



**FOREST LAKE AREA SCHOOLS
FOREST LAKE, MN 55025**

January 6, 2011

AGENDA ITEM: 12.0

TOPIC: Early Retirement Incentive Proposal

BACKGROUND: Several metropolitan school districts are proposing “one - time” Early Retirement Incentives this January in order to reduce ongoing labor costs. Burnsville and Chisago Lakes have already acted to provide their faculty an early retirement incentive that does not need to be collectively bargained.

PROCESS: The administration is proposing an Early Retirement Incentive Program using the Chisago Lakes model: Members of the FLEA bargaining unit who commit by February 3, 2011 to retire at the end of the 2010-2011 school year would receive an additional \$20,000 incentive payment.`

Teachers who commit by February 3, 2011 to go on an extended leave at the end of the 2010-2011 school year subject to severance pay waivers and stipulations determined by the school district would also receive an additional \$20,000 incentive payment payable through the district’s Special Retirement Pay plan upon retirement.

Ongoing general fund savings are anticipated to be \$30,000 per retiree in the first post – retirement year, continuing thereafter with a gradual decline in savings over time due to presumed contract settlements:

RECOMMENDATION: First Reading.