

GENERAL ASSEMBLY OF NORTH CAROLINA
1993 SESSION

CHAPTER 263
HOUSE BILL 581

AN ACT TO MAKE DIFFERENTIATED PAY AVAILABLE FOR ALL STATE-PAID PUBLIC SCHOOL EMPLOYEES.

The General Assembly of North Carolina enacts:

Section 1. G.S. 115C-238.2(b) reads as rewritten:

"(b) Local school administrative units that participate in the Performance-based Accountability Program:

- (1) Are exempt from State requirements to submit reports and plans, other than local school improvement plans, to the Department of Public Education; they are not exempt from federal requirements to submit reports and plans to the Department.
- (2) Are subject to the performance standards but not the opportunity standards or the staffing ratios of the State Accreditation Program. The performance standards in the State Accreditation Program, modified to reflect the results of end-of-course and end-of-grade tests, may serve as the basis for developing the student performance indicators adopted by the State Board of Education pursuant to G.S. 115C-238.1.
- (3) May receive funds for differentiated pay for ~~teachers and administrators,~~ certain State-paid employees, in accordance with G.S. 115C-238.4, if they elect to participate in a differentiated pay plan.
- (4) May be allowed increased flexibility in the expenditure of State funds, in accordance with G.S. 115C-238.5.
- (5) May be granted waivers of certain State laws, regulations, and policies that inhibit their ability to reach local accountability goals, in accordance with G.S. 115C-238.6(a).
- (6) Shall continue to use the Teacher Performance Appraisal Instrument (TPAI) for evaluating beginning teachers during the first three years of their employment; they may, however, develop other evaluation approaches for teachers who have attained career status.

The Department of Public Instruction shall provide technical assistance, including the provision of model evaluation processes and instruments, to local school administrative units that elect to develop dual personnel evaluation processes. A dual personnel evaluation process includes (i) an evaluation designed to provide information to

guide teachers in their professional growth and development, and (ii) an evaluation to provide information to make personnel decisions pertaining to hiring, termination, promotion, and reassignment."

Sec. 2. G.S. 115C-238.3(c) reads as rewritten:

"(c) Development by each school of a differentiated pay plan for that school; development by the local board of education of a differentiated pay plan for central office personnel. –

- (1) The local school administrative unit shall consider a plan for differentiated pay. The local plan shall include a plan for differentiated pay, in accordance with G.S. 115C-238.4, unless the local school administrative unit elects not to participate in any differentiated pay plan.
- (2) The principal of each school, representatives of the building-level staff, and parents of children enrolled in the school shall develop a building-level differentiated pay plan for the school when they develop their building-level plan to address student performance goals appropriate to the school.

Support among affected staff members is essential to successful implementation of a building-level differentiated pay plan; therefore, the principal of the school shall present the proposed building-level plan to all of the staff ~~eligible to receive differentiated pay, in accordance with G.S. 115C-238.4(a), assigned to the school building~~ for their review and vote. The vote shall be by secret ballot. The principal may submit the building-level differentiated pay plan to the local board of education only if the proposed building-level differentiated pay plan has the approval of a majority of the staff who voted on the plan.

The local board of education shall accept or reject the building-level differentiated pay plan. The local board shall not make any substantive changes in any building-level plan that it accepts; the local board shall set out any building-level plan that it accepts in the systemwide differentiated pay plan. If the local board rejects a building-level plan, the local board shall state with specificity its reasons for rejecting the plan; the principal of the school for which the plan was rejected, representatives of the building-level staff, and parents of children enrolled in the school may then prepare another plan, present it to all of the staff eligible to receive differentiated pay, in accordance with G.S. 115C-238.4(a), for a vote, and submit it to the local board for inclusion in the systemwide plan. If no building-level plan is accepted for a school before March 15 of the fiscal year preceding the fiscal year in which participation is sought, the local board may develop a plan for the school building for inclusion in the systemwide plan; the General Assembly urges the local board to utilize

the proposed building-level plan to the maximum extent possible when developing such a plan.

- (3) The local board of education shall develop a plan for differentiated pay for all ~~central office personnel eligible to receive differentiated pay, in accordance with G.S. 115C-238.4(a),~~ classes of personnel assigned to the central office that the local board determines are participants in the development or implementation of the local school improvement plan, and shall include the plan in the systemwide differentiated pay plan.
- (4) A systemwide differentiated pay plan shall remain in effect for no more than three years. At the end of three years, a plan to continue, discontinue, or modify that differentiated pay plan shall be developed in accordance with subdivisions (2) and (3) of this subsection."

Sec. 3. G.S. 115C-238.4 reads as rewritten:

"§ 115C-238.4. Differentiated pay.

(a) Local school administrative units may include, but are not required to ~~include,~~ include as a part of their local school improvement plans, a systemwide differentiated pay plan for ~~certified instructional staff, certified instructional support staff, and certified administrative staff~~ all of the staff assigned to school buildings and all classes of staff assigned to the central office that the local boards determine are participants in the development or implementation of the local school improvement plans. ~~as a part of their local school improvement plans.~~ Units electing to include differentiated pay plans in their school improvement plans shall base their differentiated pay plans on:

- (1) A career development pilot program;
- (2) A lead teacher pilot program;
- (3) A locally designed school-based performance program, subject to limitations and guidelines adopted by the State Board of Education;
- (4) A differentiated pay plan that the State Board of Education finds has been successfully implemented in another state; or
- (5) A locally designed plan including any combination or modification of the foregoing plans.

A differentiated pay plan may also authorize the use of State differentiated pay funds for staff development and planning activities and for paying substitute teachers as is necessary to provide time for staff development and planning activities.

(b) Differentiated pay plans shall be developed and voted on in accordance with G.S. 115C-238.3(c).

Any differentiated pay plan developed in accordance with this section shall be implemented within State, ~~and local~~ and any other funds available for differentiated pay. State funds shall be used to implement a differentiated pay plan for employees who derive salary from State funds. State funds may be combined with any other differentiated pay funds at the building level to implement a differentiated pay plan which includes employees who derive salary from any other salary source so long as differentiated pay funds per employee are appropriated from the other salary source in an amount equal to the dollar amount appropriated by the State per State employee for

differentiated pay. An employee who derives salary from only one salary source shall be paid differentiated pay monies from that source only; if an employee derives salary from more than one salary source, differentiated pay monies paid to that employee shall be paid proportionally based on the pro rata share of each salary source. Provided, however, a local board of education may provide additional local funds for differentiated pay for any of its employees without regard to the employee's salary source.

(e) Any additional compensation received by an employee as a result of the unit's participation in the Program shall be paid as a bonus or supplement to the employee's regular salary. If an employee in a participating unit does not receive additional compensation, such failure to receive additional compensation shall not be construed as a demotion, as that term is used in G.S. 115C-325.

Payments of bonuses or supplements shall be made no more frequently than once every calendar quarter: Provided, however, prior to the 1994-95 school year, payments in the career development pilot units may be made on a monthly basis.

(f) If a local school administrative unit bases its differentiated pay plan on a locally designed school-based performance program, pursuant to subdivision (a)(3) of this section, the plan shall provide that following the attainment of the local school goals, the local board of education shall make a determination of which ~~certified~~ staff members contributed to the attainment of those goals. Differentiated pay bonuses shall then be distributed to those designated employees. The local board of education shall make the determination upon recommendation of (i) the superintendent and (ii) any other person or committee designated in the local differentiated pay plan. The other person or committee designated in the local differentiated pay plan may be the principal, a school-based committee, or any other person or local committee."

Sec. 4. This act is effective upon ratification and applies to all differentiated pay plans in effect after July 1, 1994.

In the General Assembly read three times and ratified this the 1st day of July, 1993.

Dennis A. Wicker
President of the Senate

Daniel Blue, Jr.
Speaker of the House of Representatives