

# Teacher Legislated Performance Bonuses – LEAs and Other Public Schools

## Session Law 2022-74 Section 7A.2

### 2022-23 School Year

#### I. OVERVIEW

This FAQ addresses bonuses for teachers based on EVAAS growth scores for the following:

- 3<sup>rd</sup> Grade Reading
- 4<sup>th</sup> and 5<sup>th</sup> Grade Reading
- 4<sup>th</sup> to 8<sup>th</sup> Grade Math

#### Terms

For purposes of this document the following terms are used:

“other public schools”	Include charter schools, Lab Schools and regional schools.
“Public school unit”	Includes local education agencies, charter schools, lab schools and regional schools
“eligible teacher”	1) Is a teacher who is in the top 25% of the State or LEA based on the EVAAS scores in a grade/subject, as determined by DPI; 2) Is a teacher employed by an LEA that employed in school year (SY) 2021-2022 three or fewer total teachers in that teacher’s grade level as long as the teacher has an EVAAS student growth index score from the previous year of exceeded expected growth in one of the above subject areas.
“qualified teacher”	Is an “eligible” teacher who 1) is teaching in the same LEA/other public school at least from the school year the data is collected until January 1, 2023. Qualified teacher is determined by LEA/other public school; or 2) retired between the last day of the 2021-22 school year and January 1, 2023 and who either a) is the age of at least 65 with five years of creditable service, b) is the age of at least 60 with 25 years of creditable service, or c) has thirty years of creditable service.

#### Allotments

State Board of Education Allotment policies related to these bonuses are posted on the Allotments site at <https://www.dpi.nc.gov/districts-schools/district-operations/financial-and-business-services/allotments-funding-public-school-units>.

**PRC046** Third Grade Read to Achieve Teacher Bonus

**PRC 048** **Principal and Other Teacher Performance Bonuses**

PRC includes bonuses for 4<sup>th</sup> & 5<sup>th</sup> grade reading, 4<sup>th</sup> to 8<sup>th</sup> grade math

Note: PRC048 is also used for principal, AP/IB and CTE bonuses. Using the correct purpose code for the individual bonuses within PRC 048 is critical for audit and reporting purposes.

#### Other Public Schools - Charter schools, Lab Schools and Regional Schools

Bonus funds are allotted in PRC046 and PRC048.

The funds are restricted for the teachers designated in the top 25% and shall not be used for any other purpose. Expenditures must be coded to these PRCs and not to PRC036/038.

Failure to follow the instructions may result in the funds being reverted and not available for use.

## Expenditures

**It is critical for LEAs and charter schools to code the bonuses in the appropriate PRC and purpose codes. Failure to follow the instructions will result in a reversion of funds.**

Full chart of accounts is located at <https://www.dpi.nc.gov/districts-schools/district-operations/financial-and-business-services/school-district-finance-operations/chart-accounts>

The bonus is NOT subject to retirement. It is subject to social security.

Coding is as follows:

PRC 046 – Third Grade Reach to Achieve Bonus ONLY

Bonus 1-5110-046-180

Social Security 1-5110-046-211

PRC 048 – 4<sup>th</sup> & 5<sup>th</sup> Reading AND 4<sup>th</sup> to 8<sup>th</sup> Math

Bonus 1-5110-048-180

Social Security 1-5110-048-211

## II. Procedure

### A. 3<sup>rd</sup> Grade Reading Bonus

**Program Contact:** Tom Tomberlin [thomas.tomberlin@dpi.nc.gov](mailto:thomas.tomberlin@dpi.nc.gov)

**Financial Contact:** John Keefer ([John.Keefer@dpi.nc.gov](mailto:John.Keefer@dpi.nc.gov)) and Michael Ray ([Michael.Ray@dpi.nc.gov](mailto:Michael.Ray@dpi.nc.gov))

This bonus has 2 criteria and is determined based on EVAAS growth scores.

1. \$5m appropriated to pay for bonus to the top 25% of the 3<sup>rd</sup> grade teachers in the State.
2. \$5m appropriated to pay for bonus to the top 25% of 3<sup>rd</sup> grade teachers in each LEA. **Note:** teachers in other public schools (e.g. charter schools) are not eligible.

To be qualified the teacher must remain employed as a teacher in the same public school unit at least from the end of the school year the data is collected until January 1, 2023 or meet the retirement criteria outlined in the definition of “qualified teacher” above.

DPI will:

- Determine the eligible teachers who are in the top 25% for both State and LEA bonus.
- Provide the names of the teachers eligible in each category to the LEAs and other public schools See program contact person for questions related to teachers identified.
- Determine the dollar amount of the bonus award for the State level category (this amount changes annually depending on the number of teachers eligible in a specific year).
- Allot funds to each public school unit based on the total eligible teachers who earned a State level bonus- LEAs will determine if each teacher is qualified to receive the bonus. Teachers must be teaching in the same public school unit in the current year to be qualified or meet the retirement criteria outlined in the definition of “qualified teacher” above.

- Allot funds to each LEA based on FY 2021-2022 third-grade allotted ADM for the LEA level bonus. Other public schools are not eligible for the local level bonus.

The LEAs are responsible for:

- Determining if the eligible teachers are qualified to receive the bonus.
- Validating that the teacher is still working as a teacher in the same LEA or, if not employed in a LEA, in the same other public school at least until January 1, 2023, or otherwise meets the retirement criteria outlined in the definition of “qualified teacher” above.
- Determining the bonus amount for the teachers who are in the top 25% of the LEA.
- Paying the teachers in January 2023 for each bonus for which they are eligible and qualified.

## ***B. 4<sup>th</sup> and 5<sup>th</sup> Grade Teacher Reading Bonus***

### ***4<sup>th</sup>, 5<sup>th</sup>, 6<sup>th</sup>, 7<sup>th</sup> and 8<sup>th</sup> Grade Teacher Mathematics Bonus***

**Program Contact:** Tom Tomberlin [thomas.tomberlin@dpi.nc.gov](mailto:thomas.tomberlin@dpi.nc.gov)

**Financial Contact:** John Keefer ([John.Keefer@dpi.nc.gov](mailto:John.Keefer@dpi.nc.gov)) and Michael Ray ([Michael.Ray@dpi.nc.gov](mailto:Michael.Ray@dpi.nc.gov))

This bonus has 2 criteria and is determined based on EVAAS growth scores.

1. \$2,000 bonus to top 25% of the teachers in each grade/subject in the State.
2. \$2,000 bonus to top 25% of teachers in each in each grade/subject in the LEA (other public school teachers are not eligible per legislation).

To be qualified for the bonus, the eligible teacher must remain employed as a teacher in the same public school unit at least from the end of the school year the data is collected until January 1, 2023, or must meet the retirement criteria outlined in the definition of “qualified teacher” above.

DPI will:

- Determine the eligible teachers who are in the top 25% for both the State and the LEA level.
- Provide the names of the teachers eligible in each category to the LEAs and other public schools See program contact person for questions related to teachers identified.
- Allot funds to each public school unit based on the total eligible teachers who earned a State level bonus - LEAs will determine if each teacher is qualified to receive the bonus. Teachers must be teaching in the same public school unit in the current year, or meet the retirement criteria outlined in the definition of “qualified teacher” above, to be qualified.
- Allot funds to each LEA based on the eligible teachers in the LEA who were listed in the top 25% of the LEA. Other public schools are not eligible for the LEA level bonus.

The LEAs are responsible for:

- Determining if the eligible teachers are qualified to receive the bonus.
- Validating that the teacher is still working as a teacher in the same LEA or, if not employed in a LEA, in the same other public school at least until January 1, 2023, or that the teacher meets the retirement criteria in the definition of “qualified teacher” above.
- Ensuring that an individual does not exceed the maximum number of bonuses per legislation. Per SL 2022-74 Section 7A.2.(e), qualifying teachers who are eligible for the State and LEA 4<sup>th</sup> and 5<sup>th</sup> grade reading bonuses, or the State and LEA 4<sup>th</sup>-8<sup>th</sup> grade mathematic bonuses, may not receive more than two bonuses.
- Paying the teachers in January 2023 for each bonus for which they are eligible and qualified.

## **III. Questions and Answers**

### **Questions and Answers for 3<sup>rd</sup> Grade Reading Bonus ONLY**

#### ***1. How much is the State level bonus for 3<sup>rd</sup> grade reading bonus?***

For FY 2022-2023, the State level per teacher bonus amount for the 3<sup>rd</sup> grade reading bonus is \$3,489.00 (\$3,241.06 bonus payment plus \$247.94 for social security).

**2. Both the State level and LEA level bonus amounts are allotted by DPI within PRC 046. How do I determine the amount of the total allotment that is for the LEA level bonuses?**

To determine the amount of the total PRC 046 allotment that is for the LEA level bonuses (for use in the calculation outlined above), you must subtract the total amounts for the State level bonuses for eligible teachers from the allotment amount. For example:

Total LEA PRC 046 Allotment	\$55,000
Total Number of Teachers Eligible for State Bonus	10
Total Amount for State Bonuses (Eligible Teachers x \$3,489)	\$34,890
Total Amount for LEA Level Bonuses (Total Allotment – Total State Bonus Amount)	\$20,110

Once the total amount for LEA level bonuses has been determined, individual bonuses may be calculated using the steps outlined in Question 3 below.

**3. How much is the LEA level per teacher bonus amount for the 3<sup>rd</sup> grade reading bonus?**

This will vary by LEA and each LEA will need to do their own calculation.

Per the legislation, the bonus appropriation is allocated to the LEAs based on allotted 3<sup>rd</sup> grade average daily membership.

These funds are to be equally distributed to the qualified teachers in the LEA. A qualified teacher is a teacher who is in the top 25% of the LEA AND is teaching in the same LEA in the current year.

Example:

School Business allocates \$18,000 to the LEA based on the 2021-2022 allotted third grade ADM.

- DPI identified 6 eligible teachers in the top 25% in the LEA for 3<sup>rd</sup> grade reading.
- The LEA determined that 2 teachers are not qualified to receive the bonus because they were not employed in the LEA until January 1, 2023.
- The amount of the allotment (\$18,000) is divided amongst the 4 qualified teachers up to maximum allowable bonus amount of \$3,500 (plus social security).
- The LEA must account for the social security within the \$18,000.

Therefore, in this example,

Total eligible teachers	6
LEA allotment (bonus + social security)	\$18,000
Qualified teachers	4
Bonus + SS per teacher	$\$18,000/4 = \$4,500$
Bonus <sup>(1)</sup> (\$4,500/1.0765)	\$4,180

<sup>(1)</sup> Maximum bonus is \$3,500 therefore:

Teacher bonus \$3,500 + Social Security

DPI will revert any overage above the cap.

4. ***Our district received funds for two teachers that are eligible for the State level bonus but who are not qualified for the bonus because they left the district before January 1, 2023. Can we use those funds for LEA level bonuses?***

No. Any funds that were allotted for teachers that were eligible for the State level bonus but which will not be utilized due to the teacher no longer qualifying for the bonus must be reverted to DPI and may not be used for additional LEA level bonuses. **However, the LEA must factor those bonus amounts into the calculation for determining the total LEA level bonus amount shown in Question 3 above as those funds were allotted by DPI for the State level bonuses.**

5. ***What PRC should we use for 3<sup>rd</sup> grade reading bonus?***

All funds are allotted in PRC046 – expenditures must be coded in PRC046 for 3<sup>rd</sup> grade reading. This includes charter schools, lab schools, and regional schools, which must also use PRC046.

6. ***Our district had an eligible teacher leave service on June 15, 2022. Does that teacher qualify for the 3<sup>rd</sup> grade reading bonus?***

It depends. The qualification requirements for the 3<sup>rd</sup> grade reading bonus state that an eligible teacher qualifies if they were 1) employed from the end of the school year in which the data was collected to January 1, 2023 in the same public school unit, or 2) retired between the end of the school year in which the data was collected and January 1, 2023 while meeting certain criteria (described above). Thus, if June 15, 2022 is after the end of the school year in the LEA and the teacher meets the retirement criteria, that teacher would still qualify for the bonus. However, if those two factors were not met, the teacher would not qualify.

7. ***Can a teacher receive both a State level and LEA-level 3<sup>rd</sup> grade reading bonus? And if so, is there a maximum total bonus amount?***

Yes, a teacher may be eligible and qualified for both the State level and LEA level 3<sup>rd</sup> grade reading bonuses. However, under SL 2022-74, a teacher may not receive more than \$7,000 total for both bonuses. For FY 2022-2023, the State level bonus amount is \$3,241.06 and the maximum LEA level bonus is \$3,500; thus, the maximum that may be received by any individual would be \$. Please note that not all teachers in the State who are eligible and qualified for both the State and LEA level bonuses will receive \$6,741.06; the total amount received will depend on the actual amount of the LEA level bonus for a specific district.

8. ***We have a teacher who earned a 3<sup>rd</sup> grade reading bonus AND a 4<sup>th</sup> grade reading bonus, may we code both the bonuses to PRC046?***

No. It is very important that the 3<sup>rd</sup> grade reading bonuses are separated from the other bonuses and if a teacher earns both a 3<sup>rd</sup> and a 4<sup>th</sup> grade bonus, they MUST be coded in the separate PRCs.

### **Questions and Answers for 4<sup>th</sup> and 5<sup>th</sup> Grade Reading Bonus and the 4<sup>th</sup> through 8<sup>th</sup> Grade Math Bonus**

9. ***How much is the State level bonus?***

The State level bonus is amount is \$2,000 (plus social security).

10. ***How much is the LEA level bonus?***

The LEA level bonus is amount is \$2,000 (plus social security).

**11. How do we account for these bonuses?**

Bonus	1-5110-048-180	\$2,000.00
Social security	1-5110-048-211	\$ 153.00

**Questions and Answers for All Bonuses**

**12. Do the allotments include social security?**

Yes.

**13. The teacher who earned the bonus left the school, may we use the bonus funds for another purpose, for instance we would like to reward another teacher?**

No. The funds may only be used for the specific teacher in the top 25% on the lists provided. If the teacher has left the school and is no longer qualified for the bonus, the funds will be reverted.

**14. We are a charter school and have financial flexibility, may we divide the bonus amongst all our teachers?**

No. The funds may only be used for the teacher designated in the top 25% on the lists provided.

**15. The legislation has a maximum number of bonuses that the teacher can receive, how does this work?**

The legislation states that the teacher can receive a maximum of 2 bonuses in each section of the law. The sections of the law are as follows:

- Section 7A.2.(c)(1) and 7A.2.(d)(1): 3<sup>rd</sup> grade reading
- Section 7A.2.(c)(2) and 7A.2.(d)(2): 4<sup>th</sup> & 5<sup>th</sup> grade reading
- Section 7A.2.(c)(3) and 7A.2.(d)(3): 4<sup>th</sup> to 8<sup>th</sup> grade math

A teacher may receive a maximum of 2 bonuses in each section listed above.

Example:

A teacher may receive a State and LEA 3<sup>rd</sup> grade reading bonus AND a State and LEA 4<sup>th</sup> grade reading bonus. (State LEA 3<sup>rd</sup> grade bonus + LEA 3<sup>rd</sup> grade bonus) + (2 x \$2,000)

A teacher may receive a State and LEA 5<sup>th</sup> grade reading bonus AND a State and LEA 5<sup>th</sup> grade math bonus. (2 x \$2,000) + (2 x \$2,000) = \$8,000

If a teacher is eligible for 7<sup>th</sup> grade Math and 8<sup>th</sup> Grade Math (both State and LEA – 4 total bonuses) the teacher may only be paid a maximum of 2 bonuses (2 x \$2,000) as these bonuses are in the same section of the law.

**16. Are the following considered “teaching” in SY 2022-23 making the person qualified for the bonus?**

Employee is on an educational leave of absence for the principal fellows program	No
Employee is a teacher assistant	No
Employee is a curriculum specialist	No
Employee is a temporary part time tutor	No

**17. If a teacher retires January 2, 2023, are they eligible for the bonus that is scheduled to be paid this month?**

Yes.

**18. If the teacher retired on or before January 1, 2023 are they still eligible?**

Maybe. A retired teacher who is eligible for the bonus may qualify for the bonus if they retired between the last day of SY 2021-22 and January 1, 2023 after attaining one of the following:

- a. The age of at least 65 with five years of creditable service.
- b. The age of at least 60 with 25 years of creditable service.
- c. Thirty years of creditable service.