

Board Amendment

Amended _____

Provide \$200 Year-End Bonuses to All Staff**Discussion Item:**

We have an unplanned surplus of approximately \$1.2 million as a result of the four days schools were closed during February and the way that teachers and staff agreed to make up the lost time without adding additional days to the school year.

This amendment would utilize about \$1,050,000 of this windfall to pay for \$200 year-end bonuses to all staff, plus the additional taxes payable on the bonuses.

Our teachers and staff will be sustaining significant financial sacrifices in 2011-2012 as a result of the changes in the collective bargaining agreements. If we are able to provide some unexpected funds for them this year, it seems like sound policy to do so

Consistent with the thinking behind the proposal for the creation of a defeasance escrow account, it is prudent to incur one-time expenses during this fiscal year.

I propose that the bonuses be provided in the form of \$200 gift cards from Dane Buy Local, to be distributed near the end of this school year. The cards are redeemable at local businesses. I have spoken to a staff person at Dane Buy Local about their participating members partnering with us on this effort by encouraging participating businesses to provide special discounts to teachers and staff using the card as a way of demonstrating community support for the great work our teachers and staff perform. I am confident that many local businesses would join in the promotion.

For those who have specific financial obligations for which they'd like to use the bonus money, I am told that arrangements can be made such that the cards could be used anywhere VISA cards are accepted.

In addition to the cards, I propose that we also pay the additional taxes teachers and staff will incur as a result of receiving the bonuses.

Savings / Added Costs:

I am told we have approximately 4,030 staff, including teachers, clerical support, custodians, EAs/SEAs, security assistants, and food service workers. I am also told that we should plan on about 30% for tax payments. The total cost would therefore be about $4,030 \times \$260 = \$1,047,800$.

May 18, 2011

As a result of this amendment, the projected increase in the fund balance as a result of 2011-2012 operations would be decreased by approximately \$1,047,800.

Impact:

Staff would realize an increase in their 2010-2011 compensation. Spending in local businesses would be encouraged, thereby benefiting the local economy. Local businesses would be provided an opportunity to demonstrate in a tangible way the community's appreciation of the dedication and hard work of our talented teachers and staff during challenging times.

Note: I am told that it may require an MOU with MTI in order for us to give bonuses to staff.