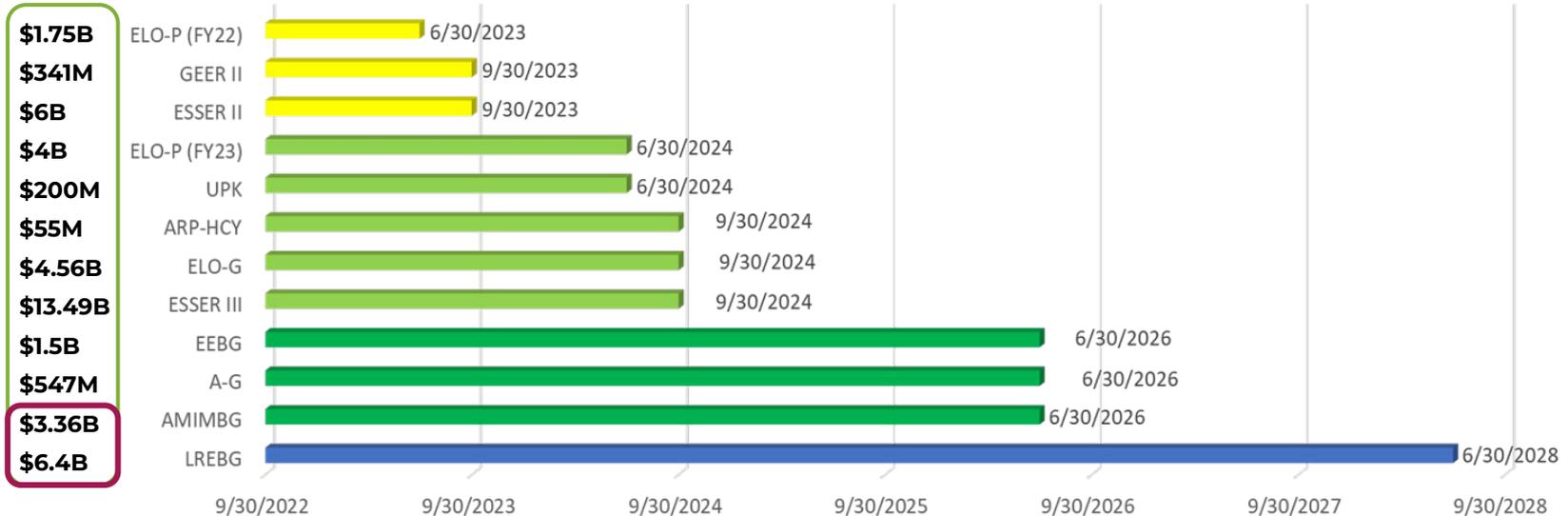
\ The Revenue Golden Years: One-Time Grants



\$44 Billion Allocated

\ The Reality of Coming Years: One-Time Grants

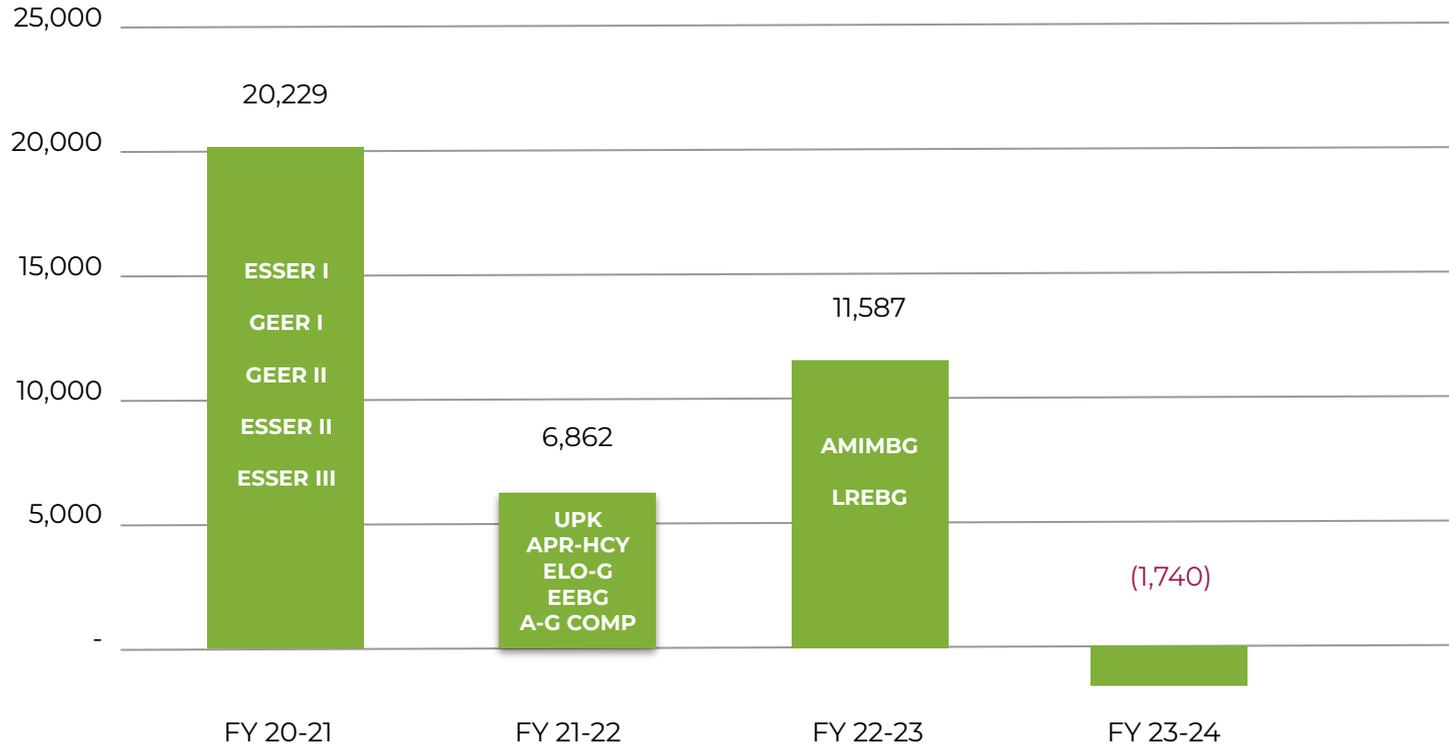
~~\$44 Billion Allocated~~ \$42.3 Billion Allocated



** No New Large One-time Money**

\ One-Time Grants By Year Awarded

New One-Time Funding (In Millions)



\ Planning For The Cliff Hypothetical Scenarios

Increases Consistent with LCFF

	ESSER Ends			LREBG Ends	
	2022-23	2023-24	2024-25	2025-26	2026-27
LCFF COLA	13.26%	8.22%	0.76%	2.73%	3.11%
Salary Scale COLA	13.00%	8.00%	3.00%	3.00%	3.00%
OPEX COLA	3.00%	3.00%	3.00%	3.00%	3.00%
Total Revenue	\$ 30,842,144	\$ 31,839,636	\$ 32,564,653	\$ 33,321,657	\$ 33,656,798
Total Expenses	29,721,399	31,554,130	32,599,151	33,574,289	34,581,518
Annual Surplus	1,120,745	285,506	(34,498)	(252,632)	(924,720)



Increases Flatlined

	ESSER Ends			LREBG Ends	
	2022-23	2023-24	2024-25	2025-26	2026-27
LCFF COLA	13.26%	8.22%	0.76%	2.73%	3.11%
Salary Scale COLA	8.00%	5.00%	3.00%	3.00%	3.00%
OPEX COLA	3.00%	3.00%	3.00%	3.00%	3.00%
Total Revenue	\$ 30,842,144	\$ 31,839,636	\$ 32,564,653	\$ 33,321,657	\$ 33,656,798
Total Expenses	28,978,364	30,291,965	31,213,687	32,147,382	33,111,803
Annual Surplus	1,863,780	1,547,671	1,350,966	1,174,276	544,995



Tracking Of Multi-Year Funds Over Time

Sample Charter School

Multi-Year One-Time Funding Planning Tracker

Revised 2/26/2024

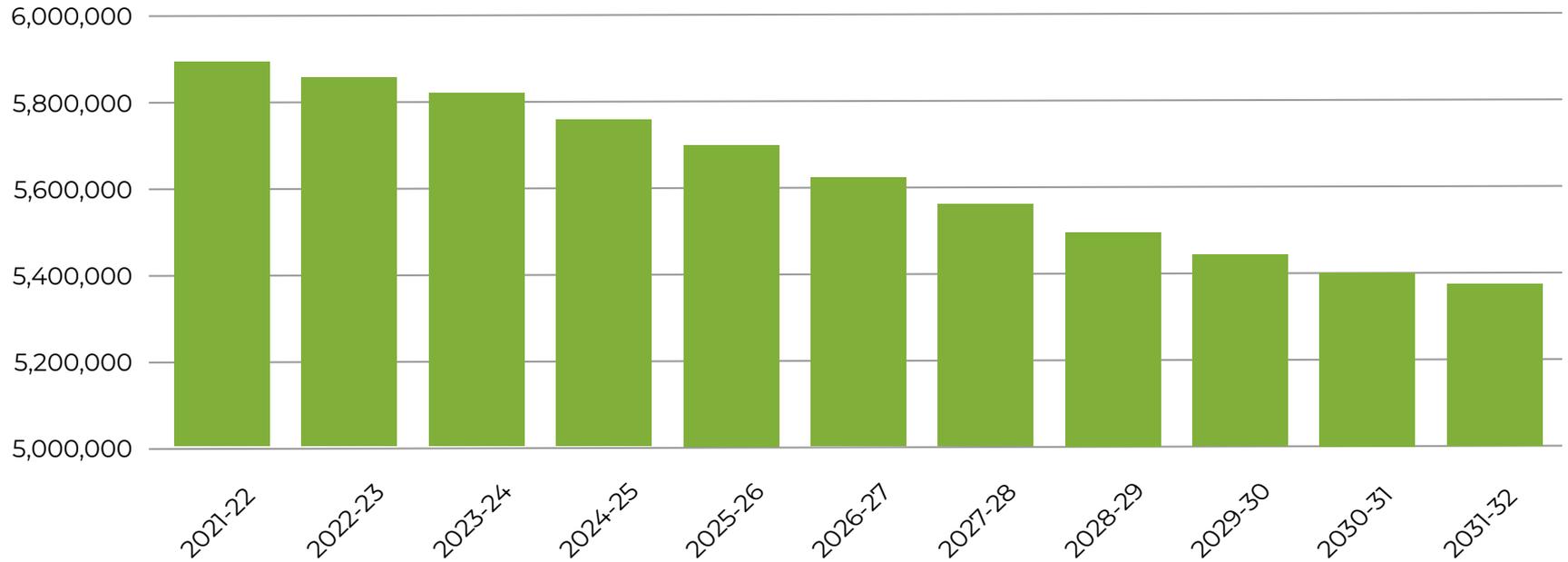
Other Federal: - 1,295,780 2,082,737 1,902,245 - - - -
 Other State: 1,215,530 - 334,820 251,491 1,501,372 1,409,252 1,699,440 1,699,440

Source	Resourc	Expiratio	Typ	Total	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25	FY25-26	FY26-27	FY27-28
LRS	6537	6/30/2023	State	256,223	-	-	256,223	-	-	-	-	-
DPF	6536	6/30/2023	State	57,228	-	-	57,228	-	-	-	-	-
ESSER II	3212	9/30/2023	Fed	1,329,056	-	876,177	452,879	-	-	-	-	-
ELOG (ESSER II)	3216	9/30/2023	Fed	321,016	-	321,016	-	-	-	-	-	-
ELOG (GEER II)	3217	9/30/2023	Fed	73,676	-	73,676	-	-	-	-	-	-
ELOG (State - General)	7425	9/30/2024	State	1,001,657	1,001,657	-	-	-	-	-	-	-
ELOG (State - Para)	7426	9/30/2024	State	213,873	213,873	-	-	-	-	-	-	-
ELOG (ESSER III - Emergency)	3218	9/30/2024	Fed	209,265	-	-	209,265	-	-	-	-	-
ELOG (ESSER III - Learning Loss)	3219	9/30/2024	Fed	360,737	-	-	360,737	-	-	-	-	-
ESSER III	3213	9/30/2024	Fed	2,389,610	-	24,860	700,000	1,664,750	-	-	-	-
ESSER III	3214	9/30/2024	Fed	597,402	-	51	359,856	237,495	-	-	-	-
UPK	6053	6/30/2024	State	139,878	-	-	-	139,878	-	-	-	-
A-G Completion	7412	6/30/2026	State	81,723	-	-	11,613	11,613	20,431	38,066	-	-
AMIMD	6762	6/30/2026	State	2,427,280	-	-	-	-	1,213,640	1,213,640	-	-
EEBG	6266	6/30/2026	State	534,603	-	-	9,756	100,000	267,302	157,546	-	-
LRBG	7435	6/30/2028	State	3,398,880	-	-	-	-	-	-	1,699,440	1,699,440
TOTAL				13,392,107	1,215,530	1,295,780	2,417,557	2,153,736	1,501,372	1,409,252	1,699,440	1,699,440

Ensure that spending is on-track for what is in your budget/forecast and see how the spending cliff can be extended

California's Declining Enrollment

Projected K-12 Statewide Enrollment



Managing Low Enrollment

- Plan for the declines to be **permanent**
- Consider **online/remote** teachers
- Evaluate credentials needed for a **smaller school model**
- Potentially re-evaluate **facility usage** and terms for a smaller school size if possible
- Rethink **recruitment** strategies regardless of school life stage
- Differentiate** your school from competition (learn how to tell your story – develop your elevator pitch)

The Challenge

How do schools **attract**
and **retain teachers**
while facing **enrollment**
and **budget challenges**?

ACE Charter Schools

1. Financial Challenges
(Financial Cliff)

2. People Challenges
(Shortage of Talent Pipeline)

Financial Challenges -> Leading to Financial Cliff

Decrease in Student Enrollment across the state

- ✍ Enrollment has decreased by 3% over the past 3 years
- ✍ Expected to decrease another 10%-20% in the next decade.

Expiration of One-Time Funds, including Pandemic-Relief Funds (ESSER Revenues are Declining)

While revenues are decreasing, costs are increasing

- ✍ Increased compensation and benefits costs
- ✍ Increased special education demands

Potential Solutions to help avoid Financial Cliff

Cut Cost by reducing FTE over 2 years

Increase revenue through enrollment strategies (Radio, Billboard, Buses, Social media (Google AdSense advertising))

Look for new one-time funding
(CCSPP and other state and federal grants)

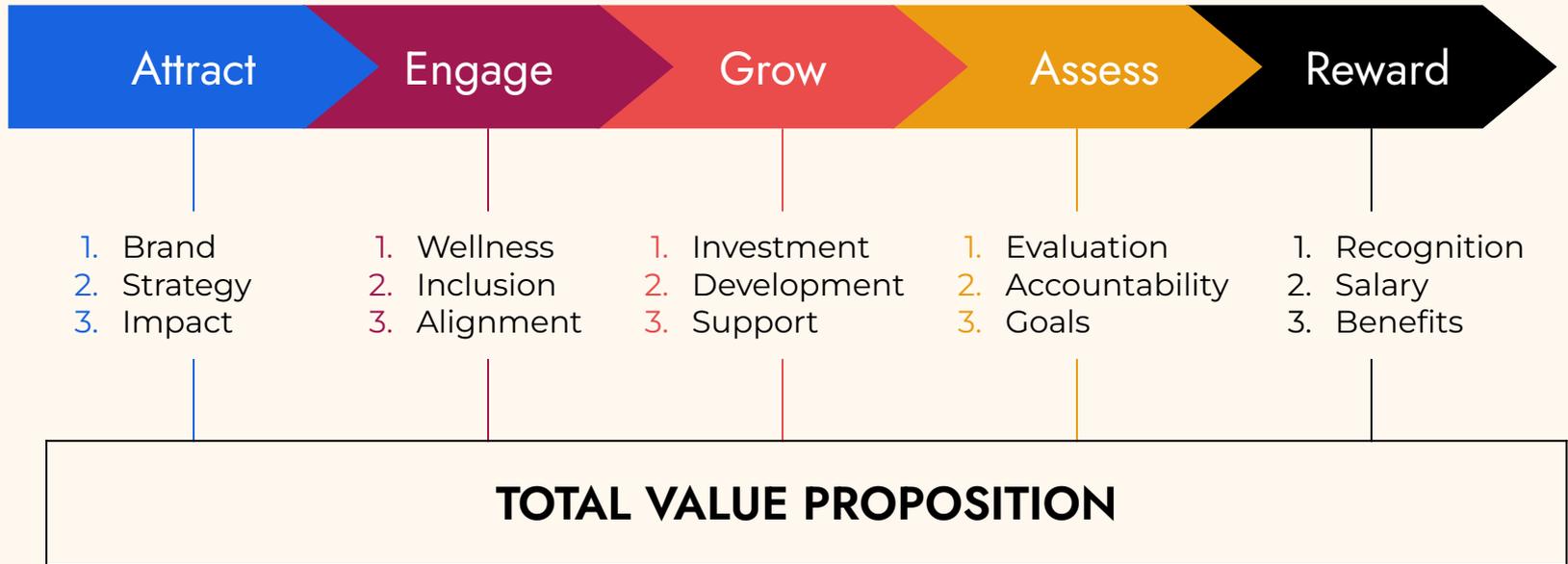
Solutions to People Challenges:

Aside from salary scale increases, what else can be offered?

- 1 Work from home
- 2 Flex Days & Support Staff
- 3 Conceptual Input
- 4 Having an Impact
- 5 Professional Development
- 6 Career Options
- 7 Recognition

Innovative Ways to Solve It

Retention Strategy 1: Listen then Act by keeping a pulse on staff perspectives using comprehensive, consistent factors for equity



Retention Strategy 1: Listen then Act

Understand and share results

- \ Share survey results with leadership and staff
- \ Request reactions from stakeholders. What is surprising? What remains unclear?
- \ Preview next steps

Create an action plan

- \ Engage a cross section of staff in a task force to analyze results and weigh in on next steps.
- \ Facilitate several work sessions to prioritize areas of focus
- \ Identify short and long-term goals
- \ Map out activities to reach them

Measure Progress

- \ Conduct pulse checks to assess the effectiveness of your plan
- \ Change course as needed
- \ Repeat the survey annually to ensure your organization is staying on track

Retention Strategy 2: Prioritize Pay Equity

- ✍ **Inclusive discovery process:** Engage a diverse cross section of staff from all levels of the organization to give everyone equitable input into the direction of the program.
- ✍ **Leaning on internal equity over external competitiveness:** Acknowledge that structural racism and sexism exist in the market and ensure we are not replicating that. Group roles of similar scope together to ensure internal equity while using the market data as a data point to ensure competitiveness.
- ✍ **Equity Analysis:** Look at current wages vs. target wages by role, level, race and gender to identify potential wage gaps. We discuss living wages, wage floors and pay ratios.
- ✍ **Transparency:** Provide full transparency to all staff into our process, approach, results and recommendations.

✓ Prioritize Pay Equity: Compensation Philosophy Development/Refinement

Our work is grounded in the following **essential questions**:

1. What compensation strategies will make your school a **destination for top talent to join and stay**?
2. What do your **current compensation policies communicate** (implicitly/explicitly) about your **school or network's values**?
3. What are **teacher + leader perspectives** on potential areas of redesign for the compensation program?



Scan to access to our
Compensation Philosophy
Toolkit

Retention Strategy 3: Build Your Own Talent Pipeline

- ✍ Career pathway programs increase **satisfaction, recruitment, and retention.**
- ✍ The most successful programs are created with a clear **vision**, meaningful **stakeholder input**, and **external support.**
- ✍ Well designed career pathways give staff opportunities to **work toward leadership** incrementally and to gain skills and financial rewards along the way.
- ✍ **Funding sustainability** is critical in creating an enduring career pathway program.

Retention Strategy 3: Build Your Own Talent Pipeline

1. Build the **foundation** by creating a **job classification framework**
2. Define the **skills for success** through your competency framework
3. Provide **transparency** around which **career opportunities** are available and which are not
4. Establish **clear and transparent** promotion criteria
5. **Train managers** as coaches and/or partner with external training programs

Illustrating Career Progression: Sample Job Classification Framework

	Education	Typical Years Of Experience	Organizational Impact	Management Scope
\ Executive Director	PhD	Executes multiple high impact initiatives to achieve overall corporate goals.	Defines organizational vision and strategy and establishes direction and focus.	Top level or C level management. Responsible for the development of functional strategy for the entire organization.
\ Principal/ Director	MA	Typically requires 3+ years of managerial experience. Capable of resolving escalated issues arising from operations and requiring coordination with other departments.	Provides input to strategic decisions that affect the functional area of responsibility. May give input into developing the budget.	Typically manages through managers and professionals in larger groups of moderate complexity.
\ Assistant Principal/ Assistant Director	BA	Typically requires 5 years experience in the related area as an individual contributor. 1 - 3 years supervisory experience may be required. Extensive knowledge of the function and department processes.	Ensures that project/department milestones/ goals are met and adhering to approved budgets. Has full authority for personnel actions.	Manages staff in the day-to-day performance of their jobs.
\ Teacher & Counselor	BA+Cert	Years of experience may be unspecified. Certification and/or licensing in the position's specialty is the main requirement.	Varies	Varies
\ Assistant	HS	May require 0-3 year of general work experience.	Possesses a moderate understanding of general aspects of the job.	Works under the close direction of senior personnel in the functional area.

Understanding the Cost of Increases

Hypothetical Scenario

- Base Case is 25 Teachers at \$65K salary
- Comparison is total cost of 5% increase

	Salary	Benefits	Total
\ Base	1,625,000	578,138	2,203,138
\ 5% Raise	1,706,250	593,307	2,299,557
		Cost of Increase	96,419

✓ Rocks | Pebbles | Sand



Sand

Filler activities that aren't important
Left-over/Any Funding

Pebbles

Important, but you can live without
One-Time Funding

Rocks

The most important things in your life
Standard Funding

CONTACT US

WE'D LOVE TO HEAR FROM YOU.

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