

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2007**

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**HOUSE BILL 966\*  
Committee Substitute Favorable 4/25/07**

Short Title: Alternative Teacher Salary Plans/Pilot Prog.

(Public)

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Sponsors:

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Referred to:

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March 22, 2007

A BILL TO BE ENTITLED

1 AN ACT DIRECTING THE STATE BOARD OF EDUCATION TO ESTABLISH A  
2 PILOT PROGRAM AUTHORIZING THE IMPLEMENTATION OF  
3 ALTERNATIVE TEACHER SALARY PLANS.  
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5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** The State Board of Education shall establish a pilot program  
7 authorizing the implementation of alternative teacher salary plans. The purpose of the  
8 pilot program is to enable local school administrative units to develop and implement  
9 new and innovative teacher salary plans that will improve student performance by  
10 financially rewarding teachers through performance pay plans, recruiting teachers to the  
11 school unit, and recruiting teachers to hard-to-fill positions in specific subject areas. The  
12 State Board of Education may select up to five local school administrative units to  
13 participate in the pilot program.

14 **SECTION 2.** Local school administrative units applying to participate in the  
15 pilot program shall submit to the State Board of Education a business plan adopted by  
16 the local board of education. The business plan shall:

- 17 (1) Explain in detail how additional flexibility regarding the use of salary  
18 funds will be used to accomplish specific improvements in student  
19 academic performance;
- 20 (2) Describe the alternative methods to be used, the changes to existing  
21 practices proposed for the pilot, the incentives or alternative salary  
22 structure to be deployed, the expectations for teachers and other  
23 employees who participate in the pilot, the anticipated results, and the  
24 methods by which teachers and other employees will be evaluated;
- 25 (3) Set out the laws, rules, and policies that must be waived to implement  
26 the business plan and the expected outcomes of waiving them;
- 27 (4) Explain how the plan will be administered in a nondiscriminatory  
28 manner to assure fair and equitable treatment of all employees and  
29 employee groups participating in the pilot; and

1           (5)    Include specific implementation, time line, management, performance,  
2                    and reporting benchmarks.

3           (6)    Include statements of how teachers and other stakeholders were  
4                    included in the development of the plan.

5           **SECTION 3.** The State Board of Education may grant waivers of laws,  
6 rules, and policies to pilot units that are necessary to implement the business plans  
7 submitted by the pilot units.

8           **SECTION 4.** The Department of Public Instruction shall notify all school  
9 districts of the availability of the pilot projects and the time lines for submission of the  
10 business plans. The Department of Public Instruction shall report to the Joint Legislative  
11 Oversight Committee as to the number of districts that have submitted business plans,  
12 the types of waivers being requested, and the status of the selection process.

13           **SECTION 5.** The Financial Services section of the Department of Public  
14 Instruction shall monitor the implementation of the business plans by the pilot units and  
15 shall report its findings regularly to the State Board of Education and the Joint  
16 Legislative Education Oversight Committee.

17           **SECTION 6.** This act becomes effective July 1, 2007.