



BACKGROUND | Since 2016-2017, the General Assembly has invested \$52.4 million to improve the salaries of North Carolina’s hardworking principals and assistant principals, whose pay previously ranked 50th lowest in the nation. Lawmakers also

moved principals to the state’s first performance-based pay scale that no longer connects to the salary schedule of assistant principals. Due to that disconnect, legislators have implemented “hold harmless” measures to keep principals from earning less than some individuals they supervise, and the new scale does not provide the true career progression that will help with recruitment and retention of high-quality school leaders statewide.

RECOMMENDATIONS | Lawmakers are urged to modify the principal pay scale in 2019 to tie it directly to the assistant principal salary schedule. This will: 1) eliminate the need for ongoing “no-loss-in-pay protections” now requiring many principals to be paid from teacher or assistant principal pay scales that exceed designated principal pay in many instances, and 2) maintain needed salary differentials and a comprehensive career progression from teacher to middle manager to school leader. To implement this change, the following additional legislative actions are also needed:

- **Increase the base salary of all principals** to ensure that it is more competitive with compensation offered by neighboring states in the Southeast, where NC continues to rank near the bottom.
- Recognize the additional oversight and challenges associated with leading large schools **by adding two new tiers in base principal pay for schools with more than 1,300 students**, since numerous schools across the state have 1,700 or more students, including some with up to 3,000.
- **Provide “hold harmless” provisions** to ensure that 2019-2020 base pay does not dip for any principal and that the modified scale provides adequate differentials above assistant principal pay as intended.
- **Restore doctoral and advanced degree supplements for principals** consistent with degree supplements provided to assistant principals.
- **Maintain performance-based bonuses to reward principals for improving student outcomes.**
- **Adjust the performance-based bonus multiplier, effective with awards paid in the 2018-2019 school year, to include principals in the Top 50% of growth who move their school from a D or F school performance grade to a C or higher in one of the two previous years**, so their bonus exceeds those of peers with less progress.

PROPOSED PRINCIPAL PAY SCALE FOR 2019-2020

STUDENT ENROLLMENT	PERFORMANCE		
	BASE	GROWTH MET	GROWTH EXCEEDED
up to 400	AP + 5 to 19%	+ \$4,000	+ \$8,000
401-700	+ \$2,000	+ \$6,000	+ \$10,000
701-1,000	+ \$4,000	+ \$8,000	+ \$12,000
1,001-1,300	+ \$6,000	+ \$10,000	+ \$14,000
1,301-1,600	+ \$8,000	+ \$12,000	+ \$16,000
1,601 - 1,900	+ \$10,000	+ \$14,000	+ \$18,000
over 1,900	+ \$12,000	+ \$16,000	+ \$20,000

Amounts above are flexible, depending on budget availability, and could be implemented through a multi-year phase-in.

CURRENT PRINCIPAL BONUS PLAN

School Growth Rank	School Performance Grade of A, B, or C	School Performance Grade of D or F
Top 5%	\$10,000	\$20,000
Top 10%	\$7,500	\$15,000
Top 15%	\$5,000	\$10,000
Top 20%	\$2,500	\$5,000
Top 50%	\$1,000	\$2,000