

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019

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HOUSE BILL 377
Committee Substitute Favorable 3/26/19
Committee Substitute #2 Favorable 4/1/19
Senate Appropriations/Base Budget Committee Substitute Adopted 10/23/19

Short Title: Teacher Step Act.

(Public)

Sponsors:

Referred to:

March 19, 2019

A BILL TO BE ENTITLED

AN ACT TO ENSURE TEACHERS, INSTRUCTIONAL SUPPORT PERSONNEL, AND ASSISTANT PRINCIPALS RECEIVE SALARY INCREASES BASED ON YEARS OF EXPERIENCE, TO AUTHORIZE SALARY SUPPLEMENTS FOR HIGHLY QUALIFIED NORTH CAROLINA TEACHING GRADUATES, AND, CONSISTENT WITH HOUSE BILL 966 OF THE 2019 REGULAR SESSION, TO APPROPRIATE FUNDS TO PROVIDE LEGISLATIVELY MANDATED SALARY INCREASES FOR PRINCIPALS.

The General Assembly of North Carolina enacts:

PART I. APPROPRIATIONS

SECTION 1.1.(a) Effective July 1, 2019, there is appropriated from the General Fund to the Department of Public Instruction the sum of sixteen million three hundred thousand dollars (\$16,300,000) in recurring funds for the 2019-2020 fiscal year and the sum of sixteen million three hundred thousand dollars (\$16,300,000) in recurring funds for the 2020-2021 fiscal year to provide legislatively mandated salary increases for principals as authorized by this act.

SECTION 1.1.(b) Departmental receipts, as defined in G.S. 143C-1-1, are appropriated for each year of the 2019-2021 fiscal biennium up to the amounts needed to implement the salary increases provided in this act for each year of the 2019-2021 fiscal biennium.

PART II. COMPENSATION OF CERTAIN PUBLIC SCHOOL EMPLOYEES

TEACHER SALARY SCHEDULE

SECTION 2.1.(a) The following monthly teacher salary schedule shall apply for the 2019-2020 fiscal year to licensed personnel of the public schools who are classified as teachers. The salary schedule is based on years of teaching experience.

2019-2020 Teacher Monthly Salary Schedule

Years of Experience	"A" Teachers
0	\$3,500
1	\$3,600
2	\$3,700
3	\$3,800
4	\$3,900
5	\$4,000



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1	6	\$4,100
2	7	\$4,200
3	8	\$4,300
4	9	\$4,400
5	10	\$4,500
6	11	\$4,600
7	12	\$4,700
8	13	\$4,800
9	14	\$4,900
10	15-24	\$5,000
11	25+	\$5,200.

SECTION 2.1.(b) Salary Supplements for Teachers Paid on This Salary Schedule.

- (1) Licensed teachers who have NBPTS certification shall receive a salary supplement each month of twelve percent (12%) of their monthly salary on the "A" salary schedule.
- (2) Licensed teachers who are classified as "M" teachers shall receive a salary supplement each month of ten percent (10%) of their monthly salary on the "A" salary schedule.
- (3) Licensed teachers with licensure based on academic preparation at the six-year degree level shall receive a salary supplement of one hundred twenty-six dollars (\$126.00) per month in addition to the supplement provided to them as "M" teachers.
- (4) Licensed teachers with licensure based on academic preparation at the doctoral degree level shall receive a salary supplement of two hundred fifty-three dollars (\$253.00) per month in addition to the supplement provided to them as "M" teachers.
- (5) Certified school nurses shall receive a salary supplement each month of ten percent (10%) of their monthly salary on the "A" salary schedule.

SECTION 2.1.(c) The first step of the salary schedule for (i) school psychologists, (ii) school speech pathologists who are licensed as speech pathologists at the master's degree level or higher, and (iii) school audiologists who are licensed as audiologists at the master's degree level or higher shall be equivalent to the sixth step of the "A" salary schedule. These employees shall receive a salary supplement each month of ten percent (10%) of their monthly salary and are eligible to receive salary supplements equivalent to those of teachers for academic preparation at the six-year degree level or the doctoral degree level.

SECTION 2.1.(d) The twenty-sixth step of the salary schedule for (i) school psychologists, (ii) school speech pathologists who are licensed as speech pathologists at the master's degree level or higher, and (iii) school audiologists who are licensed as audiologists at the master's degree level or higher shall be seven and one-half percent (7.5%) higher than the salary received by these same employees on the twenty-fifth step of the salary schedule.

SECTION 2.1.(e) Beginning with the 2014-2015 fiscal year, in lieu of providing annual longevity payments to teachers paid on the teacher salary schedule, the amounts of those longevity payments are included in the monthly amounts under the teacher salary schedule.

SECTION 2.1.(f) A teacher compensated in accordance with this salary schedule for the 2019-2020 school year shall receive an amount equal to the greater of the following:

- (1) The applicable amount on the salary schedule for the applicable school year.
- (2) For teachers who were eligible for longevity for the 2013-2014 school year, the sum of the following:
 - a. The salary the teacher received in the 2013-2014 school year pursuant to Section 35.11 of S.L. 2013-360.

- 1 b. The longevity that the teacher would have received under the longevity
2 system in effect for the 2013-2014 school year provided in Section
3 35.11 of S.L. 2013-360 based on the teacher's current years of service.
4 c. The annual bonus provided in Section 9.1(e) of S.L. 2014-100.
5 (3) For teachers who were not eligible for longevity for the 2013-2014 school
6 year, the sum of the salary and annual bonus the teacher received in the
7 2014-2015 school year pursuant to Section 9.1 of S.L. 2014-100.

8 **SECTION 2.1.(g)** As used in this section, the term "teacher" shall also include
9 instructional support personnel.

10 11 **SUPPORT HIGHLY QUALIFIED NC TEACHING GRADUATES**

12 **SECTION 2.2.(a)** For purposes of this section, a "highly qualified graduate" or
13 "graduate" is an individual entering the teaching profession and hired on or after July 1, 2019,
14 who has graduated from an approved educator preparation program located in North Carolina
15 with both of the following criteria:

- 16 (1) A grade point average of 3.75 or higher on a 4.0 scale, or its equivalent.
17 (2) A score of the following or higher on an edTPA assessment or an equivalent
18 score on a nationally normed and valid pedagogy assessment used to
19 determine clinical practice performance:
20 a. A score of 42 for the World Languages and Classical Languages
21 edTPA assessment.
22 b. A score of 57 for the Elementary Education edTPA assessment.
23 c. A score of 48 for all other edTPA assessments.

24 **SECTION 2.2.(b)** Notwithstanding the teacher salary schedule, for the 2019-2021
25 fiscal biennium, a highly qualified graduate who is employed by a local board of education shall
26 receive a salary supplement each month at the highest level for which the graduate qualifies, as
27 follows:

- 28 (1) A graduate who accepts initial employment at a school identified as
29 low-performing by the State Board of Education pursuant to
30 G.S. 115C-105.37 shall receive a salary supplement during the graduate's first
31 three years of employment as a teacher, without a break in service, equivalent
32 to the difference between the State-funded salary of the graduate and the
33 State-funded salary of a similarly situated teacher with three years of
34 experience on the "A" Teachers Salary Schedule, as long as the graduate (i)
35 remains teaching at the same school or (ii) accepts subsequent employment at
36 another low-performing school or local school administrative unit identified
37 as low-performing.
38 (2) A graduate licensed and employed to teach in the areas of special education,
39 science, technology, engineering, or mathematics shall receive a salary
40 supplement during the graduate's first two years of employment as a teacher,
41 without a break in service, equivalent to the difference between the
42 State-funded salary of the graduate and the State-funded salary of a similarly
43 situated teacher with two years of experience on the "A" Teachers Salary
44 Schedule, as long as the graduate continues teaching in one of those areas.
45 (3) All other graduates shall receive a salary supplement during the graduate's
46 first year of employment as a teacher, without a break in service, equivalent
47 to the difference between the State-funded salary of the graduate and the
48 State-funded salary of a similarly situated teacher with one year of experience
49 on the "A" Teachers Salary Schedule.

50 **SECTION 2.2.(c)** This section applies to highly qualified graduates hired on or after
51 July 1, 2019, and entering the teaching profession in the 2019-2021 fiscal biennium.

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2 **PRINCIPAL SALARY SCHEDULE**

3 **SECTION 2.3.(a)** The following annual salary schedule for principals shall apply
4 for the 2019-2020 fiscal year, beginning July 1, 2019.

5 **2019-2020 Principal Annual Salary Schedule**

6 Avg. Daily Membership	Base	Met Growth	Exceeded Growth
7 0-200	\$68,125	\$74,938	\$81,750
8 201-400	\$71,531	\$78,684	\$85,837
9 401-700	\$74,938	\$82,432	\$89,926
10 701-1,000	\$78,344	\$86,178	\$94,013
11 1,001-1,600	\$81,750	\$89,925	\$98,100
12 1,601+	\$85,156	\$93,672	\$102,187.

13 A principal's placement on the salary schedule shall be determined according to the
14 average daily membership of the school supervised by the principal, as described in subsection
15 (b) of this section, and the school growth scores, calculated pursuant to G.S. 115C-83.15(c), for
16 each school the principal supervised in at least two of the prior three school years, as described
17 in subsection (c) of this section, regardless of a break in service, and provided the principal
18 supervised each school as a principal for at least a majority of the school year, as follows:

- 19 (1) A principal shall be paid according to the Exceeded Growth column of the
20 schedule if the school growth scores show the school or schools exceeded
21 expected growth in at least two of the prior three school years.
- 22 (2) A principal shall be paid according to the Met Growth column of the schedule
23 if any of the following apply:
- 24 a. The school growth scores show the school or schools met expected
25 growth in at least two of the prior three school years.
 - 26 b. The school growth scores show the school or schools met expected
27 growth in at least one of the prior three school years and exceeded
28 expected growth in one of the prior three school years.
 - 29 c. The principal supervised a school in at least two of the prior three
30 school years that was not eligible to receive a school growth score.
- 31 (3) A principal shall be paid according to the Base column if either of the
32 following apply:
- 33 a. The school growth scores show the school or schools did not meet
34 expected growth in at least two of the prior three years.
 - 35 b. The principal has not supervised any school as a principal for a
36 majority of the school year in at least two of the prior three school
37 years.

38 **SECTION 2.3.(b)** For purposes of determining the average daily membership of a
39 principal's school, the following amounts shall be used during the following time periods:

- 40 (1) Between July 1, 2019, and December 31, 2019, the average daily membership
41 for the school from the 2018-2019 school year. If the school did not have an
42 average daily membership in the 2018-2019 school year, the projected average
43 daily membership for the school for the 2019-2020 school year.
- 44 (2) Between January 1, 2020, and June 30, 2020, the average daily membership
45 for the school for the 2019-2020 school year.

46 **SECTION 2.3.(c)** For purposes of determining the school growth scores for each
47 school the principal supervised in at least two of the prior three school years, the following school
48 growth scores shall be used during the following time periods:

- 49 (1) Between July 1, 2019, and December 31, 2019, the school growth scores from
50 the 2015-2016, 2016-2017, and 2017-2018 school years. If a principal does
51 not have a school growth score from any of the school years identified in this

subdivision, the most recent available growth scores, up to the 2017-2018 school year, shall be used.

- (2) Between January 1, 2020, and June 30, 2020, the school growth scores from the 2016-2017, 2017-2018, and 2018-2019 school years. If a principal does not have a school growth score from any of the school years identified in this subdivision, the most recent available growth scores, up to the 2018-2019 school year, shall be used.

SECTION 2.3.(d) Beginning with the 2017-2018 fiscal year, in lieu of providing annual longevity payments to principals paid on the principal salary schedule, the amounts of those longevity payments are included in the annual amounts under the principal salary schedule.

SECTION 2.3.(e) A principal compensated in accordance with this section for the 2019-2020 fiscal year shall receive an amount equal to the greater of the following:

- (1) The applicable amount determined pursuant to subsections (a) through (d) of this section.
- (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 2.3.(f) G.S. 115C-105.25(b)(5c) reads as rewritten:

"(5c) Funds allocated for school building administration may be converted for any purpose authorized by the policies of the State Board of Education. For funds related to principal positions, the salary transferred shall be based on the first step of ~~the Principal III Salary Schedule.~~ the Base column of the Principal Salary Schedule. For funds related to assistant principal months of employment, the salary transferred shall be based on the first step of the ~~Assistant Principal Salary Schedule.~~ "A" Teachers Salary Schedule at the salary level for assistant principals. Certified position allotments shall not be transferred to dollars to hire the same type of position."

PRINCIPAL BONUSES

SECTION 2.4.(a) The Department of Public Instruction shall administer a bonus in the 2019-2020 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:

2019-2020 Principal Bonus Schedule

Statewide Growth Percentage	Bonus
Top 5%	\$15,000
Top 10%	\$10,000
Top 15%	\$ 5,000
Top 20%	\$ 2,500
Top 50%	\$ 1,000.

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.

1 **SECTION 2.4.(b)** The bonus awarded pursuant to this section shall be in addition to
2 any regular wage or other bonus the principal receives or is scheduled to receive.

3 **SECTION 2.4.(c)** Notwithstanding G.S. 135-1(7a), the bonus awarded pursuant to
4 this section is not compensation under Article 1 of Chapter 135 of the General Statutes, the
5 Teachers' and State Employees' Retirement System.

6 **SECTION 2.4.(d)** The bonus awarded pursuant to this section does not apply to
7 principals no longer employed as a principal due to resignation, dismissal, reduction in force,
8 death, or retirement or whose last workday is prior to November 1, 2019.

9 **SECTION 2.4.(e)** It is the intent of the General Assembly that funds provided
10 pursuant to this section will supplement principal compensation and not supplant local funds.

11 **SECTION 2.4.(f)** The bonus provided pursuant to this section shall be paid no later
12 than November 30, 2019, to qualifying principals employed as of November 1, 2019.

13 14 **PRINCIPAL RECRUITMENT SUPPLEMENT**

15 **SECTION 2.5.** Article 19 of Chapter 115C of the General Statutes is amended by
16 adding a new section to read:

17 **"§ 115C-285.1. Principal recruitment supplement.**

18 (a) Definitions. – The following definitions shall apply in this section:

- 19 (1) Eligible employer. – The governing board of a local school administrative unit
20 with an eligible school.
21 (2) Eligible school. – A low-performing school, as defined in G.S. 115C-105.37,
22 that received an overall school performance score that placed it in the bottom
23 five percent (5%) of all schools in the State in the prior school year.
24 (3) Qualifying principal. – A principal who is paid on the Exceeded Growth
25 column of the Principal Salary Schedule.
26 (4) Qualifying school. – An eligible school selected by the Department to
27 participate in the Program.

28 (b) Program; Purpose. – The Department of Public Instruction shall establish the
29 Principal Recruitment Supplement Program (Program). To the extent funds are made available,
30 the purpose of the Program shall be to provide significant, time-limited salary supplements to
31 qualifying principals who accept employment as principals of qualifying schools.

32 (c) Salary Supplement. – A qualifying principal who accepts a position as a principal in
33 a qualifying school shall receive an annual salary supplement of thirty thousand dollars
34 (\$30,000), paid on a monthly basis, as long as the principal is employed as the principal of that
35 school, up to a maximum period of 36 months, subject to the following:

- 36 (1) A qualifying principal who contracts with an eligible employer to receive the
37 salary supplement shall not be excluded in future years from contracting with
38 the same eligible employer or a different eligible employer for another salary
39 supplement, subject to the requirements of this section.
40 (2) A qualifying principal who accepts employment as a principal at a qualifying
41 school shall continue to receive the salary supplement during performance of
42 the contract, up to 36 months, even if one or more of the following occur:
43 a. The principal is no longer a qualifying principal.
44 b. The school is no longer an eligible school.
45 (3) Notwithstanding G.S. 135-1(7a), salary supplements provided pursuant to this
46 section are not compensation under Article 1 of Chapter 135 of the General
47 Statutes, the Teachers' and State Employees' Retirement System.

48 (d) Time Line. – To the extent funds are made available for the Program, the following
49 time line shall apply:

- 1 (1) No later than December 1, 2019, and October 1 of each year thereafter, the
2 Department shall notify an eligible employer with one or more eligible schools
3 that the eligible employer may be selected to participate in the Program.
- 4 (2) No later than January 15, 2020, and November 1 of each year thereafter, each
5 eligible employer that seeks to participate in the Program shall notify the
6 Department of its intent.
- 7 (3) No later than January 31, 2020, and November 15 of each year thereafter, the
8 Department shall notify any eligible employer with a qualifying school that
9 the school qualifies for the Program, up to a statewide total of 40 schools. In
10 making its selections, the Department shall prioritize eligible schools with the
11 lowest overall school performance scores.
- 12 (4) No later than May 1, 2020, and annually thereafter, each eligible employer
13 with a qualifying school shall do all of the following:
- 14 a. Execute all applicable contracts with qualifying principals.
- 15 b. Notify the Department of the (i) identity of principals and schools in
16 the unit that will participate in the Program, (ii) length of the contract
17 period between the eligible employer and each qualifying principal,
18 and (iii) length of time the qualifying principal will receive the salary
19 supplement.
- 20 (5) No later than August 1, 2020, and annually thereafter, all qualifying principals
21 identified pursuant to sub-subdivision (4)b. of this subsection shall begin
22 employment as a principal at the applicable qualifying school.
- 23 (e) Additional Funds. – In the event an eligible employer is unable to award funds for the
24 salary supplement because of resignation, dismissal, reduction in force, death, retirement, or
25 failure to execute a contract with a qualifying principal, the Department shall award the funds,
26 as soon as is practicable, to another eligible employer identified in subdivision (a)(2) of this
27 section.
- 28 (f) Supplement Not Supplant. – Salary supplements provided to qualifying principals
29 pursuant to this section shall be used to supplement and not supplant State and non-State funds
30 already provided for principal compensation.
- 31 (g) Report. – No later than March 15, 2021, and every year thereafter in which funds are
32 expended under the Program, the Department shall report to the Joint Legislative Education
33 Oversight Committee and the Fiscal Research Division on the Program, including, at a minimum,
34 the following information:
- 35 (1) The impact of the Program on school performance, including the performance
36 of (i) schools receiving a principal under the Program and (ii) schools that lost
37 a principal due to the Program.
- 38 (2) The number of principals participating in the Program.
- 39 (3) The identity of schools participating in the Program.
- 40 (4) The length and rate of retention of principals (i) within the Program and (ii) at specific
41 schools within the Program."

42 43 **ASSISTANT PRINCIPAL SALARIES**

44 **SECTION 2.6.(a)** For the 2019-2020 fiscal year, beginning July 1, 2019, assistant
45 principals shall receive a monthly salary based on the salary schedule for teachers who are
46 classified as "A" teachers plus nineteen percent (19%). An assistant principal shall be placed on
47 the step on the salary schedule that reflects the total number of years of experience as a certified
48 employee of the public schools. For purposes of this section, an administrator with a one-year
49 provisional assistant principal's certificate shall be considered equivalent to an assistant principal.

50 **SECTION 2.6.(b)** Assistant principals with certification based on academic
51 preparation at the six-year degree level shall be paid a salary supplement of one hundred

1 twenty-six dollars (\$126.00) per month and at the doctoral degree level shall be paid a salary
2 supplement of two hundred fifty-three dollars (\$253.00) per month.

3 **SECTION 2.6.(c)** Participants in an approved full-time master's in-school
4 administration program shall receive up to a 10-month stipend at the beginning salary of an
5 assistant principal during the internship period of the master's program. The stipend shall not
6 exceed the difference between the beginning salary of an assistant principal plus the cost of
7 tuition, fees, and books and any fellowship funds received by the intern as a full-time student,
8 including awards of the Principal Fellows Program. The Principal Fellows Program or the school
9 of education where the intern participates in a full-time master's in-school administration
10 program shall supply the Department of Public Instruction with certification of eligible full-time
11 interns.

12 **SECTION 2.6.(d)** Beginning with the 2017-2018 fiscal year, in lieu of providing
13 annual longevity payments to assistant principals on the assistant principal salary schedule, the
14 amounts of those longevity payments are included in the monthly amounts provided to assistant
15 principals pursuant to subsection (a) of this section.

16 **SECTION 2.6.(e)** An assistant principal compensated in accordance with this section
17 for the 2019-2020 fiscal year shall receive an amount equal to the greater of the following:

- 18 (1) The applicable amount determined pursuant to subsections (a) through (d) of
19 this section.
- 20 (2) For assistant principals who were eligible for longevity in the 2016-2017 fiscal
21 year, the sum of the following:
 - 22 a. The salary the assistant principal received in the 2016-2017 fiscal year
23 pursuant to Section 9.1 or Section 9.2 of S.L. 2016-94.
 - 24 b. The longevity that the assistant principal would have received as
25 provided for State employees under the North Carolina Human
26 Resources Act for the 2016-2017 fiscal year based on the assistant
27 principal's current years of service.
- 28 (3) For assistant principals who were not eligible for longevity in the 2016-2017
29 fiscal year, the salary the assistant principal received in the 2016-2017 fiscal
30 year pursuant to Section 9.1 or Section 9.2 of S.L. 2016-94.

31 32 **PART III. STATE AGENCY TEACHERS**

33 **SECTION 3.1.** Employees of schools operated by the Department of Health and
34 Human Services, the Department of Public Safety, and the State Board of Education who are
35 paid on the Teacher Salary Schedule shall be paid as authorized under this act.

36 37 **PART IV. MISCELLANEOUS**

38 **SECTION 4.1.** The legislative salary increases for principals provided by Section
39 2.3 of this act for the 2019-2020 fiscal year do not apply to persons separated from service due
40 to resignation, dismissal, reduction in force, death, or retirement or whose last workday is prior
41 to June 30, 2019. For the 2019-2020 fiscal year, payroll checks issued to employees after July 1,
42 2019, that represent payment of services provided prior to July 1, 2019, shall not be eligible for
43 salary increases for principals provided for in Section 2.3 of this act.

44 **SECTION 4.2.** If any provision of this act and G.S. 143C-5-4 are in conflict, the
45 provisions of this act shall prevail. If House Bill 966, 2019 Regular Session, becomes law, then
46 Sections 2.1, 2.2, 2.3, 2.6, 3.1, and 4.1 of this act are repealed and Sections 7B.5 and 7B.5A of
47 House Bill 966, 2019 Regular Session, are repealed.

48 **SECTION 4.3.** This act becomes effective July 1, 2019.