

Crosslake Community Charter School

Comprehensive Compensation Strategy with PELSB Licensure Incentives

Enrollment Growth Plan: 500 to 700 Students

Executive Summary

This document outlines a comprehensive compensation strategy for Crosslake Community School as we grow from 500 to 700 students. **Our first and highest priority is to significantly enhance teacher compensation, particularly for those with Tier 3-4 PELSB licensure.** The strategy prioritizes staff with higher-level Professional Educator Licensing and Standards Board (PELSB) licensure while ensuring all positions are competitively compensated based on Minnesota market data.

While this plan addresses administrative and support staff compensation, we are implementing teacher compensation improvements first and most aggressively in our phased approach. By following the PELSB licensure framework, we are creating significant salary differentials to incentivize all staff to obtain and maintain the highest possible state licensure, with the most substantial immediate increases directed toward our teaching staff. Administrator and support staff compensation adjustments will follow only after meaningful progress on teacher compensation has been achieved.

Based on thorough financial analysis of the school's current position, this plan is financially viable while maintaining our required 24% fund balance buffer throughout implementation. The strategy aligns compensation increases with enrollment growth and leverages the increased FY2026 formula allowance to create a sustainable model that prioritizes investment in our teachers.

Market Analysis and Competitive Positioning

Minnesota Charter School Compensation Benchmarks

Based on the 2024-25 Minnesota Association of Charter Schools (MACS) Compensation Report, our current compensation structure falls below market averages for schools in our

enrollment category (500-999 students) and our target growth category (>1000 students). The following analysis highlights key market disparities and how our proposed plan addresses them:

Administrative Leadership:

- Current Executive Director salary: \$142,977 (average for 500-999 student schools)
- Market rate for >1000 student schools: \$170,668
- **Our proposed range with licensure differential: \$170,000-\$185,000**

Principals/Academic Directors:

- Current Principal/Academic Director salary: \$83,432 (average for 100-175 student schools)
- Current Principal/Academic Director salary: \$104,095 (average for 500-999 student schools)
- Market rate for >1000 student schools: \$115,963
- **Our proposed range with licensure differential: \$123,000-\$133,000**

Teacher Compensation:

- Current average teacher salary: \$54,824 (average for 500-999 student schools)
- Current starting salary range: \$41,054 (average minimum for 500-999 student schools)
- Current maximum salary range: \$76,397 (average maximum for 500-999 student schools)
- **Our proposed Tier 3-4 starting salary: \$47,000-\$58,000**
- **Our proposed Tier 3-4 maximum salary: \$70,000-\$83,000**

Support Staff/Paraprofessionals:

- Current average minimum hourly wage: \$18.32 (average for 500-999 student schools)
- Current average maximum hourly wage: \$26.55 (average for 500-999 student schools)
- **Our proposed tiered structure: \$18.50-\$25.00/hour**

Business Manager:

- Current average salary: \$76,668 (average for 500-999 student schools)
- Market rate for >1000 student schools: \$95,475
- **Our proposed range: \$82,000-\$92,000**

Source: Minnesota Association of Charter Schools Compensation Report 2024-25, pages 9-15

Financial Position Analysis

An assessment of Crosslake Community School's current financial position indicates strong capacity to implement this plan:

- **Improving Financial Trajectory:**
 - Net position improved from (\$639,145) to (\$474,480) - a positive change of \$164,665
 - General Fund balance increased significantly by \$737,054, ending at \$2,462,616
 - Unassigned fund balance grew to \$2,371,839, up \$683,152 from prior year
- **Strong Liquidity Position:**
 - Current unassigned fund balance: \$2,371,839
 - Total annual expenditures: \$6,882,695
 - Current buffer percentage: 34.5% (well above our 24% target)
 - Current assets (\$3,412,768) significantly exceed current liabilities (\$950,152)
- **Revenue Growth:**
 - Total revenues increased by \$1,761,206 (28.5% growth) in the past year
 - State aid formula grants grew by \$941,291
 - The new FY2026 formula allowance of \$7,481 per pupil represents additional future growth
- **Budgetary Performance:**
 - The school operated under budget for expenditures by \$118,982
 - Revenue exceeded budget by \$97,718
 - This demonstrates effective financial management and conservative budgeting

Source: Crosslake Community School Financial Analysis FY2024, pages 20-24

Teaching Staff Compensation Strategy

Teacher Compensation Framework

Tier 3 Teachers (Prioritized)

- Starting salary: \$47,000-\$50,000
- Maximum salary: \$70,000-\$75,000
- Education lanes: BA, BA+15, MA, MA+15, DOC
- Annual step increases: 2.5-3.5%

Tier 4 Teachers (Prioritized)

- Starting salary: \$55,000-\$58,000
- Maximum salary: \$78,000-\$83,000
- Education lanes: BA, BA+15, MA, MA+15, DOC
- Annual step increases: 2.5-3.5%

Tier 1-2 Teachers (Less emphasis)

- Maintain lower compensation bands to create incentives for licensure advancement
- Tier 1: \$32,000-\$42,000
- Tier 2: \$37,000-\$48,000

Education Lane Differentials

- BA to BA+15: 3% increase
- BA+15 to MA: 8-10% increase
- MA to MA+15: 3-5% increase
- MA+15 to DOC: 8-10% increase

Implementation Timeline for Teaching Staff

Year 1 (2025-26)

- Create significant gap between Tier 2/Tier 3 salaries (10-15% difference)
- Implement higher starting salaries for new Tier 3-4 hires
- Introduce enhanced benefits package for Tier 3-4 teachers

Year 2 (2026-27)

- Further widen the gap between Tier 2/Tier 3 as enrollment approaches 600-650
- Implement retention bonuses for Tier 3-4 teachers
- Expand professional development funding for Tier 3-4 teachers

Year 3 (2027-28)

- Reach market competitiveness for Tier 3-4 positions as enrollment approaches 700
- Implement leadership advancement opportunities for Tier 3-4 teachers

Administrative Leadership Compensation with Board of School Administrators Licensure Incentives

In alignment with Minnesota Statutes, section 122A.14, which requires Minnesota administrators to be licensed by the Board of School Administrators, our compensation strategy creates significant differentials for properly licensed administrative staff.

Executive Director/Superintendent

Without Board of School Administrators Licensure:

- Salary Range: \$155,000-\$165,000 (Base)
- Market Range: \$142,977-\$170,668

With Board of School Administrators Superintendent Licensure:

- Salary Range: \$170,000-\$185,000
- Differential: +\$15,000-\$20,000 (9.7-12.1% increase)

Principal/Academic Directors

Without Board of School Administrators Licensure:

- Salary Range: \$108,000-\$118,000 (Base)
- Market Range: \$104,095-\$115,963

With Board of School Administrators Principal Licensure:

- Salary Range: \$123,000-\$133,000
- Differential: +\$15,000 (12.7-13.9% increase)

Assistant Principal/Dean (future position)

Without Board of School Administrators Licensure:

- Salary Range: \$85,000-\$95,000 (Base)
- Implement when enrollment nears 650-700 students

With Board of School Administrators Principal Licensure:

- Salary Range: \$97,000-\$107,000
- Differential: +\$12,000 (12.6-14.1% increase)

Board of School Administrators Licensure Requirements Support

Our administrative licensure support specifically addresses the comprehensive requirements set by the Board of School Administrators, including:

- **Education Requirements:** Support for completing the required 60 semester credits beyond the bachelor's degree (including master's, specialist, or doctoral degrees)
- **Field Experience:** Assistance in arranging and completing the required 320 hours of field experience
- **Annual Fee Support:** Covering the \$100 annual fee to the Board of School Administrators
- **Continuing Education:** Support for acquiring the 125 clock hours of professional development required for five-year license renewal
- **Provisional Pathway Support:** For out-of-state administrators, assistance with the provisional licensure pathway
- **Initial to Continuing License Transition:** Support for documentation of administrative experience to move from initial two-year license to continuing five-year license

Specific Administrative Licensure Advancement Pathways

For administrative staff seeking proper Board of School Administrators licensure, our compensation strategy supports multiple pathways:

Minnesota-Approved Program Pathway

- Support for administrators completing preparation at Minnesota-approved programs
- Assistance documenting the required three years of successful classroom teaching experience
- Support for completing the 60 semester credits beyond the bachelor's degree
- Assistance arranging and documenting the required 320-hour field experience
- Support through the recommendation process by a Minnesota college or university

Out-of-State Administrator Pathway

- Assistance transitioning from out-of-state administrative licenses
- Support through the provisional licensure process including:
 - Documentation of valid, full administrative license from another state
 - Verification of teaching or administrative experience
 - Enrollment support in Minnesota-approved administrative licensure programs
- Transition support from provisional to continuing licensure

Alternative Pathway for Superintendent License

- For qualified candidates pursuing the alternative pathway under Minnesota Administrative Rule 3512.0800
- Support for portfolio development demonstrating competencies
- Preparation for credential review committee presentations
- Reimbursement of the \$300 credential review committee fee

Continuing License Maintenance

- Support for acquiring the 125 clock hours of professional development required for renewal
- Coverage of annual Board of School Administrators fees
- Documentation assistance for renewal requirements

Operations & Business Team

HR/Business Manager:

- Recommended: \$82,000-\$92,000
- Market range: \$76,668-\$95,475

Office Manager:

- Recommended: \$55,000-\$65,000

District Executive Assistant:

- Recommended: \$58,000-\$68,000
- Premium for specialized duties (board preparation, MARSS data, enrollment)

Technology Team

Technology Director/Manager:

- Recommended: \$80,000-\$90,000

IT Support Specialists (2):

- Recommended: \$48,000-\$58,000 each

Program Support Roles

Engagement and Marketing Coordinators (2 at .5 FTE):

- Recommended: \$25,000-\$30,000 each (.5 FTE)

District Assessment and Curriculum Coordinator:

- Recommended: \$85,000-\$95,000
- Market range for comparable roles: \$91,588-\$106,738

Support Staff Compensation

Education Support Professionals/Paraprofessionals

Tiered Structure:

- Entry-level: \$18.50-\$19.00/hour
- Experienced (2+ years): \$20.50-\$21.50/hour
- Senior/specialized (SPED/high-need): \$23.00-\$25.00/hour
- Certification differential: +\$1.00-1.50/hour

Custodial/Facilities Maintenance Staff

- Entry level: \$17.00-\$18.00/hour
- Lead/experienced: \$20.00-\$22.00/hour

Administrative Assistants/Front Office

- Front Desk/Receptionist: \$19.50-\$21.00/hour
- Administrative Assistant: \$21.00-\$23.00/hour
- Senior Administrative Assistant: \$23.00-\$26.00/hour

Benefits Package Strategy

Health Insurance

- Tier 3-4 Teachers: 90-95% employer premium coverage for employee only
- Tier 1-2 Teachers: 75-80% employer premium coverage for employee only
- Administrative Staff: 85-90% employer premium coverage
- Support Staff: 75-80% employer premium coverage
- Dependent/Spouse Coverage: Consider increasing from market average of 25-30% to 35-40%

Retirement Benefits

- Implement 403(b) with employer match
- Tier 3-4 Teachers: 3-5% match
- Tier 1-2 Teachers: 1-2% match
- Administrative Staff: 3-5% match
- Support Staff: 1-3% match

Paid Time Off

- Tier 3-4 Teachers: 12-15 days PTO (above market average of 10.4)
- Tier 1-2 Teachers: 10 days PTO
- Administrative Staff: 15-20 days PTO
- Support Staff: 10-15 days PTO
- Consider frontloading 80 hours ESST with no carryover (42.9% of larger schools use this approach)

Source: Minnesota Association of Charter Schools Compensation Report 2024-25, pages 21-24

Financial Sustainability Analysis

Budget Impact and Trajectory

Our financial analysis demonstrates that this compensation plan is sustainable while maintaining our required 24% fund balance buffer:

Current Financial Position:

- Unassigned fund balance: \$2,371,839 (34.5% of annual expenditures)
- Current annual expenditures: \$6,882,695
- Current buffer percentage well above 24% requirement

Revenue Growth Projections:

- Enrollment increasing from 500 to 700 students (40% growth)
- Formula allowance increase to \$7,481 per pupil in FY2026 (confirmed by MDE memo dated February 28, 2025)
- Projected additional annual revenue at full implementation: approximately \$1,122,150 (150 additional students × \$7,481)

Phased Implementation Cost Analysis:

- Phase 1 (current-550 students): Estimated additional compensation cost of \$275,000-\$325,000
 - Maintaining buffer of approximately 30.7% (well above 24% requirement)
- Phase 2 (550-650 students): Estimated additional compensation cost of \$400,000-\$475,000
 - Maintaining buffer of approximately 28.2% (well above 24% requirement)
- Phase 3 (650-700 students): Estimated additional compensation cost of \$525,000-\$600,000
 - Maintaining buffer of approximately 25.9% (above 24% requirement)

Long-term Financial Health Indicators:

- Net position improved from (\$639,145) to (\$474,480) - positive change of \$164,665
- Clean audit with no deficiencies in internal controls
- Conservative budget management history (expenditures typically under budget, revenue over budget)
- Strong liquidity with current assets (\$3,412,768) significantly exceeding current liabilities (\$950,152)

This phased approach ensures our compensation remains competitive while maintaining fiscal responsibility, even with the significant investments in licensed staff. By tying compensation increases directly to enrollment growth, we create a sustainable financial model.

Sources: Crosslake Community Schools FY2024 Financial Analysis (pages 20-24), MDE Formula Allowance Memo (February 28, 2025), Minnesota Association of Charter Schools Compensation Report 2024-25

Implementation Strategy with Fund Balance Management

The implementation strategy is designed to maintain our 24% fund balance buffer throughout all phases:

Phase 1: Foundation (Current-550 students) - TEACHER PRIORITY PHASE

- **PRIMARY FOCUS: Implement new compensation bands for Tier 3-4 teachers**
- Establish significant gap between Tier 2/Tier 3 teacher salaries (10-15% difference)
- Implement higher starting salaries for new Tier 3-4 teacher hires
- **Introduce enhanced benefits package for Tier 3-4 teachers**
- Begin licensure support program for teaching staff
- **SECONDARY CONSIDERATIONS ONLY AFTER TEACHER COMPENSATION IS ADDRESSED:** Begin planning for future administrative team compensation structure with licensure differentials
- **Financial Impact:** Allocate minimum 75% of available new compensation funding to teacher salary improvements while maintaining minimum 24% fund balance threshold

Phase 2: Growth (550-650 students)

- Begin phased implementation of support staff structure
- Add positions strategically based on student needs
- Implement retention bonuses for high-performing staff
- Track progress of administrators in licensure programs
- **Financial Impact:** Additional revenue from ~100 students (~\$748,100 at \$7,481 per pupil) supports increased staffing costs while maintaining buffer

Phase 3: Maturity (650-700 students)

- Implement Assistant Principal position
- Complete support staff structure
- Reach full market competitiveness for all positions
- Full implementation of licensed administrator model
- **Financial Impact:** Revenue from final ~50 students (~\$374,050) supports completion of compensation structure

District-Wide PELSB Licensure Advancement Implementation Timeline

Year 1:

- Establish clear salary differentials for all PELSB-licensed staff (Tier 3-4 teachers and licensed administrators)
- Implement immediate increases for staff with current higher-level licensure
- Create and communicate comprehensive licensure support program for all positions
- Develop individual licensure attainment plans for each staff member
- Promote awareness of licensure requirements and state exemptions where applicable

Year 2:

- Begin incremental increases for all staff actively pursuing higher licensure levels
- Provide mentorship and support resources across teaching and administrative positions
- Track progress toward Tier 3-4 advancement for teaching staff and principal/superintendent licensure for administrators
- Review and refine program based on participation rates and PELSB requirements

Year 3:

- Implement full differentials for newly licensed staff across all positions
- Consider higher starting salary requirements for all new hires based on licensure level
- Establish ongoing learning communities for staff at each licensure tier
- Evaluate success of program against retention/recruitment metrics and student outcomes

District-Wide PELSB Licensure Support Program

- Paid release time for required practicum experiences, student teaching, and examination preparation
- Mentorship connections with appropriately licensed staff in similar roles
- Incremental salary increases as licensure program milestones are achieved
- Completion bonus upon attainment of higher licensure level
- Test preparation support for required PELSB examinations
- Portfolio development assistance for licensure via portfolio option
- Regular informational sessions on PELSB requirements and exemptions

Financial Sustainability Measures

- Allocate 75-80% of total budget to staffing
- Maintain a compensation reserve fund of 2-3% of salary expense
- Link compensation increases to both enrollment growth and student performance
- Leverage the formula allowance increase to \$7,481 per student in FY2026
- Review compensation annually against Minnesota charter school market data
- Budget for administrative licensure support program costs

- **Maintain minimum 24% fund balance throughout implementation**
- Establish implementation checkpoints before advancing to each phase
- Create detailed annual projections showing ending fund balances with buffer calculations

Retention Strategies Beyond Compensation

- Licensure advancement support for teachers and administrators
- Professional development allocations
- Teacher and administrator leadership opportunities with stipends
- Flexible scheduling where possible
- Work from home options for appropriate positions
- School culture and climate initiatives

Alignment with Minnesota Licensure Framework

Our compensation strategy is directly aligned with both the Minnesota Professional Educator Licensing and Standards Board (PELSB) tiered licensure framework for teachers and the Board of School Administrators licensure requirements for administrative staff.

PELSB Teacher Licensure Alignment

As illustrated in the PELSB documentation, there are clear qualifications and pathways for advancement through the tiered licensure system. Our compensation structure creates financial incentives that:

1. Recognize the significant professional development required to advance from Tier 1 to Tier 4
2. Value the unlimited renewal status of Tier 3 and Tier 4 licenses
3. Acknowledge the comprehensive preparation and examination requirements for higher tiers
4. Support staff in navigating the various pathways to licensure advancement

Board of School Administrators Alignment

For administrators, our compensation strategy aligns with Minnesota Statutes, section 122A.14, which establishes:

1. Specific pathways to superintendent, principal, and director licensure
2. Requirements for three years of successful classroom teaching experience
3. Advanced education requirements (60 semester credits beyond bachelor's degree)
4. Field experience requirements (320 hours minimum)
5. Continuing education requirements (125 clock hours for five-year license renewal)

This aligned approach ensures consistent incentives for proper state licensure across all positions, from classroom teachers to top leadership roles.

Fund Balance Buffer Maintenance Strategy

To ensure we maintain our required 24% buffer throughout implementation:

1. **Current Position:**

- Unassigned fund balance of \$2,371,839 represents 34.5% of annual expenditures
- This provides approximately 10.5% of "excess buffer" that can be strategically utilized

2. **Annual Assessment Points:**

- Conduct quarterly financial reviews to assess fund balance projections
- Ensure compensation increases are aligned with actual enrollment growth
- Adjust implementation timeline if enrollment targets aren't met

3. **Contingency Planning:**

- Develop tiered implementation approach that can be accelerated or slowed based on financial performance
- Identify priority positions for compensation adjustments if financial constraints emerge
- Establish clear criteria for advancing to next implementation phase

Conclusion

This comprehensive compensation strategy addresses several critical needs for Crosslake Community School as we grow from 500 to 700 students:

1. **Competitive Market Positioning:** Our plan moves compensation from below-average to competitive or above-average compared to Minnesota charter school benchmarks, particularly for properly licensed staff.
2. **Quality Education Focus:** By creating significant financial incentives for PELSB Tier 3-4 teachers and Board of School Administrators licensed leaders, we emphasize our commitment to the highest quality educational experience for our students.
3. **Staff Retention:** Our improved compensation structure, particularly the licensure differentials, helps address the 15.2% turnover rate indicated in the MACS compensation report (p.8), with special focus on the 295 staff members (37.4% of departures) who left

for "new job within sector."

4. **Fiscal Responsibility:** The phased implementation approach tied to enrollment growth ensures we maintain our 24% fund balance buffer throughout implementation, with projections showing buffers of 25.9-30.7% at each phase.
5. **Strategic Alignment:** This plan supports our school's mission by creating a staff of highly qualified, properly licensed educators who can deliver exceptional educational outcomes as we grow.

The Minnesota Association of Charter Schools data clearly shows the relationship between compensation, school size, and staff qualifications. Our plan positions Crosslake Community School to compete effectively for top talent while maintaining a sound financial trajectory. Most importantly, by investing in properly licensed teachers and administrators throughout our organization, we demonstrate our unwavering commitment to educational excellence for our students.

Sources: Crosslake Community School Financial Analysis, Minnesota Association of Charter Schools Compensation Report 2024-25, Minnesota Professional Educator Licensing and Standards Board (PELSB), Minnesota Board of School Administrators