



Denver Public Schools
Professional Compensation System for Teachers

ProComp

MEETING MINUTES

ProComp Trust Board of Directors FY19 Meeting #4

Monday, May 20, 2019

4:30 – 6:00 pm

Emily Griffith Campus (EGC)

1860 Lincoln St., Denver, CO 80203

11th Floor – Conf. Room 1135B or

720-423-7777, Conf ID: 9144527

In Attendance: Tom Buescher, Scott Murphy, Chuck Carpenter, Mark Ferrandino, Erik Johnson

In Attendance (phone): Lawrence Garcia, Ceci Miller, Don Gilmore

Others: Chris Kampe, Emily Marcus, Cara Sterling (phone)

Invited: Chris Kampe, Cara Sterling, Ceci Miller, Don Gilmore, Lisa Flores, Lawrence Garcia, Erik Johnson, Ramona Lewis, Emily Marcus, Scott Murphy, Tom Buescher, Mark Ferrandino, Chuck Carpenter

Called to order: 4:35 PM by Buescher

Action Item: Approve Prior Meeting Minutes – Jan 22, 19 & Mar 20, 19

- Buescher proposes ratifying the minutes for Jan 22 & Mar 20 meeting minutes and asks for any questions or changes.
 - Jan 22
 - Motion to approve by Murphy; Gilmore seconded
 - All approve; no opposes – motion passes
 - Mar 20
 - Motion to approve by Murphy; seconded: Garcia
 - All approve – motion passes

Discussion Item: New Trust Board Member

- Buescher: Ferrandino will be moving up and out of his current CFO role, thus leaving the Board. Thanks Ferrandino for all of your work and time on the Board.
- People on the phone all thank Ferrandino for his hard work and wish him luck in the future.
- Buescher welcomes Carpenter who will take Johnson's spot since Johnson is taking Ferrandino's spot.
- Carpenter introduces himself and gives a brief background – 11 years at DPS in multiple roles, including FP&A director since 2015.
- Buescher and the rest of the Board welcome Carpenter.

Action Item: Approval of FY19/20 ProComp Trust Budget

All Kampe discussion unless otherwise noted.

- Kampe walks everyone through the FY19/20 budget and explains the process for how it's already been approved by Implementation Team (previously Transition Team)
 - Explains how it is different than prior years with ProComp 3.0 and walks through the parts of the budget, decisions Implementation Team makes, and invoicing
 - Non-Base – discusses how it will work for next year and any changes, as written in the new contract. Year over year will not be “apples-to-apples” because of some of the changes
 - Highest Priority moving into ProComp – previously within General Fund, now moving to ProComp 3.0. Incentive is to retain teachers at the highest priority schools. There is an agreement between DCTA & DPS for how those schools are chosen (30 schools). It is decided retroactively for how to determine the 30 schools.
 - Title I Incentive: 2.0 had “hard to serve” within it; 3.0 now only has Title 1 at \$2,000 per FTE earning it.
 - Top Performing/High Growth – eliminated
 - New: Distinguished Schools - \$750/teacher earned at 10 schools. Implementation Team is building the rules for how to decide on which schools will receive it. The gist is that the schools will apply based on Whole Child goals. There will be a rubric and voting for the top 10 by the Implementation Team. All DCTA members at the schools will receive the \$750 incentive.
 - Hard to Staff – continuing similarly to current form at \$2,000/FTE
 - Tuition/student loan reimbursement – 8 years now, can get at same \$1,000
 - Cash in lieu of lane change – Implementation team added this to the budget before it came to the Trust Board. Under the new agreement, educators may complete PDUs without the ability to get a lane increase. In these cases, they will receive cash payments instead.
 - Overhead Costs – Consistent with prior years (treasury fees, legal services, audit, insurance).
 - Admin & Direct Staffing – no longer any direct staffing. The prior 0.5 FTE from finance is no longer necessary given the invoice changes. Admin expenses still help with paying, processing, etc. This is consistent with prior years. Implementation Team reviewed in detail and is okay with this.
 - 5% allowed from Mill Levy for admin and overhead costs – currently at 2%; well below maximum allowed.
 - Discussion on invoicing system and how it will be streamlined for revenues/expenses and how base vs. non-base pay will be earned. Invoicing will take the balance of revenues left and invoice that out. Will be invoicing quarterly instead of monthly with a true-up invoice at year end.
 - Fund Balance discussion on where it will be end of year (6/30/19) and what happens with that
 - All revenue will be expensed – no surplus or deficit.
 - Expect to end this year with \$10.6M in fund balance. Some of this will be used for transition costs, such as payout of banked PDUs (apx. \$5.5M).
 - Also have dollars for red-circling and cash COLAs (smaller than expected).
 - Red-circling – While most employees are going up in salary on the schedule, there are a few (very few) who would get less than they currently make if placed on the schedule. We will hold these people harmless. It will drop in the next few years as the schedule catches up to their salaries.

- Buescher clarified that the PDU payouts will be a one-time cost. Kampe explained why PDUs are banked and being paid out.
 - Kampe summarizes the FY19/20 proposed budget: start FY20 at \$10.6M with \$35M of revenue and \$35M of expenses to be expensed out + one-time costs of transition coming out of beginning fund balance thus ending the year at \$4.8M fund balance.
 - Best practice is to have a 10% fund balance. This \$4.8M leaves us with slightly more than that. The Implementation Team will discuss how they want to handle that potential surplus, as there are still some unknowns with this transition from 2.0 to 3.0.
 - Buescher: Will it continue to be the role of the Trust to ensure proper Trust Fund Balance?
 - Johnson, Kampe, Ferrandino all clarified that it is – somewhere between 5-10% balance, especially on the higher end for the first year, but it could go down in the future.
 - Buescher further clarifies that any additional dollars in the future above the lowest reserve amount can go to the Implementation team to decide what to do with it and that it should go back out to teachers
- Carpenter: Is the goal at the end of the year is to have it net to \$0?
 - Kampe verifies that yes, the final invoice will true up the year so everything nets out. The invoices throughout the year are estimates.
 - Johnson: Base pay acts as an expand/contract for revenues/sources.
- Carpenter: How do the incentives work with regards to ProComp vs. General Fund?
 - Johnson explains that in the contract, the dollars for the incentives are specifically laid out, as well as the number of schools, so there is less potential fluctuation in dollars as well as less discretion on the Implementation Team than in the past for how incentives are paid out. Hard to Staff would be the main one with the most potential fluctuation, but that is still up to the Implementation Team

No questions on the Budget.

Motion to approve FY19/20 budget as proposed: Murphy

Seconded: Carpenter

No further discussion on budget.

All voted in favor; Motion unanimously carries.

Discussion Item: Future Agenda Items

- Last meeting for this fiscal year and will meet again in the fall when school starts. The fall meeting will have a discussion about the bylaws.
- Final ProComp 3.0 document to be sent to Sterling for her to see if and what changes will need to be edited for the bylaws with a red-line version so the Board can review it during the fall meeting.

General discussion:

Miller: How do bylaws work? Will we need to redo them with the new agreement?

- Sterling does not think it will be necessary to rework entirely but perhaps some tweaks.

Buescher asks if all the DCTA reps will be the same or if they'll change?

Miller: I will be back.

Kampe will touch base with Henry for any other changes.

If any changes, alert the new people to what the first meeting will be about so everyone can be prepared.

Adjourned: 5:04 PM

DRAFT