

## **SALARY AND PERSONNEL**

### ***Teachers and Instructional Support***

Step increase for all teachers and instructional support.  
Increases including the step: range from 2.1% to 13.1%  
Average increase 4.7%

No Bonus

### ***Assistant Principals and Principals***

Steps are increased by average of 1.5%  
Bonus 0.5% (not subject to retirement) paid out in October 2016

### ***9.3 Ensure SBA do not lose pay***

Adds: A teacher who becomes a principal shall be paid at least as much as they would have earned as they would have as a teacher.  
Removes: “without a break in service” – therefore, **all** assistant principals and principals are eligible to be paid on the higher of the teacher or SBA schedule. No retroactive pay prior to July 1, 2016.

### ***9.4 Joint Legislative Study Committee on School Based Administrator Pay***

Study on the assistant principal and principal pay and make recommendations.

Study to include

- whether the SBA schedules need to be revised,
- process of recruiting and retaining principals compared with other professions,
- strategies to recruiting and retaining the most qualified principals in low performing and hard to staff schools

Report is due December 31, 2016

### ***Noncertified and Central Office***

Permanent full time personnel who were employed in 2015-16 receive a 1.5% increase.  
Part time employees receive a pro rata increase based on hours worked  
Bonus 0.5% (not subject to retirement) paid out in October 2016

### ***36.20 Benefits*** effective July 1, 2016

<b><i>Retirement</i></b>	16.12%
<b><i>Health</i></b>	\$5,471

#### ***Per Section 36.20(b)***

State Budget Office may increase the health benefit contribution in January up to \$5,659  
State Budget Office may increase the retirement rate in January up to 16.54%

**36.1A Merit Based Bonus for Non Educators**

**\$17,242,627<sub>(NR)</sub>**

Merit based bonuses for non-educators, including school based administrators, central office and non-certified personnel. Educators are not eligible. LEAs shall provide to DPI details of how these funds are distributed by district and school. By February 1, 2017.

**8.8 Bonuses for Advanced Placement and IB Pilot Program**

**\$4,300,000<sub>(NR)</sub> \$126,000 <sub>(NR)</sub>**

Pilot for two school years beginning with the 2015-16 test results

- Bonus of \$50 for each student who receives a 3 or above in an AP exam or 4 or above for an IB exam.
- Maximum \$2,000 per year.
- Bonus payable in January and is not subject to retirement
- To be eligible the teacher must remain employed teaching advanced courses in the SAME LEA at least until the bonus is paid.

Report SBE shall report on the amount of the bonuses awarded for AP and IB separately by March 15 2017 and 2018  
SBE shall study the effect of the pilot on advanced course teacher performance and retention by March 15, 2018

Additional non-recurring funds provided for professional development through the NCAP- one teacher per LEA. Total funding for AP Partnership is \$1.6m (Money report)

**8.9 Bonuses for industry certifications and credentials**

**\$600,000<sub>(NR)</sub>**

Pilot for two school years beginning with the 2015-16 test results

- Bonus of \$25 or \$50 for each student taught by a teacher who provided instruction in a course that led to the attainment of an industry certification or credential.
- Maximum \$2,000 in a given year.
- The Department of Commerce shall assign a value ranking for each certification and credential based on academic rigor and employment value.
- Bonus payable in January and is not subject to retirement
- To be eligible the teacher must be licensed and remain employed teaching advanced courses in the SAME LEA at least until the bonus is paid.

Report SBE shall report on the amount of the bonuses awarded by credential and certification by March 15 2017 and 2018  
SBE shall study the effect of the pilot on advanced course teacher performance and retention by March 15, 2018

**9.7 3<sup>rd</sup> Grade teacher Reading Performance Pilot**

**\$10,000,000(R)**

Begins with the data from 2015-16

1. \$5m to pay for bonus to top 25% of the 3<sup>rd</sup> grade teachers based on EVAAS growth scores
2. \$5m to pay for bonus top 25% of 3<sup>rd</sup> grade teachers in each LEA (charter school teachers not eligible)
  - To be eligible for either bonus the teacher must be teaching 3<sup>rd</sup> grade in the SAME LEA at least until the bonus is paid.
  - Teachers may receive bonuses under both criteria
  - Bonuses payable in January and is not subject to retirement
  - State Board shall report on the distribution of bonuses by March 1, 2017
  - State Board shall study the effect of the program on teacher performance and retention and report by March 1, 2018.

**8.7 Teacher Compensation Models and Advanced Teaching Roles**

**\$100,000(NR)**

**\$1,000,000 (R)**

**North Carolina Educational Endowment Fund (money report)**

**\$5,000,000(R)**

Three-year pilot, starting in the 2017-18 school year and ending 2019-20, to develop advanced teaching roles and organizational models that link teacher performance and professional growth to salary increases in selected LEAs for classroom teachers.

Purpose:

- Allow highly effective teachers to teach an increased number of students
- Enable LEAs to provide salary supplements to teachers in advanced roles
- Enable LEAs to create innovative compensation models that focus on teacher professional growth and student outcomes.

9/15/16

SBE to develop a RFP

10/15/16

LEAs shall submit proposals. Must include:

- Description of the program structure
- Description of advanced teaching roles
- job classifications and minimum qualifications including certifications and teacher evaluations.
- Job responsibilities
- Description of the communication of the program to the LEA and the public
- Supplements information and amounts for the advanced roles. Supplements may be up to 30% of the State salary schedule
- Plans to sustain the program once the grant money is no longer available.

12/15/16

SBE Select up to 10 Pilot Units

- 5 LEAs with ADM less than 4,000
- 3 LEAs with ADM of 4,001 to 20,000
- 2 LEAs with ADM of 20,001 or more

Use of Funds:

- Salary supplements for advanced teaching roles
- Development of advanced teaching role plans
- Professional development
- Transition costs including staff or contractors to assist with eth design and implementation

Pilot evaluation SBE shall contract with an independent research organization to report annually beginning October 15, 2017. \$200,000 may be used by SBE for evaluation of pilot

Award amount: Shall be proportioned based on the current expenditure of the LEA on teacher salaries

Flexibility Grantees are exempt from class size maximums in grades K-3

**ALLOTMENTS**

<i>Central Office</i>	<i>(\$2,500,000)<sub>R</sub></i>	<i>2.6% reduction</i>
<i>Textbook and Digital Resources</i>	<i>\$10,000,000<sub>(NR)</sub></i>	
<i>Instructional Supplies</i>	<i>\$2,500,000<sub>(NR)</sub></i>	
<i>School Connectivity</i>	\$10,000,000 increased in the second year remains	

**8.1 Funds for Children with Disabilities**

\$3,985.53 per headcount

**8.2 Funds for Academically Gifted**

\$1,295.27 for 4% of the allotted ADM

**8.4 Small School Supplemental funds**

Technical change to ensure that the counties are not harmed by allotted ADM being higher than actual

**8.33 Class size reduction in Grade K-3**

Funded ratio as follows

K	1:18
1 <sup>st</sup>	1:16
2 <sup>nd</sup>	1:17
3 <sup>rd</sup>	1:17

Maximum class size remains unchanged for K-3 for 2016-17.

Starting in 2017-18, the average for the LEA shall not exceed the funded ratio and an individual class shall not exceed 3 above the funded ratio.

### ***8.11 Cooperative Innovative High Schools –***

No grant funding (PRC055) for the 13 CIHS approved by the SBE in 2016 to open July 1, 2016. Schools are permitted to operate as a CIHS i.e. 13<sup>th</sup> grade and community college may receive FTE.

### ***8.25 After School Program for a 3<sup>rd</sup> year for certain recipients*** ***(\$4,784,539)(R)*** ***\$2,000,000NR***

Of the funds appropriated for the At-Risk Student Services Allotment, the SBE shall use up to \$3,215,371 for the 2016-17 fiscal year for the After-School Quality Improvement Grant Program. The Department may use these funds to provide a 2nd year or a 3rd year to grant recipients. DPI may use up to \$200,000 to administer the program.

### ***5.2 and 8.5 Driver Training***

Fund from Fines and Forfeitures.

Removes the sunset on fees, therefore fees may be charged by the LEAs for the service

### ***8.23 Digital Learning Plan***

SBE shall collaborate with the Friday Institute for Educational Innovation at NCSU to continue the progress in implementing the DLP in schools by at least doing the following:

- Coordinate professional learning programs that support transitioning to digital age learning
- Manage statewide cooperative purchasing of content
- Develop infrastructure maintenance and support protocols
- Modify and update State policies
- Develop and maintain a continuous improvement process
- Create assessment for technological and pedagogic skills

### ***8.16 International Faculty Exchange***

Dollars converted for IFE may only be used for salary, state approved bonuses and costs to supporting the individual within the LEA.

## **PROFESSIONAL DEVELOPMENT**

### ***11.A4 Transforming Principal Preparation Clarifying RFP*** ***\$3,500,000***

Competitive grant administered through the State Education Assistance Authority.

### ***8.27 Alternative Teacher Preparation*** ***\$500,000***

SBE shall establish a RFP for up to 5 local alternative teacher preparation programs administered by LEAs to prepare support and recommend initially licensed lateral entry teachers for continuing licensure. RFP by 9/15/2016, proposals by 1/6/2017  
Funding is for an independent research organization to evaluate the effectiveness of the 5 programs.

**8.29 Teacher Assistant Reimbursement Pilot**

**\$112,500**

Applies only to Anson, Franklin, Moore, Richmond and Scotland Counties.

Each LEA may select up to 5 teacher assistants to receive an award of up to \$4,500 per academic year for 4 years. To be used to attend an educator preparation program at an IHE.

LEAs shall jointly report by September 1, 2017 to General Assembly.

**8.31 Remediation Plan for Principals in Low Performing Schools**

Modifies GS 115C-105.39 - If a school is low performing, the principal may be permitted to retained at the same school without remediation is the principal has been at the school for less than 2 years or is the school has met student growth and has improved the achievement scores.

**CHARTER SCHOOLS**

**8.13 Virtual Charter School Changes**

Changes requirements for the pilot to:

- Modifies the test administration requirement
- require 80% of the teachers to reside in NC (previously 90%)
- Allowable withdrawal rate remains 25%
- Adds exclusions from the withdrawal rate including:
  - all students who withdraw in the first 30 days,
  - students who withdraw for family, personal or medical reasons,
  - students who move out of state
  - students who are withdrawn because they regularly fail to participate in courses
  - students who have expressed an intent to only enroll for a finite period (this was in the previous language)

**New Reporting Requirement for LEAs SL 2016-79 (HB242)**

LEAs shall provide to the SBE all the related to calculating the per pupil share of local current expense related to charter school local funding. The LEAs shall report to the SBE by November 1 of each year the following

- (1) The total amount of monies the LES has in each of the funds listed in G.S. 115C-426(c).
- (2) The student membership numbers used to calculate the per pupil share
- (3) How the per pupil share of the local current expense fund was calculated.
- (4) Any additional records requested by a charter school from the LEA in order for the charter school to audit and verify the calculation and transfer of the per pupil share of the local current expense fund.

The SBE shall adopt a policy to govern the collection of this information.

The State Board shall issue a letter of noncompliance to a local school administrative unit that does not provide the State Board with the information required by this subsection

## **ACADEMIC**

### **11.6 UNC Teacher and Principal Preparation Program Lab School for K-8 students** **\$1,000,000**

Each UNC IHE with a teacher preparation program shall establish a lab school to serve public school students. Funded consistent with a charter school. The appropriation is to fund the UNC GA assistance for startup.

### **11.A2 Special Education Scholarship** **\$5,800,000**

Doubles the funding for scholarships for students with disabilities to go to private schools. Each award is \$4,000 per semester per student

### **11.A3 Opportunity Scholarship** **\$34,840,000**

Intent to increase funding \$10m annually

### **8.12 Report for Schools for Students with Visual and hearing Impairments/Foreign Exchange Students**

Local superintendents shall request consent from parents/guardians of students who are visually and/or hearing impaired to release contact information and information regarding a student's impairment to the residential schools for the intent to receive more information on the schools.

Local Superintendents shall report by November 30, for those who provided consent, the names and addresses of parents/guardians of any hearing impaired or visually impaired children residing within their respective LEA to the directors of the residential schools. The report shall include the type of disability of each child. This report is not subject to public records.

The residential school may enroll a foreign exchange student, with SBE approval, and shall charge the student the full, unsubsidized per capita cost of providing education at the school for the period of the student's attendance.

### **8.19 Modify School Performance Grades**

Keep the 15-point grade scale

### **8.21 Pilot Program to Raise High School Dropout rate from 16 to 18**

Add Rutherford County to this pilot (previously only Hickory City and Newton Conover City Schools)

### **8.24 LEA report on School Start and Release Times**

LEAs shall report to the SBE on each schools start and release times for the six school years 2011-12, 2012-13, 2013-14, 2014-15, 2015-16 and 2016-17.

LEAs shall report by October 1, 2016

### **8.32 School Notification**

SBE shall notify in writing the General Assembly of its intent to conduct mandatory student or parent surveys, including a copy of the survey. DPI shall notify the LEA and the Superintendent shall be given time to provide feedback before the survey goes out.

By 9/1 annually LEAs shall notify SBE of any local testing and the calendar of the tests. LEAs shall include the source of funds to administer the local testing

By 10/15 annually, the SBE shall report to Joint Legislative Oversight Committee on information on statewide testing including the number, the type, the schedule and a summary of local testing.

Continuing license (115C-296(b)(1) – for teachers employed in an LEA evidence of a rating of at least proficient on the most recent annual evaluation to maintain the current license status.

Out of State Licensure applications (115C-296(b)(1) – requires out of state applicants to provide a measure of teacher effectiveness as measured by that state. If no evidence is provided the application shall only be eligible for an initial degree license.

Mentor Teacher Requirements – 115C-296(e) Requires that the mentor teacher has been evaluated at least at an accomplished level and have met expectations for student growth.

Beginning Teacher Evaluations in Low Performing Schools and non-low performing 115C-133(a) – teachers who have been licensed less than 2 years shall be observed at least 3 times annually.

## **OTHER**

### ***8.15 School Business System Modernization***

SBE shall collaborate with the Friday Institute to develop a plan to modernize the systems used by DPI Financial and Business Services. The systems shall include modernization of student information management, financial and payroll information, human resources information and capital and repairs and renovations planning information. By 5/15/2017 SBE report to JLEOC on the plan. By 10/1/2017 an RFP shall be issued for implementation.

### ***8.17 K-12 Cybersecurity Study***

DPI shall study cybersecurity in public schools. Report by 12/15/2016

### ***Licensure System Update***

***\$250,000(NR)***

Funds provided to modify the Licensure system to support additional requirements for SB867 – requiring background checks for teachers as part of licensure requirements. This is not law at this time and the funds will revert if SB867 does not become law.

### ***SBE Legal Service***

***\$140,000(R)***

Funds provided for legal services to support additional requirements for SB867 – requiring background checks for teachers as part of licensure requirements. This is not law at this time and the funds will revert if SB867 does not become law.



**8.30 Use of DPI budget Reductions**

**(\$250,000)(NR)**

Reductions shall not be to the Excellent Public School Act read to Achieve nor to the NC Connectivity Program.

DPI shall transfer \$50,000 to the Office of Administrative Hearing Rules Review Commissions to pay for any litigation costs incurred in the defense of NCSBE vs State of NC and the Rules Review Commission. These funds shall not revert.

**36.18 Mitigate Bonus Leave**

This provision does **not** apply to local education agencies.

The provision allows employees of state agencies, UNC and Community Colleges to opt to have accrued special bonus leave paid out.