



EL 2.8 Compensation and Benefits

Policy Quadrant: Executive Limitations

- Monitoring Time Frame: July 1, 2023 – June 30, 2024
- Date of School Board Monitoring: October 28, 2024

Board Policy Monitoring Motions:

- Operational Interpretation is/is not reasonable
- Board does/does not accept the Superintendent's assertion of compliance/non-compliance

Global Constraint:

With respect to employment, compensation, and benefits to employees, consultants, and contract workers, the Superintendent shall not cause or allow jeopardy to financial integrity or to public image.

OPERATIONAL INTERPRETATION:

I interpret this policy to mean that I shall not knowingly condone or undertake any action related to the compensation and/or benefits of employees that would negatively affect the community perception or support of the school district.



JUSTIFICATION:

Compensation and benefits are a significant portion of the district budget. The school district has a fiduciary obligation to its owners; therefore, its officers and administration are held to a high standard of conduct and transparency.

MEASUREMENT PLAN:

1. Human Resources and Payroll have systems and processes in place per state and federal law to ensure that employment, compensation, and benefits did not cause or allow jeopardy to financial integrity or to public image. These systems and processes are reviewed on an annual basis through the audit process, as well as an ongoing internal process of separation of duties.
 2. Random sample survey results from Morris Leatherman regarding financial perception.
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EVIDENCE:

1. Human resources and the business office have reviewed processes and procedures and those were reviewed during the annual audit received by the board during the monitoring period.
2. The Superintendent did not cause or allow jeopardy to financial integrity or to public image. Financial Perceptions are near or at all time highs based on our latest scientific random sample survey:
 - a. 77% of our community shares positive feedback about the district's fiscal management
 - b. 87% of our community shares that we are spending effectively/efficiently
 - c. 79% of our community would support a tax increase to protect the programs and services of the district, which is 8% higher than in 2022 and at a high point signifying extremely strong support for the financial position and status within the community by Morris Leatherman in the June 2024 survey. In that same survey 96% of our parents believe the district is a good value and investment with 86% stating they would support a tax increase to protect the programs and services of the district.



STATEMENT OF ASSERTION:

EL 2.8 is reasonable and in compliance.

BOARD NOTES:

2.8.1 Furthermore, the Superintendent shall not: Promise or imply permanent or guaranteed employment.

OPERATIONAL INTERPRETATION:

I interpret this policy to mean the District shall not hire or retain any employee or promise a potential employee employment with the District whose term and condition of service is not controlled by the Public Employee Labor Relations Act (PELRA), Minnesota State Statute, a Collective Bargaining Agreement (CBA), an At-Will Work Agreement, a contract for services.

JUSTIFICATION:

1. No person can be considered an employee and receive compensation for services rendered without Board action.
2. The District maintains the following employer/employee employment agreements that define the terms and conditions of employment for employees:
 - a. Certified Staff (i.e. must hold a license) are subject to PELRA MN Rule 3.855, Minnesota Statute 122A.40 (Continuing Contract Language), and the locally negotiated CBA.



- b. Classified Staff (i.e. do not generally hold a license) are subject to PELRA, Minnesota Statute, and the locally negotiated CBA.
 - c. Meet & Confer Agreements (non-licensed employees subject to PELRA and not represented by collective bargaining units)
 - d. Meet & Confer Agreements (licensed employees subject to PELRA, and not represented by collective bargaining units)
 - e. Superintendent length of contract is limited to three years (MN Statute 123B.143)
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MEASUREMENT PLAN:

Human Resources has policies in place to ensure no promises of permanent or guaranteed employment for any position.

EVIDENCE:

State and federal law does not allow for permanent or guaranteed employment, and the district has not been found out of compliance with this policy or standing law. No staff members were offered permanent or guaranteed employment.

STATEMENT OF ASSERTION:

EL 2.8.1 is reasonable and in compliance.

BOARD NOTES:



2.8.2

Furthermore, the Superintendent shall not: Establish current compensation and benefits that deviate materially from the geographical or professional market for the skills employed. Further, compensation and benefits must not deviate from Board-established parameters.

OPERATIONAL INTERPRETATION:

1. "Compensation" refers to payment for services rendered. "Benefits" are added services that have value for the employee and are expenditures for the District.
2. I interpret the "geographical" market to mean the public school districts in the immediate area surrounding Eden Prairie.
3. The "professional" market refers to compensation based on the combination of experience, skills, and level of responsibilities that are required by the position's job description. The professional market can be influenced by the geographical market.
4. "Material deviation" in this context is interpreted as a financial condition that would create an unfavorable comparison to the geographical and professional employee market.

JUSTIFICATION:

1. The District routinely competes for employees with local, regional, and national employers. Therefore, it is important that our employee compensation and benefit package remain competitive and yet function within available resources.
2. The District routinely enters into employment agreements with organized groups or at-will individuals via negotiations. Typically, the Administration leads the negotiations process with School Board support. The School Board has retained the authority to determine the level of compensation and benefits offered to employees, which is referred to in this policy as "board-established parameters."
3. The District conducts market place comparisons annually.



MEASUREMENT PLAN:

1. Prior to each bargaining session, a marketplace comparative data analysis will be completed.
 2. Settlements will be within the financial parameters reviewed by the board.
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EVIDENCE:

1. Marketplace comparative data was collected on two (2) bargaining groups and four (4) meet and confer groups prior to 2024 negotiations and parameters to remain comparable were reviewed by the board.
 2. During the monitoring period, the school district settled eight (8) bargaining groups/employment agreements within parameters reviewed by the Board during the monitoring period.
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STATEMENT OF ASSERTION:

EL 2.8.2 is reasonable and in compliance.

BOARD NOTES: