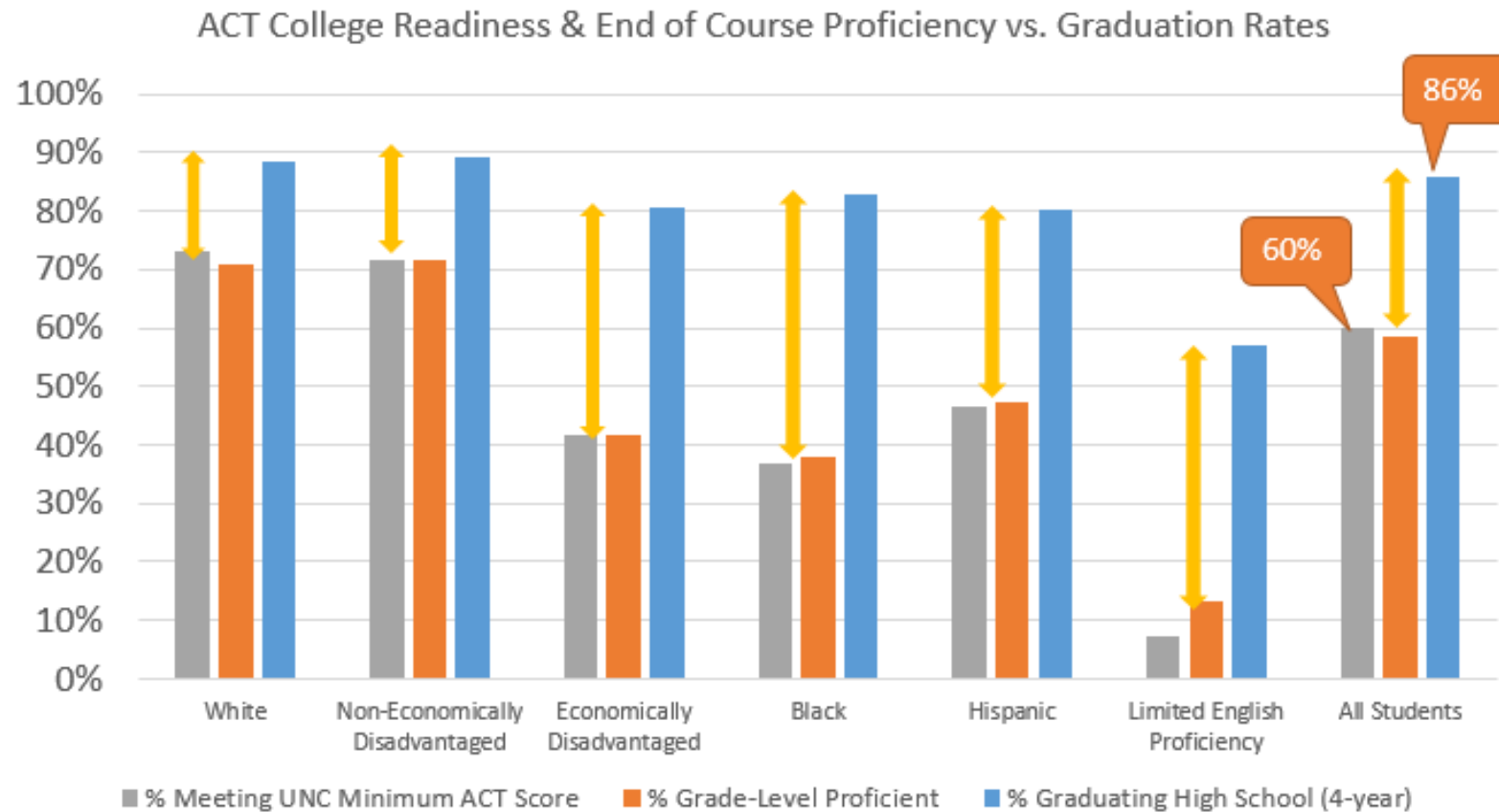


Joint Legislative Study Committee on School-Based Administrator Pay

November 28, 2016



Student Achievement



Despite graduation rates at all-time highs, 40% of NC students (and a full 60% of low-income students) fail to meet the UNC minimum ACT score of college- and career-readiness

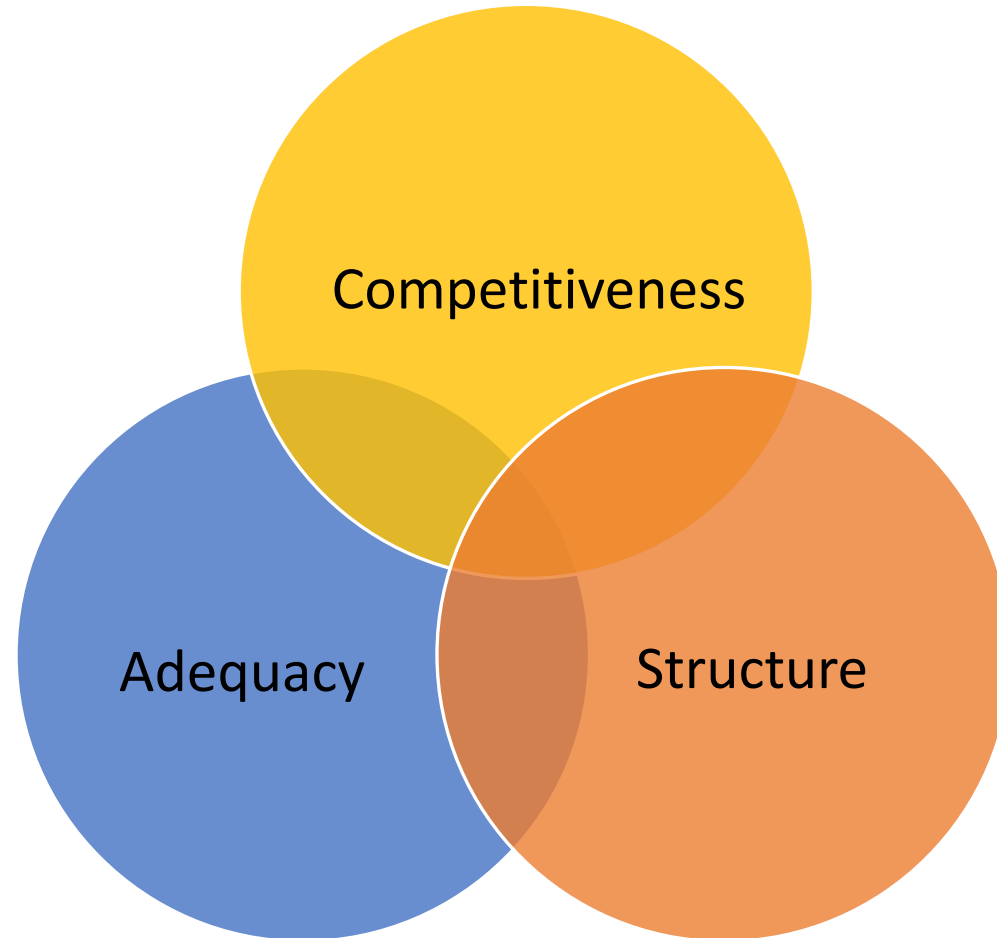
Leadership Matters

25% of a school's impact on academic achievement can be attributed to the **school leader**.

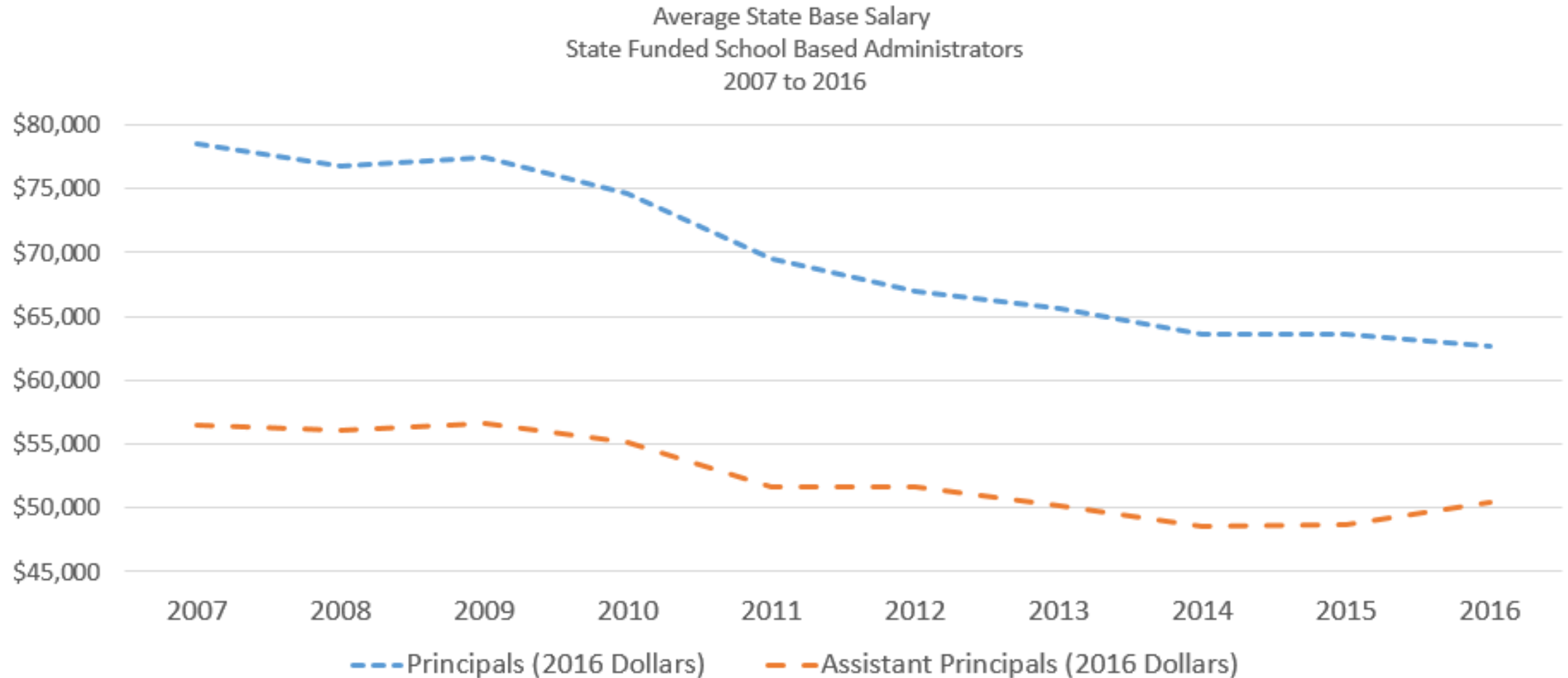
"You can have great teachers, but if you don't have a **good principal**, you won't have a **good school**."

- Eli Broad

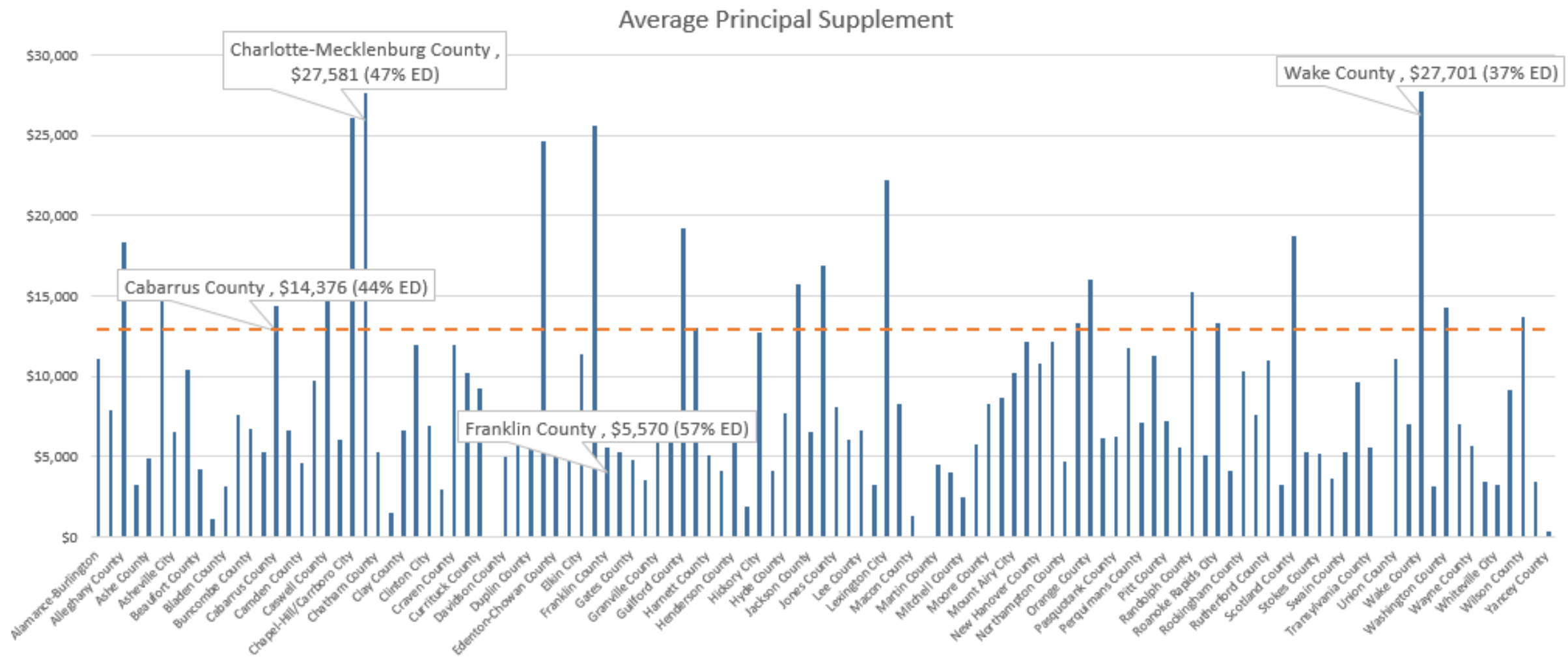
Challenges with School Administrator Pay in NC



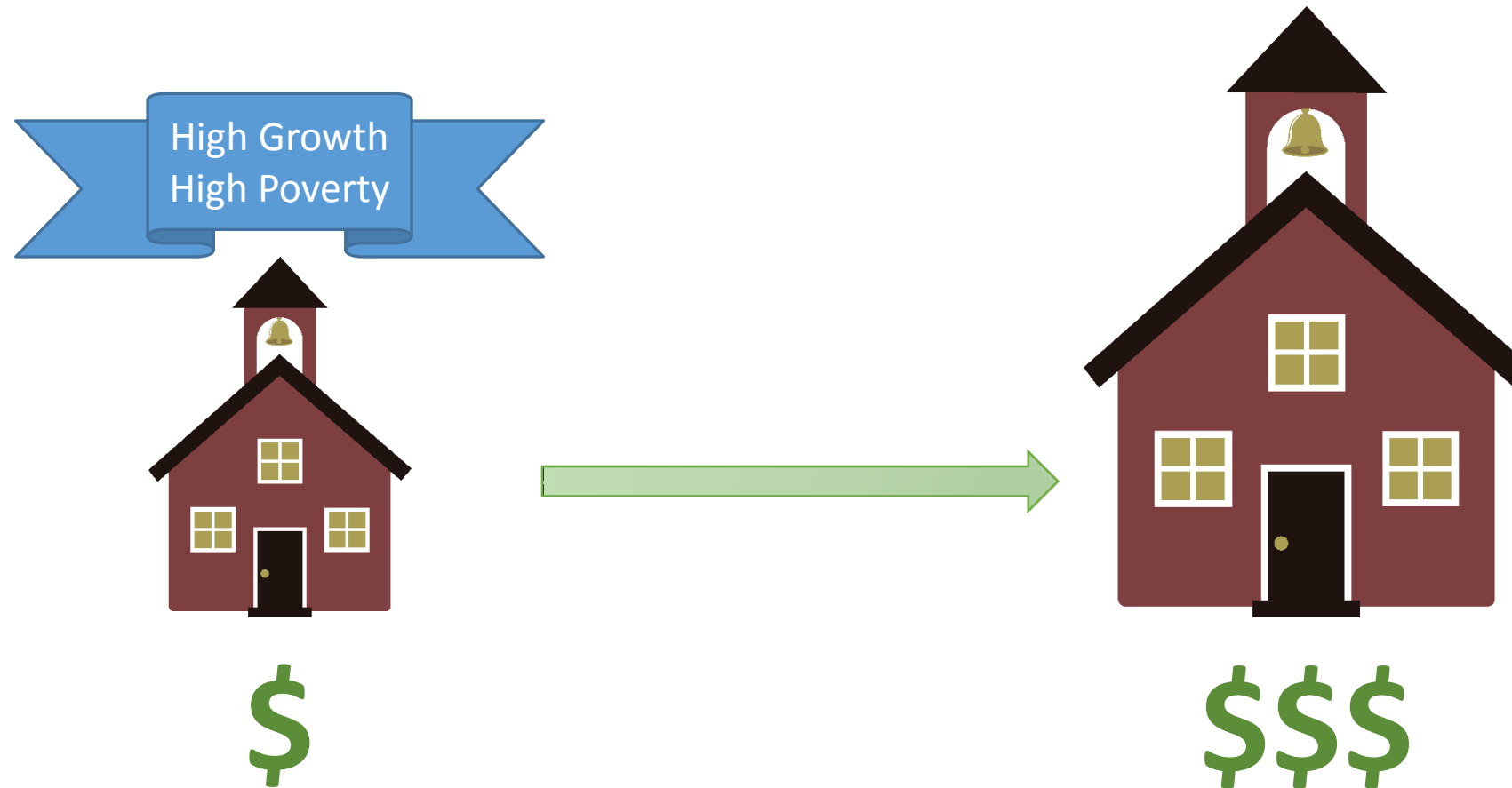
The average base salary for NC's school-based administrators declined by 20% over the past decade, ranking us 50th in the nation.



Local salary supplements for school principals vary significantly.



The structure of NC's state salary schedules raises several challenges.



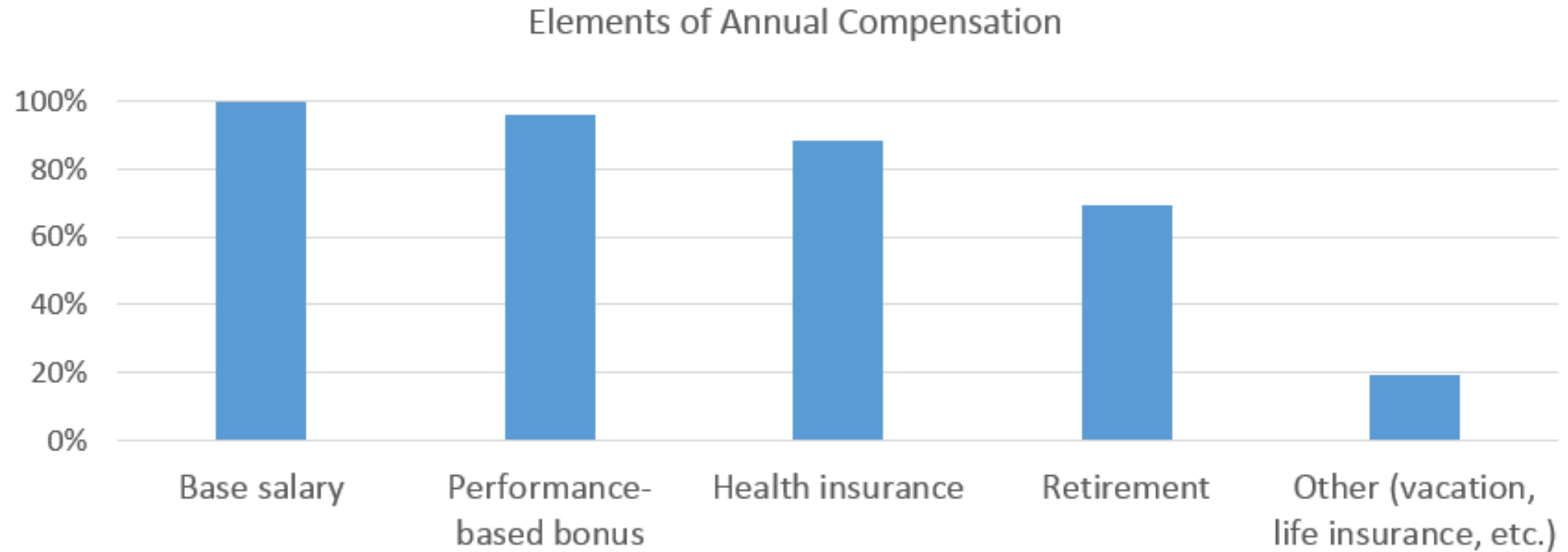
Compensation Priorities

- **Recruit** outstanding educators with leadership competencies to the principalship.
- **Incentivize** well-prepared principals to serve in high-need schools.
- **Increase retention** of school principals where they can have their greatest impact.

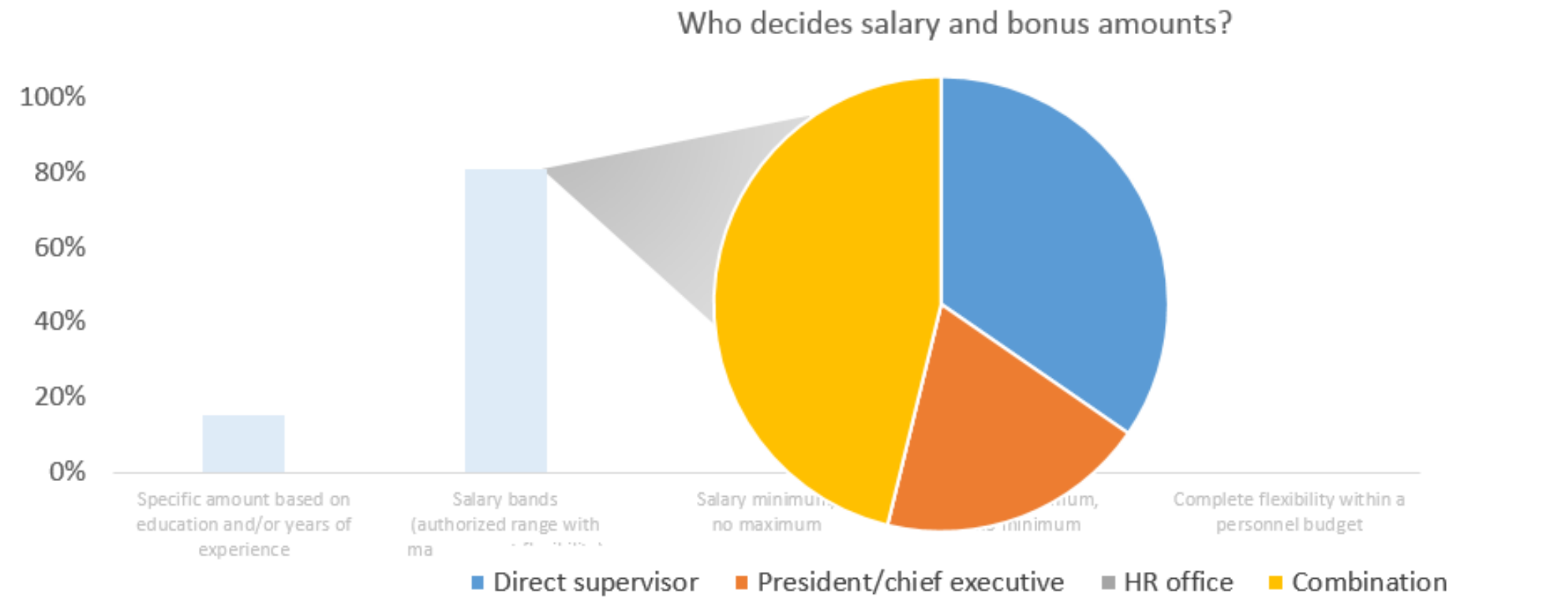
Lessons from the Private Sector

“Regardless of industry, if you want to attract, motivate and retain top talent, compensation must align to that philosophy.”

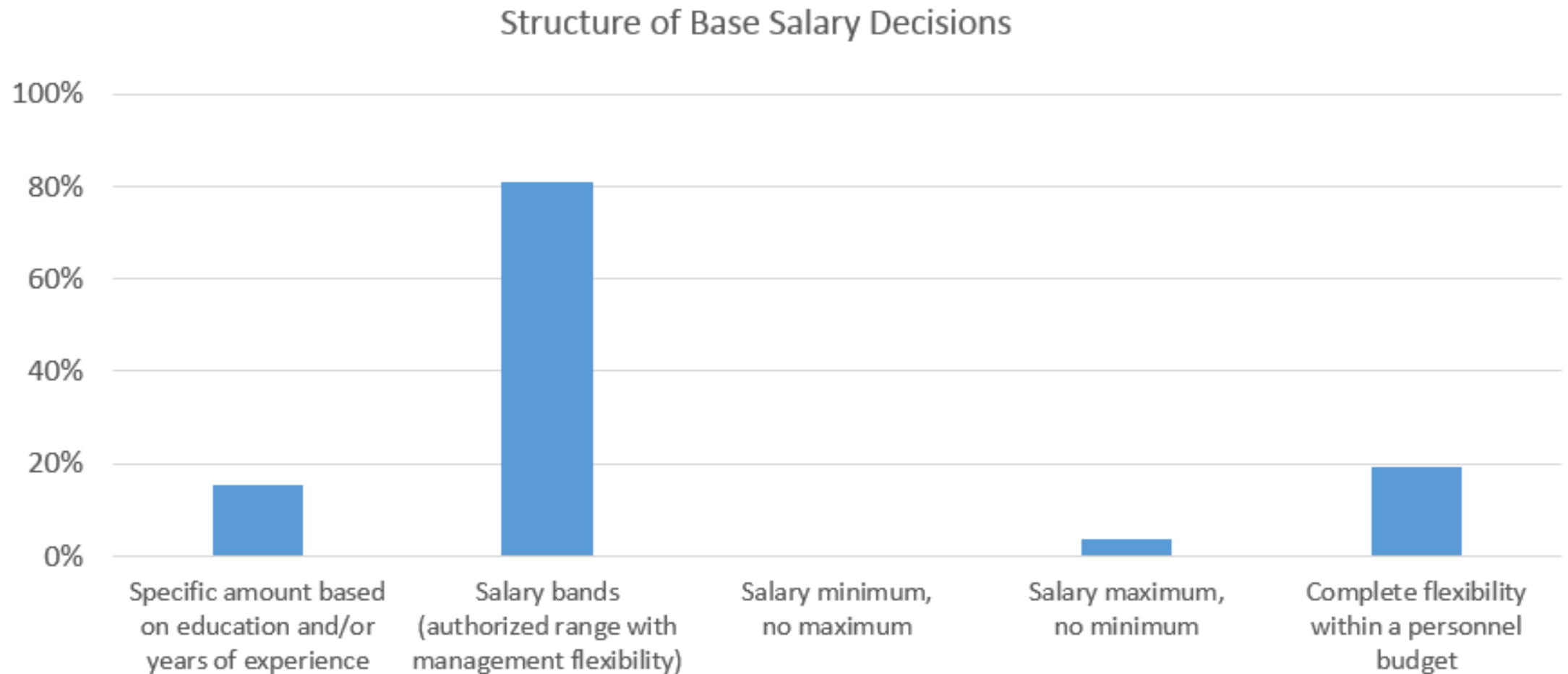
Lessons from the Private Sector



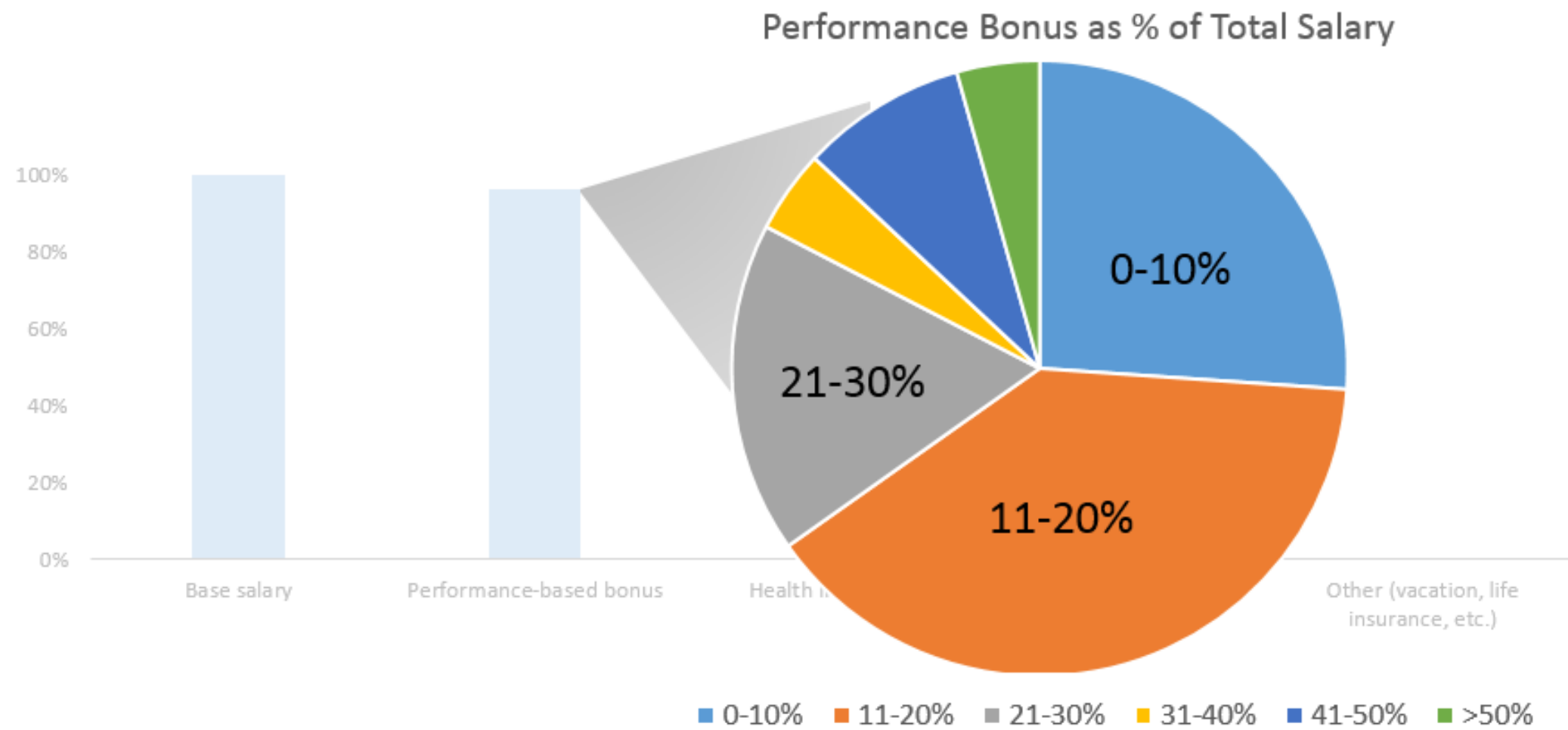
Most organization leaders make salary decisions in cooperation with HR.



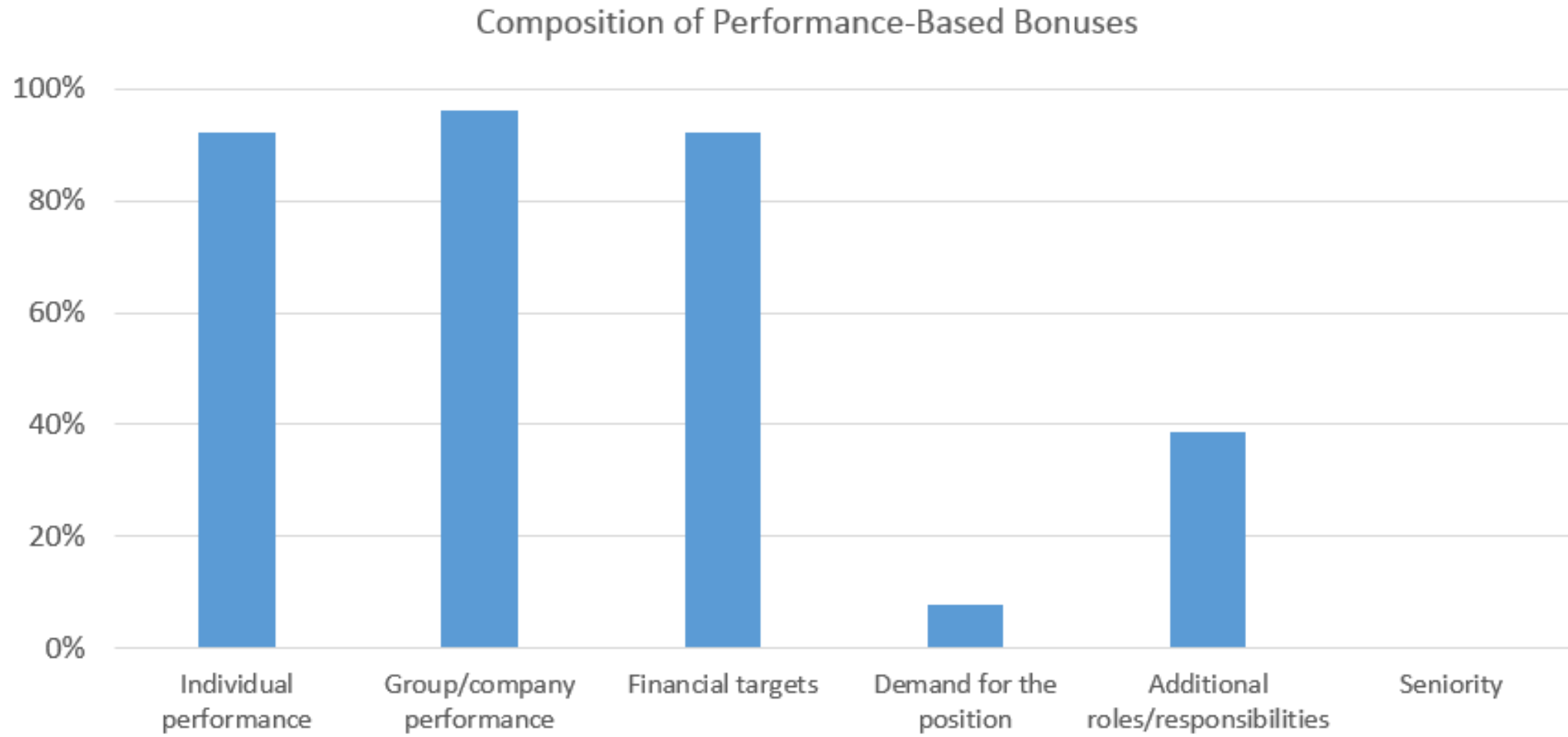
The great majority of employers provide some salary flexibility within guardrails set company-wide. Fewer than 1 in 5 provide total flexibility.



96% of employers offer performance bonuses, which average 23% of total salary.

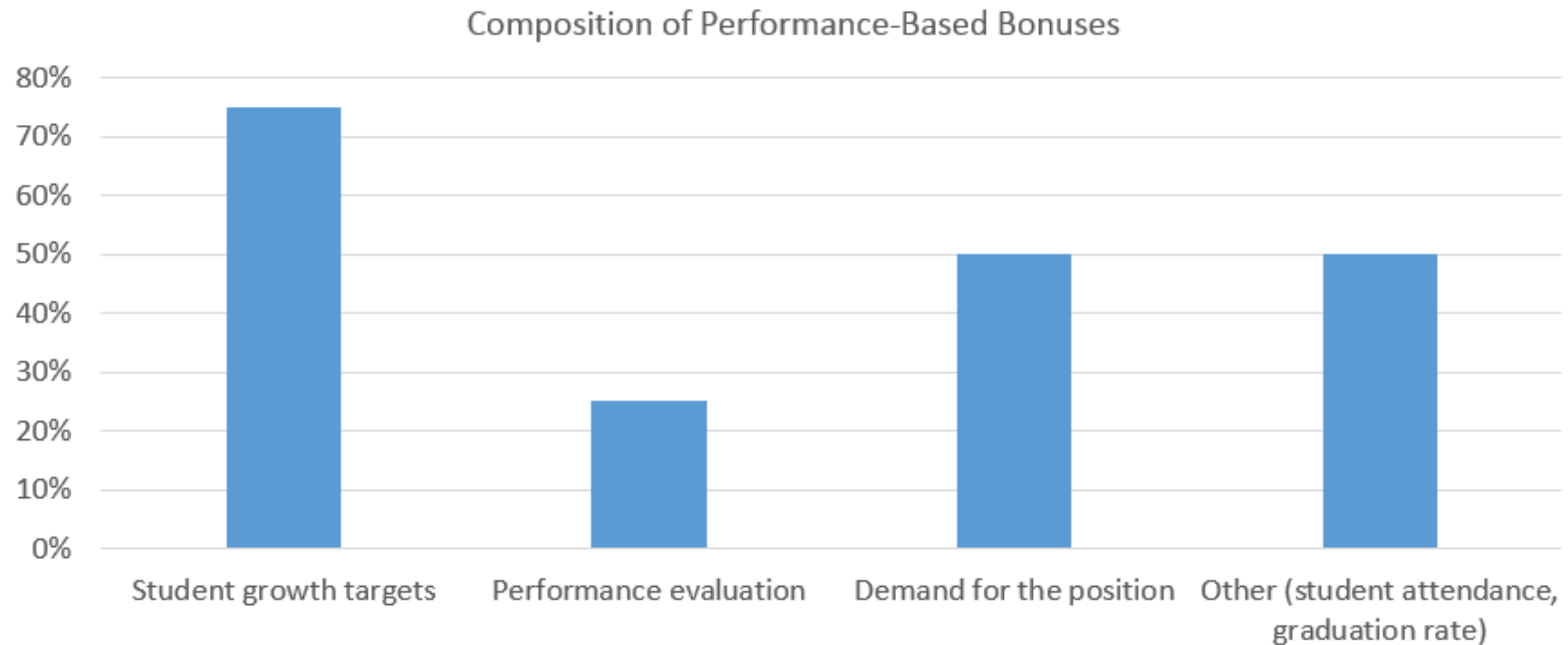


Most performance bonuses are determined based on multiple factors.



Lessons from Education Innovations

In education as in private industry, performance bonuses are typically determined based on multiple factors.



Recommendations

1. **Significantly increase** the overall level of administrator pay, with a multi-year commitment similar to recent progress on teacher salaries.
2. Link administrator compensation structures to **teacher salaries**.
3. **Incorporate performance** into principal salary structures (e.g., evaluation ratings, school-wide student growth).
4. Consider the **demands of principals' assignments** when determining their compensation (e.g., high-poverty schools, school size, morale).
5. Align compensation with **other education priorities** (e.g., 3rd grade literacy, teacher leadership).
6. Provide **local flexibility** on compensation within **statewide guardrails** (e.g., #3-5).



Thank you!

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