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TO: Board of Education

FROM: Dale Ellis

DATE: November 4, 2019

SUBJ: ESS Proposal (ACTION ITEM)

Please find attached a brief presentation that outlines the benefits of outsourcing certain positions with ESS in the future. I recommend that we move forward in working with ESS, starting in the second semester of the 2019-2020 school year.

I am available to answer any questions you might have.

# ESS PROPOSAL

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NOVEMBER 4, 2019



# THE BASICS

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- ESS provides all services related to management of the Substitute Teacher program
- This information was shared in detail last month
- They also provide outsourcing for other staff support positions.
- The approximate cost for sub management is \$70,000 per year
- The approximate savings with the assumption of staff support positions is \$6,500 per employee
- Most importantly, utilizing this program will allow our recruiting and retention efforts to be focused where it needs to be, on certified teachers.

# HOW IT WORKS

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- I would propose that we start with 3 classifications of employees: 1) Custodians 2) TA/Bus 3) Child Nutrition
- Those 3 employee groups can CHOOSE to stay with MCS or go to work for ESS (Advantage of working with ESS is they get a higher rate of pay – We get significant savings by not having to provide benefits...the costs of which are skyrocketing)
- We set a date to begin and all hires within that classification of employee will be an ESS employee from that point forward.
- With \$6,500 per employee in savings, MCS could quickly recoup the \$70,000 in sub costs (roughly 10-11 employees) and significantly more over time as employees in these group tend to turn over at a higher rate.

# THE NUMBERS

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- Custodians = 27 Full-time (12 Part-time)
- TA/Bus = 62 Full-time (15 Part-time)
- Child Nutrition = 33 Full-time (17 Part-time)
- Total of 122 Full-time positions eligible for ESS Program
- 122 employees X \$6,500 = \$793,000 – Potential per year savings versus \$70,000 per year cost for sub management program



# MORE NUMBERS

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- Retirement percentage = 19.7%
- Average Retirement cost for employee segment = \$4,339.06
- Total Retirement cost for employee segment = \$529,366
- Cost for Health Insurance per employee = \$6,304
- Total Health Insurance Cost for employee segment = \$769,088
- FICA per employee = \$1,973.38
- Total FICA for employee segment = \$240,753

# RECOMMENDATION

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- I recommend that we move forward with a contract with ESS for the employee segments outlined here.
- Any contracts will have standard “out” clauses as discussed last month.
- I propose the start date be February 1 for the outsourcing of the support positions (That will also allow us the time to meet with those employee groups to see if any of them would prefer to work for ESS)
- ANY QUESTIONS?