



Principal Pay Issue Brief

Background

Prior to 2017-18, principal pay was determined by the following:

- Size of school (number of teachers and assistant principals supervised / 8 classifications);
- Years of total educator experience (13 years to 46+ years = 34 levels);
- Education supplements – advanced (\$126/mo.) and doctorate degrees (\$253/mo.);
- Longevity – earned after 10 or more years of State service (1.5% - 4.5%).

In the 2017 Appropriations Act, the principal pay plan was transformed from an experience based system to a performance based system.¹ Salary supplements for advanced degrees were eliminated and longevity was incorporated into the base salary. The principal salary schedule is now based on average daily membership and whether the school met or exceeded growth in prior years. Principal performance is determined by the best two out of three years of growth in schools supervised by the principal. The principal salary schedule for the 2018-19 school year is as follows²:

Average Daily Membership	Base Salary	Met Growth	Exceeded Growth
0-400	\$66,010	\$72,611	\$79,212
401-700	\$69,311	\$76,242	\$83,173
701-1,000	\$72,611	\$79,872	\$87,133
1,001-1,300	\$75,912	\$83,503	\$91,094
1,301+	\$79,212	\$87,133	\$95,054

The 2017 Appropriations Act also established two new principal bonus programs.³ The first program awarded a bonus to principals who supervised a school for most of the previous school year that was in the top fifty percent (50%) of school growth in the State during that previous school year. In 2018, the General Assembly doubled the bonus amount for principals in D or F schools.⁴

School's Schoolwide Growth Percentile	2017-18 Bonus	2018-19 Bonus
100 – 95 th Percentile	\$5,000	\$10,000 (\$20,000 if D or F school)
94 th – 90 th Percentile	\$4,000	\$7,500 (\$15,000 if D or F School)
89 th – 85 th Percentile	\$3,000	\$5,000 (\$10,000 if D or F school)
84 th – 80 th Percentile	\$2,000	\$2,500 (\$5,000 if D or F school)
79 th – 50 th Percentile	\$1,000	\$1,000 (\$2,000 if D or F school)

¹ S.L. 2017-57, Sec. 8.3.

² S.L. 2018-5, Sec. 8.2.

³ S.L. 2017-57, Sec. 8.4.

⁴ S.L. 2018-5, Sec. 8.3.

The second program awarded a bonus to principals who supervised a school that had either not met growth or met growth in the 2015-16 school year and then exceeded growth in the 2016-17 school year. The bonus equaled \$5,000 if the school had a grade of A, B, or C in the 2015-16 school year or \$10,000 if the school had a D or F grade in the 2015-16 school year. This bonus was in effect for the 2017-18 school year only.

Making major changes in a compensation system can produce inadvertent consequences. After listening to education advocacy groups, the General Assembly made the following adjustments to principal pay:

- To protect existing principals from losing pay in the transition between the old and new salary schedules, hold harmless language was added in both the 2017⁵ and 2018⁶ legislative sessions. However, this hold harmless protection ends with the 2018-19 school year.
- “Demotion” was redefined to exclude a salary decrease due to a decline in growth scores or ADM on the salary schedule.⁷
- Principals with a break in service that do not have a school growth score to compute their salary may use their most recent available growth score.⁸

However, the General Assembly did not address the following:

- The new pay schedule does not reward experienced principals that have proven their ability to handle complex situations. A 2009 study of New York City principals found a positive relationship between principal experience and school performance, particularly for math test scores and student absences.⁹
- The new schedule and bonuses may encourage principals to seek retirement earlier than planned in order to protect their retirement income.
- There is an inherent unfairness in a pay plan that allows fluctuation in pay from year to year based on school growth scores that you do not directly control.
- There is no incentive for strong principals to move to low-performing schools that may take three to five years to turn around.

NCSBA Position

NCSBA believes years of experience as a principal, not as an educator, should be a factor in the principal salary schedule. A tenth-year principal will be more effective than a first-year principal. Additionally, the 2016-17 hold harmless clause for principals should be extended.

⁵ S.L. 2017-212, Sec. 2.4(a).

⁶ S.L. 2018-5, Sec. 8.2(e).

⁷ S.L. 2018-5, Sec. 8.2(f).

⁸ S.L. 2018-97, Sec. 2.1.

⁹ Damon Clark, Paco Martorell, and Jonah Rockoff, “School Principals and School Performance”, National Center for Analysis of Longitudinal Data in Education Research, 2009.