

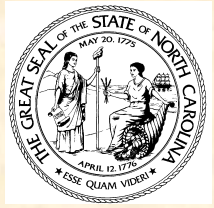
NC Public Schools: 2005-06 Teacher Pay Raise(s)



NC General Assembly

Joint Legislative Commission on Governmental Operations

December 7, 2005



Fiscal Research Division
December 7, 2005

“Teacher” Pay Raise?

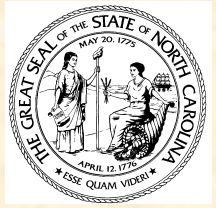
“Certified Employees” =

“TEACHER”

- Classroom teachers
- Instructional support:
 - Media Specialists
 - Counselors
 - Psychologists
 - Social workers
 - Nurses
 - Various therapists

“PRINCIPAL”

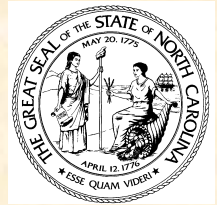
- Principals
- Assistant Principals



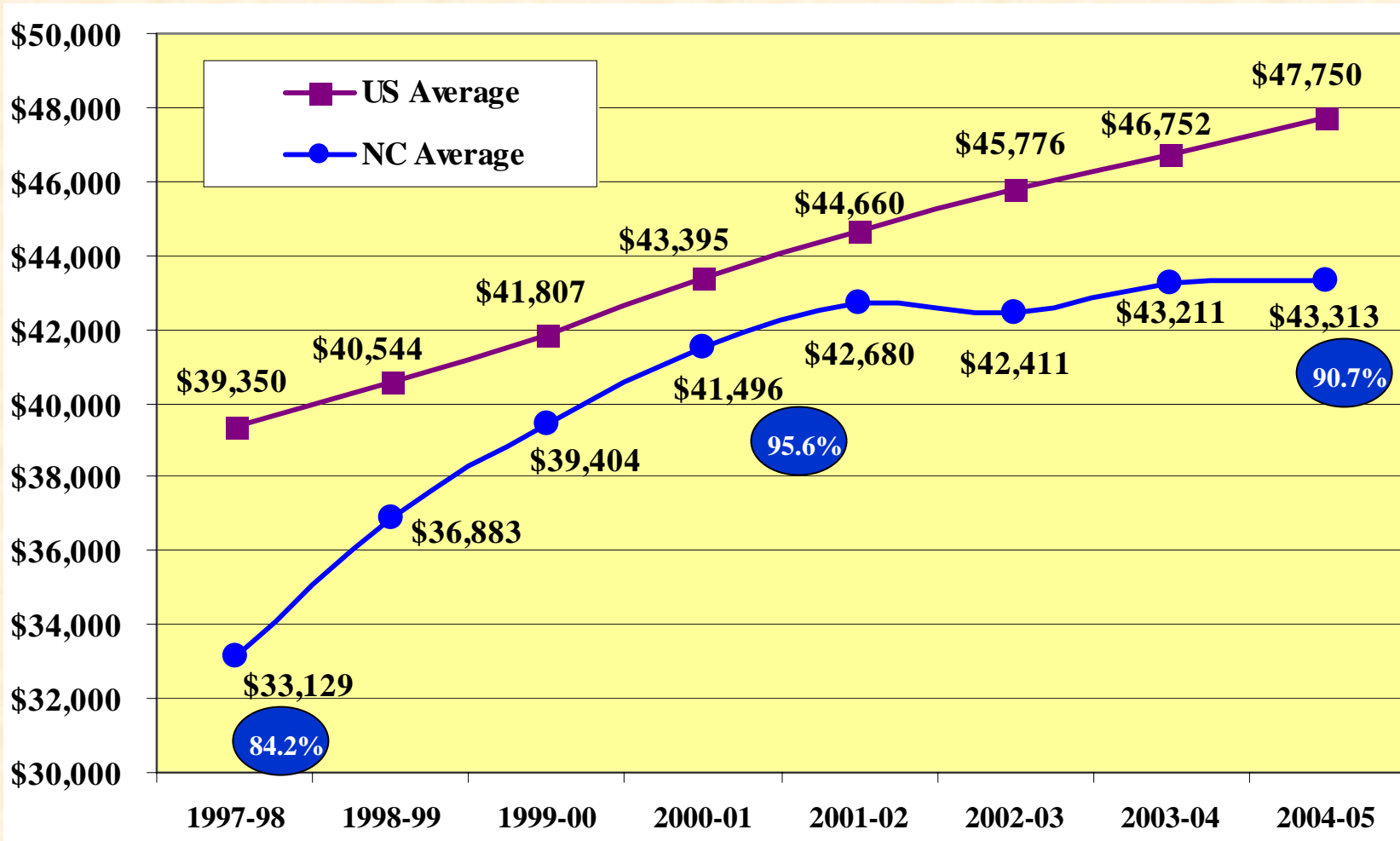
Overview

- Context: Teacher Salaries since 1997
- 2005-06 Legislated Salary Increase(s)
 1. Amount specified in budget bill
 2. Amount “to be named later” by Governor
- Governor Easley’s Teacher Pay Plan

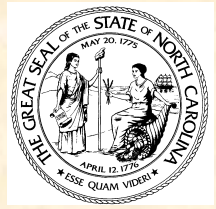
Historical Context: NC Average Teacher Salaries



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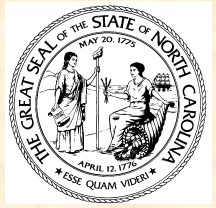
Source: NCDPI, NEA.



Explanation of Trends

- *Narrowing* Gap: Excellent Schools Act of 1997
 - Significant increases each year FY1998-2001
 - Total four-year cost: approximately **\$1.3 billion**
- *Expanding* Gap: 2001-present
 - Rapid Growth + Aging Workforce (retirements)
 - Lean budget years = modest pay raises (~ 2%)

FY 2005-06 Pay Raise



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(1) Amount specified in budget bill

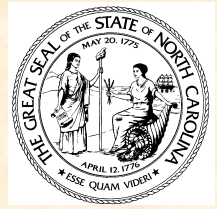
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(2) Amount that the budget bill
authorized the Governor to
determine at a later date

=

Total Pay Raise for Teachers & Principals

FY 2005-06 Budget: Specified Pay Raise



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1. Experience-based “STEP INCREASE:”

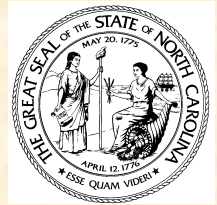
TEACHERS: average of **1.89%**

PRINCIPALS: average of **1.76%**

2. Salary SCHEDULE shifted upward:

Each step increased by **0.35%**

FY 2005-06 Budget: Specified Pay Raise



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Average Pay Increase

	<u>Teacher</u>	<u>Principals</u>
Step Increase	1.89%	1.76%
Incr. Schedule	<u>0.35%</u>	<u>0.35%</u>
<i>Total Increase</i>	<i>2.24%</i>	<i>2.11%</i>

Example:

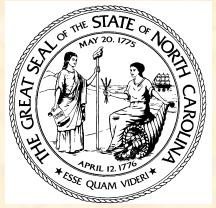
Bachelor's level teacher with two years experience

(i) movement from step 1 to 2 (1.7% increase)

(ii) step 2 is increased by 0.35%.

Total increase over 2004-05 salary is 2.05%.

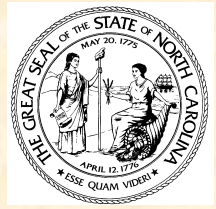
Raise to be Named Later



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S.L. 2005-276 (SB 622)

- **SECTION 2.2.(j)** The *Governor shall analyze* the current State public school teacher salary schedule, *trends in salaries*, and the *current disparity between North Carolina teacher pay and the national average* to determine how teacher pay affects the State's ability to recruit and retain highly qualified public school teachers to improve educational opportunity and outcomes for children across North Carolina.

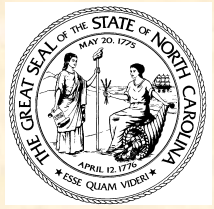


Raise to be Named Later

- SECTION 2.2.(j) continued...

The Governor may, after consultation with the Speaker of the House and the President Pro Tempore of the Senate, *devise and execute prior to July 1, 2006, a plan to reduce the disparity* and may use funds available from the *Reserve for Contingent Appropriations** to begin to execute such a plan.

** \$85 million (see page L5, item 27 of Money Report)*



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Governor's Teacher Pay Plan

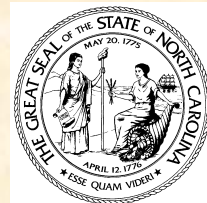
Goal: Increase NC's ability to recruit and retain teachers.

Objectives:

1. Ensure that NC's average teacher salary is above the national average.
2. Ensure that NC's beginning teacher salary is competitive regionally and nationally.

Strategies:

1. **2005-06 Provide additional annualized recurring pay raise of \$750 (for Bachelor's schedule; others "ripple" accordingly).**
2. **Provide 5% total increases (step + schedule) each of the next 3 years.**



Gov's Pay Plan: 2005-06 Quick Facts

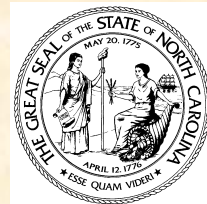
- Raise effective in 5th pay period (Nov.) – i.e., partial year raise in 2005-06
- Actual average annual increase in 2005-06:

Year	Bachelor's Teacher	Bachelor's w/NBPTS	Master's	Master's w/NBPTS	Assistant Principal	Principal*
FY 2005-06	\$525	\$588	\$578	\$647	\$583	\$762-839
Annually Thereafter	\$750	\$840	\$825	\$924	\$833	\$1,016-1,119

* Principals are 12-month employees.

- Average additional pay increases (annualized):

Teachers: 1.96%, Principals: 1.79%



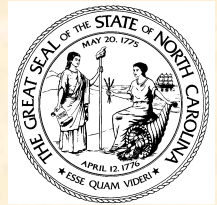
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Gov's Pay Plan: 2005-06 Quick Facts

- State covers cost of FY 2005-06 raise for locally paid teachers and assistant principals (cost: \$7.5 million NR)
- Teachers and assistant principals (state and locally paid) in year-round schools receive an additional \$75 for one month.
- Allotments to charter schools increase by \$50.66 per ADM.

FY 2005-06 Estimated Total Cost: \$73.7 million
(Note: \$11.3 million NR in unused appropriation)

Key Points



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- Renewed Effort to Match or Exceed the National Average Teacher Salary
- 2005-06 Legislated Salary Increase(s)
 1. Amount specified in budget bill (2.24%)
 2. Amount “named later” (+1.96%; total 4.2%)
- 2005-06 = Year 1 of a 4-year plan