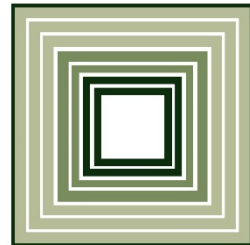


Teacher Compensation and Benefits

Considerations for the House Select Committee on An Education System for North Carolina's Future

Statewide Team

February 7, 2022



FISCAL RESEARCH DIVISION

A Staff Agency of the North Carolina General Assembly

Agenda

- Comparing overall teacher compensation in NC to peers
- Recent changes to structure of teacher compensation
- Considerations for future changes to teacher compensation
 - Policy objectives
 - Legacy structure
 - Employee acceptance
 - Cost
- Teacher benefits
- Any additional questions at the direction of the Chair

How Are Teacher Salaries Determined?

Teacher Salary Schedule
(Monthly)

Years of Experience	Base Salary
0	\$ 3,546
1	\$ 3,647
2	\$ 3,748
3	\$ 3,849
4	\$ 3,951
5	\$ 4,052
6	\$ 4,153
7	\$ 4,255
8	\$ 4,356
9	\$ 4,457
10	\$ 4,559
11	\$ 4,660
12	\$ 4,761
13	\$ 4,862
14	\$ 4,964
15-24	\$ 5,065
25+	\$ 5,268

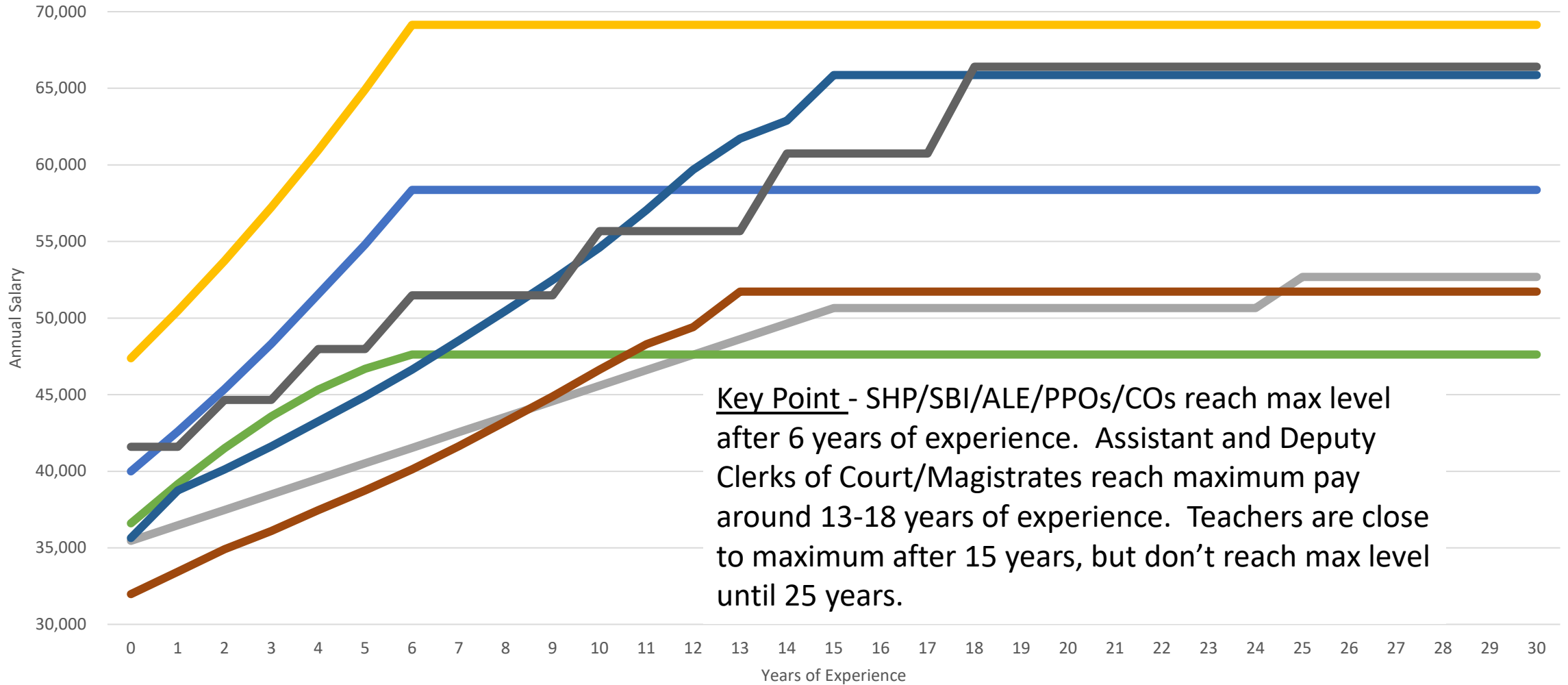
State-funded supplements to the base salary schedule:

- Graduate degrees required for licensure
- National Board certification
- Working in smaller or lower wealth counties
- Higher schedule placement + \$350/month - school psychologists, speech pathologists, audiologists
- \$100/month – school counselors
- Bonuses for certain test scores or EVAAS growth scores

Locally-funded supplements:

- Percentage or dollar-based supplement applied to State-funded salary
- Some may provide small supplements for extra duties

Comparison of State Salary Schedule Structures



Recent Changes To Teacher Pay

- What's Up:
 - Bonuses for performance as measured by test scores or SAS' Education Value Added Assessment System (EVAAS) (e.g. 3rd-5th grade reading and 4th-8th grade math, AP/IB/CTE/AICE exam bonuses)
 - Additional funding for teacher pay in smaller or lower wealth counties:
 - Teacher Supplement Assistance Allotment
 - Small County/Low Wealth County recruitment bonuses
- What's Down:
 - Targeting pay to higher experience levels (e.g. sunset of additional longevity payments, flattening of salary schedule)
 - Advanced degrees that are not required for licensure (e.g. master's degree supplement sunset)

Considerations – Teacher Pay Modifications

1. What are the policy objectives?

- Competitive compensation package to meet baseline staffing needs
- Differentiate salaries based on criteria other than experience?
 - Do current State-funded supplements (e.g. National Board, performance bonuses) reflect legislative priorities?
 - Are there other priorities of the General Assembly?
 - E.g. low-performing schools, high school math, special education, etc.
- Should teacher compensation decisions be further shifted to the local school units?

Considerations – Teacher Pay Modifications (p.2)

2. What to do with the legacy structure?

- Any substantive change to the current pay structure will likely create winners and losers without notable additional funding
- Typically addressed with hold harmless provisions
- Impact on assistant principal pay that is tied to teacher salary schedule?

3. Will employees accept the modifications?

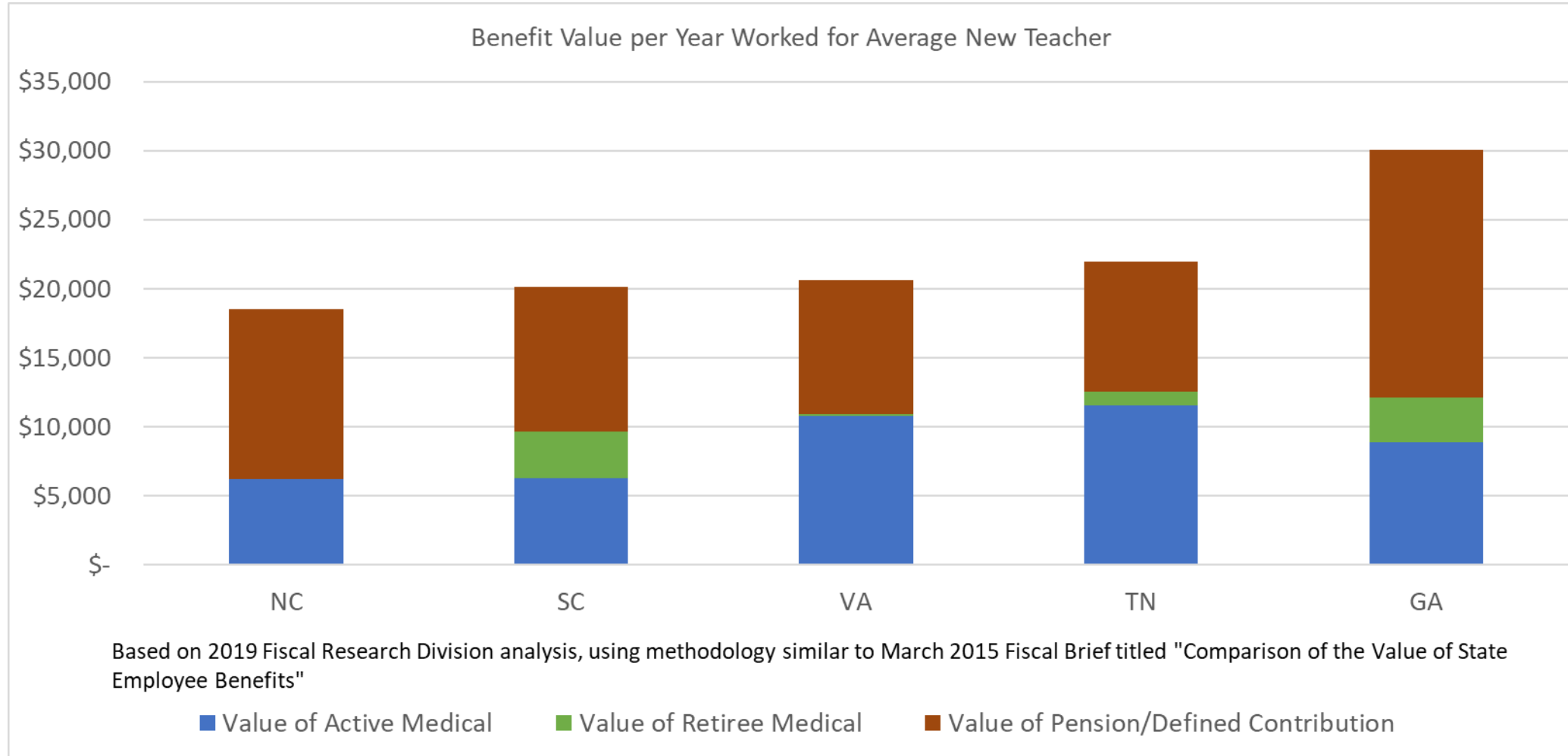
- Is the pay structure something employees will understand?
- Will the changes lead to higher turnover and short/intermediate-term staffing issues?

4. Cost

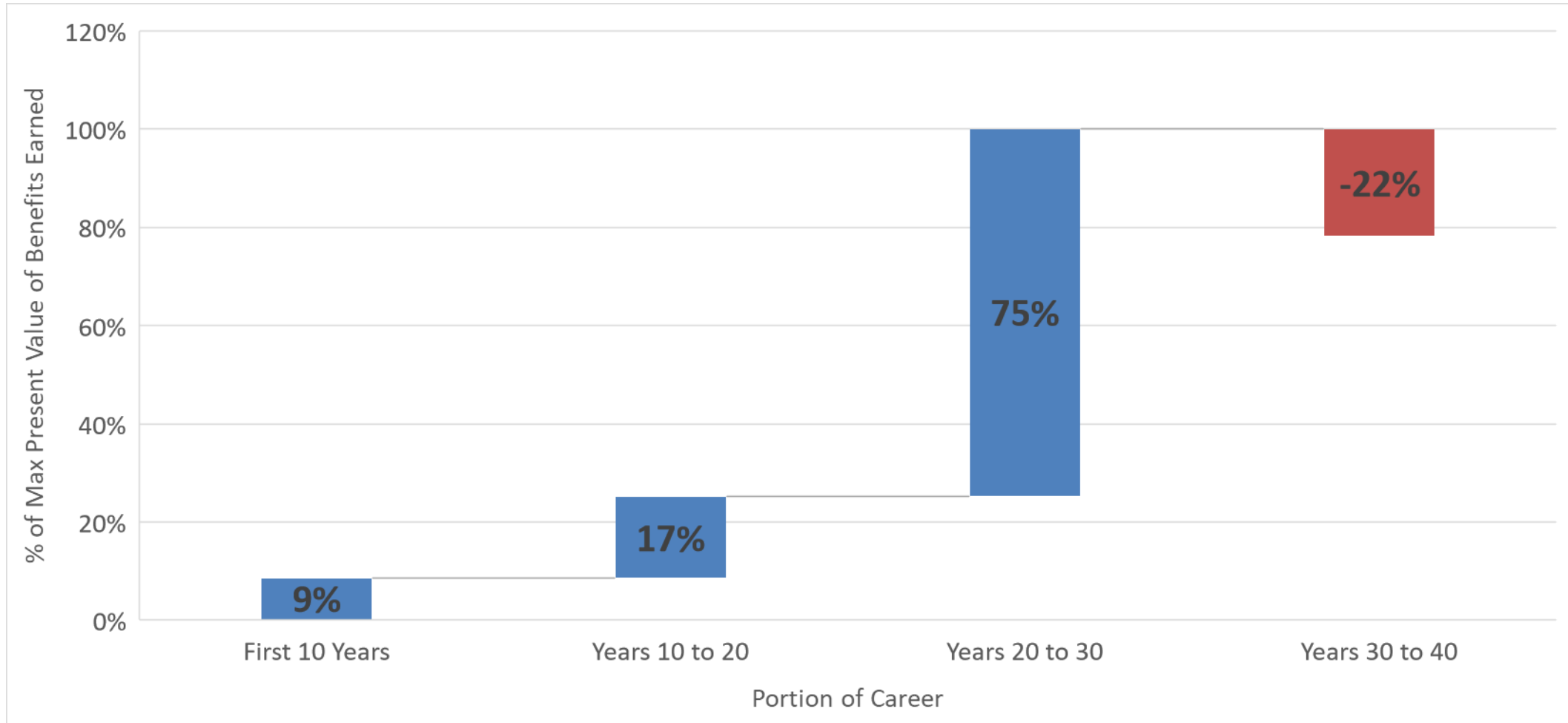
Teacher Benefits

- Current benefit structure
 - Heavily focused on retirement
 - For most teachers, basic benefit structure is the same as 40 years ago
- Benefits offered by other employers that might be considered
 - Student loan repayment assistance
 - Financial wellness
 - Parental leave
 - Employer contributions to 401(k)
 - Subsidized dependent health insurance

Benefits Comparison to Neighboring States



Attraction/Retention Effect of Pension



Assumptions: 3% interest, hired at age 22, only reflects employer-funded portion of present value of benefits

Considerations – Teacher Benefit Modifications

What are the policy objectives?

- Competitive benefits package to meet baseline staffing needs
- Benefits are adequate to meet teachers' needs at different points in life
- Benefits efficiently reduce risks to teachers
- Benefits' perceived value to teachers exceeds their cost
- Teachers have the desired amount of choice in their benefits
- Benefits reward the teacher groups and decisions that you want to reward

Questions

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