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TO: Board of Education

FROM: Dale Ellis, Ed. D

DATE: December 6, 2021

SUBJ: ACTION ITEM (Employee Bonus Plan)

I have attached the proposed employee recruitment and retention bonus plan and the supporting documents for your review. The bonus will apply to all permanent positions in the district based upon the percentage of employment. I recommend that you approve the plan so it can be implemented, effective with the January 2022 payroll as outlined.

I am available to answer any questions you might have.

# Montgomery County Schools

## 2021 Recruitment and Retention Bonus Plan

**Current Full-Time Employees:**
All employees employed full-time are eligible to receive a retention bonus in accordance with the following guidelines:

**1st Payment** – January 2022 in the amount of $1,500.00
**2nd Payment** – May 2022 in the amount of $1,500.00
**3rd Payment** – May 2023 in the amount of $1,500.00

**Current Permanent Part-Time Employees:**
All employees employed as permanent part-time employees are eligible to receive a retention bonus in accordance with the following proration guidelines:

**1st Payment** – January 2022 for a percentage of $1,500.00 based upon hours worked divided by full-time hours
**2nd Payment** – May 2022 for a percentage of $1,500.00 based upon hours worked divided by full-time hours
**3rd Payment** – May 2023 for a percentage of $1,500.00 based upon hours worked divided by full-time hours

**2022-2023 Potential Full-Time Employees:**
All potential full-time employees to be hired for the 2022-2023 school year are eligible to receive a recruitment and retention bonus in accordance with the following guidelines:

**Recruitment Bonus** – August 2022 in the amount of $1,500.00
**Retention Bonus** – May 2023 in the amount of $1,500.00

**2022-2023 Potential Permanent Part-Time Employees:**
All potential permanent part-time employees to be hired for the 2022-2023 school year are eligible to receive a recruitment and retention bonus in accordance with the following proration guidelines:

**Recruitment Bonus** – August 2022 for a percentage of $1,500.00 based upon hours contracted to work divided by full-time hours
**Retention Bonus** – May 2023 for a percentage of $1,500.00 based upon hours worked divided by full-time hours

**2023-2024 Potential Full-Time Employees:**
All potential full-time employees to be hired for the 2023-2024 school year are eligible to receive a recruitment bonus in accordance with the following guidelines:

Recruitment Bonus – August 2023 in the amount of $1,500.00

**2023-2024 Potential Permanent Part-Time Employees:**
All potential permanent part-time employees to be hired for the 2023-2024 school year are eligible to receive a recruitment bonus in accordance with the following proration guidelines:

**Recruitment Bonus** – August 2023 for a percentage of $1,500.00 based upon hours contracted to work divided by full-time hours

All employees are required to sign and adhere to the requirements outlined in the MCS Retention and Recruitment Contract to receive the retention bonus. If employment ceases for any reason, the employee is required to repay a pro-rated amount of the bonus based upon the criteria outlined in the MCS Retention and Recruitment Bonus Contract.

**FULL-TIME EMPLOYEE RETENTION BONUS CONTRACT**
**Montgomery County Schools**
**Contract for receiving Retention Bonus Pay**

We are pleased to inform you that, in recognition of your contributions to the Montgomery County Schools Board of Education (Board), you are being offered the opportunity to receive a retention bonus (Retention Bonus) in the amount of $4,500.00 paid out over two years based upon the following terms and conditions:

1. Payment of Retention Bonus: Subject to satisfaction of the conditions set forth below, you will be paid a Retention Bonus in the amount of $1,500.00 three times, payable in a lump sum during the January 2022, May 2022 and May 2023 pay period.

2. Conditions to Payment: In order to receive the Retention Bonus, all of the following conditions must be satisfied:
   (a) You must remain employed by the Board through June 13, 2022 for the January 2022 payment, June 15, 2023 for the May 2022 payment and June 15, 2024 for the May 2023 payment (Vesting Dates).
   (b) You must maintain all licensure requirements as outlined in North Carolina Department of Public Instruction licensure guidelines for Public School Teachers. (You will be required to maintain a clear license, meet the yearly residency requirements for teachers with a residency license or meet the yearly requirements for yearly provisional licensure.)
   (c) Classified employees must maintain any required bus driver's licenses and drive the bus as required pursuant to MCS Board of Education Policy.

3. Termination of Employment: If your employment with the Board terminates for any reason prior to any of the Vesting Dates, you will be required to repay a pro-rated amount of the Retention Bonus back to the Board based upon the time period worked prior to termination of employment.

4. Tax Withholding: Payment of the Retention Bonus will be subject to applicable federal, state and local tax withholdings.

5. Effect on Other Benefits: You acknowledge that payment of the Retention Bonus is not part of normal or expected compensation for purposes of calculating retirement benefits for purposes of the Teachers and State Employees Retirement System.

6. No Right to Continued Employment: The grant of this Retention Bonus opportunity does not give you any right to continue your employment relationship with the Board and you shall remain subject to discharge to the same extent as if this opportunity were not granted to you.

7. Modification: This Contract is subject to modification as a result of subsequent legislative enactments.

8. Governing Law: This Contract is governed by the laws of the State of North Carolina.

We hope that this arrangement encourages your continued commitment to the District. Please acknowledge your agreement to the terms of this contract by countersigning it in the space below and returning it to Mitch Taylor, Chief Finance Officer.

Steve DeBerry, Board Chair Date

Mitch Taylor, Chief Finance Officer Date

Teacher Signature Date

This instrument has been pre-audited in the manner required by the School Budget and Fiscal Control Act.

**FULL-TIME EMPLOYEE RECRUITMENT BONUS CONTRACT**
**Montgomery County Schools**
**Contract for receiving Recruitment Bonus Pay**

We are pleased to inform you that, in recognition of your willingness to work with the Montgomery County Schools Board of Education (Board), you are being offered the opportunity to receive a recruitment bonus (Retention Bonus) in the amount of $3,000.00 paid out over two years based upon the following terms and conditions:

1. Payment of Recruitment Bonus: Subject to satisfaction of the conditions set forth below, you will be paid a Recruitment Bonus in the amount of $1,500.00 two times, payable in a lump sum during the first pay period of employment and May 2023 pay period.

2. Conditions to Payment: In order to receive the Recruitment Bonus, all of the following conditions must be satisfied:
   (a) You must remain employed by the Board through June 15, 2023 for the initial employment payment and June 15, 2024 for the May 2023 payment (Vesting Dates).
   (b) You must maintain all licensure requirements as outlined in North Carolina Department of Public Instruction licensure guidelines for Public School Teachers. (You will be required to maintain a clear license, meet the yearly residency requirements for teachers with a residency license or meet the yearly requirements for yearly provisional licensure.)
   (c) Classified employees must maintain any required bus driver's licenses and drive the bus as required pursuant to MCS Board of Education Policy.

3. Termination of Employment: If your employment with the Board terminates for any reason prior to any of the Vesting Dates, you will be required to repay a pro-rated amount of the Recruitment Bonus back to the Board based upon the time period worked prior to termination of employment.

4. Tax Withholding: Payment of the Recruitment Bonus will be subject to applicable federal, state and local tax withholdings.

5. Effect on Other Benefits: You acknowledge that payment of the Recruitment Bonus is not part of normal or expected compensation for purposes of calculating retirement benefits for purposes of the Teachers and State Employees Retirement System.

6. No Right to Continued Employment: The grant of this Recruitment Bonus opportunity does not give you any right to continue your employment relationship with the Board and you shall remain subject to discharge to the same extent as if this opportunity were not granted to you.

7. Modification: This Contract is subject to modification as a result of subsequent legislative enactments.

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Steve DeBerry, Board Chair Date

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## Montgomery County Schools Retention & Recruitment Bonus Proposal

| **Calculation of Staff that would qualify** | | |
|---|---|---|
| **Number of Full time staff that would qualify:** | | **490** |
| | | |
| **Number of Part-time staff that would qualify:** | | |
| *Total number of part-time staff* | *90* | |
| *Average percentage of 40 hours worked per week:* | *65.00%* | |
| *Total full time equivalent of part time staff:* | *58.5* | |
| **Part-time Staff rounded up to whole number** | | **60** |
| | | |
| **Total full time equivalent staff:** | | **550** |
| | | - |

| **Calculation of funds needed** | | |
|---|---|---|
| **Yearly bonus amount** | | **$1,500.00** |
| | | |
| **Total bonus to be paid in January of 2022:** | | |
| Bonus | | $825,000.00 |
| FICA | | $63,112.50 |
| **Total:** | | **$888,112.50** |
| | | |
| **Total bonus to be paid in May/August of 2022:** | | |
| Bonus | | $825,000.00 |
| FICA | | $63,112.50 |
| **Total:** | | **$888,112.50** |
| | | |
| **Total bonus to be paid in May/August of 2023:** | | |
| Bonus | | $825,000.00 |
| FICA | | $63,112.50 |
| **Total:** | | **$888,112.50** |
| | | |
| **Total Funding needed for all 3 payments:** | | **$2,664,337.50** |
| | | |
| **Sources of Funding the Retention/Recruitment Bonus** | | |
| ESSER II funding (Expires September of 2023) | | $1,670,168.22 |
| ESSER III funding (Expires September of 2024) | | $994,169.28 |
| **Total ESSER Funding** | | **$2,664,337.50** |

| **ESSER funds remaining after deducting for bonus** | | |
|---|---|---|
| ESSER II Budget | | $989,951.78 |
| ESSER III Budget | | $7,608,970.72 |
| **Total ESSER Funds** | | **$8,598,922.50** |

# MCS Retention Bonus Plan Frequently Asked Questions

1. Will I receive the retention bonus if I am part time, if so, how much will I receive?

   Part-time employees will receive a retention bonus that will pro-rated based on their average number of hours worked each week compared to full-time hours.
   **Example:** Employee A works 29 hours per week: 29/40=72.5%
   $1,500.00x.725=$1,087.50
   Employee A will receive a retention bonus in the amount of $1,087.50

2. What if I started late this school year?

   Any employee hired prior to October 1, 2021 will receive the full amount as outlined in the MCS Retention Bonus Contract. Any employee hired after October 1, 2021 will receive a pro-rated amount based on their months worked versus their contracted months of employment.
   **Example:** Employee B is a full-time employee that began on November 1, 2021 and is contracted for 12 months. 12 month employees are contracted from July 1 through June 30. 8/12=66.7%
   $1,500.00x.667=$1,000.50
   Employee B will receive a retention bonus in the amount of $1,000.50

3. What happens if I sign the contract and leave before the contract ends?

   Employees that sign the MCS Retention Bonus Contract will be required to return any portion of the bonus that was not earned through the terms of the contract.
   **Example:** Employee C is a full-time teacher contracted for 10 months for 2022-23 and decides to leave prior to the completion of the contract term. Employee C resigns on January 31, 2022. Employee C has not earned 4 months of the bonus as outline in the contract. 4/10=40%
   $1,500.00x.4=$600.00
   Employee C will be required to return $600.00 of unearned bonus money to MCS.

4. If I quit, retire, or are terminated during the contract period will I owe money back?

   Employees that sign the MCS Retention Bonus Contract and do not fulfill the term requirements of the contract, for any reason, will be required to return any unearned portion to the district. See Example in Question #3.

5. Do I qualify for the retention bonus if I am a retired employee that works?

   Any permanent full-time, or part-time employee is eligible to receive the MCS Retention Bonus based upon the number of hours worked compared to full-time hours for the term outlined in the MCS Retention Bonus Contract.

6. Do subs receive the bonus?

   Substitute employees are not eligible because they are not considered permanent part-time, or full-time employees of the district.

7. Do sub bus drivers receive the bonus?

   Substitute Bus Drivers are not eligible because they are not considered permanent part-time, or full-time employees of the district.

8. If I drive a bus under 20 hours a week, will I receive the bonus?

   Any bus driver that drives a route on a permanent basis, 5 days a week, will be eligible to receive the MCS Retention Bonus because they are considered a permanent part-time employee of the district. To determine the amount of the bonus the employee will receive, please refer to the Example in Question #1.

9. Can I sign a new contract before each bonus?

   To minimize paperwork, the district would like employees to sign the MCS Retention Bonus Contract. If an employee decides to resign or retire, the employee has the right to do so. Any unearned portion of the MCS Retention Bonus payment, as outlined in the contract, will be required to be returned by the employee to the district.

10. Can I wait and sign at the end of the contract period?

    To streamline the processing of paperwork and to simplify the payment processing, the MCS Retention Bonus Contract will need to be signed prior to the January 2022 payment for current employees. If an employee chooses to not return for the 2022-23 school year, the contract can be terminated prior to the May 2022 retention payment.