In the wake of Onalaska's referendum approval, the school district has renewed its pledge to the community to maintain the current level of educational programs and services. In order to do this, the School District of Onalaska and the Onalaska Education Association have agreed to a Memorandum of Understanding that extends their current teacher contract through June 30, 2012.

School Board President Mark Cassellius said the teacher contract extension has been fashioned to reflect the intent of both Governor Walker's proposals – the budget repair bill and the biennial budget – but goes significantly beyond the Governor's proposals.

The teacher's have agreed to a \$1 million decrease in compensation to absorb their share of the revenue loss. Teachers' salaries represent 72 percent of all district salaries and the net savings from the MOU achieve that goal and amount to a reduction of teacher compensation next year of \$1,056,085 less than this year's compensation.

The School District of Onalaska is facing a projected \$1.5 million operational deficit for the 2011-12 budget. The deficit is a result of the pending 2011-13 Biennial Budget. The voluntary settlement with the OEA addresses all but an estimated one-third of the \$1.5 million deficit.