



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

Report to the North Carolina General Assembly

Third-Grade Reading Teacher Performance Bonus Pilot Program

Session Law 2016-94 Section 9.7(c)(1)

Date Due: March 1, 2017

Report # --61

DPI Chronological Schedule, 2016-2017

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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 section in the legislation can be found in the Appendix A.

\$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.

\$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 local education agency (LEA). These 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.

To be eligible the teacher must be teaching third-grade in the same LEA at least until the bonus is paid in January. LEAs are responsible for determining if the teachers meet the eligibility requirements.

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 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.

State Board of Education Policy

State Board of Education approved the allotment policy for the distribution of the funds in their November 2016 meeting. The full policy is presented in Appendix B. Number 6 of the special provisions is pending approval at the March 2017 meeting.

Distribution of Funds

The Department of Public Instruction (DPI) distributed the funds based on SBE policy to the LEAs and charter schools. The initial distribution is available in Appendix C.

State Level Bonus

The total number of teachers in the top 25%	1,318
The initial bonus amount for each teacher who were in the top 25% of the State	\$3,523.

The Department will redistribute unused State level awards to eligible teachers upon approval of the revised policy.

The data of the actual number of teachers who were paid the bonus was not available at the time of the preparation of the report. The DPI will analyze the data in detail and provide further information when the data is available.

LEA Level Bonus

The total number of teachers in the top 25% of their LEA	1,298
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The actual number of teachers eligible for an award and the amounts paid was not available at the time of this report.

Reporting Requirement

The State Board of Education shall report on 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, and the Fiscal Research Division on March 1, 2017.

Legislation

Appendix A

Session Law 2016-94 Section 9.7

THIRD-GRADE READING TEACHER PERFORMANCE PILOT PROGRAM SECTION 9.7.(a)

The State Board of Education shall establish the Third-Grade Reading Teacher Performance Pilot Program to reward teacher performance and encourage student learning and improvement. To attain this goal, the Department of Public Instruction shall administer bonus pay to licensed third-grade teachers who have an Education Value-Added Assessment System (EVAAS) student growth index score for third-grade reading from the previous school year, beginning with the data from the 2015-2016 school year, as follows:

- (1) Of the funds appropriated for this program, five million dollars (\$5,000,000) shall be allocated for bonuses to licensed third-grade 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.
- (2) Of the funds appropriated for this program, five million dollars (\$5,000,000) shall be allocated to pay bonuses to licensed third-grade teachers who are in the top twenty-five percent (25%) of teachers in their respective local school administrative units 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 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 and regional schools are not eligible to receive a bonus under this subdivision. b. Any teacher working in a local school administrative unit that employs three or fewer 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 that exceeds expected growth.
- (3) For EVAAS student growth index score data collected during the 2015-2016 school year and the 2016-2017 school year, bonuses awarded pursuant to subdivisions (1) and (2) of this subsection are payable in January of 2017 and January of 2018, respectively, to qualifying third-grade teachers who remain employed teaching third-grade 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.
- (4) A teacher who is eligible to receive a bonus under both subdivisions (1) and (2) of this subsection shall receive both bonuses.

SECTION 9.7.(b) Notwithstanding G.S. 135-1(7a), the compensation 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 9.7.(c) The State Board of Education shall report on and study the Third-Grade Reading Teacher Performance Pilot Program (Program) as follows:

- (1) The State Board of Education shall report on 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, and the Fiscal Research Division on March 1, 2017, and again on March 1, 2018.

- (2) The State Board of Education shall study the effect of the Program on teacher performance and retention. The State Board of Education shall report the results of its findings to the President Pro Tempore of the Senate, the Speaker of the House of Representatives, the Fiscal Research Division, and the Joint Legislative Education Oversight Committee no later than March 1, 2018.

SECTION 9.7.(d) For the 2017-2018 fiscal year only, the Director of the Budget shall also include in the Base Budget, as defined by G.S. 143C-1-1(d)(1c), the amount of nonrecurring funds needed to support the Program.

SECTION 9.7.(e) This section expires June 30, 2018

Third-Grade Teacher Performance Bonus

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

TYPE: Dollars

TERM: July 1, 2016 to June 30, 2018

PURPOSE: A two-year pilot program which provides funding to reward third-grade teacher with performance based bonuses.

ELIGIBILITY: Each LEA 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 licensed third-grade 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 licensed third-grade 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.

SPECIAL PROVISIONS:

1. Bonuses are payable in January 2017 and January 2018, respectively, to qualifying teachers who remain employed teaching third-grade in the same LEA 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. Unused funds shall not be used for any purpose other than stipulated in the legislation. Excess funds allotted shall revert to the State. Any unexpended funds from the State level bonus paid in January, due to ineligible teachers per legislation, will be reallocated to LEAs 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.

**Third-Grade Reading Teacher Performance Bonus
FY 2016-17**

APPENDIX C

LEA/CS #	LEA\Charter Name	3rd Grade Teacher Bonus		
		State Bonus	LEA Bonus	Total
010	Alamance-Burlington	\$ 113,790	\$ 77,982	\$ 191,772
020	Alexander County	15,172	17,759	32,931
030	Alleghany County	11,379	4,948	16,327
040	Anson County	7,586	12,100	19,686
050	Ashe County	26,551	10,813	37,364
060	Avery County	-	7,255	7,255
070	Beaufort County	41,723	24,114	65,837
080	Bertie County	22,758	8,418	31,176
090	Bladen County	3,793	16,156	19,949
100	Brunswick County	18,965	43,442	62,407
110	Buncombe County	64,481	85,706	150,187
111	Asheville City	7,586	15,144	22,730
120	Burke County	34,137	43,308	77,445
130	Cabarrus County	56,895	107,237	164,132
132	Kannapolis City	7,586	18,710	26,296
140	Caldwell County	56,895	41,307	98,202
150	Camden County	11,379	6,520	17,899
160	Carteret County	49,309	29,152	78,461
170	Caswell County	3,793	9,441	13,234
180	Catawba County	91,032	57,357	148,389
181	Hickory City	7,586	15,480	23,066
182	Newton-Conover	11,379	11,084	22,463
190	Chatham County	22,758	28,991	51,749
200	Cherokee County	11,379	11,290	22,669
210	Edenton/Chowan	11,379	7,574	18,953
220	Clay County	11,379	4,561	15,940
230	Cleveland County	109,997	51,983	161,980
240	Columbus County	18,965	20,745	39,710
241	Whiteville City	11,379	7,690	19,069
250	Craven County	68,274	49,159	117,433
260	Cumberland County	144,134	174,261	318,395
270	Currituck County	7,586	13,497	21,083
280	Dare County	26,551	17,131	43,682
290	Davidson County	121,376	67,536	188,912
291	Lexington City	11,379	10,456	21,835
292	Thomasville City	3,793	8,250	12,043
300	Davie County	30,344	21,774	52,118
310	Duplin County	15,172	34,152	49,324
320	Durham County	83,446	117,254	200,700
330	Edgecombe County	11,379	20,127	31,506
340	Forsyth County	144,134	186,927	331,061

LEA	LEA Name	State Bonus	LEA Bonus	Total Bonus
350	Franklin County	18,965	29,746	48,711
360	Gaston County	75,860	107,899	183,759
370	Gates County	7,586	-	7,586
380	Graham County	7,586	4,084	11,670
390	Granville County	3,793	27,629	31,422
400	Greene County	7,586	11,136	18,722
410	Guilford County	197,236	246,797	444,033
420	Halifax County	3,793	10,257	14,050
421	Roanoke Rapids City	3,793	10,127	13,920
422	Weldon City	-	3,243	3,243
430	Harnett County	72,067	71,122	143,189
440	Haywood County	64,481	25,312	89,793
450	Henderson County	91,032	47,313	138,345
460	Hertford County	3,793	10,323	14,116
470	Hoke County	30,344	29,519	59,863
480	Hyde County	7,586	-	7,586
490	Iredell-Statesville	83,446	71,733	155,179
491	Mooresville City	53,102	20,813	73,915
500	Jackson County	3,793	12,979	16,772
510	Johnston County	125,169	119,303	244,472
520	Jones County	15,172	3,926	19,098
530	Lee County	18,965	34,842	53,807
540	Lenoir County	37,930	31,613	69,543
550	Lincoln County	60,688	39,965	100,653
560	Macon County	60,688	15,244	75,932
570	Madison County	15,172	8,528	23,700
580	Martin County	3,793	11,572	15,365
590	McDowell County	15,172	21,781	36,953
600	Mecklenburg County	402,058	513,222	915,280
610	Mitchell County	11,379	6,712	18,091
620	Montgomery County	15,172	14,080	29,252
630	Moore County	49,309	44,804	94,113
640	Nash-Rocky Mount	22,758	54,454	77,212
650	New Hanover County	136,548	90,051	226,599
660	Northampton County	-	6,836	6,836
670	Onslow County	102,411	89,354	191,765
680	Orange County	34,137	25,827	59,964
681	Chapel Hill-Carrboro	11,379	41,877	53,256
690	Pamlico County	7,586	4,365	11,951
700	Pasquotank County	26,551	19,948	46,499
710	Pender County	34,137	30,810	64,947
720	Perquimans County	3,793	6,002	9,795
730	Person County	22,758	15,882	38,640
740	Pitt County	106,204	82,717	188,921
750	Polk County	22,758	7,845	30,603
760	Randolph County	136,548	61,510	198,058
761	Asheboro City	11,379	16,386	27,765

LEA #	LEA Name	State Bonus	LEA Bonus	Total Bonus
770	Richmond County	22,758	25,902	48,660
780	Robeson County	106,204	80,525	186,729
790	Rockingham County	56,895	44,633	101,528
800	Rowan-Salisbury	56,895	68,442	125,337
810	Rutherford County	64,481	28,782	93,263
820	Sampson County	49,309	29,790	79,099
821	Clinton City	11,379	10,570	21,949
830	Scotland County	22,758	20,580	43,338
840	Stanly County	41,723	29,753	71,476
850	Stokes County	26,551	22,100	48,651
860	Surry County	68,274	28,425	96,699
861	Elkin City	11,379	4,310	15,689
862	Mount Airy City	7,586	5,631	13,217
870	Swain County	3,793	7,148	10,941
880	Transylvania County	7,586	12,220	19,806
890	Tyrrell County	3,793	-	3,793
900	Union County	201,029	143,870	344,899
910	Vance County	26,551	22,237	48,788
920	Wake County	197,236	542,374	739,610
930	Warren County	3,793	8,037	11,830
940	Washington County	-	5,652	5,652
950	Watauga County	15,172	14,859	30,031
960	Wayne County	30,344	65,140	95,484
970	Wilkes County	41,723	33,960	75,683
980	Wilson County	60,688	42,467	103,155
990	Yadkin County	37,930	18,634	56,564
995	Yancey County	15,172	7,680	22,852
Total		\$ 4,965,037	\$ 5,000,000	\$ 9,965,037

Charters		State Bonus	LEA Bonus	Total
01B	River Mill Academy	3,793	-	3,793
10A	Charter Day School	11,379	-	11,379
10B	South Brunswick Charter School	3,793	-	3,793
11B	ArtSpace Charter School	3,793	-	3,793
12A	New Dimensions	3,793	-	3,793
13A	Carolina International School	3,793	-	3,793
16B	Tiller School	3,793	-	3,793
19A	Chatham Charter	7,586	-	7,586
24N	Columbus Charter School	3,793	-	3,793
26B	Alpha Academy	3,793	-	3,793
32D	Kestrel Heights School	3,793	-	3,793
33A	North East Carolina Prep	3,793	-	3,793
34B	Quality Education Academy	7,586	-	7,586
34G	The Arts Based School	3,793	-	3,793
34H	The North Carolina Leadership Academy	3,793	-	3,793
36C	Mountain Island Charter School	3,793	-	3,793
41B	Greensboro Academy	3,793	-	3,793

CS#	Charter School Name	State Bonus	LEA Bonus	Total Bonus
41F	Triad Math and Science Academy	3,793	-	3,793
41J	Summerfield Charter Academy	7,586	-	7,586
49E	Pine Lake Preparatory	7,586	-	7,586
49F	Langtree Charter Academy	3,793	-	3,793
55A	Lincoln Charter School	7,586	-	7,586
60G	Queen's Grant Community School	3,793	-	3,793
60I	Community School of Davidson	15,172	-	15,172
60M	Corvian Community School	7,586	-	7,586
60S	Bradford Preparatory School	7,586	-	7,586
61J	Thunderbird Prep	3,793	-	3,793
63A	The Academy of Moore County	3,793	-	3,793
65B	Wilmington Preparatory Academy	3,793	-	3,793
65C	Douglass Academy	3,793	-	3,793
65D	Island Montessori Charter	3,793	-	3,793
69A	Arapahoe Charter School	7,586	-	7,586
73A	Bethel Hill Charter	3,793	-	3,793
81A	Thomas Jefferson Class Academy	15,172	-	15,172
86T	Millennium Charter Academy	3,793	-	3,793
90A	Union Academy	3,793	-	3,793
92B	The Exploris School	3,793	-	3,793
92D	Magellan Charter	3,793	-	3,793
92N	Quest Academy	3,793	-	3,793
92R	Casa Esperanza Montessori Charter School	3,793	-	3,793
92W	Cardinal Charter	7,586	-	7,586
	Total	\$ 219,994	\$ -	\$ 219,994
	Grand Total	\$ 5,185,031	\$ 5,000,000	\$ 10,185,031

Notes:

- 1 Per legislation, charter schools are not eligible for the LEA level bonus.
- 2 Over allotment of the State level bonus of \$185,031, due to teachers not being eligible.
- 3 State level funds that are not paid out to teachers due to their ineligibility, shall revert and be redistributed to eligible teachers (pending State Board of Education authorization anticipated March, 2017).