

**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**  
**Senate Education/Public Instruction Committee Substitute Adopted 7/25/07**

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

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

The General Assembly of North Carolina enacts:

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

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

- (1) Explain in detail how additional flexibility regarding the use of salary funds will be used to accomplish specific improvements in student academic performance;
- (2) Describe the alternative methods to be used, the changes to existing practices proposed for the pilot, the incentives or alternative salary structure to be deployed, the expectations for teachers and other employees who participate in the pilot, the anticipated results, and the methods by which teachers and other employees will be evaluated;
- (3) Set out the laws, rules, and policies that must be waived to implement 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.** The Department of Public Instruction and the State Board of  
29          Education shall report to the Joint Legislative Education Oversight Committee by June  
30          30, 2010, regarding the effectiveness and performance of all pilots implemented under  
31          this act. The report shall include any recommendations regarding the continuation,  
32          modification, or elimination of the pilot program.

33           **SECTION 7.** This act is effective when it becomes law.