

Elwood Union Free School District Board of Education

April 14, 2011

Ms. Lorelei Stephens, President
and the Executive Board
Elwood Teachers' Alliance

Dear Ms. Stephens and Executive Board:

Thank you for your continuing efforts to give back to the Elwood School Community and providing some financial relief to our taxpayers. Your efforts and dedication to our children inside the classroom brings great value to our community and your gesture during the current financial crisis is appreciated.

Unfortunately, we must decline your offer to renegotiate your contract at this time. The request to extend your contract for two years, through June 2016, in light of diminishing state aid, and a looming tax cap with no specific guarantee of mandate relief, leaves us unable to extend a further financial commitment to your unit members. Simply put, we are unable to write you a check now without knowing if we will be able cover the expense. If we were to make such a commitment, the future increase of salary expense you proposed will put us above the tax cap and our only recourse would be to eliminate jobs and/or valuable programs. As fellow leaders in our school community, we believe you may agree we must protect the sanctity of our educational program now and in the future.

Our analysis of the financial impact of your offer is detailed below:

Current Contractual Terms			ETA Proposal		Difference
Year	% Contractual Increase	Estimated Increase of Salary Expense*	% Contractual Increase	Estimated Increase of Salary Expense*	Net Change in Estimated Expense / Commitment
2011-12	3.5	\$1,238,733	2.0	\$948,976	(\$289,757)
2112-13	3.0	\$1,217,586	1.5	\$895,522	(\$322,064)
2113-14	3.5	\$1,400,973	3.5	\$1,360,520	(\$40,453)
2114-15	TBD		1.5	\$998,061	\$998,061
2115-16	TBD		1.5	\$1,043,423	\$1,043,423

* Includes estimated increases for Step and Column

Again, thank you for your understanding and continued consideration.

Respectfully,

The Board of Education