

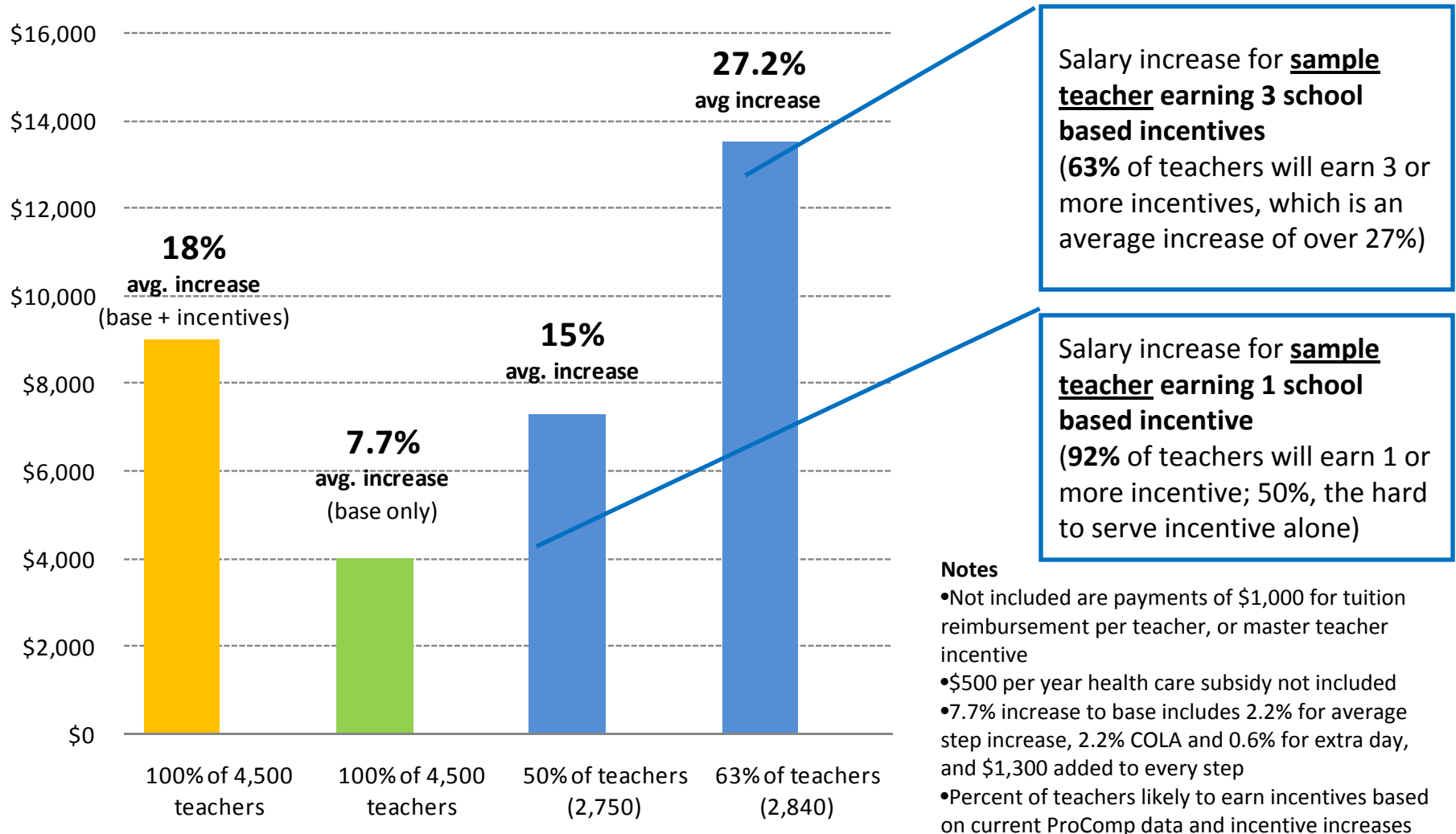
Attracting and Retaining Great Teachers in Denver Public Schools

Two offers to make DPS competitive with other districts

The vision: attract and retain great teachers for our students

- Nothing has greater impact on student learning than effective teachers , especially for high need students
- The district must attract and retain the best teachers possible through competitive compensation
- Teacher pay is not the only factor, but we must be able to compete with other districts and other occupations

With DPS one system offer, average increase in teacher salary will be **over 18%**, and **average base increase of 7.7%**

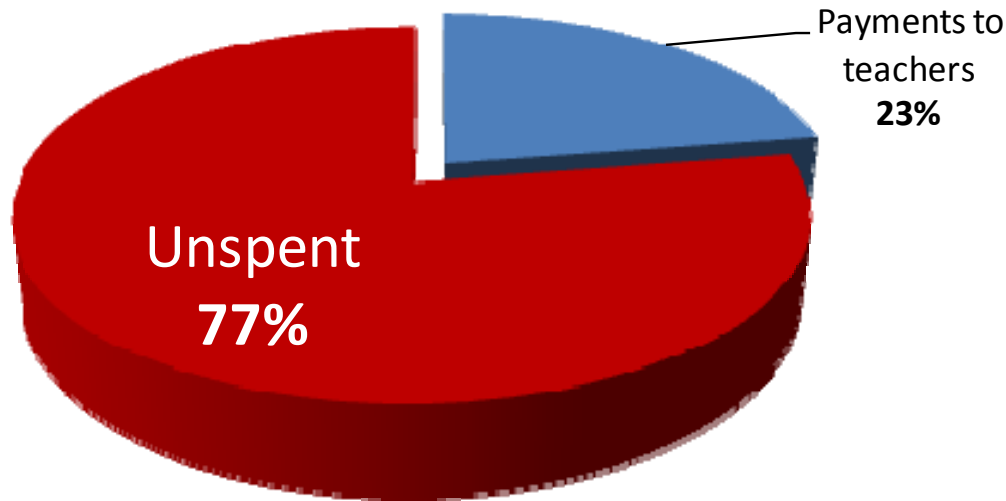


The facts: DPS has taken strong steps to support teachers at all levels

- ProComp passed in 2005, adds \$25 million per year just for teacher pay
- Teachers have received **double** the increases of all other employees over last 3 years
- After years of budget cuts, we have balanced two consecutive budgets without cuts to schools
- Enrollment has grown, adding stability to our school-based workforce
- Fully-funded the pension, which means teachers near retirement can be confident they will have full benefits
- Lowered the healthcare premium paid by all staff by \$504 per year

The facts: ProComp pays too little to teachers

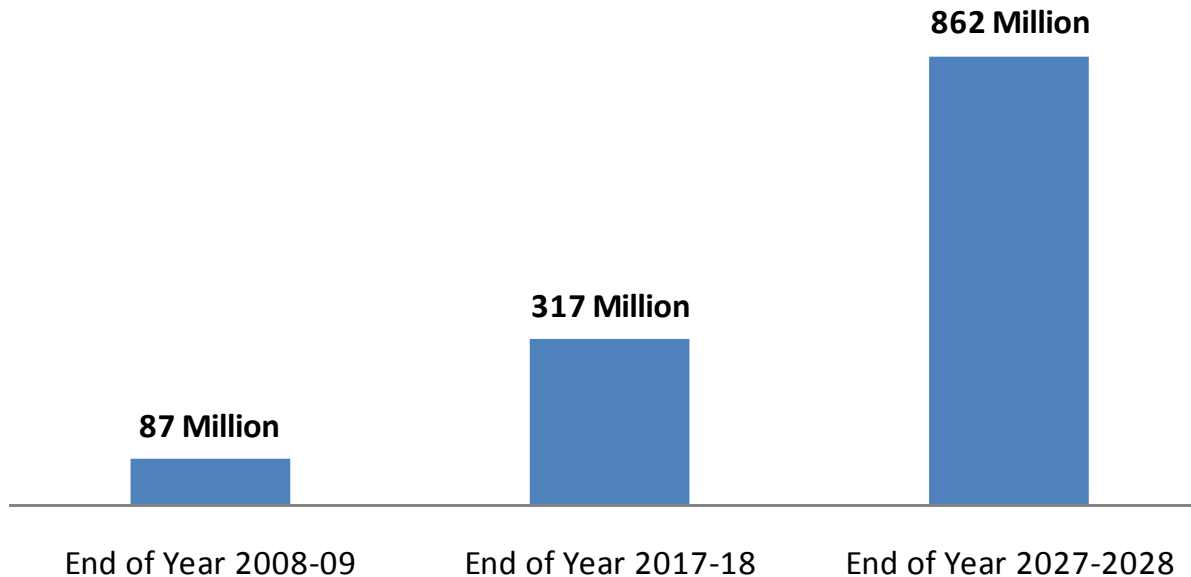
Use of \$31 million of ProComp Revenues in 2007-08



- ProComp mill levy revenues are \$31 million for 2007-08, includes interest earnings on fund balance in the trust
- This year we will spend just under \$7 million from the ProComp Trust on teachers
- Administrative costs are nearly 30% of cash awards

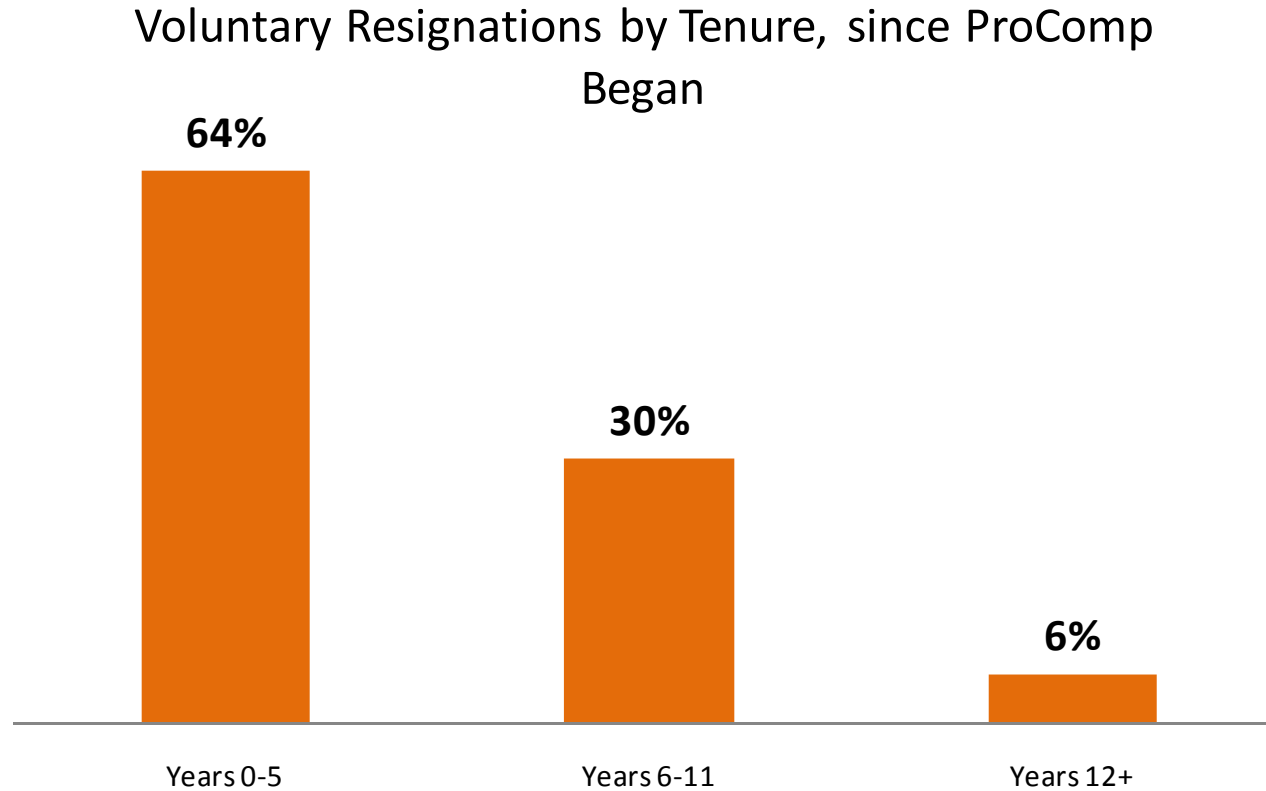
The facts: too little to teachers means a growing balance in the ProComp Trust

ProComp Trust Fund Projected Cash Balance



- By the end of next year, **\$87 million** will remain in the trust. In ten years, nearly **\$320 million** will be unspent.

The facts: ProComp is not working to attract and retain early and mid-career teachers



- Of the voluntary resignations (excluding retirements) since ProComp began in 2005, nearly **95%** have been in the first 11 years of service

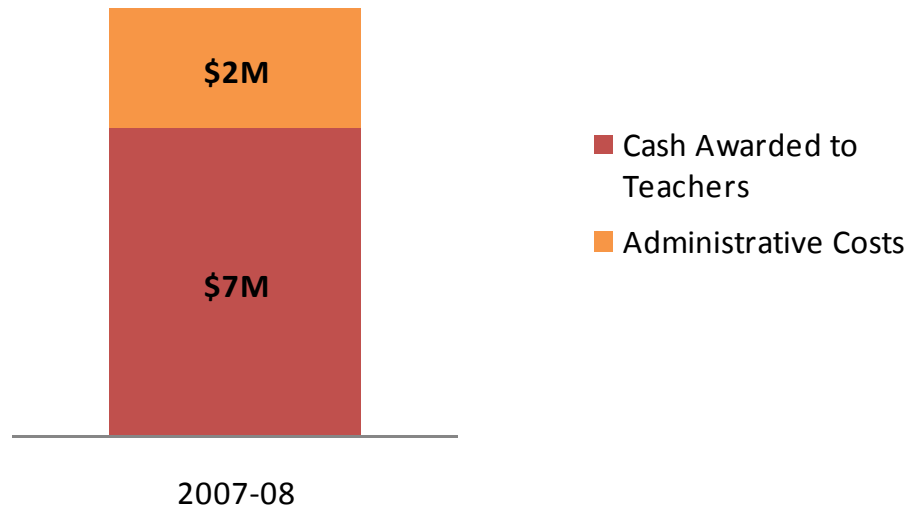
The facts: early and mid-career teachers are **thirteen times more likely to leave** the district than late career teachers

Odds that a teacher will leave the district



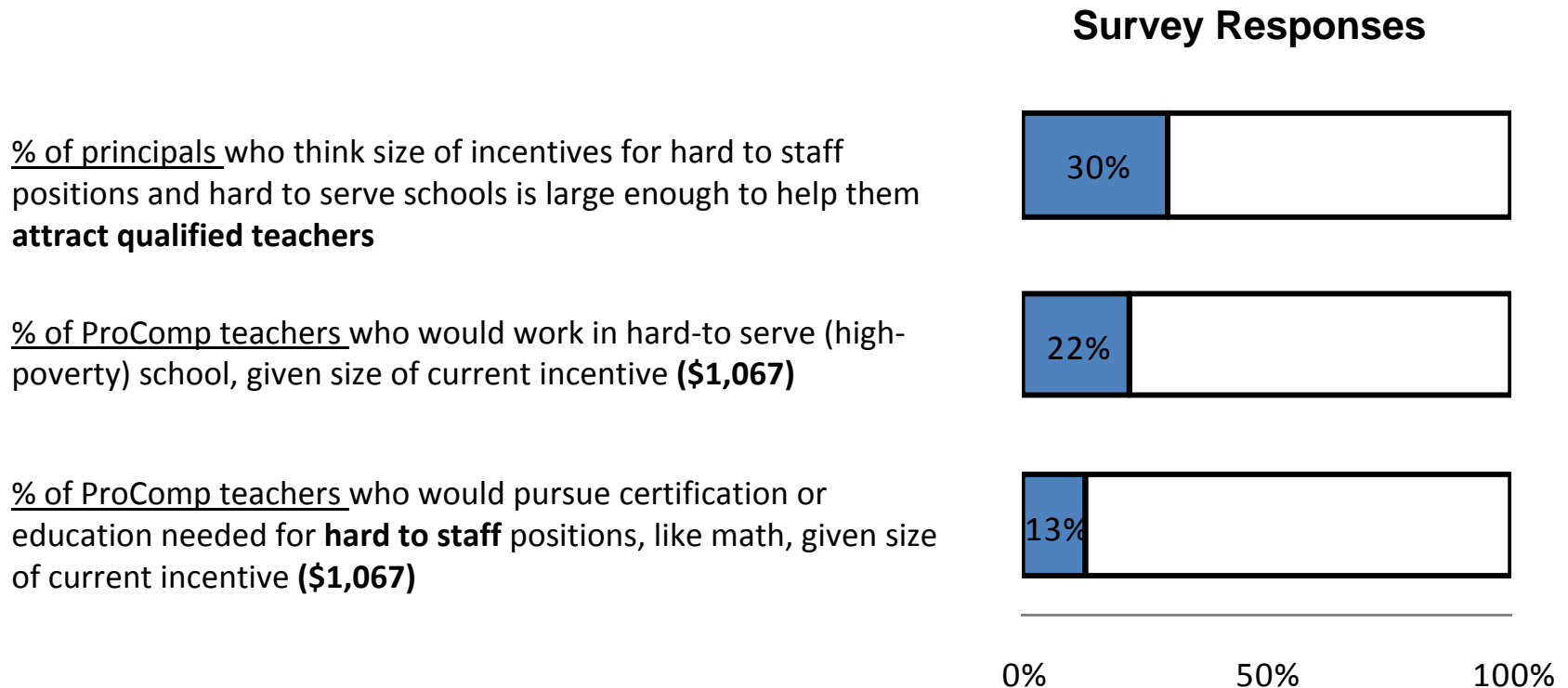
- Early career teachers are more than **19 times more likely** to leave than late career teachers
- Data is from the 2006-07 contract year and excludes retirements and dismissals for performance

The facts: administrative costs too high



- Administrative costs nearly 30% of teacher payouts
- Costs driven by complexity of administering elements, like student growth objectives (SGOs), which require tracking whether thousands of teachers have met individually-set SGOs
- Money could be better spent in classrooms

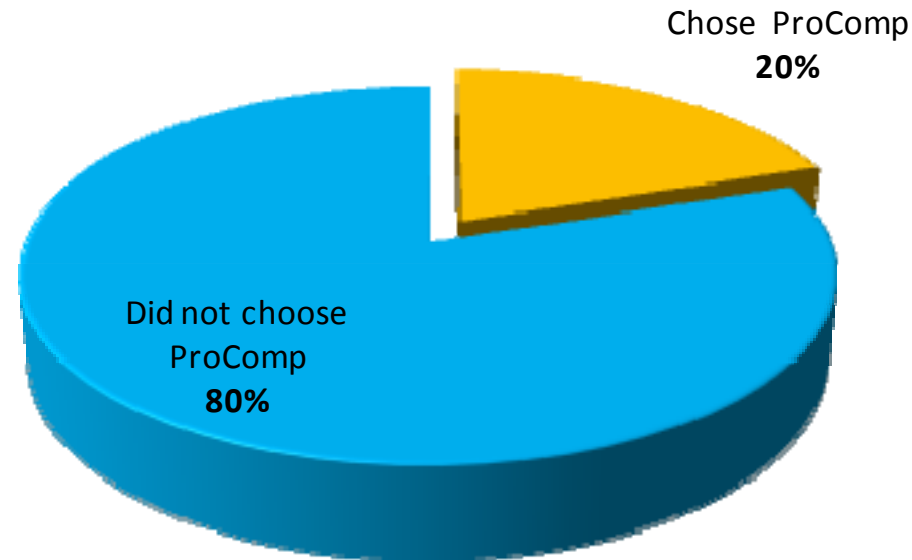
The facts: key ProComp payments are too small to be meaningful



Source: Ed Wiley et al, Denver ProComp Evaluation: Year 1 Report, February 2008

The facts: mid-career teachers have *not* chosen ProComp

Mid-career teachers and ProComp



- Data shows **only 20%** of mid-career teachers *have chosen* to enter ProComp
- Best data available: the actual number of mid-career teachers who have opted into ProComp may be lower than 20%
- Mid-career teachers are teachers between steps 4 and 10

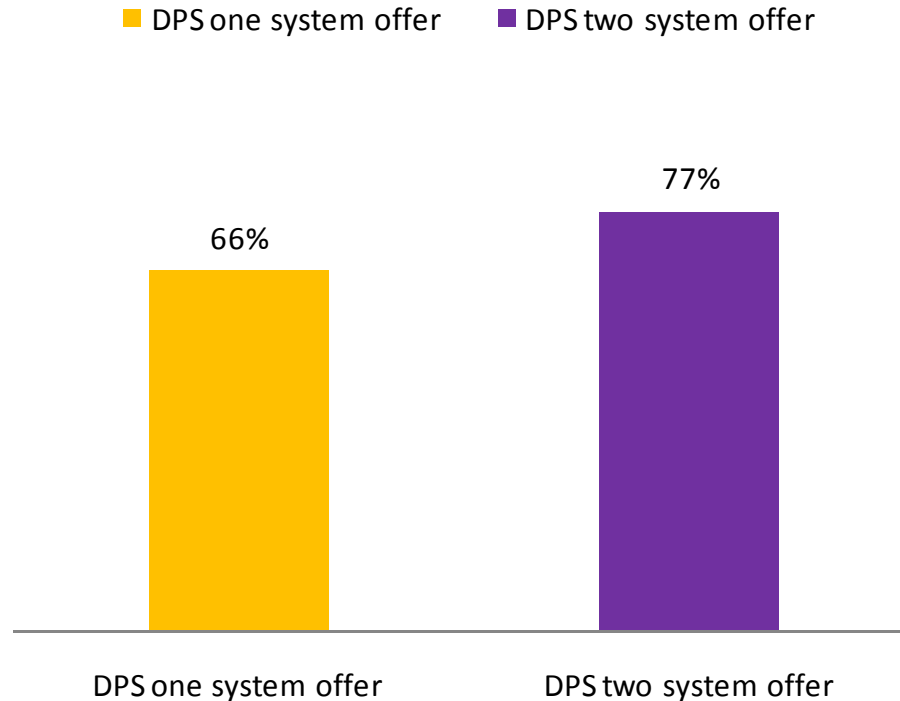
The DPS offer: main goal is to attract and retain great teachers

- DPS offers seek to:
 - Pay more teachers more money earlier in their careers
 - Increase the size of incentives, which teachers and principals view as too small
 - Become more competitive in the regional marketplace for early and mid-career teachers (between years 1 and 10), where DPS is not competitive in the market today
 - Reduce the high rate of turnover among teachers at this point in their career
 - Honor commitment to senior teachers, by continuing to offer high salaries and total compensation in later years
 - Keep the ProComp Trust solvent, honor promises made to voters and taxpayers
 - Create a more equitable system of compensation than either salary schedule or current ProComp
 - Keep basic structure of ProComp, but make it simpler, with more meaningful incentives
 - Strike better balance between salary building and one time incentives

What the DPS offer to teachers will mean for students and parents

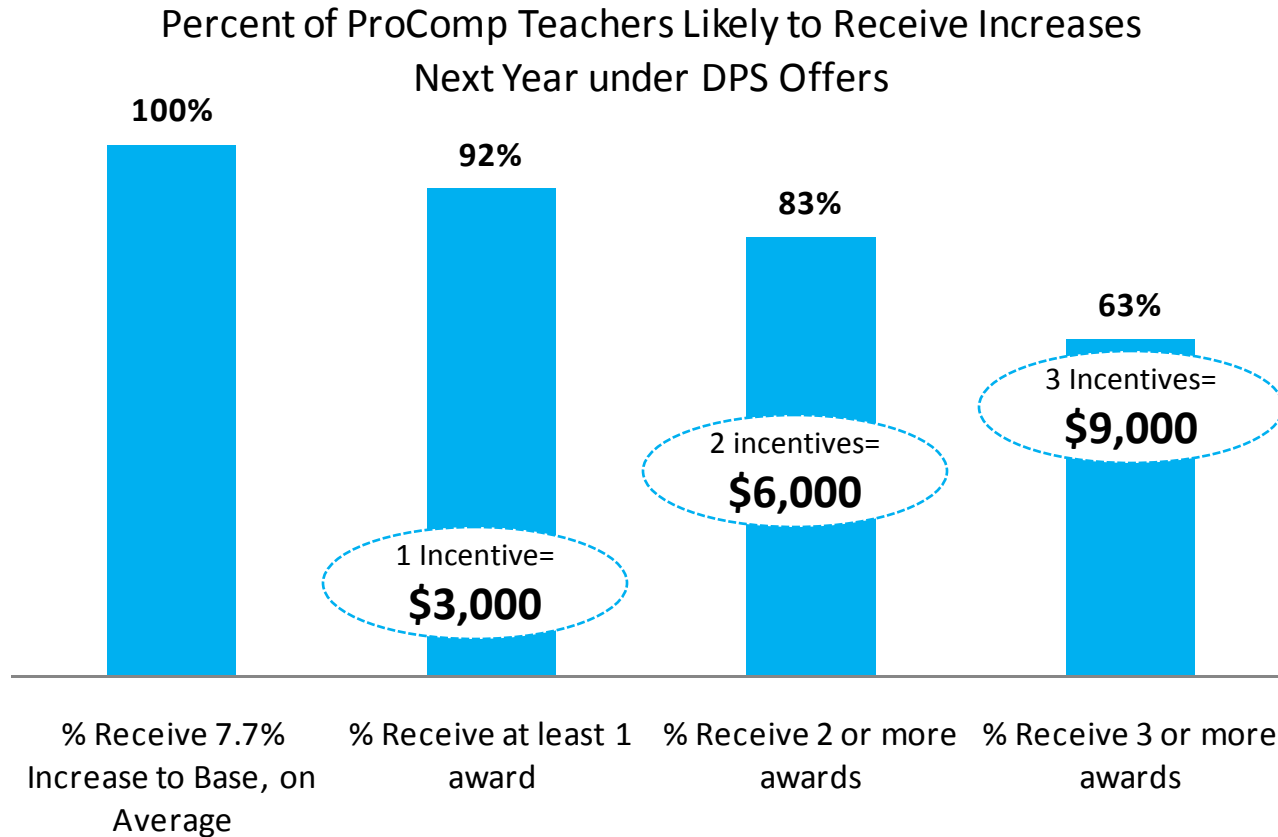
- Better pay means larger applicant pool and better retention of teachers in all schools
- Recognizing and supporting great work creates a more positive school culture
- School-wide incentives are designed to foster collaboration among teachers
- Payments from the offers are aligned with the new School Performance Framework and principal pay-for-performance

DPS Offer: over **two-thirds** of ProComp payments will go for base building, less than **one-third** to non-base building



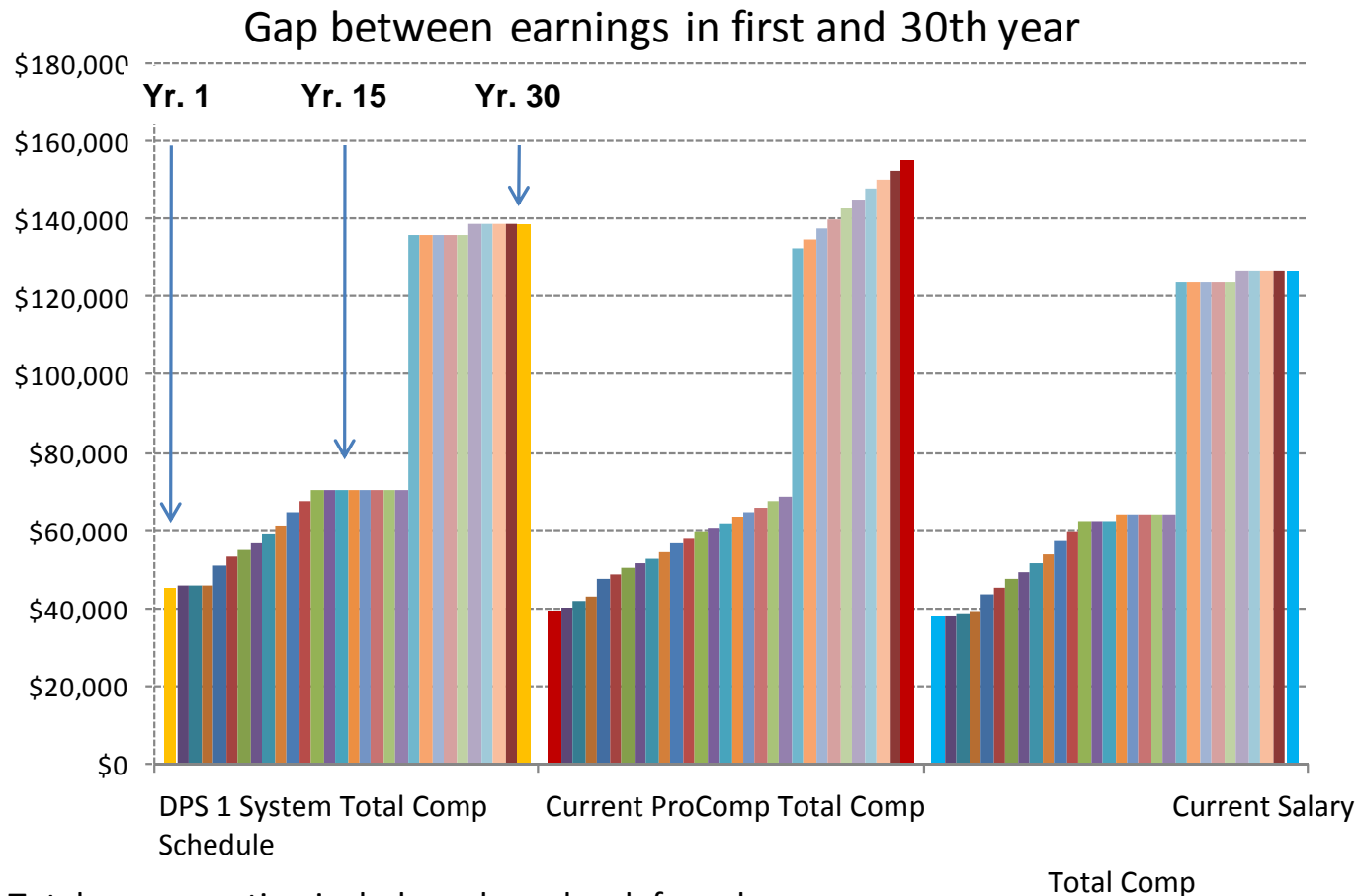
- Chart reflects the percentage of ProComp payments that will go to base-building versus non-base building incentives or “bonuses”
- Non-base building incentives will continue to be a small minority of ProComp payments, with the vast majority of ProComp going to building teachers’ base salaries

DPS offer: 92% of teachers will earn at least 1 incentive, each worth **about \$3,000**



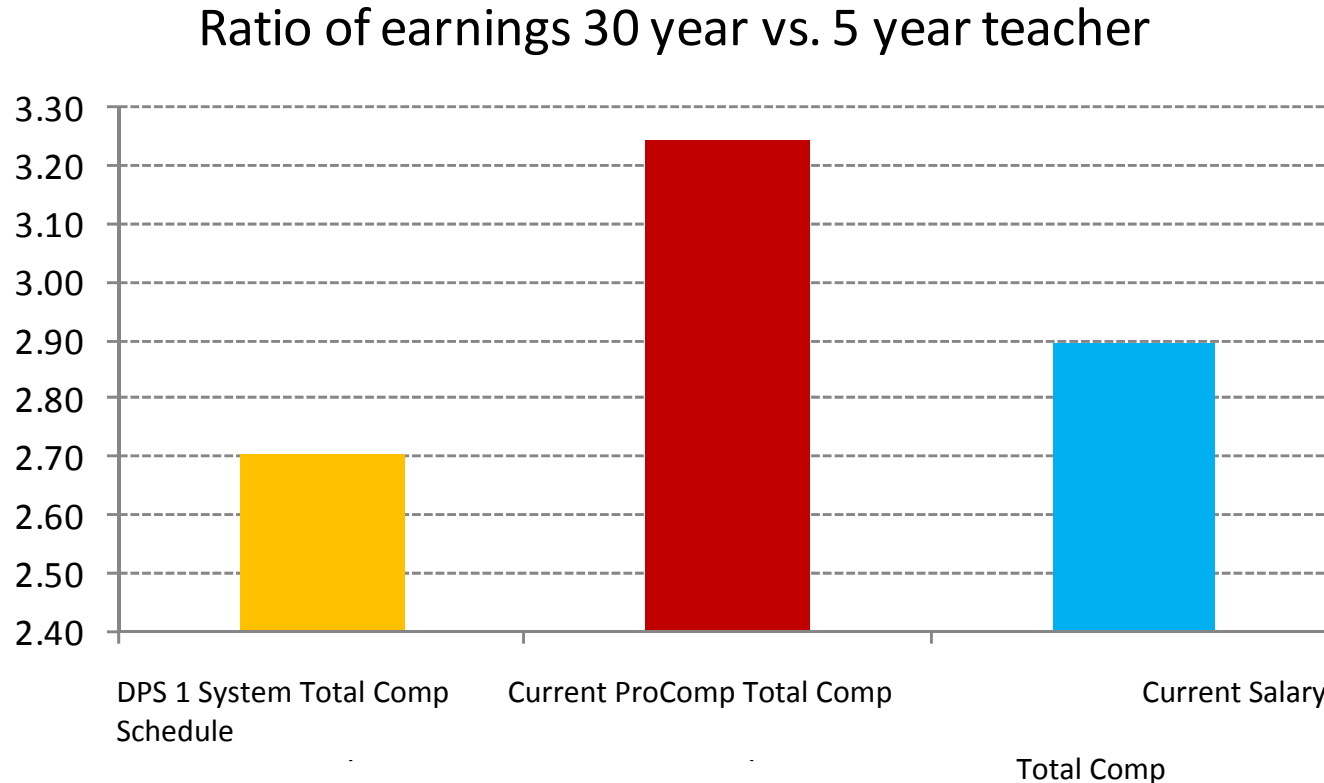
- All teachers calculate these incentives off their current base salary.
- Does not include tuition incentive of \$1,000, or master teacher incentive

DPS Offer: puts significantly more compensation early in a teacher's career, a little less later



- Total compensation includes salary plus deferred comp
- Assumes MA achieved in year 5

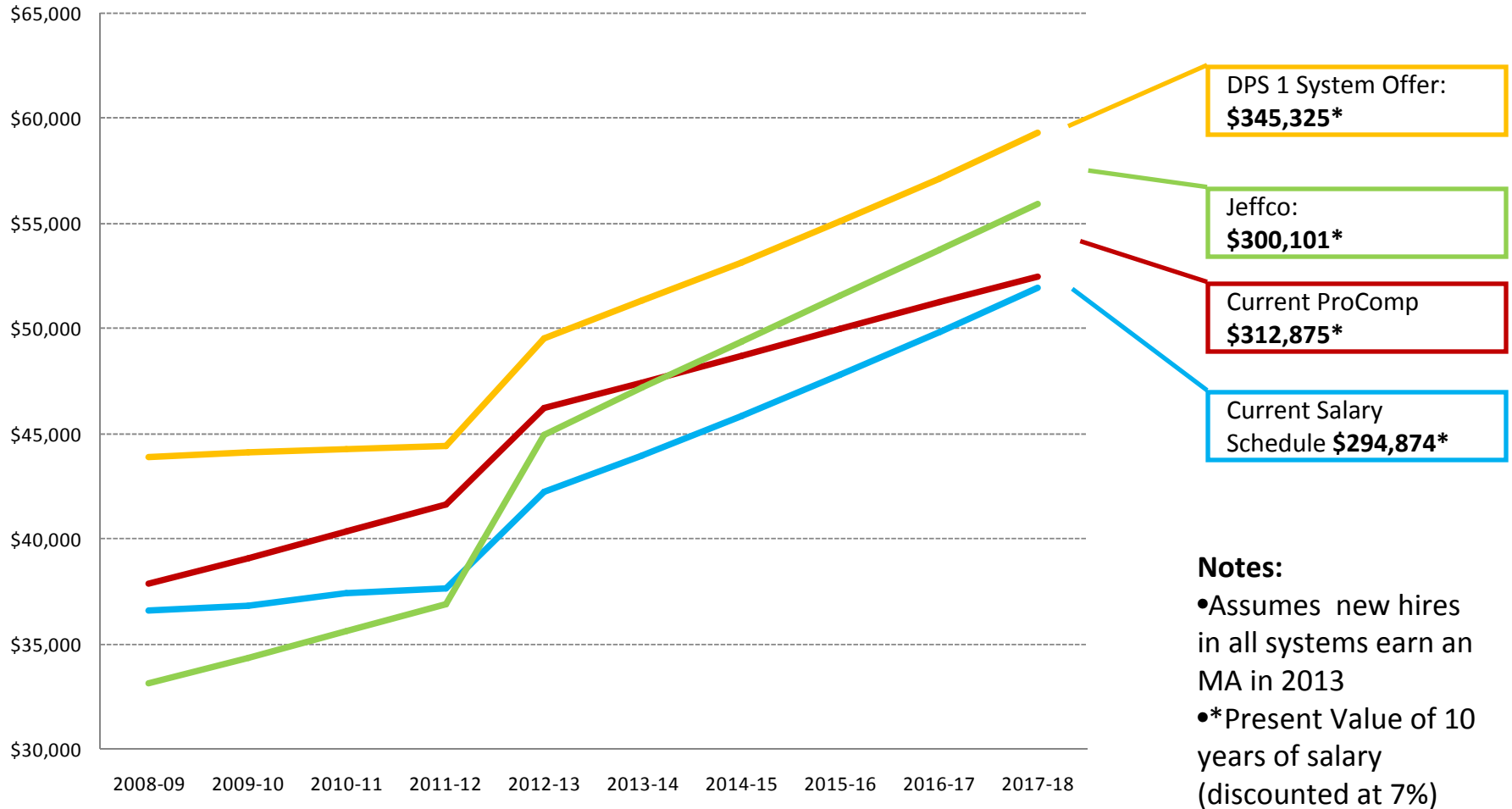
DPS Offer: reduces somewhat the extraordinary back-ended nature of current compensation structure



- Current ProComp system exacerbates the back-ended nature of the current compensation system in which senior teachers make multiple times more than junior teachers, in part of very large pension benefits earned by senior teachers

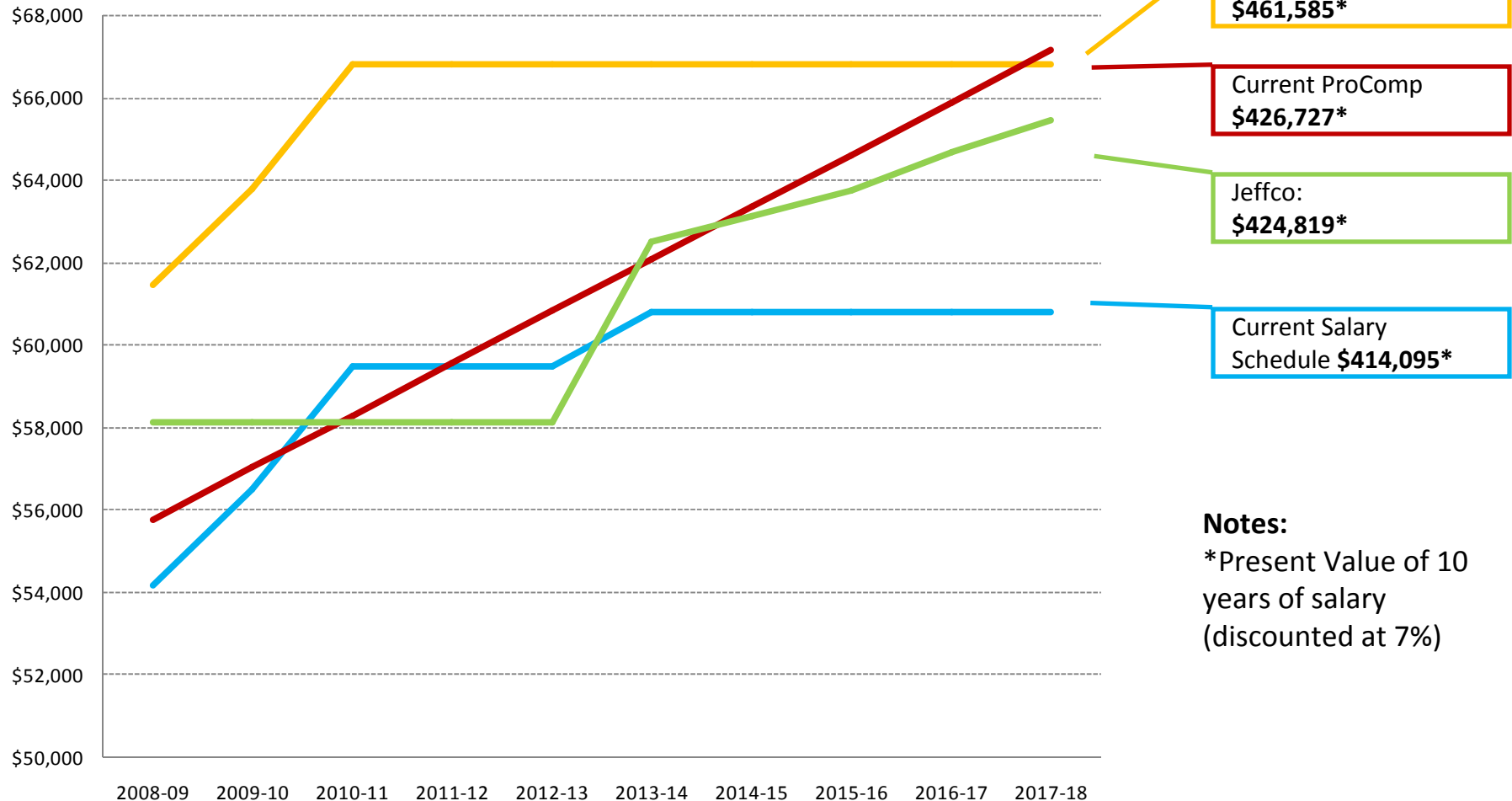
How DPS offer compares: a new teacher –on average – can start at **over \$44,000**

**DPS Offer: Salary in 2008 Dollars
New Hire**



How DPS offer compares: mid-career teacher, with MA

DPS Offer: New Opt-in 10 Yr Teacher w/MA, in 2008 Dollars



Notes:

*Present Value of 10 years of salary (discounted at 7%)

How DPS offer compares: experienced teacher, with MA+60

DPS Offer in 2008 Dollars New Opt-in, 20 Yr Teacher w/MA+60

