

Merit Pay and Salary Adjustment Policy
Bay Haven Charter Academy, Inc.
Amended and Effective January 19, 2017

In accordance with Section 1012.22 of the Florida Statutes, Bay Haven Charter Academy, Inc. ("BHCA") is required to adopt a Performance-Based Compensation Plan ("Merit Pay Plan") for instructional personnel and school administrators. These operational guidelines provide necessary information for the equitable administration for the Merit Pay Plan.

A. Definitions

"Instructional personnel" shall mean instructional personnel as defined in Section 1012.01(2) of the Florida Statutes, excluding substitute teacher.

"Qualified employees" shall mean employees that are eligible to receive a pay increase and/or excess funds, in the current year, through the Merit Pay Plan.

"School administrator" shall mean a school administrator as defined in Section 1012.01(3) of the Florida Statutes. School administrator shall not include the Chief Education Officer ("CEO") of BHCA.

"All other employees" shall mean the CEO and all other employees who are ineligible to participate in the Merit Pay Plan described below.

B. Merit Pay Plan

In accordance with Section 1012.22 of the Florida Statutes, all instructional personnel and school administrators on annual contract as of July 1, 2014, and all instructional personnel and school administrators hired on or after July 1, 2014, shall be paid a base salary to be determined by BHCA and shall be automatically placed on the Merit Pay Plan. All other employees of BHCA are not eligible for participation in the Merit Pay Plan and such employees' salaries or pay rates shall be determined by BHCA.

C. Budget

As a part of BHCA's annual budget preparation, in addition to base salaries, an amount will be designated for salary adjustments for each fiscal year. This amount will be computed in total for BHCA and shall be immediately allocated to each cost center operated under BHCA. The cost center allocation will be based on the ratio of the total salaries of qualified employees of each cost center compared to the total salaries of the qualified employees of BHCA.

D. Apportionment

Within each cost center, the allocated amount determined above will then be apportioned to the three groups of employees set forth below. The apportionment will be based on the ratio of the total salaries of qualified employees of each of the three individual groups compared to the total salaries of qualified employees of the individual cost center.

- a. Instructional personnel
- b. School administrators
- c. All other employees

In addition, and as a part of this computation, a full time equivalent number of employees in Group "a" (instructional personnel) and Group "b" (school administrators) shall be computed. This full time equivalent number shall be divided into the dollar amount computed for that group to determine a share value for each group within the cost center.

E. Adjustments

1. For instructional personnel and school administrators, annual salary adjustments shall be based upon performance determined under Section 1012.34 of the Florida Statutes. The performance evaluations shall be conducted annually by an administrator and shall be processed using the criteria enumerated in Section 1012.34 of the Florida Statutes. The results of the evaluation process shall produce one of four designations for each instructional personnel and school administrator. The designation assigned to each employee's performance shall be either:

- i. Highly effective;
- ii. Effective;
- iii. Needs improvement or developing; or
- iv. Unsatisfactory

2. After evaluation, only those instructional personnel or school administrators receiving the designation of Highly Effective or Effective are eligible to participate in the annual salary adjustment. Those designated as Highly Effective and Effective shall receive salary adjustments based on the following share formula:

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|-----|-------------------------|-----------------------|
| i. | Highly Effective rating | One Full Share |
| ii. | Effective rating | 75% of One Full Share |

3. Full Share adjustments will be determined annually by BHCA as set forth in Paragraph "D" above. Full Share adjustments will be greater than the highest annual salary adjustment available to an employee of the same classification through any other schedule adopted by BHCA. Any performance based adjustment granted to any eligible employee will become a part of the employee's permanent base salary.

4. Any instructional personnel or school administrator not receiving a rating of Highly Effective or Effective in any given year shall not be entitled to receive an annual salary adjustment for that year.

5. Upon hiring, an employee's salary is determined by calculating years of service through the prior contract year and the employee's ranking/classification on the appropriate placement or salary schedule. Since years of service are awarded through the prior year, employees hired or transferred within the current contract year will not be eligible to receive a pay increase.

F. All Other Employees

BHCA has elected to provide annual salary adjustments to all other employees; i.e., employees who are ineligible to participate in the Merit Pay Plan. The annual salary adjustment of such employees, including those salaried and hourly employees who continue to have salary schedules, will be computed and paid from available budgeted funds as follows:

- 1. The amounts called for in each employee's salary schedule shall be allocated first, up to the total amount provided for that year. These amounts are permanent increases to the employee's base pay.**
- 2. Upon satisfying all salary schedule increases, should there be excess funds not used, as determined in Paragraph "D" above, the excess funds shall be allocated to the same group of employees using the ratio of each employee's base annual salary as a percent of the total base salary of all employees in the group, multiplied by the total unused excess funds available. These amounts are not permanent increases to the employee's base pay but are instead applicable only to the year in which such funds are available.**
- 3. Instructional personnel and school administrators are not eligible to participate in the salary adjustments provided for in this paragraph.**