

State Budget Creates New Principal Pay Plan And Bonus Program

By Adam Pridemore for NCASA

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

Released on Monday, the General Assembly's 2017-2018 budget appropriates \$35.4 million in new dollars to increase principal and assistant principal compensation, increasing further to an additional \$40.6 million in 2018-2019. The budget also completely overhauls the salary structure for both principals and assistant principals. NCASA worked with General Assembly leadership in drafting the proposal in lieu of shifting all principal pay to a block grant our organization and members had opposed. 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 roughly \$70,000 per year and should improve North Carolina ranking in both the Southeast and the nation, where school leader compensation currently ranks at the bottom. The General Assembly's pay plan, which includes an opportunity to earn up to \$15,000 in bonuses, is as follows:

Principal Salary Schedule

The following annual salary schedule applies for the 2017-2018 fiscal year:

ADM	Base	Met Growth	Exceeded Growth
0-400	\$61,751	\$67,926	\$74,101
401-700	\$64,839	\$71,322	\$77,806
701-1,000	\$67,926	\$74,719	\$81,511
1,001-1,300	\$71,014	\$78,115	\$85,216
1,301+	\$74,101	\$81,511	\$88,921

- A principal is paid at the "Exceeded Growth" level of the schedule if the school growth scores show the school exceeded expected growth in at least two of the last three years.
- A principal is paid at the "Met Growth" level of the schedule if either of following apply:
 - The school growth scores show the school met expected growth in at least two of the last three years
 - The school growth scores show the schools met expected growth in at least one of the last three school years and exceeded expected growth in one of the last three years.
- A principal is paid at the "Base" level if neither of the situations as outlined above are applicable.
- Longevity pay is eliminated under the budget plan and is included in the annual amounts under the principal salary schedule.
- There is a hold harmless provision that ensures no principal earns less than they are currently making in compensation by moving to the new schedule.

Principal Bonus

The budget plan also contains two bonus opportunities for principals to earn up to an additional \$15,000.

1. For the 2017-2018 fiscal year, a bonus is awarded to any principal who supervised a school as a principal for a majority of the previous school year if that school was in the top 50% of school growth as follows:

Statewide Growth Percentage	Bonus
Top 5%	\$5,000
Top 10%	\$4,000
Top 15%	\$3,000
Top 20%	\$2,000
Top 50%	\$1,000

2. For the 2017-2018 fiscal year, a bonus is awarded to any principal who supervised the same school as a principal for the majority of the 2015-2016 school year and the 2016-2017 school year if the school met expected growth or did not meet growth in the 2015-2016 school year, and the same school exceeded growth in the 2016-2017 school year. The bonus awarded is the greater of the following:
 - a. \$5,000
 - b. \$10,000 if during the 2015-2016 school year the school received a school performance grade of "D" or "F".

To help clarify this bonus provision, NCASA has created a [flow chart which can be seen here](#).

Bonuses awarded under the budget are not considered compensation for retirement purposes, and do not apply to principals no longer employed as a principal due to resignation, dismissal, reduction in force, death, or retirement or whose last workday is prior to July 1, 2017.

Assistant Principal Salaries

- For the 2017-2018 fiscal year, assistant principals will receive a monthly salary based on the salary schedule for teachers who are classified as "A" teachers plus an additional 17%. Years of experience for an assistant principal on the salary schedule is measured by the total number of years the assistant principal has spent as a teacher, an assistant principal, or both. An administrator with a one year provisional assistant principal's certificate is considered equivalent to an assistant principal.
- Assistant principals with certification based on academic preparation at the six-year degree level will receive a salary supplement of \$126 per month and at the doctoral level will receive a salary supplement of \$253 per month.
- The full-time master's in-school administration program stipend is preserved under the budget.
- Longevity pay is eliminated under the budget plan and is included in the annual amounts under the new assistant principal salary schedule.

- There is a hold harmless provision that ensures no assistant principal earns less than they are currently making in compensation by moving to the new schedule.
- Intent language is included stating it is the General Assembly's intention to pay assistant principals on the salary schedule for teachers who are classified as "A" plus an additional 19%.

It is important to note that previous law that NCASA worked to get enacted provides that no principal can earn less than he or she would earn as an assistant principal, 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.

NCASA thanks the General Assembly for prioritizing improvements in principal pay in this budget and creating a new base salary that is simpler than the current one and a bonus program that can significantly enhance base pay for those who are improving student growth at their schools. We will continue to work with the House and Senate to seek further refinements in the structure of principal pay, particularly to request the addition of experience recognition for principals, and to further increase their pay and rankings in the Southeast and nation.