



“The Severance Plan Experts”



## EPC Early Severance Plan Update

### Frederick County Public School District, VA

Facing a \$4.5 million budget shortfall, Frederick County Public Schools (FCPSD) looked for ways to reduce expenses without sacrificing educational programs and services. Recognizing EPC’s early severance plan as a unique opportunity to help achieve this goal, FCPSD offered the plan to its top of scale employees which created a savings of approximately \$7.4 million over eight years including \$3.1 million in savings within the first three years following the plan’s implementation.

### Plan Review and Results

Success of an early severance plan relies heavily on two phases, one no less critical than the other. The first involves the design and implementation of a plan offering that is not only attractive to the optimal number of eligible employees, but also produces a meaningful budget savings for the employer.

School	Total Teachers	ESP Participants
Admiral Byrd (MS)	67	1
Apple Pie Ridge (ES)	38	1
Armel (ES)	38	2
Aylor (MS)	50	4
Dowell J. Howard (Voc)	20	1
Evendale (ES)	36	0
Frederick County (MS)	56	1
Gainesboro (ES)	37	4
Greenwood Mill (ES)	49	1
Indian Hollow (ES)	26	1
James Wood (HS)	148	3
James Wood (MS)	67	2
Middletwon (ES)	41	4
Millbrook (HS)	103	2
Northwestern Reg'l (SpEd)	22	0
Orchard View (ES)	34	3
Redbud Run (ES)	45	3
Sherando (HS)	121	7
Stonewall (ES)	34	2
<b>Grand Total</b>	<b>1032</b>	<b>42</b>

The second stage is to follow pre-set hiring parameters to fill, and not fill, vacated positions.

Understanding the probabilities of plan participation and replacement options provided by EPC, through our no-cost feasibility study, gave FCPSD the confidence to move forward and offer an early severance plan to all employee groups.

The table to the left lists the number of teachers in each FCPSD school at the time the plan was offered, and the actual number that elected to participate in the ESP.

Although the ESP produced a participation level almost three times greater than the number of teacher retirements the district normally experiences, the impact on each single location was very manageable.

The table also illustrates that a properly designed severance plan can allow a school district to both retain the great majority of knowledgeable and experienced teachers, and have a very positive effect of its operating budget.

*EPC is dedicated to helping school districts, colleges, universities and hospitals maximize budgets through the design and implementation of early severance plans. If your institution would like to learn more or take advantage of our no-cost feasibility study, please contact us at 1-800-747-1504.*

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