North Carolina Educator Compensation Overview

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Fiscal Research Division
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Key Takeaways

• The NC General Assembly establishes minimum salary schedules for all public school personnel

• The schedules vary by personnel type and criteria such as experience and academic credentials

• Recent budgetary pressures and policy changes may be reshaping the demographics of North Carolina’s certified professional educators
NC Approach to Educator Compensation

• All licensed public school educators in North Carolina are guaranteed a minimum salary
  – Regardless of fund source

• Minimum educator compensation is based on factors such as:
  – Creditable experience
  – Advanced credentials
    • Master’s and other advanced degrees
    • National Board for Professional Teaching Standards (NBPTS)

• Varies by personnel type

Salary Schedule Placement

• DPI Licensure Section administers educator licensure and related creditable experience

• Experience credit is given in yearly increments
  – 6+ months of full-time work in fiscal year = 1yr credit
  – Part-time work or partial years also allowable

• Non-teaching work experience
  – Lateral entry teachers can be given credit for prior experience
    • “...professional work experience in public or private sectors that is directly related to an individual’s area of licensure and work assignment.”
Salary Schedule Placement

- Advanced Degrees
  - Must also be in a teaching field, or
  - Directly relevant to teacher’s area of assignment

- National Board of Professional Teaching Standards certification (NBPTS)
  - Teachers must be engaged in classroom instruction at least 70% of the workday
  - Media coordinators, guidance counselors and career development coordinators also have 70% requirement

Salary Schedules by Personnel Area

Classroom Teachers and Instructional Support

School-Based Administrators

Central Office Administrators
Classroom Teachers and Instructional Support

- Teacher: Individual that carries out the direct instructional process in the school
- Instructional Support: Personnel types such as counselors, nurses, social workers, librarians, etc.

<table>
<thead>
<tr>
<th>Personnel Type</th>
<th>Total</th>
<th>State FTE</th>
<th>State %</th>
<th>Local FTE</th>
<th>Local %</th>
<th>Federal FTE</th>
<th>Federal %</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Personnel</td>
<td>117,181</td>
<td>97,450</td>
<td>83.2%</td>
<td>11,418</td>
<td>9.7%</td>
<td>8,313</td>
<td>7.1%</td>
</tr>
<tr>
<td>Teachers</td>
<td>95,116</td>
<td>81,682</td>
<td>85.9%</td>
<td>6,567</td>
<td>6.9%</td>
<td>6,867</td>
<td>7.2%</td>
</tr>
<tr>
<td>Inst. Support</td>
<td>14,972</td>
<td>10,597</td>
<td>70.8%</td>
<td>3,104</td>
<td>20.7%</td>
<td>1,271</td>
<td>8.5%</td>
</tr>
</tbody>
</table>

Classroom Teachers and Instructional Support

Statewide Salary Schedule: “A” Schedule

<table>
<thead>
<tr>
<th>Years</th>
<th>Bachelor's Degree</th>
<th>No NBPTS</th>
<th>NBPTS (12%)</th>
<th>% Step</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-2</td>
<td>$30,800</td>
<td>N/A</td>
<td>$34,500</td>
<td>0.0%</td>
</tr>
<tr>
<td>3-5</td>
<td>$30,800</td>
<td>$34,500</td>
<td></td>
<td>1.4%</td>
</tr>
<tr>
<td>6</td>
<td>$31,220</td>
<td>$34,970</td>
<td></td>
<td>1.4%</td>
</tr>
<tr>
<td>7</td>
<td>$31,670</td>
<td>$35,470</td>
<td></td>
<td>3.9%</td>
</tr>
<tr>
<td>8</td>
<td>$33,030</td>
<td>$36,990</td>
<td></td>
<td>4.3%</td>
</tr>
<tr>
<td>9</td>
<td>$34,450</td>
<td>$38,580</td>
<td></td>
<td>4.3%</td>
</tr>
<tr>
<td>10</td>
<td>$35,800</td>
<td>$40,100</td>
<td></td>
<td>3.7%</td>
</tr>
<tr>
<td>11</td>
<td>$37,110</td>
<td>$41,560</td>
<td></td>
<td>2.8%</td>
</tr>
<tr>
<td>12</td>
<td>$38,160</td>
<td>$42,740</td>
<td></td>
<td>1.3%</td>
</tr>
<tr>
<td>13</td>
<td>$38,650</td>
<td>$43,290</td>
<td></td>
<td>13.3%</td>
</tr>
<tr>
<td>14-34</td>
<td>$38,650</td>
<td>$43,290</td>
<td></td>
<td>13.3%</td>
</tr>
<tr>
<td>35</td>
<td>$52,150</td>
<td>$58,410</td>
<td></td>
<td>1.9%</td>
</tr>
<tr>
<td>36+</td>
<td>$53,180</td>
<td>$59,560</td>
<td></td>
<td>2.0%</td>
</tr>
</tbody>
</table>
Classroom Teachers and Instructional Support

Statewide Salary Schedule: “M” Schedule

Freeze

<table>
<thead>
<tr>
<th>Years</th>
<th>Masters (10%) No NBPTS</th>
<th>NBPTS (12%)</th>
<th>% Step</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-2</td>
<td>$33,880</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>3-5</td>
<td>$33,880</td>
<td>$37,950</td>
<td>0.0%</td>
</tr>
<tr>
<td>6</td>
<td>$34,340</td>
<td>$38,460</td>
<td>1.4%</td>
</tr>
<tr>
<td>7</td>
<td>$34,840</td>
<td>$39,020</td>
<td>1.4%</td>
</tr>
<tr>
<td>8</td>
<td>$36,330</td>
<td>$40,690</td>
<td>4.3%</td>
</tr>
<tr>
<td>9</td>
<td>$37,900</td>
<td>$42,450</td>
<td>4.3%</td>
</tr>
<tr>
<td>10</td>
<td>$39,380</td>
<td>$44,110</td>
<td>3.9%</td>
</tr>
<tr>
<td>11</td>
<td>$40,820</td>
<td>$45,720</td>
<td>3.7%</td>
</tr>
<tr>
<td>12</td>
<td>$41,980</td>
<td>$47,020</td>
<td>2.8%</td>
</tr>
<tr>
<td>13</td>
<td>$42,520</td>
<td>$47,620</td>
<td>1.3%</td>
</tr>
<tr>
<td>14-34</td>
<td></td>
<td></td>
<td>1.3%</td>
</tr>
<tr>
<td>35</td>
<td>$57,370</td>
<td>$64,250</td>
<td>1.9%</td>
</tr>
<tr>
<td>36+</td>
<td>$58,500</td>
<td>$65,520</td>
<td>2.0%</td>
</tr>
</tbody>
</table>

Max Growth

Other Compensation

- **Longevity** (% of Base Salary)
  - 10-15 Years: 1.50%
  - 15-20 Years: 2.25%
  - 20-25 Years: 3.25%
  - 25+ Years: 4.50%

- **Advanced Degrees**
  - 6-year Degree: $1,260/yr. over base pay
  - PhD: $2,530/yr. over base pay

- **Extra Duties**
- **New Teacher Orientation**
- **Annual Leave (unused)**
  - Paid out on upon leave of State service
Classroom Teachers and Instructional Support

Other Compensation-Local Supplements

- Local school districts (LEAs) may supplement educator salaries with local funding
- Supplement Policies Vary
  - Differentiate for experience, credentials, etc.

<table>
<thead>
<tr>
<th>2012-13 Local Supplements: Teachers and Inst. Support</th>
</tr>
</thead>
<tbody>
<tr>
<td># of LEAs Providing</td>
</tr>
<tr>
<td>Avg. Supplement</td>
</tr>
<tr>
<td>Max. Avg. Supp.</td>
</tr>
<tr>
<td>Min. Avg. Supp.</td>
</tr>
</tbody>
</table>

Source: 2012-13 DPI Statistical Profile

Other Instructional Support Personnel

- Certain instructional support personnel are paid above typical step on the standard salary schedule
  - Speech-Language Pathologists
  - Audiologists
  - Psychologists

- Step 0 pay for these personnel is the equivalent of Step 10 on the M Schedule
NC Teacher Salary Trends

- Compensation essentially frozen since 2008-09
  - 1.2% State-funded increase in 2012-13 only change

- Lack of “step increase” has compressed schedule
  - 18% of State-funded teachers paid at lowest step

<table>
<thead>
<tr>
<th>Year</th>
<th>Step</th>
<th>Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008-09</td>
<td>Step 0</td>
<td>$30,430</td>
</tr>
<tr>
<td></td>
<td></td>
<td>and 5 Years Later</td>
</tr>
<tr>
<td>2013-14</td>
<td>Step 5</td>
<td>$30,850</td>
</tr>
</tbody>
</table>

Under the current salary schedule:

A beginning teacher in 2013-14 is paid $30,800

That teacher would be paid the same $30,800 salary in 2018-19

It would take 16 years until salary exceeds $40,000
Teacher Creditable Experience Trends

Change in State-funded Teaching Population: 2008-2013

Salary Schedules by Personnel Area

Classroom Teachers and Instructional Support

School-Based Administrators

Central Office Administrators
School-Based Administrators

- Principal: Local board of education designee to be the head of a school
- Assistant Principal: Local board designee to be next in line to head a school

<table>
<thead>
<tr>
<th>Personnel Type</th>
<th>Total</th>
<th>State</th>
<th>Local</th>
<th>Federal</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FTE</td>
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<tr>
<td>All Personnel</td>
<td>117,181</td>
<td>97,450</td>
<td>83.2%</td>
<td>11,418</td>
</tr>
<tr>
<td>Principals</td>
<td>2,458</td>
<td>2,388</td>
<td>97.2%</td>
<td>69</td>
</tr>
<tr>
<td>Asst Principals</td>
<td>2,782</td>
<td>1,841</td>
<td>66.2%</td>
<td>925</td>
</tr>
</tbody>
</table>

Principal Compensation

- Principal salary factors include:
  - Experience
  - School Size
    - 8 salary schedules based on number of certified State-funded personnel in the school
  - Position length
    - 12 months of employment vs 10 months for most teachers
- Master’s degree is required for principal licensure
  - $126 monthly supplement for advanced degrees
  - $253 monthly supplement for PhDs
Principal Compensation

- Additional credit provided for certain criteria
  - ABC performance
  - School safety

- Criteria only applicable in FYs 1997-2000
  - 1% could be earned for each criteria in each of the 3 fiscal years
  - Maximum of 6% could have been earned and is still provided to eligible principals

Assistant Principal Compensation

- Assistant principal salary factors are the same as for principals, except that:
  - Experience credit is applied the same as for teachers and instructional support (1 year = 1 step)
  - School size is not a factor

- Minimum pay must be at least as high as it was in the assistant principal’s last year of teaching
  - 2009 budget provision designed to ensure no pay cuts for NBPTS teachers transitioning into administration
Salary Schedules by Personnel Area

Classroom Teachers and Instructional Support

School-Based Administrators

Central Office Administrators

- Superintendent: Local board of education designee of a to be the head of a school district
- Other Personnel: Includes associate superintendent, as well as assistant superintendents and directors with personnel, fiscal, and/or business management responsibility

<table>
<thead>
<tr>
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<td>11,418  9.7%</td>
<td>8,313  7.1%</td>
</tr>
<tr>
<td>Central Office</td>
<td>1,853</td>
<td>942 50.8%</td>
<td>753 40.6%</td>
<td>158  8.5%</td>
</tr>
</tbody>
</table>
Central Office Compensation

• Superintendents
  – Statewide minimum salary schedule factors based on student membership (ADM)
  – May be paid anywhere within appropriate range on State schedule
    • However, these personnel receive significant local salary supplements above the State minimum
  – Eligible for advanced degree and PhD supplements

• Other central office administrators
  – Also paid within a salary range, at LEA’s discretion
    • Based on 7 different position classes, as defined by the LEA
  – Eligible for advanced degree and PhD supplements

Personnel Benefits

Below are the cost factors for all compulsory benefits for public school personnel:

• Health Insurance
  – Employer cost: $5,285
  – Employee premium is variable

• Retirement
  – Employer contribution: 14.69% of salary
  – Employee contribution: 6% of salary

• Social Security
  – Employer contribution: 7.65% of salary
  – Employee contribution: 7.65% of salary
Differential and Performance Pay

- State role in differential pay has been limited
  - ABC Bonuses (1997-2009): Provided individual awards to educators based on school-level achievement
  - Math, Science, Special Education Teacher Recruitment (2002-2004): $1,800 bonus for eligible teachers in low-income or low-performing middle and high schools
    - A similar program to recruit math and science teachers with a $15k bonus in 3 LEAs began in 2006 but was ended in 2009

- LEA flexibility with State funds
  - Some State allotments, such as Disadvantaged Student Supplement Funding may be used for supplements
  - No funds designated solely for this purpose

Performance Pay: Recent Change

- 2013 Budget provided $10.2m for merit-based increases
  - Each LEA must offer 4-year contracts to 25% of its certified personnel judged to be effective
  - Effectiveness is demonstrated by proficiency on the relevant evaluation instruments
  - Contracts include a $500 annual salary increase, which compounds over 4 years (cumulative increase: $5,000)
  - These educators must opt out of career status (tenure)

- Contracts must be offered and accepted by June 30, 2014 and are effective for 2014-15 school year
Master’s Pay: Recent Change

• In 2013 Budget, NCGA also changed its policy for master’s pay supplements
  – No new master’s supplements for any teacher or instructional support personnel not paid on the M schedule prior to the 2014-15 school year

• State Board of Education action
  – Modified administrative policy to accept Master’s completion credit in May 2014 to enable recent degree holders to get on M schedule prior to deadline

• Potential policy modifications

NC Educator Actual Salaries

FY 2013-14 NC Educator Average Salary and Salary Range

<table>
<thead>
<tr>
<th>Personnel Type</th>
<th>Salary Range</th>
<th>Average Base Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Superintendent (12 month)</td>
<td>$57,324-$138,996</td>
<td>N/A</td>
</tr>
<tr>
<td>Other Central Office Administration (12 month)</td>
<td>$40,188-$104,268</td>
<td>N/A</td>
</tr>
<tr>
<td>Principals (12 month)</td>
<td>$51,540-$110,364</td>
<td>$62,860</td>
</tr>
<tr>
<td>Assistant Principals (10 month)</td>
<td>$38,280-$65,170</td>
<td>$48,030</td>
</tr>
<tr>
<td>Teachers (10 month)</td>
<td>$30,800-$68,050</td>
<td>$40,189</td>
</tr>
<tr>
<td>Instructional Support (10 month)</td>
<td>$30,800-$68,050</td>
<td>$46,161</td>
</tr>
</tbody>
</table>

Adapted and Sourced from DPI 2014 Budget Highlights
Educator Salary Increase Costing

If the General Assembly wishes to consider salary increases for State-paid public school personnel, estimated costs are as follows:

• 1% Increase
  – Teachers and Inst. Support: $53.4m
  – School-Based Admin.: $3.1m
  – Central-Office Admin.: $1.1m
  – Non-certified Personnel: $13.5m

• Step Increase
  – Teachers and Inst. Support: $81m

Questions

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