

**Lighthouse Academies
Arkansas Schools
Policy on Employee Compensation
2017-2018**

The following policy expresses all Lighthouse Academies Schools of Arkansas herein referred to as the “Companies” and their respective Board of Directors’ objectives with respect to pay of all employees. The Company recognizes that not all of these objectives may be completely achieved at all times for all employees. This policy will become effective for the start of the FY17 fiscal year and replaces the current policy that was in effect for fiscal year FY 16. The policy will be reviewed annually to assess the effectiveness of the incentives in increasing student achievement.

A. STATEMENT OF COMPENSATION OBJECTIVES

It is the Companies’ objectives to establish and maintain a compensation system that will:

1. Attract, retain and reward highly effective members of the team at all levels.
2. Reflect the responsibility associated with each position.
3. Be competitive in the marketplace, within the resources available to the school; and be internally consistent and fair. The Company will conduct periodic reviews of the salaries paid for comparable positions in other charter school organizations in the markets the company serves.
4. Reward employees, within the parameters set forth in this policy, for their contributions to the achievement of the Network mission and goals.
5. Create incentives for personal growth and monetary advancement based on demonstrated performance.
6. Make the Company a great place to work where diversity and inclusiveness are valued.
7. Comply with applicable laws.

B. STATEMENT OF COMPENSATION POLICY

1. Establish wage and salary ranges that reflect the value to the Company of the various jobs, taking into account the duties and level of responsibility of each position, experience, education and the geographic location of the school.
2. Establish differentials between job levels based on experience, education and demonstrated performance.
3. Ensure that annual principal and classroom teacher evaluations are a significant factor in determining any additional compensation that is awarded under this policy.
4. Adjust pay ranges when warranted by changing economic and competitive factors as determined by periodic surveys of local charter schools and school districts to the extent that this information is available.
5. Arkansas Lighthouse Schools are committed to providing equal employment opportunities. We will not discriminate against applicants for employment or employees on the basis of race, color, religion or religious creed, gender or pregnancy, national origin, age, disability, marital status, sexual orientation, gender identity, genetic information, ancestry, veteran status or any other characteristic protected by law. We do not tolerate illegal discrimination in the workplace and abides by all applicable federal laws and state laws.

C. ANNUAL BUDGET

Boards of Directors (“Boards”) who act as fiscal agents will approve annual school budgets for the upcoming fiscal year no later than the June board meeting. The budgets will include amounts allocated for general payroll which will include salaries and benefits including any general pay increases, merit

raises, hiring and referral and retention bonuses, and individual and group bonuses for academic achievement, subject to available resources.

D. INITIAL PLACEMENT OF EMPLOYEES

The Hiring Manager will determine initial placement and compensation of staff using this policy. The total salary and benefit costs for all positions must be included within the approved, or amended, budget.

The **initial salary placement** will be based upon work experience, professional preparation, geographic location of the school, and the position requirements. The principal will be able to negotiate the initial starting salary of a new employee based on position need if approved by Regional Vice President. Up to **Fifteen years of experience** will be accepted with documentation for Teachers and the School Operations Manager Position, **experience must not have a break in service**. New teachers will have a 210 contract.

E. ADJUSTMENT IN COMPENSATION

The Boards shall allocate a sum in the annual school budgets for changes in employee compensation, including a general salary increase for all employees.

1. **The Hiring Manager will obtain the approval of the RVP for any salary offer that falls outside the parameters of this policy or the approved budget. The required Personal Action form with supporting documentation must be completed.**
2. While the performance of each employee is under constant review, overall performance and pay level shall be appraised in detail not less often than once during each 12-month period, or more frequently if the requirements of the position or the individual's performance requires.
3. Change in the pay of an individual employee shall primarily reflect the demonstrated performance of all assigned duties and accomplishment of the Network's mission and goals. Performance shall be judged by the person's supervisor. The supervisor may use input from other sources including a 360 review, staff, student and parent surveys, academic results, goal attainment and independent reports and other material that the supervisor believes is relevant.
4. When an employee is promoted or assigned to a position with greater and/or more complex responsibility, the rate of pay may be increased to properly reflect the employee's new role, subject to available funds in the budget.
5. All proposed changes in school based employees' wages and salaries, must be approved by the principal and the Regional Vice President (RVP). In the absence of the RVP the Regional Director of Operations (RDO) or designee must approve all wages and salaries. All requests for pay adjustments must be supported by written, documentation, including the most recent performance evaluation. Proposed changes will not be discussed with the employee until a final decision has been reached.
6. Employees will sign a new offer letter and any updated employment documents, including the confidentiality – none compete agreement each year applicable to the position held by the employee. A copy of these documents is kept in their personnel file.
7. The Personnel Action form will be completed annually to reflect compensation changes. In addition the form will be completed to compute end of the year bonuses. A copy of the written documentation shall be maintained in the employees personnel file.
8. Compensation for returning employees shall be determined as follows:
 - a. All returning staff offered employment will receive a general salary increase if approved by the local Board of Directors as part of the annual budget.
 - b. Adjustments to base salary for degrees earned during the school year will be applied as noted in Exhibit B upon the receipt of the degree in the next year.**

F. COMPENSATION OF EMPLOYEES

The salary of school employees are determined by the Hiring Manger and must be approved by the Regional Vice President, or in the absence of a Regional Vice President,

Regional Director of Operations or designee and are subject to the availability of funds in the current approved budget. Initial salary placement is determined as follows:

1. Staff is paid an hourly rate or a salary based upon work experience, professional preparation, geographic location of the school and the position requirements.
2. The salary ranges for starting teachers, counselors and other members of the instructional and professional staff shall be set taking into account work experience, professional preparation, geographic location of the school, and position requirements. **The ranges approved for initial placement in FY 2018 are shown in Exhibit B.¹**
3. The initial starting salary for the paraprofessional staff and other non-instructional staff shall be set taking into account work experience, professional preparation, geographic location of the school, and position requirements. **The ranges approved for initial placement in FY 2018 are shown in Exhibit B**
4. Employees participating in the Teacher Leader Fellow program² will be paid a stipend in addition to their annual salary. The stipend will be paid semi-annually ratably over the year with approved submission and completion of projects and responsibilities as outlined. Application for this role must be made annually. **The stipends approved for FY 2018 are shown below.**
5. An employee may be awarded a signing bonus for Critical Academic Licensure Shortage Areas as deemed by the Arkansas Department of Education or retention bonus not to exceed \$5,000 for identified critical need areas or schools. Fifty percent (50%) of the bonus shall be paid in the employee's first paycheck and the balance shall be paid in the last paycheck of the school year. The employee must still be employed on the last day of the school year to be paid the balance of the amount owed. Hiring and retention bonuses may only be awarded for positions that require an additional incentive to fill with a qualified candidate. The Regional Vice President shall make such decisions based only on this criterion. No personal factors shall be considered.
6. Employees may be paid a referral bonus for positions designated as critical need by the Regional Vice President.
7. Health and dental benefits and life insurance will be offered to employees who work full time as defined in the Personnel Handbook. Retirement plan membership is governed by the terms of the plan. Employees will be given a statement of the current compensation including benefits annually.
8. Returning teachers will have a 205 day annual contract.
9. ***Salaries of Employees who provide services to multiple schools will be set by the RVP based on years' experience, certification, degrees, and critical need. The cost of the salaries will be shared by each school that receives the service.***

G. BONUSES AND OTHER ADDITIONAL COMPENSATION

A core belief of the Companies is that superior performance should be rewarded. There are several ways staff can earn performance bonuses. Bonuses that are earned in a school year will be paid in the fall of the following year, IF funds are available within the budget, when student assessment results applicable to the bonus policy are available and analyzed.

1. District, National (RVP and RDO) and school leaders will be eligible for bonuses based upon the following criteria.
 - a) School is successfully renewed.
 - b) The school meets state goals in math or literacy

¹ Exhibit B is for initial placement. It is not a salary schedule. After initial placement, returning teachers will receive an annual increase as determined by the Regional Vice President and approved by the BOD.² The Teacher Leader Fellow (TLF) program is a two year program whose purpose is to create and implement a school leader training program that develops high quality, sustaining LHA school leaders. See LHA's TLF program policy and procedures for eligibility and other criteria.

- c) The average gains of the students enrolled at the school for the entire year equal or exceed 120% of the fall to spring RIT point growth norm targets established by NWEA in reading or math AND 70% of these students meet or exceed their individual expected growth targets set by NWEA in reading or at least 70% do so in math.
2. All other school-based employees will receive bonuses as follows:
- a) School meets growth or proficiency targets identified by the Arkansas Department of Education.
 - b) Other criteria established by the Regional Vice President and Board of Directors.
3. **Professional Development** Schools may offer support for approved graduate courses for critical need courses (Math and SPED) and professional development within the approved budgets, subject to the approval of the school leader, Regional Vice President and Regional Operations Manager, as follows:
- a. Professional Staff: for approved graduate courses.
 - b. Professional Staff: to support National Board Certification.
 - c. Professional Staff: 160 hours of professional development each year.
4. **Recognition Program for FY 17:** The Companies wish to recognize the contribution of team members who make significant contributions to the achievement of the school goals.
- i.) All employees will be recognized for their service to the organization after 3 years; 5 years; 7 years and 10 years.
1. Condition of bonus payments:
- a. All staff members must return to work at a network school for the following year to be eligible for 100% of their earned bonus.
 - b. Staff not returning due to performance will not be entitled to a bonus
 - c. Staff not returning due to relocation out of the state will be entitled to 40% of the bonus earned.
2. Timing of Bonus Payments:
- a. Bonuses: The payments of the bonuses will be made the first full pay period after the payments have been approved. .

Authorized Approval

Regional Vice President
Lighthouse Academies, Inc.

Date

Board President

Date

Exhibit A: Network Goals

- 1) **College Acceptance:** 100% of 12th grade students enrolled since 9th grade will be accepted to at least one four-year College.
- 2) **High School Graduation³:** More than 80% of students enrolled in a Lighthouse Academy in 9th grade will graduate within five full years.
- 3) **State Proficiency⁴ - School Target:** The School will meet the determined proficiency targets or growth as established by the authorizer in English and math.
- 4) **State Proficiency - Cohort Target:** 75% or more of students who enter the school no later than count day in grade 4 and have been in the school for at least three full years will score “proficient/passing” or higher on their state-specific assessments. ⁵
- 5) **Attendance:** The average daily student attendance will be at least 95%.
- 6) **Student Reenrollment:** 90% of K-8 and 80% of students 9-12 students enrolled on count day will remain enrolled on the following year’s count day with this exception; 75% of 8th grade graduates will reenroll in the College Prep Academy.

Exhibit B: Approved Initial Placement Salary Range

Elementary and High Principals					
Years Administration	BA	MA	PhD, Ed.D	National Board Certification	Arkansas Certification
0	\$75,000	Add	Add \$2,000	PAID By State	Add \$1,000
1	\$77,000	\$2,000			
2	\$79,000				
3	\$81,000				
4	\$83,000				
5	\$85,000				
6	\$87,000-				
7	\$89,000				
8	\$91,000				
5-8 Principal (Separate Building)					
Administration				Certification	
0	\$70,000	Add	Add \$2,000	Add \$1,000	
1	\$72,000	\$2,000			
2	\$74,000				
3	\$76,000				
4	\$78,000				
5	\$80,000				
6	\$82,000				
7	\$84,000				
8	\$86,000				
Directors of Teacher Leadership/ SPED Coordinators/DCT/Counselors					
Years Instructional Coaching	BA	MA	PhD, Ed.D (in relevant area)	National Board Certification	Arkansas Certification
0	\$55,000	Add	Add \$2,000	Stipend paid by STATE	Add \$1,000
1	\$57,000	\$2,000			

³The LHA graduation rate will be calculated in accordance with the new Title I definition for the *extended-year adjusted cohort graduation rate*. A definition can be found at <http://www.ed.gov/print/policy/elsec/reg/proposal/uniform-grad-rate.html>.

2	\$59,000-				
3	\$61,000				
4	\$63,000				
5	\$65,000				
6	\$67,000				
7	\$69,000				
8	\$71,000				
Assistant Principals					
Years Administration	BA	MA (in relevant)	PhD, Ed.D (in relevant area)	National Board Certification	Arkansas Certification
0	\$60,000	Add \$2,000	Add \$2,000	Stipend paid by STATE	Add \$1,000
1	\$62,000				
2	\$64,000-				
3	\$66,000				
4	\$68,000				
5	\$70,000				
6	\$72,000				
7	\$74,000				
8	\$76,000				
Teachers					
Years Teaching	BA	MA (in relevant)	PhD/Ed.D (in relevant field)	National Board Certification	Arkansas Certification
0	\$32,000	Add \$2,000	Add \$2,000	Paid by State	\$1000
1	\$33,500				
2	\$34,500				
3	\$35,500				
4	\$37,000				
5	\$38,000				
6	\$39,000				
7	\$40,000				
8	\$41,000				
9-10 Years	\$41,500-\$44,000				
11-12 Years	\$44,500-\$47,000				
13-14 Years	\$46,500-\$49,000				
15 or More Years	\$49,500-\$52,000				
Culture Coordinator					
Years Relevant Experience	HQ with No BA	BA	MA		
0	\$20,000	\$25,000	Add \$2,000		
1	\$22,000	\$26,000			
2	\$23,000	\$27,000			
3	\$24,000	\$28,000			
4	\$25,000	\$29,000			
5	\$26,000	\$30,000			
6	\$27,500	\$31,500			
7	\$28,500	\$32,500			
8	\$30,000	\$34,000			
Office Managers					
Years of Experience	High School Diploma	Associates	BA		

0	\$22,000	Add \$2,000	Add \$2,000
1	\$23,000		
2	\$24,000		
3	\$25,000		
4	\$26,000		
5	\$26,500		
6	\$27,000		
7	\$28,000		
8	\$29,000		

School Operations Manager; Human Resource Generalist

Years of Experience	Associate Degree	Bachelor's Degree	BA
0	\$29,000	Add \$2,000	Add \$2,000
1	\$29,500		
2	\$30,500		
3	\$31,000		
4	\$31,500		
5	\$32,000		
6	\$32,500		
7	\$34,000		
8	\$34,500		
9-10 Years	\$35,000-\$36,500		
11-12 Years	\$37,000-\$38,500		
13-14 Years	\$39,000-\$40,500		
15 or More Years	\$41,000-\$45,000		

Paraprofessionals

Years of Experience	HQ No BA	HQ with BA
0	\$18,000	Add \$2000
1	\$20,000	
2	\$22,000	
3	\$24,000	
4	\$25,000	
5	\$26,000	
6	\$27,500	
7	\$28,500	
8	\$30,000	
9 or More Years	\$31,000-\$33,000	

Meals Managers & Custodial

Position	High School Diploma	Associates Degree	BA
Meals Coordinator	\$11/Hour	\$	\$15/Hour
Food Service Worker	\$9/Hour	\$	\$12/Hour
Custodian	\$10/Hour	\$	\$14/Hour

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Coordinators /Directors	BA in instructional area	MA in area of expertise
1-5 Years (area of expertise)	40,000-48,000	Add \$2000.00
6-10 years (area of expertise)	48,000-56,000	Add \$2000.00
11 years + (area of expertise)	\$56,000-64,000	Add \$2000.00

TLF Position	Stipend	
Stage 1	\$1500	1-2 years
Stage 2	\$3500	3-4 years
Stage 3	\$5000	5 years or More

Fringe Benefits

Benefit	Annual Contribution
Health Insurance	\$3,000
Dental Insurance	75% of annual premium
Life Insurance	100% of basic life insurance
Short Term Disability	100% of annual premium
Long Term Disability	100% of annual premium