

Dear NCASA and NCPAPA Members,

July 27, 2017

After working the past several years to ensure North Carolina is more competitive with surrounding states in teacher compensation, one of the top 2017 legislative priorities of the North Carolina Association of School Administrators (NCASA) and the North Carolina Principals and Assistant Principals' Association (NCPAPA) was an increase in school-based administrator compensation. In addition to more funding for school-based administrator pay, our associations' goal was to obtain a simplified pay scale for principals and assistant principals and move away from a block grant funding proposal as suggested by last year's legislative study committee on principal pay and proposed by a Senate bill earlier this year.

The General Assembly's budget that was enacted into law in June appropriates \$35.4 million in new dollars to increase principal and assistant principal compensation in 2017-2018 and provides a cumulative two-year increase of \$40.6 million by 2018-2019. The budget also completely overhauls the salary structure for both principals and assistant principals. Initial analysis suggests the plan, and funding with it, excluding the funding that is set for bonuses, will move average principal pay from just under \$64,000 per year to more than \$71,000 per year. This increase should improve North Carolina's ranking in both the Southeast and the nation, where school leader compensation currently ranks at the bottom.

Although our suggestion to simply tie all school-based administrator salaries to the teacher schedule was rejected for principals, it was followed for assistant principals. In lieu of shifting all principal pay to a block grant that we knew would be problematic, our associations worked with General Assembly leadership on their principal pay proposal as it was being drafted. As is usually the case, some of our suggestions were accepted while others were not. It is important to note that the previous law that NCASA and NCPAPA worked to get enacted provides that no principal can earn less than he or she would earn as an assistant principal or teacher, and no assistant principal can earn less than he or she would earn as a teacher, so long as they are employed in the same school district. This law remains intact and will apply to the new pay plans being enacted by the compromise budget this year.

As implementation of the new principal salary schedule continues to move forward, NCASA recently worked with the General Assembly's Fiscal Research Division and the Department of Public Instruction to ensure early career principals were not penalized. This required adjusting DPI's initial interpretation of the new law to ensure that school growth from the most recently completed school year, 2016-2017, will be counted in the three years of school performance needed to determine salary schedule placement for 2017-2018. We understand this will require that some principals' salaries will most likely need to be adjusted retroactively to July 1 after the 2016-2017 performance scores are released by Nov. 30. However, including the 2016-2017 school growth was an important compromise by the House and Senate to ensure North Carolina's newest principals would not be penalized under the new pay plan.

We are in the process of continuing our conversations with the Department of Public Instruction and House and Senate leaders to clear up some additional implementation guidance to benefit more of our members who otherwise might be negatively impacted. We hope to see revised guidance soon from DPI

to clarify some of the law's "hold harmless" clauses, particularly to ensure that a principal can be paid on the 2017-2018 teacher schedule if that pay would be higher, which will meet the General Assembly's intent of preventing a pay loss for any principal.

NCASA and NCPAPA understand the new salary schedule is not perfect and is not advantageous for all our principal members. We will continue to work with the House and Senate to seek further refinements in the structure of principal pay during the upcoming 2018 legislative session. Based on member feedback, some of the improvements we will seek include, but may not be limited to, the following:

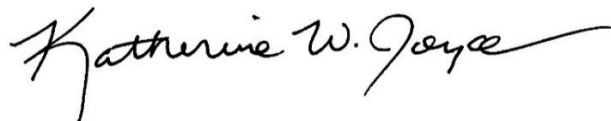
- Additional funding in principal base pay that moves them to at least the average of the Southeastern states.
- Recognition of experience as a factor in the principal pay scale.
- Statutory language ensuring a connection for all school-based administrators to future teacher increases.
- Assurance that principals and assistant principals continue to be held harmless in pay in future years.
- Assurance that principals supervising alternative schools and in other unique situations are not penalized for their service to special populations of students and have the opportunity to be paid in the "exceed growth" schedule and are eligible for bonus opportunities.
- Addition of another tier for larger-sized schools (perhaps 1,300-1,799) on the principal scale to benefit principals who saw minimal or no increases this year.
- Follow-through on the legislative intent to boost assistant principal pay by an additional 2% as stated in the budget law.

As we continue to work on these priorities for our members, we thank you for your ongoing feedback that is helping guide our conversations with the Department of Public Instruction and the General Assembly on adjustments that are needed in interpretation and/or in future law changes. We will continue to update you as we receive clarifications regarding how the implementation of this new principal salary schedule is to be interpreted and carried out in your districts. Thank you for your patience and support as we continue this work.

With very best regards,



Dr. Shirley Prince
Executive Director, NCPAPA



Katherine Joyce
Executive Director, NCASA