



# MAGNOLIA PUBLIC SCHOOLS

## MPS Personnel Committee

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Board Agenda Item #	II B
Date:	March 7, 2016
To:	MPS Personnel Committee
From:	Caprice Young, Chief Executive Officer & Superintendent
Staff Lead:	Terri Boatman, Director of Human Resources
RE:	Approval of Changes from 12 month agreements to 10 month agreements

### Proposed Board Recommendation

I move that the Personnel Committee recommend approval of the change from 12 month agreements to 10 month agreements to the full MPS Board of Directors.

### Background

Currently, Magnolia extends annual contracts to teachers on a 12 month basis which run from August 1 through July 31. The new proposed contract dates for certificated and classified staff would be align with the school calendar in order to better comply with STRS & PERS reporting.

Instead of teachers receiving pay for the summer months, we would institute a summer holdback.

For a school with a 10-month pay cycle, Summer Holdback works by paying a gross salary of annual divided by 10 months (September-June) with an after tax deduction of 8.333% of their net pay from Sept-June to "set aside" for July & August. Since a teacher's salary is unchanged and they work full time every month, this system spreads out their take home pay evenly throughout 12 months.

All gross salaries and retirement deductions would occur during the 2016-2017 fiscal year. The Summer Holdback payouts that occur in July & August 2016 are essentially reimbursements for their Sept-June deductions (i.e. reducing a liability on the school's books).

If a teacher leaves in the middle of the year, before completing the total annual days, Sample Charter will determine how many days the employee has completed on their contract and calculate the difference of what they earned and what they have been paid in gross salary on their final check. In addition, a report will be available to see the current balance the teacher has accrued in Summer Holdback and pay it out on their final check.

With this change, we will work with authorizers to have service credits adjusted for all Magnolia employees.

### Name of Staff Originator:

Terri F. Boatman, Director of Human Resources

### Attachments

None