

A proposal for...

Revising the Principal Pay Plan

March 11, 2024 | NC House Select Committee on Education Reform

A commitment to recognizing the importance of strong school leadership.

Presenters: Dr. John Lassiter & Ms. Ashley Faulkenberry
2023 Regional Principals of the Year



Our Purpose Today



How Did We Get Here?

2016

Joint Legislative
Committee Studies
Revisions

2018

New Principal Pay Scale
Goes Into Effect

THANK YOU!

2020

COVID Pauses Testing
and Freezes Principal
Pay on Scale

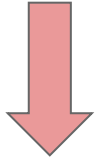
2022

HB19 Realigns Principal
Salaries Based on One
Year's EVAAS Growth

Thank you for taking action in 2018 to increase average principal pay. The proposal today continues that work. It is not focused on significant increases in pay but on tweaking the compensation model to provide greater pay stability and to keep outstanding principals in their schools longer.

Current Principal Compensation Plan

Average Daily Membership and Growth are the only two factors impacting Principal Pay



PRINCIPAL SALARY (Annual Schedules) FY 2023-24 Effective July 1, 2023

Base + 10%

Base + 20%

ADM Range	Schedule/ Pay Level	Base Annual Salary	Schedule/ Pay Level	Growth Met Annual Salary	Schedule/ Pay Level	Growth Exceeded Annual Salary
up to 200	B0	\$75,526	G0	\$83,078	E0	\$90,631
201 to 400	B1	\$79,302	G1	\$87,232	E1	\$95,162
401 to 700	B2	\$83,078	G2	\$91,386	E2	\$99,694
701 to 1,000	B3	\$86,855	G3	\$95,540	E3	\$104,226
1,001 to 1,600	B4	\$90,631	G4	\$99,694	E4	\$108,757
over 1,600	B5	\$94,407	G5	\$103,848	E5	\$113,288

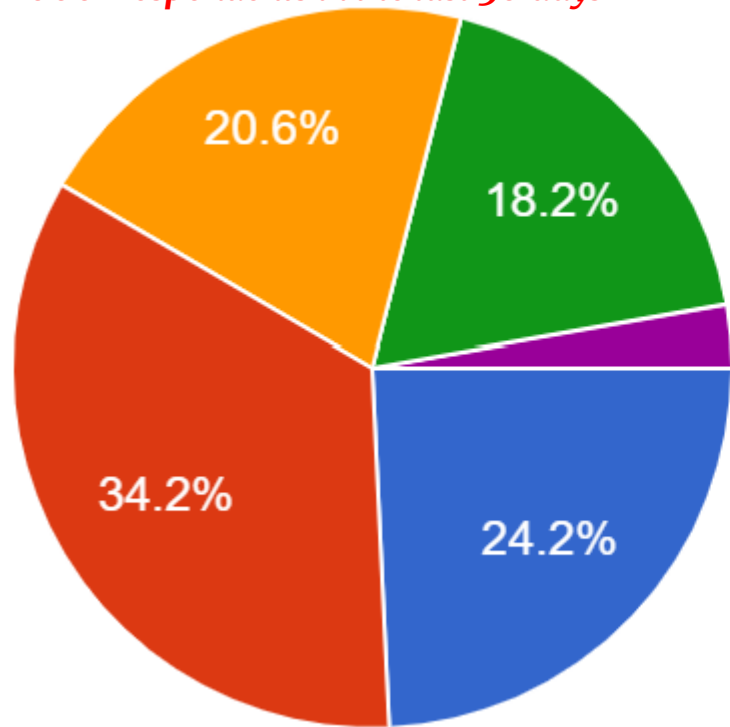
Current Principal Compensation Plan

The current plan was a step in the right direction for overall principal compensation. However, the plan had a few unintended consequences:

1. It leads to *big swings in pay* based on many factors beyond the principal's control.
2. It *doesn't consider the complexity* of the school.
3. It *de-incentivizes* outstanding Assistant Principals from aspiring to become principals and *stay in the field*.

Perceptions of the Current Compensation Plan

~1000 Respondents in the last 30 days



- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

Only 21%** of principals surveyed agree or strongly agree that –**performance-based pay in the current pay plan makes up a fair portion of a principal's total salary.

Opportunities For Improvement

The challenges that this proposed plan hopes to overcome in support of school leaders are:

- ***Reducing the dramatic swings in salaries***
 - A principal's salary can fluctuate dramatically and unpredictably from an average of \$8,496 to as much as \$18,000 per year.
- ***Recognizing that not all schools are the same***
 - Adding additional complexity factors (beyond school size) when determining principal pay.
- ***Promoting principal retention***
 - Adding a retention supplement or principals offsets a desire for school leaders to seek Central Office positions.





First Look – Proposed Principal Compensation Plan

Proposed Draft Principal Pay Plan - Annual Schedule

School Complexity Range	Schedule/ Pay Level	BASE	Schedule/ Pay Level	Growth Met	Schedule/ Pay Level	Growth Exceeded
		Annual Salary		Annual Salary		Annual Salary
Lowest 10%	B0	\$82,650.00	B0	\$86,782.50	B0	\$91,121.63
11 - 30%	B1	\$86,782.50	B1	\$91,121.63	B1	\$95,677.71
31 - 50%	B2	\$91,121.63	B2	\$95,677.71	B2	\$100,461.59
51 - 70%	B3	\$95,677.71	B3	\$100,461.59	B3	\$105,484.67
71 - 90%	B4	\$100,461.59	B4	\$105,484.67	B4	\$110,758.90
Highest 10%	B5	\$105,484.67	B5	\$110,758.90	B5	\$116,296.85

Retention Pay (Years as Principal ONLY)			
0-4 Years	5-9 Years	10-14 Years	15+ Years
\$0	\$2,000	\$4,000	\$6,000

Features of the Proposed Plan

-  Establishes a complexity model that considers more than just school size.
-  Links all school employees to one salary scale while ensuring that the principal is the highest paid employee in the building.
-  Reduces the performance swings in pay to stabilize salaries, while maintaining the structure currently in place.
-  Adds a system of retention based on years as a school principal to keep leaders in schools.

Acknowledging School Complexity

Complexity factor currently impacting principal pay

This proposal adds the following complexity factors:

**(ADM)
School Size**



**Multi
Language
Learners**

**Academically
or
Intellectually
Gifted**

Homeless

**Economically
Disadvantaged
Students**

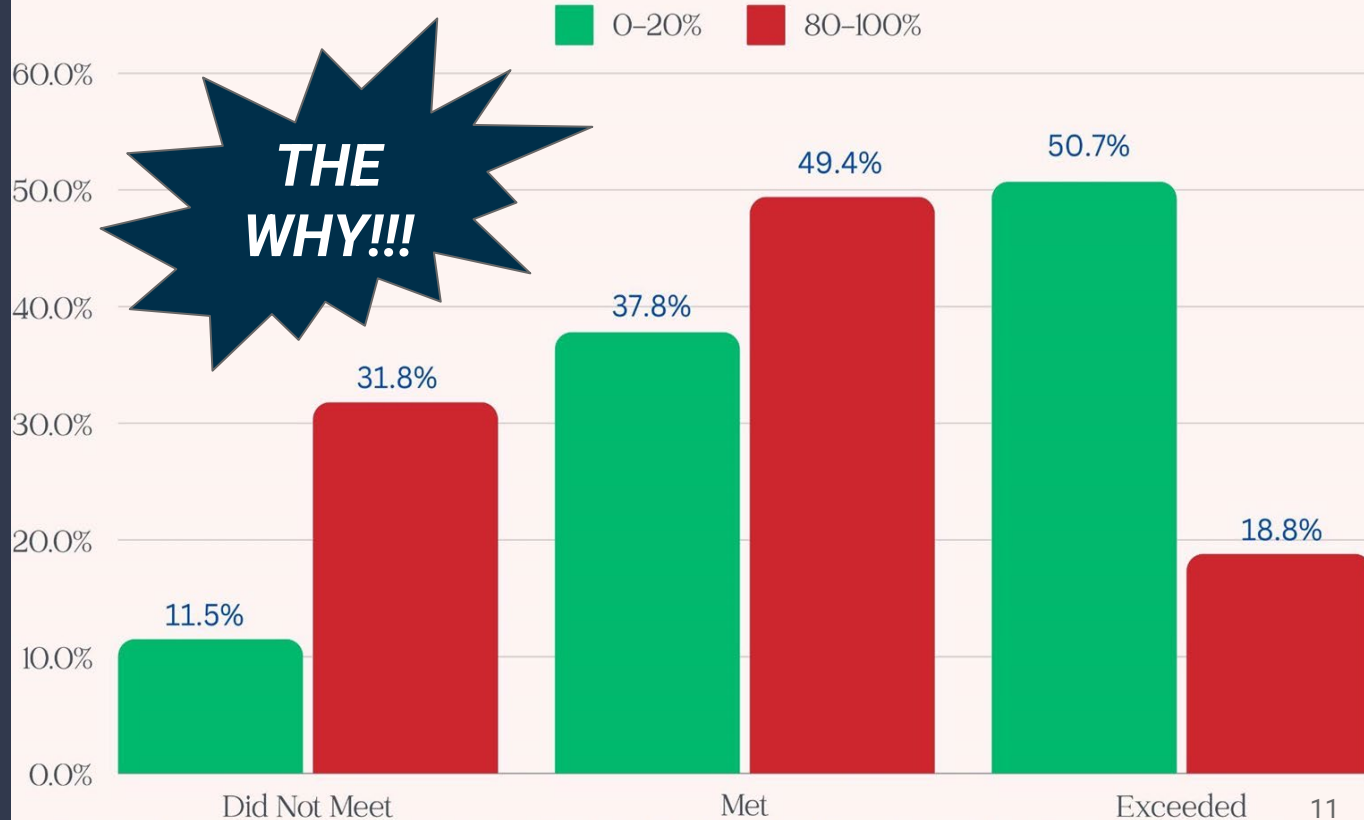
**Exceptional
Children**

Why Do We Need To Measure Complexity?

Our current system ranks growth of all schools with no consideration of complexity or disadvantage.

This graph shows the correlation between social economic status of the student population and the school's ability to exceed growth.

2022-23 School Growth Status by Percent of Economically Disadvantaged Students

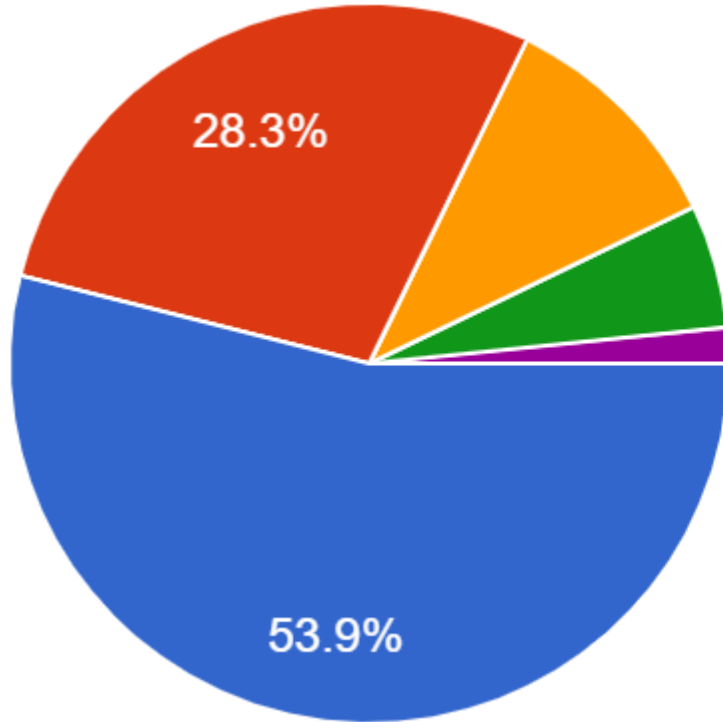


*Data from NCDPI compiled by NCPAPA

Source: <https://www.dpi.nc.gov/2022-23-annual-testing-report-includes-performance-school-performance-grades-and-long-term-goals/download?attachment>

High-Performing Principals & Low-Performing Schools

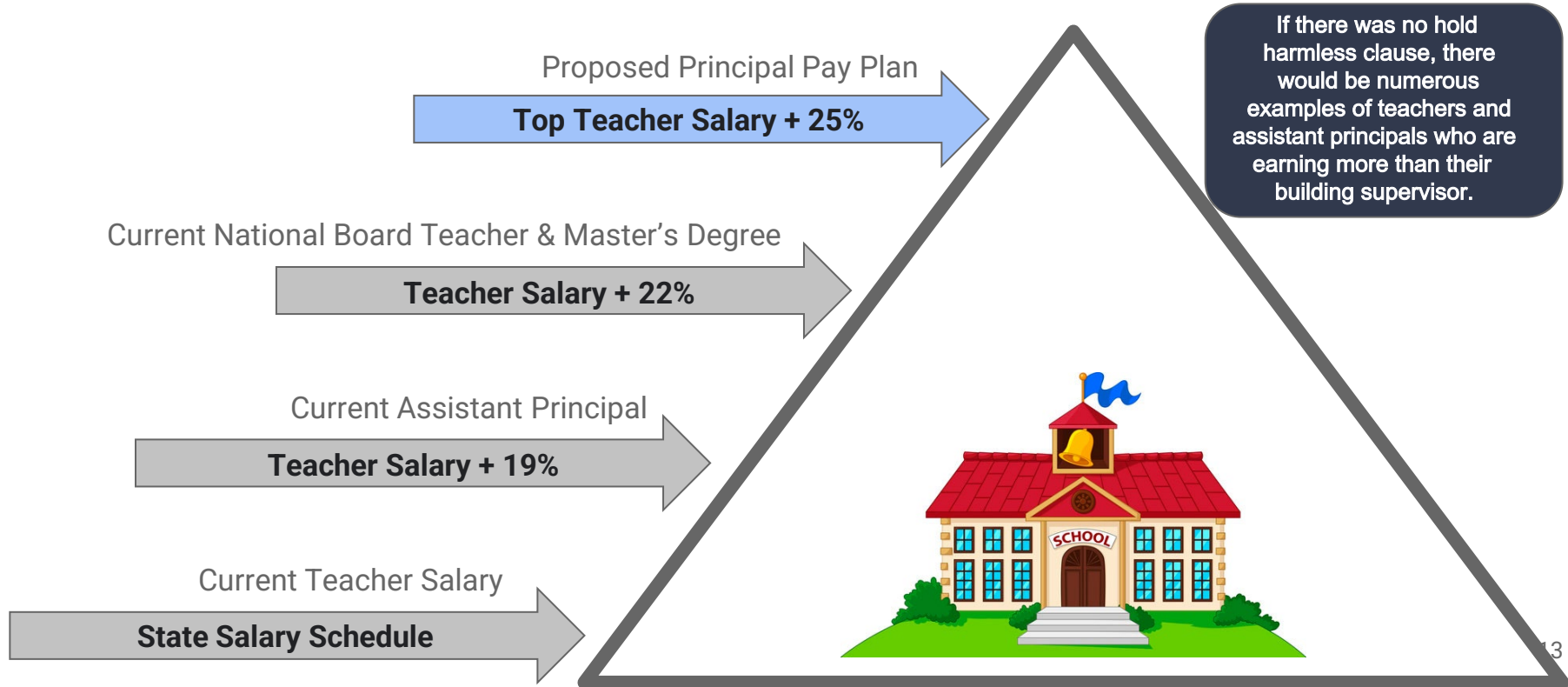
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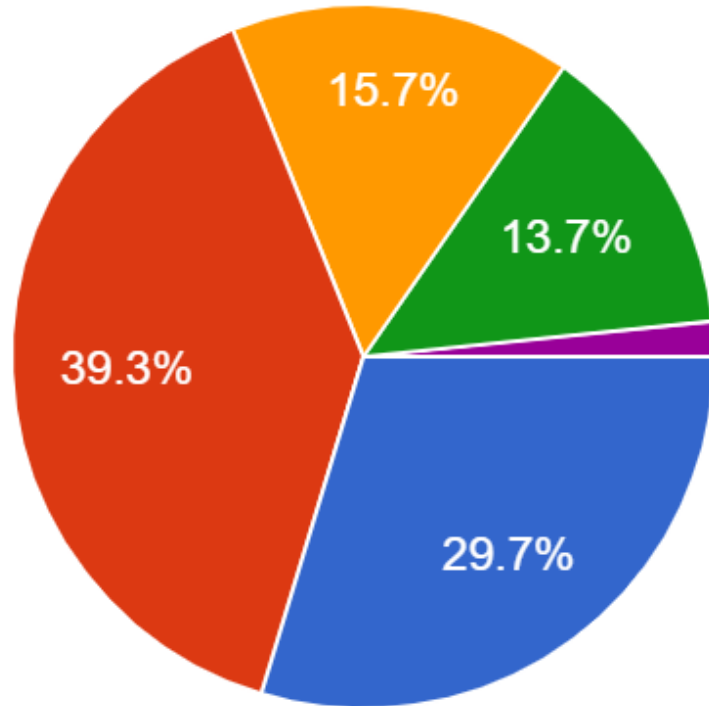
Only 7%** agree or strongly agree that – **the current pay plan encourages high-performing principals to transition to low-performing schools.

Creating a Compensation Progression



Becoming a Principal

~1000 Respondents in the last 30 days



- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

Less than 15% of principals agree or strongly agree that – the current pay plan encourages school leaders to transition into the role of the principal.

Elementary School

What Classes Count - Elementary

Grade Level	EVAAS Accountability Courses	Courses Offered That Do Not Impact Principal Pay
Kindergarten - 2nd Grade	None	<i>Standardized testing begins in 3rd grade</i>
3rd Grade	Reading	<ul style="list-style-type: none">➤ Math (EOG does not count for EVAAS)➤ Social Studies➤ Science➤ Physical Education➤ Art➤ Music
4th Grade	Reading Math	<ul style="list-style-type: none">➤ Social Studies➤ Science➤ Physical Education➤ Art➤ Music
5th Grade	Reading Math Science (5th only)	<ul style="list-style-type: none">➤ Social Studies➤ Physical Education➤ Art➤ Music

Middle School

Grade Level	EVAAS Accountability Courses	Courses Offered That Do Not Impact Principal Pay
6th Grade	Reading Math	<ul style="list-style-type: none">➤ Social Studies➤ Science➤ Physical Education➤ Art➤ Music/Band➤ Career & Technical Education offerings
7th Grade	Reading Math	<ul style="list-style-type: none">➤ Social Studies➤ Science➤ Physical Education➤ Art➤ Music/Band➤ Career & Technical Education offerings
8th Grade	Reading Math Science (8th only)	<ul style="list-style-type: none">➤ Social Studies➤ Physical Education➤ Art➤ Music/Band➤ Career & Technical Education offerings

What Classes Count – Middle School

High School

Grade Level	EVAAS Accountability Courses	Courses Offered That Do Not Impact Principal Pay	
High School	<p data-bbox="508 216 633 248"><i>English II</i></p> <p data-bbox="396 374 745 445"><i>No science class factors into principal compensation.</i></p> <p data-bbox="454 576 687 609"><i>Math I or Math III</i></p> <p data-bbox="396 784 745 855"><i>No history class factors into principal compensation.</i></p>	<p data-bbox="794 177 890 210"><i>English</i></p> <ul data-bbox="836 221 1016 319" style="list-style-type: none"> ➤ English I ➤ English III ➤ English IV <p data-bbox="794 363 890 396"><i>Science</i></p> <ul data-bbox="836 401 1087 532" style="list-style-type: none"> ➤ Earth Science ➤ Biology ➤ Physical Science ➤ Chemistry <p data-bbox="794 576 865 609"><i>Math</i></p> <ul data-bbox="836 614 1039 745" style="list-style-type: none"> ➤ Math II ➤ Pre-Calculus ➤ Calculus ➤ Statistics <p data-bbox="794 789 890 822"><i>History</i></p> <ul data-bbox="836 827 1184 996" style="list-style-type: none"> ➤ Civics ➤ American History ➤ World History ➤ Economics and Personal Finance 	<p data-bbox="1222 177 1338 210"><i>Electives</i></p> <ul data-bbox="1265 221 1661 500" style="list-style-type: none"> ➤ Art ➤ Physical Education ➤ Music/Band ➤ Foreign Languages ➤ AP or IB Courses ➤ Career and College Promise courses offered through Community Colleges <p data-bbox="1222 543 1599 576"><i>Career & Technical Education</i></p> <ul data-bbox="1265 582 1705 822" style="list-style-type: none"> ➤ Agriculture Education ➤ Business & Finance courses ➤ Career Development Education ➤ Computer Science Courses ➤ Family and Consumer Science ➤ Health Science Education ➤ Trade and Industrial Education.

Improving Principal Retention for Student Success

- Nationally, 1 in 5 principals leave the profession each year.
 - In North Carolina the number is closer to 1 in 4.
 - The problem of retention is greatest at high-poverty schools where nearly 30 percent of principals leave their school.
 - 50% of principals leave within 3 years of being hired.

- As principals become more experienced, research shows they tend to move to lead schools with fewer complexity factors, schools that serve high-income areas with high-achieving students.

Principal Retention continued

What happens to schools when principals leave:

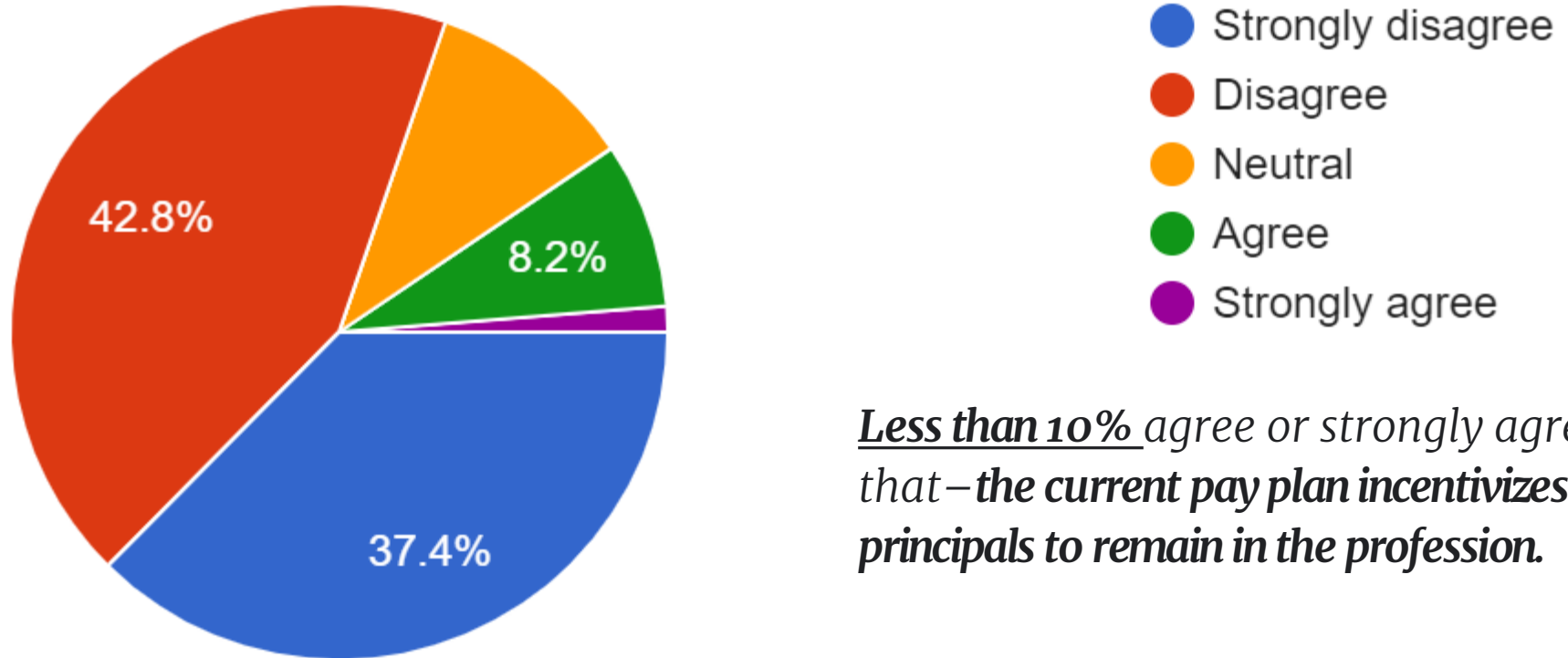
- *Student achievement drops in Math and Reading in the year following the vacancy*, and it can take the next principal up to three years to regain forward progress for the school.
- Conservative estimates from 2014 suggest the *cost to develop, hire, and onboard a new principal is \$75,000.*

*Source: Churn: The High Cost of Principal Turnover



Retaining Principals

~1000 Respondents in the last 30 days



Less than 10% agree or strongly agree that – the current pay plan incentivizes principals to remain in the profession.

How Can We Do Better?

Five benefits to the proposed plan:

1. Considers factors beyond just school size.
2. Uses a retention supplement specifically designed to stabilize school leadership and keep principals in the profession.
3. Build a common thread that links principal compensation to teacher and assistant principal pay.
4. Reduces dramatic swings in pay caused while maintaining pay incentives for meeting and exceeding student growth expectations.
5. Has a high level of support from the professionals in the field.

Proposed Principal Compensation Plan - Revisited

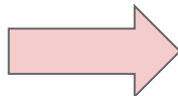
Uses complexity ranges instead of solely school size.



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Adds a retention supplement designed to keep leaders in schools.



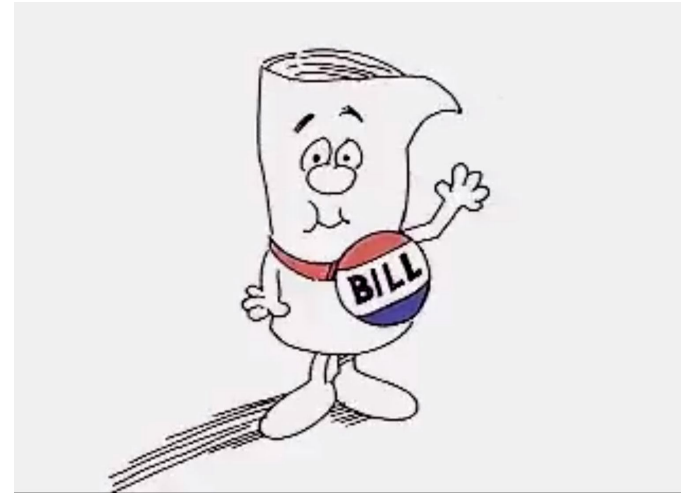
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Next Steps

Requested Action

Modify the principal pay plan in 2024 to enhance recruitment, increase stability, add school complexity factors, and recognize experienced leadership.

It has never been more important to keep outstanding principals in their schools.



Thank you for listening!

