



Public Schools of North Carolina
State Board of Education
Department of Public Instruction

Report to the North Carolina General Assembly

Third Grade Read to Achieve Teacher Bonus
Program for 2019-2020

Session Law 2017-57 (SB257)

Sections 8.8.C.(c), 9.7(c)

Date Due: March 15, 2021
DPI Chronological Schedule, 2020-2

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Summary of the Legislation

Appropriations Bill 2016-94 Section 9.7 appropriates \$10,000,000 for bonuses for third-grade reading teachers based on the Education Value-Added Assessment System (EVAAS) student growth index score for third-grade reading. The full text of the legislation can be found in Appendix A.

According to the EVAAS student growth index score for third- grade reading from the previous year, \$5,000,000 is allotted based on bonuses to licensed third-grade teachers who are in the top twenty-five percent (25%) of teachers in the State. These funds shall be allocated equally among qualifying teachers.

According to the EVAAS student growth index score for third grade reading from the previous year, \$5,000,000 is allotted to pay bonuses to licensed third-grade teachers who are in the top twenty-five percent (25%) of teachers in their respective LEA. The funds shall be split proportionally based on average daily membership for each local school administrative unit and then distributed equally among qualifying teachers in each LEA.

The State-level bonus is calculated based on the total number of teachers eligible and the funds are distributed equally to the teachers.

The LEA-level bonus is first allocated to each LEA based on the average daily membership. These funds are then divided by the number of eligible teachers in the LEA. This results in a different bonus amount by LEA.

To be eligible the teacher must remain employed teaching in the same local school administrative unit at least from the school year the data is collected until the corresponding school year that the bonus is paid. LEAs are responsible for determining if teachers meet the eligibility requirements.

State Board of Education Policy

The full State Board of Education allotment policy related to this bonus is presented in Appendix B.

Distribution of Funds

The Department of Public Instruction (DPI) did not distribute funds in January 2020 due to the COVID impact on schools effective March 2020.

State-Level Bonus

The total number of teachers in the top 25%: 0

The total award per teacher: 0

The allotment will include the teacher award plus social security. The award is not subject to retirement.

Total number of eligible teachers who qualified to receive the bonus: 0 (0%). Total number of eligible teachers who did not qualify to receive the bonus: 0 (0%)

LEA-Level Bonus

The total number of teachers in the top 25% of their LEA: 0

The average award \$0

The total number of eligible teachers who qualified for the LEA bonus: 0 (0%). The total number of eligible teachers who did not qualify for the LEA bonus: 0 (0%)

The allotment will include the teacher award plus social security but is not subject to retirement.

The bonus is awarded based on average daily membership and then divided among eligible teachers. The LEA Bonus was capped at \$0 for the 2019-20 school year.

Reporting Requirement

SECTION 8.8C.(c) SBE shall study the *effect of the bonuses awarded* pursuant to this section and Section 9.7 of SL 2016-94, as amended by Section 8.8B of this act, on teacher performance and retention. SBE shall report the results of its findings, the distribution of statewide bonuses as among LEAs, and the distribution of bonuses within LEAs as among individual schools to the Pres. Pro Tempore, the Speaker, JLEOC, and FRD.

SECTION 9.7.(c) SBE shall study the *effect of the program on teacher performance and retention*. SBE shall report the results of its findings, distribution of statewide bonuses as among local school administrative units, and the distribution of bonuses within local school administrative units as among individual schools to the President Pro Tempore, the House Speaker, JLEOC, and FRD on March 15 of each year.

Impact of the Read to Achieve Bonus on the Teaching Profession

This section of the report focuses on the relationship between qualifying for the Read to Achieve Reading Bonus and teacher effectiveness and retention. Given that data on teacher years of experience and mobility are not as complete as that of teachers in traditional public schools, this section will exclude charter school personnel who do not have sufficient data to be included in the analysis. This exclusion may result in inconsistencies in the total for some of the data tables.

Distribution of Qualifying Teachers

The Department of Public Instruction (DPI) did not distribute funds in January 2020 due to the COVID impact on schools effective March 2020.

Teacher Performance

The Department of Public Instruction (DPI) did not distribute funds in January 2020 due to the COVID impact on schools effective March 2020.

Teacher Retention

The Department of Public Instruction (DPI) did not distribute funds in January 2020 due to the COVID impact on schools effective March 2020.

THIRD GRADE READ TO ACHIEVE TEACHER BONUS PROGRAM FOR 2019-2020

SECTION 8.8C.(a) It is the intent of the State to reward teacher performance and encourage student learning and improvement. To attain this goal, the Department of Public Instruction shall administer the Third Grade Read to Achieve Teacher Bonus Program (program) for the 2018-2019 fiscal year to qualifying teachers who have an Education Value-Added Assessment System (EVAAS) student growth index score for third grade reading from the previous school year, as follows:

- (1) For purposes of this section, the following definitions shall apply:
 - a. Eligible Teacher. – A teacher who meets one or both of the following criteria:
 1. Is in the top twenty-five percent (25%) of teachers in the State according to the EVAAS student growth index score for third grade reading from the previous school year.
 2. Is in the top twenty-five percent (25%) of teachers in the teacher's respective local school administrative unit according to the EVAAS student growth index score for third grade reading from the previous school year.
 - b. Qualifying Teacher. – An eligible teacher who remains teaching in the same local school administrative unit at least from the school year the data for the EVAAS student growth index score for third grade reading is collected until the school year a bonus provided under this subsection is paid.
- (2) Of the funds appropriated for this program, the sum of five million dollars (\$5,000,000) shall be allocated for bonuses to eligible teachers under sub-sub-subdivision (1)a.1. of this subsection. Funds appropriated for this purpose shall be distributed equally among qualifying teachers.
- (3) Of the funds appropriated for this program, the sum of five million dollars (\$5,000,000) shall be allocated for bonuses to eligible teachers under sub-sub-subdivision (1)a.2. of this subsection. Funds allocated for this bonus shall be divided proportionally based on average daily membership in third grade for each local school administrative unit and then distributed equally among qualifying teachers in each local school administrative unit, subject to the following conditions:
 - a. Teachers employed in charter schools, regional schools, and University of North Carolina laboratory schools are not eligible to receive a bonus under this subdivision.

- b. Any qualifying teacher who taught in a local school administrative unit that employed in the previous school year three or fewer total third grade teachers shall receive a bonus under this subdivision if that teacher has an EVAAS student growth index score for third grade reading from the previous school year of exceeded expected growth.
- (4) Bonuses awarded pursuant to subdivisions (2) and (3) of this subsection are payable in January to qualifying teachers based on EVAAS student growth index score data from the previous school year.
- (5) A qualifying teacher may receive a bonus under both subdivisions (2) and (3) of this subsection.
- (6) The bonus or bonuses awarded to a qualifying teacher pursuant to this section shall be in addition to any regular wage or other bonus the teacher receives or is scheduled to receive.
- (7) A bonus awarded pursuant to either subdivision (2) or subdivision (3) of this subsection shall not exceed three thousand five hundred dollars (\$3,500) in any given school year. No teacher shall receive more than seven thousand dollars (\$7,000) in total bonus compensation for any given school year.

SECTION 8.8C.(b) Notwithstanding G.S. 135-1(7a), the bonuses awarded by this section are not compensation under Article 1 of Chapter 135 of the General Statutes, the Teachers' and State Employees' Retirement System.

SECTION 8.8C.(c) The State Board of Education shall study the effect of the bonuses awarded pursuant to this section and Section 9.7 of S.L. 2016-94, as amended by Section 8.8B of this act, on teacher performance and retention. The State Board shall report the results of its findings, the distribution of statewide bonuses as among local school administrative units, and the distribution of bonuses within local school administrative units as among individual schools to the President Pro Tempore of the Senate, the Speaker of the House of Representatives, the Joint Legislative Education Oversight Committee, and the Fiscal Research Division by March 15, 2020.

THIRD GRADE READ TO ACHIEVE TEACHER BONUS

PROGRAM REPORT CODE: 046
UNIFORM CHART OF ACCOUNTS CODE: XXXX-046-XXX
STATUTORY REFERENCE: SL 2016-94, SL 2017-57, 2017-88

TYPE: Dollars

TERM: July 1, 2016 to June 30, 2021

PURPOSE: A program that provides funding to reward third-grade teachers with performance-based bonuses.

ELIGIBILITY: Each LEA and public school is entitled to funding, based on their teachers Education Value-Added Assessment System (EVAAS) student growth index score for third-grade reading.

FORMULAS: The proportion stipulated in legislation is allotted based on bonuses to teachers who are in the top twenty-five percent (25%) of teachers in the state according to the EVAAS student growth index score for third grade reading from the previous year. These funds shall be allocated equally among qualifying teachers. The proportion stipulated in legislation is allotted to pay bonuses to teachers who are in the top twenty-five percent (25%) of teachers in their respective LEA according to the EVAAS student growth index score for third grade reading from the previous year. These funds shall be split proportionally based on average daily membership for each LEA and then distributed equally among qualifying teachers in each LEA. For 2017-18 only. Each LEA and charter school is allotted funds for teachers who would have received a bonus based on the 2015-16 test scores but for the restriction that required the teacher to be teaching third grade in 2016-17. The amount shall be \$3,500 per teacher for the LEA level bonus. For 2017-18 only. If an LEA and charter school paid a teacher based on the 2015-16 test score, an amount from local funds in lieu of the bonus the teacher would have received had they been teaching third grade, the LEA and charter school shall be allotted a reimbursement up to \$3,500 per teacher.

SPECIAL PROVISIONS:

1. Bonuses are payable in January to qualifying teachers who remain employed teaching in the same LEA or public school at least from the school year the data is collected until the corresponding school year that the bonus is paid.
2. Teachers employed in charter schools and regional schools are only eligible to receive the bonus if they are in the top 25% of teachers in the state. No allocation is made at the charter or regional school level.
3. Any teacher working in a LEA that employs three or fewer third grade teachers shall receive a bonus at the LEA level if that teacher has an EVAAS student growth index score for third grade reading from the previous school year that exceeds expected growth.
4. Teachers who qualify may receive bonuses at both the state and LEA level.
5. The compensation bonuses are not considered compensation for purposes of the Teachers' and State Employees' Retirement System.
6. Any unexpended funds from the state level bonus paid in January, due to ineligible teachers per legislation, will be reallocated to LEAs and public schools based on the eligible teachers who were paid the bonus in January. These teachers shall be paid an equal share of the reallocated funds. No funds shall revert to the State.

