

Personnel Meeting – KES

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Services

This presentation will address Kelly Educational Services (KES) and their substitute management services with the Plum Borough School District (PBSD). Specifically, we will analyze and address the KES fill rates over the past five years, review a 3-year comparative analysis for teacher substitute costs and the substitute rates of school districts in the area.

SCHOOL DISTRICT

Overview

Kelly Educational Services employs qualified staff in more than 1.7 million classrooms a year, and is currently servicing over 5,600 schools across 35 states. To date, over a quarter billion student learning days were taught by a Kelly Educational Staffing substitute teacher. Their implementation process is the most detailed and thorough in the industry-successfully implementing more than 950+ school/district programs since 1997, with 25 school districts in the local area. Five years ago, there were only 2 local school districts utilizing Kelly Educational Services, the Plum Borough School District being one of them.

The PBSD has used KES for the past five years for substitute management services. They have provided substitute workers in the following areas; teachers, custodians, nurses, paraprofessionals and food services. The following data reflects, to date, the KES fill rates for teachers over a five (5) year span:

KES Teacher Fill-Rates for 2011-2013

Kelly Services 2011-2012 Fill Rates (Excluding Long-Term Substitutes)										
TEACHERS	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Total Average
Fill Needed	304	386	406	305	282	371	423	298	470	3,245
Filled	299	377	391	292	274	359	392	274	427	3,085
Unfilled	5	9	15	13	8	12	31	24	43	160
Fill Rate (Filled/Fill Needed)	98%	98%	96%	96%	97%	97%	93%	92%	91%	95%

Kelly Services 2012-2013 Fill Rates (Excluding Long-Term Substitutes)										
TEACHERS	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Total Average
Fill Needed	233	380	395	329	360	500	408	449	601	3,655
Filled	221	339	370	310	356	491	407	421	578	3,493
Unfilled	12	41	25	19	4	9	1	28	23	162
Fill Rate (Filled/Fill Needed)	95%	89%	94%	94%	99%	98%	100%	94%	96%	96%

KES Teacher Fill-Rates for 2013-2015

Kelly Services 2013-2014 Fill Rates (Excluding Long-Term Substitutes)										
TEACHERS	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Total Average
Fill Needed	372	464	440	300	256	369	453	514	523	3,691
Filled	368	447	398	282	250	361	435	471	455	3,467
Unfilled	4	17	42	18	6	8	18	43	68	224
Fill Rate (Filled/Fill Needed)	99%	96%	90%	94%	98%	98%	96%	92%	87%	94%

Kelly Services 2014-2015 Fill Rates										
TEACHERS	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Total Average
Fill Needed	226	439	358	326	372	369	470	455	544	3,559
Filled	223	371	314	279	351	321	409	378	442	3,088
Unfilled	3	68	44	47	21	48	61	77	102	471
Fill Rate (Filled/Fill Needed)	99%	85%	88%	86%	94%	87%	87%	83%	81%	87%

PBSD vs. Local Districts

Substitute Rates

For a comparative analysis, I contacted several surrounding school districts for their substitute employee rates and the following schools have responded and provided the data below for their substitute management programs:

PBSD vs. Other School Districts' Daily Staffing Substitute Rates 2016-17

School District		East Allegheny	Kiski	Riverview	New Kensington	Gateway	Penn Hills	Plum	Franklin Regional	Fox Chapel
Substitute Teacher Daily Rates:										
1	Day-to-Day Substitute Teachers	\$85.00/Day	\$100.00/Day	\$90.00/Day	\$85.00/Day	\$110.00/Day	\$90.00/Day	\$90.00/Day	\$100.00/Day	\$95.00/Day
Support Personnel Hourly Rates:										
2	Administrative Assistants	\$8.50/Hr.	\$9.25/Hr.	None	\$8.50/Hr.	\$10.00/Hr.	\$9.50/Hr.	\$8.00/Hr.	\$8.60/Hr.	\$8.75/Hr.
3	Custodians	\$8.50/Hr.	\$9.25/Hr.	\$10.00/Hr.	\$9.00/Hr.	\$11.00/Hr.	\$10.00/Hr.	\$10.00/Hr.	\$10.60/Hr.	\$8.25/Hr.
4	Food Service Workers	\$8.50/Hr.	\$9.00/Hr.	None	\$8.50/Hr.	\$8.50/Hr.	\$8.50/Hr.	\$9.00/Hr.	Contracted Services	\$8.25/Hr.
5	Paraprofessionals	\$8.50/Hr.	None	\$9.50/Hr.	\$8.50/Hr.	\$10.00/Hr.	\$9.50/Hr.	\$9.00/Hr.	\$8.75/Hr.	\$8.75/Hr.

Proposed Measures to Increase Teacher Fill Rates

1. Increase the daily substitute teacher rate to \$100/day to align with other competitive schools in the area.
2. Increase the number of building substitutes from a total of 8 to 9, adding one more to Oblock — Junior High School.

2016-19 Teacher's Substitute Cost Comparative Analysis

The next slide depicts the projected cost of securing substitute teachers by the PBSB compared to using a sub-contractor (KES) over a three year period.

2016-2019 Teacher's Substitute Cost Comparative Analysis

Purpose: Compare projected cost of securing substitute teachers by the PBSD compared to using a sub-contractor (Kelly Services)

3 Year Projection Comparison Analysis

	1	2	3	3 Year
Assumes 3,788 Teacher's Substitute Days Per Year.	Fiscal Year	Fiscal Year	Fiscal Year	Projection
	2016-17	2017-18	2018-19	Totals:
I. PBSD Substitute Management Cost				
1. Projected Number of Teacher Substitute Fill Days Needed:	3,788	3,788	3,788	11,364
A. Daily Substitute Wage Rate (1):	\$90	\$90	\$90	\$90
B. Total Substitute Wages Paid At \$90 Per Day	\$ 340,920	\$ 340,920	\$ 340,920	\$ 1,022,760
C. Direct Costs (Mandatory Retirement and Payroll Costs (2))				
1.) Social Security/Medicare @ 50% (3)	\$13,040	\$13,040	\$13,040	\$39,121
2.) PSERS Retirement @ 50% (4)	51,189	54,615	56,712	162,517
3.) Workers' Comp @ 5.5% on 1st 8,500	18,751	18,751	18,751	56,252
4.) Employee Drug Tests	8,750	8,750	8,750	8,750
5.) Unemployment Comp @ .0055	1,875	1,875	1,875	5,625
6.) AESOP Software Annual Fees	\$9,500	\$9,500	\$9,500	28,500
7.) Affordable Health Care Act Penalty - 25 Substitute Teachers @ \$3	75,000	75,000	75,000	75,000
Total Direct Costs	\$178,105	\$181,531	\$183,628	\$300,764
D. Total Costs:	\$ 519,025	\$ 522,451	\$ 524,548	\$ 1,323,524
E. Cost Inclusion				
1.) Employee Cost Calculation	\$ 50,000	\$ 51,000	\$ 52,000	\$ 153,000
Total Estimated Direct and Employee Cost for In-House	\$ 569,025	\$ 573,451	\$ 576,548	\$ 1,719,024
Cost Per Day (After State Reimbursement)	\$ 150.22	\$ 151.39	\$ 152.20	\$ 151.27
II. Cost of Teacher Substitute Services from KES				
1. Projected Number of Teacher substitute Fill Days Needed:	3,788	3,788	3,788	11,364
A. Daily Substitute Wage Rate	\$90	\$90	\$90	\$90
B. Proposed Service Markup / Daily Rate Charge (3%/year):	\$ 1.36	\$ 1.39	\$ 1.41	138.67%
C. Proposed Daily Substitute Cost	\$ 122.40	\$ 125.10	\$ 126.90	\$ 124.80
D. Total Costs:	\$ 463,651	\$ 473,879	\$ 480,697	\$ 1,418,227
E. Cost Per Day	\$ 122.40	\$ 125.10	\$ 126.90	\$ 124.80
III. Difference - In-House and Contracted Services				
1.) Annual Difference (Savings)	\$ (105,374)	\$ (99,572)	\$ (95,851)	\$ (300,797)
2.) Daily Rate Difference (Savings)	\$ (27.82)	\$ (26.29)	\$ (25.30)	\$ (26.47)

Footnotes:

- (1) Assumes a daily substitute rate of \$90 per day. Note: Long-term subs. are paid \$190 per day.
- (2) FICA and PSERS are stated at 50% to account for the state reimbursement.
- (3) FICA is calculated at 7.65%
- (4) PSERS rates: 30.03% in 16-17, 32.04% in 17-18 and 33.27% in 18-19

Thank You

