

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017**

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SENATE BILL 718

Short Title: Revise Principal Compensation. (Public)

Sponsors: Senators Tillman, Curtis (Primary Sponsors); and Ballard.

Referred to: Rules and Operations of the Senate

May 17, 2018

A BILL TO BE ENTITLED
AN ACT TO REVISE COMPENSATION FOR PRINCIPALS.

The General Assembly of North Carolina enacts:

SECTION 1.(a) Section 8.3(c1) of S.L. 2017-57 is repealed.

SECTION 1.(b) Notwithstanding Sections 8.1, 8.3, and 8.5 of S.L. 2017-57, a principal shall receive the State-funded portion of his or her salary pursuant to Sections 8.1, 8.3, or 8.5 of S.L. 2017-57, as appropriate, until December 31, 2018. For the period of January 1, 2019, to December 31, 2019, a principal shall receive the State-funded portion of his or her salary pursuant to the teacher salary schedule, principal salary schedule, or assistant principal salary schedule, as appropriate, enacted for the 2018-2019 budget year. For purposes of calculating a principal's compensation, the school growth scores from the 2017-2018 school year shall become effective January 1, 2019.

SECTION 1.(c) A principal compensated in accordance with the principal salary schedule for the 2019 calendar year shall receive an amount equal to the greater of the following:

- (1) The applicable amount determined pursuant to the principal salary schedule for the 2019 calendar year.
- (2) For principals who were eligible for longevity in the 2016-2017 fiscal year, the sum of the following:
 - a. The salary the principal received in the 2016-2017 fiscal year pursuant to Section 9.1 or Section 9.2 of S.L. 2016-94.
 - b. The longevity that the principal would have received as provided for State employees under the North Carolina Human Resources Act for the 2016-2017 fiscal year based on the principal's current years of service.
- (3) For principals who were not eligible for longevity in the 2016-2017 fiscal year, the salary the principal received in the 2016-2017 fiscal year pursuant to Section 9.1 or Section 9.2 of S.L. 2016-94.

SECTION 1.(d) Notwithstanding the principal salary schedule for the 2019 calendar year, a principal shall receive for the 2019, 2020, and 2021 calendar years no less than the salary provided for principals in the exceeded growth column of Section 8.3(a) of S.L. 2017-57, adjusted as appropriate for the average daily membership of the principal's current school, if all of the following criteria are met:

- (1) The principal was paid or qualified to be paid according to the Exceeded Growth column of Section 8.3(a) of S.L. 2017-57 in the 2017-2018 fiscal year.
- (2) The principal begins employment as a principal at a new school between the dates of July 1, 2018, and December 31, 2018.



- (3) The new school referenced in subdivision (2) of this subsection is identified as low-performing by the State Board of Education pursuant to G.S. 115C-105.37.
- (4) The principal continues to serve as a principal in the new school or another school identified as low-performing by the State Board of Education pursuant to G.S. 115C-105.37.

SECTION 2. G.S. 115C-325.1(2) reads as rewritten:

"(2) "Demote" means to reduce the salary of a person who is classified or paid by the State Board of Education as a classroom teacher or as a school administrator during the time of the contract. The word "demote" does not include ~~(i)~~ the following:

- ~~a.~~ A suspension without pay pursuant to ~~G.S. 115C-325.5(a);~~ ~~(ii)~~ G.S. 115C-325.5(a).
- ~~b.~~ The elimination or reduction of bonus payments, including merit-based supplements or a systemwide modification in the amount of any applicable local ~~supplement; (iii)~~ supplement.
- ~~c.~~ Any reduction in salary that results from the elimination of a special duty, such as the duty of an athletic coach or a choral ~~director;~~ ~~or (iv)~~ director.
- ~~d.~~ Any reduction of pay as compared to a prior term of contract.
- ~~e.~~ Any reduction in a principal's salary resulting from a reduction in State funds due to (i) school growth scores, as provided in the Principal Salary Schedule, or (ii) a decline in the average daily membership of the principal's school."

SECTION 3.(a) The Department of Public Instruction shall administer a bonus in the 2018-2019 fiscal year 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 fifty percent (50%) of school growth in the State during the previous school year, calculated by the State Board pursuant to G.S. 115C-83.15(c), as follows:

2018-2019 Principal Bonus Schedule

Statewide Growth Percentage	Bonus
Top 5%	\$6,000
Top 10%	\$5,000
Top 15%	\$4,000
Top 20%	\$3,000
Top 50%	\$2,000.

A principal who qualifies for a bonus pursuant to this subsection and supervised a school with an overall school performance grade, as calculated by the State Board pursuant to G.S. 115C-83.15(d), of D or F for a majority of the 2017-2018 school year shall qualify for a bonus of twice the amount listed in the 2018-2019 Principal Bonus Schedule. A principal shall receive no more than one bonus pursuant to this subsection. The bonus shall be paid at the highest amount for which the principal qualifies.

SECTION 3.(b) The bonus awarded pursuant to this section shall be in addition to any regular wage or other bonus the principal receives or is scheduled to receive.

SECTION 3.(c) Notwithstanding G.S. 135-1(7a), the bonus awarded pursuant to this section is not compensation under Article 1 of Chapter 135 of the General Statutes, the Teachers' and State Employees' Retirement System.

SECTION 3.(d) The bonus awarded pursuant to this section does 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 October 1, 2018.

1 **SECTION 3.(e)** It is the intent of the General Assembly that funds provided to local
2 school administrative units pursuant to this section will supplement principal compensation and
3 not supplant local funds.

4 **SECTION 3.(f)** The bonus provided pursuant to this section shall be paid no later
5 than October 31, 2018, to qualifying principals employed as of October 1, 2018.

6 **SECTION 4.** This act becomes effective July 1, 2018.