

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007**

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HOUSE BILL 966*
Committee Substitute Favorable 4/25/07
Committee Substitute #2 Favorable 5/24/07

Short Title: Alternative Teacher Salary Plans/Pilot Prog.

(Public)

Sponsors:

Referred to:

March 22, 2007

A BILL TO BE ENTITLED

1
2 AN ACT DIRECTING THE STATE BOARD OF EDUCATION TO ESTABLISH A
3 PILOT PROGRAM AUTHORIZING THE IMPLEMENTATION OF
4 ALTERNATIVE TEACHER SALARY PLANS.

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;

- 1 (4) Explain how the plan will be administered in a nondiscriminatory
2 manner to assure fair and equitable treatment of all employees and
3 employee groups participating in the pilot;
4 (5) Include specific implementation, time line, management, performance,
5 and reporting benchmarks;
6 (6) Include statements of how teachers and other stakeholders were
7 included in the development of the plan; and
8 (7) Include a statement of how all teachers who will be directly
9 participating in the plan conducted a verifiable secret ballot vote, a
10 statement that the results of the vote were presented to the planning
11 team and local board of education prior to the local board's
12 consideration of the final plan, and a statement that the majority of
13 teachers in the schools participating in the plan and the school
14 administration team have agreed on the design of the plan.

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

18 **SECTION 4.** The Department of Public Instruction shall notify all school
19 districts of the availability of the pilot projects and the time lines for submission of the
20 business plans. The Department of Public Instruction shall report to the Joint Legislative
21 Education Oversight Committee as to the number of districts that have submitted
22 business plans, the types of waivers being requested, and the status of the selection
23 process.

24 **SECTION 5.** The Financial Services Section of the Department of Public
25 Instruction shall monitor the implementation of the business plans by the pilot units and
26 shall report its findings regularly to the State Board of Education and the Joint
27 Legislative Education Oversight Committee.

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