



TUSD Board Presentation

PREO & SubSource Programs – June 27, 2017

esi EDUCATIONAL
SERVICES, INC

Introduction



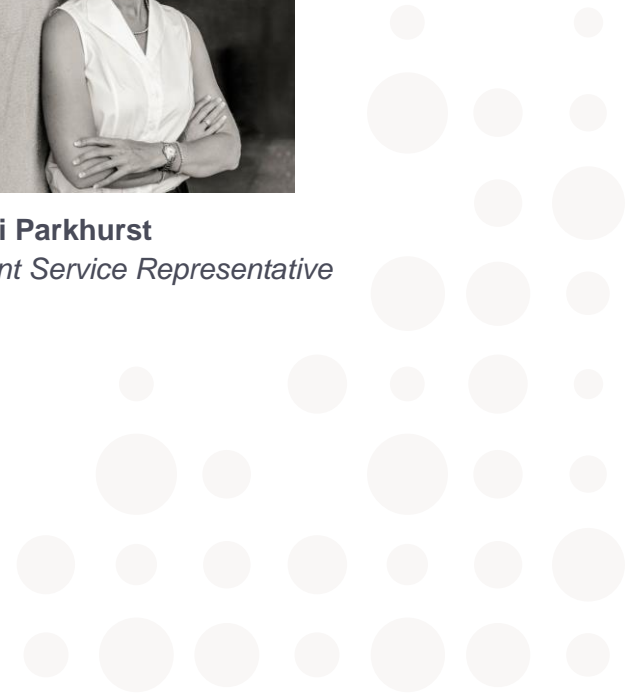
Phil Tavasci
President



Tom Hancock
VP of Human Resources



Toni Parkhurst
Client Service Representative



Who is ESI?

- ESI is an employee staffing company founded in 1999 by three retired educators
- We work with 160+ Arizona school districts, colleges, cities, and towns
- We employ more than 4,000 teachers, administrators, substitutes, and classified staff across the state of Arizona
- Dedicated staff of 20+ team members
 - Onsite Client Service Representative at TUSD

Our Offices



Staffing Programs



Founder and leading provider of return-to-work staffing in Arizona



National teacher recruiting program

Recent coverage:

[Arizona Republic](#)

[Education Week](#)

[ABC15 News](#)



Management of Out-of-District Coaches



Recruiting & Retention

Human Resources Support

Professional Development

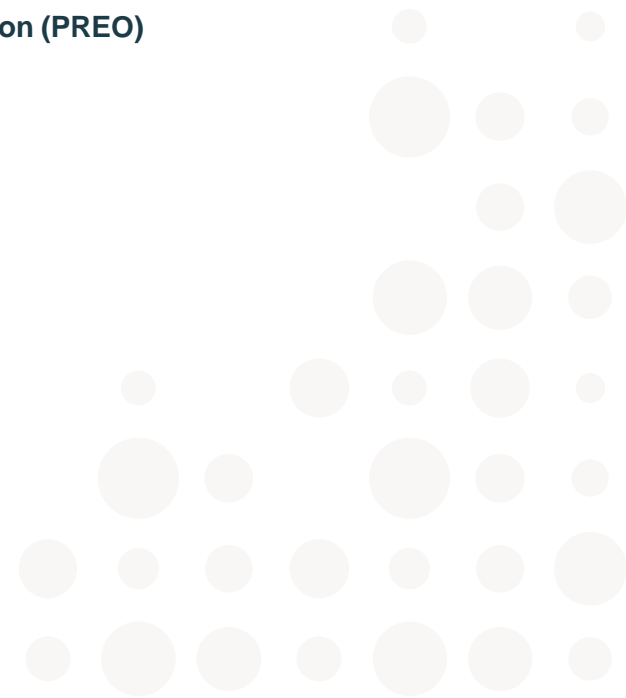
Sub Wellness

Legislative Compliance

Two Topics Today...

1 The Post Retirement Employment Option (PREO)

2 The ESI SubSource Program



Topic 1: What is the PREO Program?



Allows employees to retire through their State pension, receive their pension check and immediately return-to-work in their same capacity. Employees increase current pay substantially by receiving two checks.

- AZ Statute 38-766.01 states: A. Notwithstanding section 38-766, at a retired members' election, a retired member may return to work and still be eligible to receive retirement benefits if all of the following requirements are satisfied: 1. The retired member has attained the member's normal retirement age; 2. The retired member terminated direct employment with an employer at least three hundred sixty-five consecutive days before returning to work.



Districts retain some of their most experienced employees hedging against the mass retirement exodus.

- 25% of current teachers are eligible to retire within the next three years (ADE Educator Retention and Recruitment Task Force)
- A higher percentage of inexperienced teachers in AZ classrooms impacts student achievement. (ADE Educator Retention and Recruitment Task Force)
- Lack of mentoring for new teachers is cited as a reason for teachers leaving the profession. (ADE Educator Retention and Recruitment Task Force)



Districts can set the program up as a win-win. Allowing for employees to increase their take home pay while the District realizes a savings.

- TUSD PREO plan offers a 75% program

TUSD PREO Stats

2016/17 School Year

# of FT Administrative PREO employees	33
# of PT Administrative PREO employees	9
# of FT Certified PREO employees	68
# of PT Certified PREO employees	43
# of FT Classified PREO employees	44
# of PT Classified PREO employees	86
Total FT PREO employees	145
Total PT PREO employees	138



Topic 2: The ESI Substitute Program

1

The Post Retirement Employment Option (PREO)

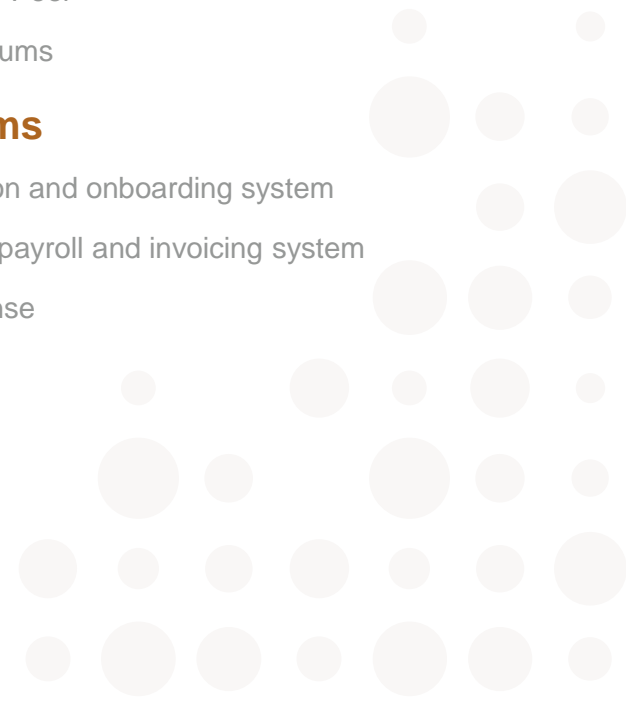
2

The ESI SubSource Program



Experience

- Employ more than **3,000** substitutes in '16/17
- Paid more than **250,000** sub days since 2014
- Provide sub staffing for **more than 50 AZ school district** clients in '17/18
- Experience with **multi-district consortiums**
 - West Valley Sub Pool
 - County Consortiums
- **Proven systems**
 - Online application and onboarding system
 - Fully-integrated payroll and invoicing system
 - Aesop user license



Our Solution



Recruiting & Retention

Recruiting

- Dedicated account manager working with the district
- Job postings featured on national and local job boards, at local universities, and other media outlets
- Onsite job fairs
- Customized marketing materials that can be sent out within the school community
- National recruiting efforts for permanent classroom teachers (FlexTeach)

Retention

- Substitutes-of-the-Month and appreciation-based campaigns
- Incentive-based programs and contests
- Monthly outreach calls to gain feedback and to thank substitutes for their service in the district

By The Numbers

1 YEAR

The average student will spend a full school year with a substitute once they complete their K-12 career.

980

Currently 980 vacancies are filled by long-term substitutes.
(ASPAA survey, August 2016)

1,831

1,831 vacancies are filled by positions using alternative methods that don't meet standard teacher requirements.
(ASPAA survey, August 2016)

Human Resources Support



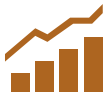
Employee Relations

Our Human Resources department manages any negative feedback received in the classroom. The HR team will contact each substitute to notify them of the feedback and will relay the school district's recommendation for how to proceed. We will also handle terminations, site block letters and unemployment claims.



Crisis Management

Should any major issues arise with a substitute teacher, our HR staff will provide crisis management, guidance and any necessary investigations to appropriately and efficiently resolve the situation.



Program Analytics

Data analysis is crucial to measuring the success of our substitute program. Because our substitute program is designed to increase fill rates, increase substitute retention and facilitate effective recruiting, we focus on key data components throughout the year. These include the number of days each substitute teacher is working in your district, long-term substitute position fill rates and the increase in active substitute teachers within the substitute pool for your district.



Compensation Consulting

We compare geographically similar substitute compensation schedules so you can appropriately assign daily and long-term rates to the ESI substitutes in your district. We also evaluate how any law or regulatory changes may impact substitute compensation.

Professional Development

Achieve More with the Substitute Success 7 Online Series

It's the gateway to professional development as a substitute teacher

While a student's work ethic in the classroom is a key contributor to his or her success, the teacher's ability to inspire students plays an equally important role. Through our partnership with the **Sanford Inspire Program** of Arizona State University, we have developed **Substitute Success 7**, a series of their On-Demand Modules. It's a FREE series of online, on-demand modules designed specifically for substitute teachers.

Take advantage of courses such as "Building Relationships with Students," "Basic Proactive Classroom Management", "Giving Effective Praise" and more.



Onsite Training Sessions

- 90-minute face-to-face sessions focused on each of the Substitute Success 7 modules
- Research-based strategies to extend the learning from the online modules to the classroom
- Reflection and strategy discussion from previous sessions to connect substitutes to their peers and focus on classroom success

Classroom Observations

- Informal walk-throughs of daily and long-term substitutes
- Classroom observations and feedback for daily and long-term substitutes
- Written feedback provided to the district's Human Resources department and the substitute teacher
- School site, school office, and teacher lesson-plan observations to provide feedback to the district to increase each substitute's professional experience

Sub Wellness

Educational Services, Inc. recognizes that when we invest in our employees, they'll likely invest in us. That's why we provide attractive fringe benefits that make our employees feel valued. In turn, we find that this promotes employee retention, loyalty, and job satisfaction. More importantly, it boosts employee morale and overall job performance.



Legislative Compliance

Are You Protected Against
New Legislation?



ACA Compliance

Assigning variable-hour employees to ESI transfers the PPACA liability away from the District and allows the substitutes to work as often as they want.

Proposition 206

Our program tracks the paid sick time benefit for each substitute employee, and our fees allow for all eligible sick time to be paid to substitutes without impacting the district.

Workers Compensation & Unemployment

The district is no longer affected by the Workers Compensation claims incurred by substitutes, and it is not subject to the Unemployment benefit determinations.

Indemnification

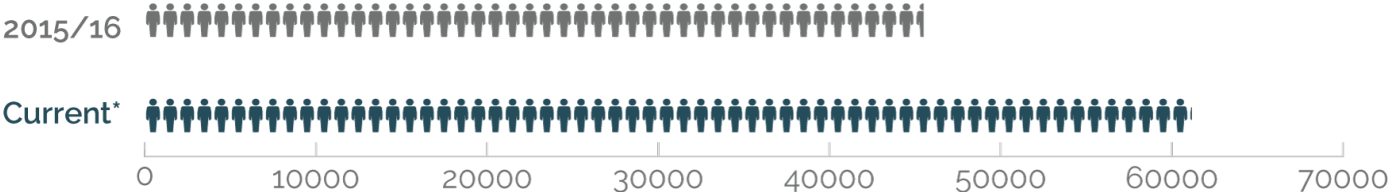
The language in our Client Service Agreement protects our staffing partners from any fines, assessments and penalties related to ACA and other legislative initiatives.

Human Resources Analysis

Number of Positions Filled

45,501

61,155



Number of Active Substitutes



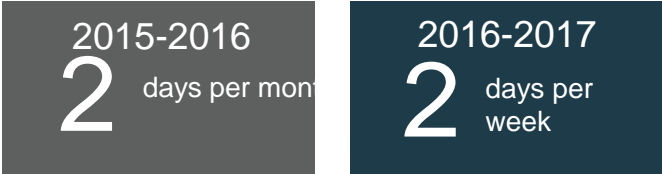
Number of New Substitutes Hired



Substitute Fill Rate



New Hire Interview Frequency



Tucson Area Rate Analysis – ‘16/17

District	Daily Rate	Long-Term Rate	Long-Term Requirement
Tucson USD	\$92	\$107	After 15 consecutive days; daily and LT rate difference is paid retroactively for the first 15 days
Sunnyside USD	\$85	\$100 / \$125	After 20 days @ \$100; then 21+ @ \$125
Amphitheatre Public Schools	\$85	\$110	After 20 days
Marana USD	\$85	\$100	After 30 days
Catalina Foothills USD	\$85	\$95 / \$110	After 15 days @ \$95; then 16+ @ \$110
Flowing Wells USD	\$85	\$100 / \$130	After 10 days @ \$100; after 20 consecutive days @ \$130
Tanque Verde USD	\$80	\$131	After 20 days
Vail USD	\$85	\$115	After 15 consecutive days

Proposed '17/18 Substitute Daily Rates

Short-Term Rate

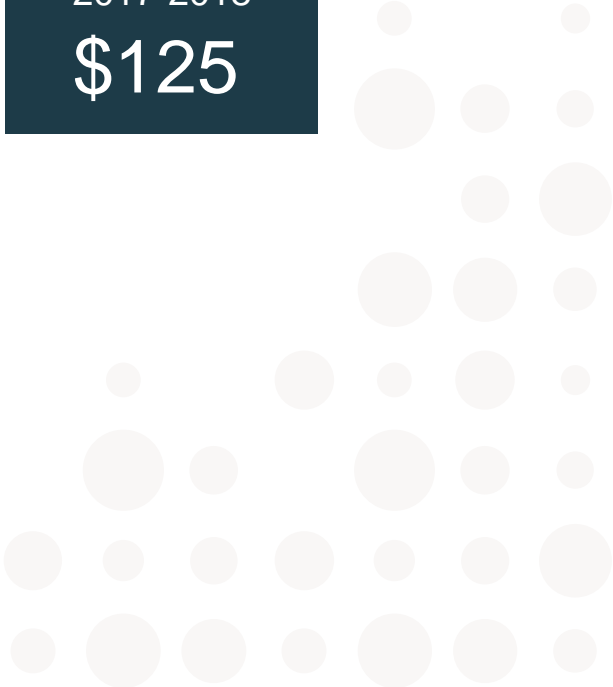
2016-2017
\$92

2017-2018
\$100

Long-Term Rate

2016-2017
\$107

2017-2018
\$125



PREO Cost Summary – '16/17

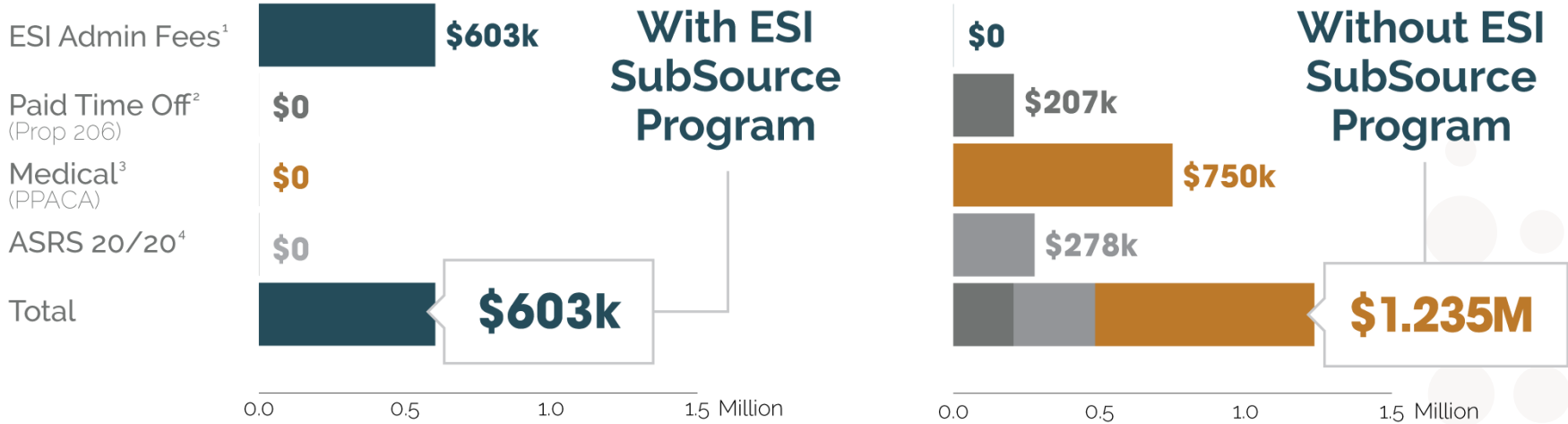
Wages Paid to PREO Employees by Job Classification (7/1/16 – 6/2/17)

Job Classification	Gross Wages & Payroll Liabilities
Administrators	\$1,737,649.25
Certified Employees	+ \$2,876,477.71
Classified Employees	+ \$1,846,392.28
ESI Administration Fee	+ \$57,563.17
Total Cost	\$6,518,082.41

PREO Program Savings (7/1/16 - 6/2/17)

Item Description	
Salary Savings (25% salary reduction)	\$2,153,506.41
Benefit Savings (145 FT EE's x \$5,385 benefit cost)	+ \$780,825.00
ASRS Savings (ASRS contribution – ACR contribution)	+ \$335,976.99
Total Savings	\$3,270,308.40

Projected Cost Summary – '17/18



[1] ESI Admin Fees include payment for Paid Time Off and Medical expenses. The ASRS 20/20 fee does not apply.
[2] Paid Time Off hours earned x average hourly sub rate
[3] 132 benefit eligible employees x \$5,680 annual benefit cost
[4] ASRS eligible wages x 11.47% ASRS contribution

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Questions