

Strategies for Compensating North Carolina's Teachers

Presented to the
North Carolina State Board of Education

Prepared By:

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May 2, 2013

Mr. Philip Price
Mr. Eric Moore
North Carolina Department of Public Instruction
300 N. Wilmington Street
Raleigh, NC 27601

May 2, 2013

Dear Mr. Price and Mr. Moore,

Enclosed is our final report entitled "Strategies for Compensating North Carolina's Teachers." The report is a culmination of our research for you during the 2013 Spring Semester. We will also be submitting a copy to Professor Jim Johnson as part of our course requirements.

We appreciate having had the opportunity to work on this project with you. We are extremely grateful to both of you for all of your help. Thank you for always answering our questions in a timely fashion, arranging interviews with key stakeholders, providing us with valuable data, allowing us to conduct a teacher survey, and for all of your ongoing feedback and patience. Please also thank Alexis Schauss for costing out our alternatives. We have learned a great deal, and are extremely fortunate to have had DPI as a client.

If you have any comments or questions regarding the report, please feel free to contact us through Magan Bell at magan.bell@duke.edu or by telephone at (401.523.3128).

Sincerely,

Magan Bell

Daniel Heller

Sarah Shah

Lucas Westmaas

MPP Candidates
Duke University

Enclosure: Final Report

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EXECUTIVE SUMMARY¹

POLICY QUESTION (Page 1)

How can North Carolina best revise its teacher salary schedule to promote a high-quality teacher workforce, especially in low-performing schools?

RECOMMENDATION (Page 20)

We recommend that North Carolina create a new state minimum schedule that:

- Raises the starting salary to \$34,000.
- Reduces the schedule to 15 steps.
- Increases raises between steps to 2.5 percent in the first three years and 1.5 percent through year 10, and .075 percent through year 15, with no further raises.
- Reduces the overall raise for master's degrees to 4 percent and National Board Certification to 6 percent.
- Provides a 6 percent raise for teachers in hard-to-staff schools if they have National Board Certification or score highly effective on North Carolina's teacher evaluation system in two of their three most recent evaluation years.

Additionally, North Carolina should provide funding to local school districts based on student attendance to choose at least one of the following options:

- Provide extra pay to math or science teachers that have a master's degree in a math or science field.
- Provide extra pay for any teacher in a high-need subject area.

¹ This student paper was prepared in 2013 in partial completion of the requirements for Public Policy 804, a course in the Masters of Public Policy Program at the Sanford School of Public Policy at Duke University. The research, analysis, and policy alternatives and recommendations contained in this paper are the work of the student team that authored the document, and do not represent the official or unofficial views of the Sanford School of Public Policy or of Duke University. Without the specific permission of its authors, this paper may not be used or cited for any purpose other than to inform the client organization about the subject matter. The authors relied in many instances on data provided to them by the client and related organizations and make no independent representations as to the accuracy of the data.

- Design and institute a career ladder framework with some State Board of Education-mandated characteristics.
- Design and institute a performance pay plan that, amongst other State Board of Education-mandated characteristics, uses multiple measures of teacher performance, multiple years of test data, and includes a component for both individual teacher performance and school-wide performance.
- Raise the base salary for all teachers.

PROBLEM STATEMENT (Page 1)

The North Carolina salary schedule does not promote the recruitment and retention of high-quality teachers in a manner that meets the state's educational needs. Teacher quality is widely believed to be the most important school-based factor in student achievement,² as the difference between a very good teacher and a very bad teacher can be a full year's growth in student learning.³ Research also shows that disadvantaged students benefit more from good teachers than their more advantaged counterparts.⁴ Given the importance of teacher quality, North Carolina must recruit and retain high-quality teachers. Unfortunately, low starting and average salaries inhibit recruitment and contribute to high turnover. The current salary schedule freeze has worsened these issues and weakened teacher morale. Moreover, salary incentives that North Carolina does provide are not aligned with proven indicators of teacher effectiveness. Finally, North Carolina's budget shortfall and diverse stakeholder interests limit the state's ability to implement comprehensive solutions to the teacher salary schedule.

CRITERIA (Page 7)

- Support the recruitment of high-quality teachers, especially to low-performing schools.
- Support the retention of high-quality teachers, especially in low-performing schools.
- Improve teacher morale.

² Sanders and Rivers 1996, Rice 2003, Hanushek et al 2005

³ Goldhaber 2009

⁴ Nye, Konstantopoulos, and Hedges 2004

- Align teacher salary expenditures with teacher quality.
- Account for political landscape.

POLICY ALTERNATIVES (Page 10)

We analyze a state-minimum schedule that raises the starting salary to \$34,000, reduces the schedule to 10 steps, increases raises between steps to 2.5 percent in the first three years, 1.5 percent through year 10 and .075 percent through year 15; reduces the overall raise for master's degrees to 4 percent and National Board Certification to 6 percent; and provides a 6 percent raise for teachers with National Board Certification or who score highly-effective on North Carolina's teacher evaluation system if they teach in low performing schools. (Page 10)

We also consider three additional potential uses of additional funds:

1. Give LEAs a set amount of funding based on student population to use on a menu of options. (Page 12)
2. Institute a statewide teacher career ladder. Teacher career ladders are a performance-based multilevel system of teaching positions and compensation levels within a school district. (Page 15)
3. Raise the starting salary in the foundational schedule to \$42,500. (Page 18)

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POLICY QUESTION

How can North Carolina best revise its teacher salary schedule to promote a high-quality teacher workforce, especially in low-performing schools?

Preface:

Teacher salary is one of many factors that affect the quality of North Carolina's teaching workforce. Additional factors that affect the recruitment and retention of high-quality teachers include, but are not limited to, working conditions, professional development, and administrative support. This paper focuses strictly on the salary schedule component and how it impacts the teaching workforce.

We recognize that there are many definitions of "high-quality teachers." In this paper, we define high-quality teachers as those who raise student achievement, exhibit creative and excellent teaching habits, and contribute to a positive school environment.

PROBLEM

The current North Carolina teacher salary schedule does not promote high-quality teaching in a manner that meets the state's educational needs. Low starting and average salaries inhibit recruitment and contribute to high turnover. The current state salary schedule freeze has worsened these issues and weakened teacher morale. Moreover, the salary incentives that North Carolina provides are not aligned with proven indicators of teacher effectiveness. Finally, North Carolina's budgetary challenges and diverse stakeholder interests limit the state's ability to implement comprehensive reforms to the teacher salary schedule.

Urgent Recruitment Challenges

In many parts of the state, North Carolina lacks the teachers it needs to fill its classrooms. In the 2011-2012 school year, 80 percent of North Carolina's 115 school districts reported having difficulties finding licensed high school math teachers. Two-thirds of all districts also struggled to find high school science and special education teachers.¹ North Carolina is also one of the most rapidly growing states in the country, and the National Education Association (NEA) estimates the

¹ 4 Oct. 2012. *Fayetteville Observer*.

state already has the 10th-highest enrollment in public schools nationwide.² To keep up with enrollment increases and expected retirements, North Carolina needs to hire an additional 10,000 to 12,000 teachers every year.³ The state's colleges and universities produce about 3,300 qualified teachers annually, only two-thirds of whom remain in North Carolina to teach.⁴

Recruitment of teachers from out-of-state is challenging given North Carolina's comparatively low salaries as compared to both other states and similar professions (see Appendix 1). Many teachers are currently unable to support their families without taking on second jobs.⁵ North Carolina's starting salary of \$30,800 is lower than that of every bordering state with the exception of South Carolina.⁶ North Carolina also ranks 48th nationwide in average teacher salary.⁷ In the South, only Mississippi's average teacher salary is lower than North Carolina's average of \$45,947.⁸

While cost-of-living adjustments improve North Carolina's national ranking, unadjusted salary levels affect teacher recruitment.⁹ Regardless, North Carolina has the third-highest cost of living in the South.¹⁰ Teacher salaries in North Carolina have also increased less than in any other state since 2000.¹¹ Teacher salaries in general are comparatively low compared to professions requiring similar credentials. One study has shown that at least 16 other professions requiring similar skills have significantly higher salaries.¹² The research shows that North Carolina teachers earn 78 cents to every dollar earned by comparable workers such as counselors, accountants, and nurses.¹³ In North Carolina, the starting salary for nurses and accountants is approximately \$42,500.¹⁴

Retention Issues

Retention problems exacerbate the state's issues with recruitment. Research has consistently shown that high turnover rates negatively impact student

² "Rankings of the States 2012 and Estimates of School Statistics 2012," National Education Association, 2013

³ "Teacher Education" College Foundation of North Carolina

⁴ "North Carolina's Revised State Plan for Highly Qualified Teachers" 2006

⁵ Interviews with Margaret Foreman, and Rodney Ellis

⁶ "Rankings of the States 2012 and Estimates of School Statistics 2012," National Education Association, 2013

⁷ Frank, John. *Raleigh News and Observer*, 28 Feb 2013

⁸ Frank, John. *Raleigh News and Observer*, 28 Feb 2013

⁹ Gritz and Theobald 1996, Allen 2005

¹⁰ "Cost of Living by State" www.top50states.com

¹¹ "Rankings of the States 2012 and Estimates of School Statistics 2012," National Education Association, 2013

¹² Swanson 2008

¹³ Swanson 2008

¹⁴ Based on suggestion from Odden and Wallace 2007

achievement, especially in high-poverty schools.¹⁵ Teacher turnover is also expensive. One study estimated that replacing departed public school teachers in North Carolina costs more than \$84.5 million annually.¹⁶ If one includes the cost of replacing teachers who transfer schools, this figure increases to \$188.5 million.¹⁷ Nationwide, 33 percent of teachers leave the profession within their first 3 years on the job – and North Carolina’s new teacher turnover rate exceeds the national average.¹⁸ The statewide teacher turnover rate for 2011-2012 was 12.13 percent, up from 11.17 percent in 2010-2011. While the national teacher turnover rate last year was 16.8 percent, some districts in North Carolina had a turnover rate as high as 28 percent.¹⁹ The highest teacher turnover is in the North Central and the Sandhills/South Central regions of North Carolina.²⁰

Salary clearly matters in retaining teachers. In a survey we conducted of more than 15,000 teachers in North Carolina, 51 percent of teachers who were dissatisfied with their jobs or unlikely to remain in the classroom in the near future said a 10-20 percent pay increase would make them significantly more likely to stay in the classroom. Another 25 percent said an increase would make them somewhat more likely to stay (See Appendix 2 for comprehensive survey results).

Uneven Distribution of Teacher Quality

Despite an inequitable distribution of teachers among North Carolina schools, the current salary schedule does not incentivize teachers to work in low-performing schools.²¹ Teacher quality is widely believed to be the most important school-based factor in student achievement.²² The difference between a very good teacher and a low-performing teacher can be a full year’s growth in student learning.²³ Research also shows that disadvantaged students benefit more from good teachers than their more advantaged counterparts.²⁴ But in North Carolina, teachers in schools with high proportions of disadvantaged students and minority students have, on average, fewer credentials and are less experienced than their counterparts.²⁵ North Carolina’s high-poverty schools also have the highest percentages of teachers from less competitive undergraduate colleges, teachers with nontraditional licensing, and teachers with average test scores.²⁶ Although 20 percent of North Carolina’s teacher workforce is National Board-certified, more than one-quarter of North Carolina schools with high populations of low-income and minority students have no Board-

¹⁵ See Ronfeldt, Loeb, and Wyckoff 2012, Ingersoll 2001, 2003, Shen 1997

¹⁶ Corbell 2009

¹⁷ NC DPI 2008 data reported in Corbell 2009

¹⁸ Corbell 2009

¹⁹ Teacher Turnover Report 2011-2012, *NC Department of Public Instruction*

²⁰ Teacher Turnover Report 2011-2012, *NC Department of Public Instruction*

²¹ Clotfelter, Ladd, Vigdor 2010

²² Sanders and Rivers 1996, Rice 2003, Hanushek et al. 2005

²³ Goldhaber 2009

²⁴ Nye, Konstantopolous, and Hedges 2004

²⁵ Ibid.

²⁶ Clotfelter, Ladd, Vigdor 2006

certified teachers.²⁷ The most recent published estimates state that half of the North Carolina's Board-certified teachers serve in the 20 percent of schools with the smallest percentage of disadvantaged students.²⁸ The students who need quality teachers most do not have access to them.²⁹

Low Teacher Morale

Teacher morale is low in North Carolina. One reason is that the North Carolina General Assembly froze the teacher salary schedule indefinitely amidst dramatic budget deficits in 2008. While teachers did receive a 1.2 percent raise last year and Governor McCrory has proposed a 1 percent raise for this year, the state has not adhered to the schedule since 2008. Budget cuts have also been applied to several teacher supports such as professional development funding and stipends for mentor teachers. Teacher organizations we interviewed said morale is as low as it has ever been.³⁰

Teacher morale is important for both teacher retention and student achievement. When morale at a school is high, student achievement increases.³¹ Teachers are more likely to stay in the classroom if they feel good about the work they are doing.³² In 2012, a full 24 percent of North Carolina's teacher turnover resulted from "reasons that could be reduced."³³ Of that 24 percent, 28 percent resigned because they were dissatisfied with teaching or wanted a career change.³⁴

While several factors impact teacher morale, salary plays an important role. When asked by our survey to name the two or three things they were least satisfied with, 70 percent of North Carolina teachers said they were least satisfied with their pay, benefits, and/or vacation time.³⁵ Only 508 out of 15,624 teachers were satisfied with their salary.³⁶ Asked to name two things that would be most likely to increase their satisfaction, 87 percent of teachers said "increased pay," more than double the number of votes garnered by the second-place response.³⁷

Finally, North Carolina's salary structure does not promote career advancement options for teachers, affecting both morale and retention. Teachers receive incremental pay raises based on years in the classroom, but the only opportunities for teachers to receive promotions in title and responsibilities involve

²⁷ Ibid, Goldhaber 2007.

²⁸ Southeast Center for Teaching Quality (2004) quoted by NEA in "Research Spotlights on Hard-to-Staff Schools"

²⁹ Ibid.

³⁰ Interview March 2013: Rodney Ellis and Marge Foreman (NCAE), Carol Vanderbaugh (PENC)

³¹ Ellenberg 1972, Black 2001

³² See our survey results in Appendix 2. Also see Black 2001

³³ Teacher Turnover Report 2011-2012, *NC Department of Public Instruction*

³⁴ Ibid.

³⁵ Appendix 2.

³⁶ Ibid.

³⁷ Ibid.

leaving the classroom. One study found that high-quality teachers were more likely than low performers to cite dissatisfaction with career advancement opportunity as a reason for leaving.³⁸ Research also shows that the most qualified teachers are the least likely to remain in the classroom, and new teachers are more likely to leave when they cannot advance in their careers or expand their influence within schools.³⁹ The lack of career advancement opportunities in North Carolina's salary schedule is potentially a key reason why high-quality teachers leave the classroom.

Misaligned Incentives

North Carolina's current salary schedule incentivizes credentials that are not correlated with teacher effectiveness. North Carolina currently provides a 10 percent salary increase for the acquisition of a master's degree in any content area, and a 12 percent increase for National Board Certification. North Carolina now has more Board-certified teachers than any other state.⁴⁰

Master's degrees are not definitively linked to positive impacts on student achievement.⁴¹ One study found that teachers who start with a master's degree or earned one within five years of starting had the same impact on student outcomes as teachers without a master's degree.⁴² Earning a master's degree more than five years after starting teaching was actually associated with poorer student outcomes.⁴³ While some evidence exists that master's degrees in specific subject areas like math have a positive impact on student outcomes,⁴⁴ the overwhelming majority of academic literature finds no statistically significant relationship between possession of a general master's degree and higher student test outcomes.

National Board Certification can help to identify high-quality teachers.⁴⁵ Most studies show that students taught by Board-certified teachers show greater-than-average gains on standardized tests.⁴⁶ Board-certified teachers are also more likely to stay in the classroom.⁴⁷ In North Carolina specifically, Board-certified teachers are less likely to leave the public school system than non-Board-certified teachers.⁴⁸ Board certification also remains popular with teachers as they see it as the only path to a pay raise, and the best path to professional recognition.⁴⁹ However, the process

³⁸ TNTP 2012,

³⁹ Ohio Educator Standards Board and Ohio Department of Education 2006

⁴⁰ "NC leads nation in board certified teachers" (8 Jan 2013). *Raleigh News and Observer*.

⁴¹ Clotfelter, Ladd, and Vigdor 2007, 2010

⁴² Ibid.

⁴³ Ibid.

⁴⁴ Ibid.

⁴⁵ Clotfelter, Ladd, Vigdor 2010, 2007, National Research Council of the National Academy of Sciences 2008

⁴⁶ Ibid.

⁴⁷ National Research Council of the National Academy of Sciences 2008

⁴⁸ Sykes et al 2006

⁴⁹ Interviews (Feb-Mar 2013) with Bill Harrison (former chair, NC State Board of Education), Fiscal Research Division, and J.B. Buxton (former NC deputy superintendent)

of Board certification itself does not improve teacher quality.⁵⁰ Some studies even show that teachers have lower performance during the year they are applying for Board certification because the process is onerous and demanding of teachers.⁵¹ Additionally, gains made under Board-certified teachers are small, and do not exceed those made under teachers with more years of experience.⁵²

Finally, North Carolina's expansive series of experience-based pay raises is not aligned with what research shows about how teacher quality improves over time. One reason for the state's low starting salary is that the schedule continues to reward experience through a teacher's 35th year. But research shows that increased effectiveness related to teacher experience peaks at 21-27 years – and that more than half of the gains associated with experience occur in the first few years of teaching.⁵³

Political Uncertainty

Any reform to the salary schedule must consider the views of many stakeholders with political clout and diverse ideas. Republicans, who control both the governorship and the General Assembly, generally favor performance pay, and politicians on both sides of the aisle are starting to agree that incentives for master's degrees are unwise.⁵⁴ However, both proposals are unpopular with the North Carolina Association of Educators (NCAE), which represents teachers in North Carolina.⁵⁵

Local education agencies (LEAs) also have diverse challenges and viewpoints. Urban districts like Charlotte-Mecklenburg and Wake are more likely to want more autonomy from the state.⁵⁶ They have the capacity to give larger salary supplements and institute their own salary schedule or performance pay plan.⁵⁷ In districts like Wake County, population growth is a particularly difficult challenge. Many rural districts, however, face the opposite problem of declining student enrollments and funds. They face greater teacher recruitment challenges and may not have the capacity to implement a statewide performance pay plan.⁵⁸

Any new salary schedule must be compliant with Race to the Top (RttT) stipulations to incorporate achievement-based compensation. A 2012 General

⁵⁰ Clotfelter, Ladd, Vigdor 2010, 2007, Harris and Sass 2009

⁵¹ Harris and Sass 2007

⁵² Clotfelter, Ladd, Vigdor 2007

⁵³ Clotfelter, Ladd, and Vigdor, 2007

⁵⁴ Interviews (Feb-Mar 2013) with NC Fiscal Research Division, Dr. Terry Stoops (John Locke Foundation)

⁵⁵ Interview with Bill Harrison (Feb 2013)

⁵⁶ Interviews (Feb-Mar 2013) with Leanne Winner (School Board Association), NCAE, Chris Cody (Public School Forum)

⁵⁷ Interviews with Leanne Winner and Ed. Dunlap

⁵⁸ Interviews (Feb-March 2013) with Ed Dunlap and Leanne Winner (NC School Board Association), Jack Hoke (NC School Superintendents Association)

Assembly law, Session Law 2012-142, gave local districts the power to design a performance pay plan to be submitted for approval to the State Board of Education by March 1, 2013.⁵⁹ North Carolina's RttT plan also gives performance bonuses for teachers who "exceed growth" in 118 priority schools.⁶⁰

Finally, any salary schedule that lowers the potential earnings of current teachers is politically unfeasible.⁶¹ A "hold harmless" clause, which would allow current teachers the choice to remain on the old salary schedule (perhaps indefinitely), may make a plan passable. But the clause would be costly⁶² and difficult in a state that faced a \$2.3 billion budget shortfall in the 2012 fiscal year.⁶³

CRITERIA

A successful teacher salary schedule will:

- **Support the recruitment of high-quality teachers, especially to low-performing schools.**

To best recruit high-quality teachers, the salary schedule should be competitive with both other states and with similar professions in North Carolina.

- **Support the retention of high-quality teachers, especially in low-performing schools.**

A successful revision to the salary schedule will incorporate incentives that encourage high-quality teachers to remain in the classroom, especially in low-performing schools.

- **Improve teacher morale.**

Schools with higher teacher morale have better student outcomes, and teachers who are satisfied with their job are more likely to stay in the classroom.⁶⁵ A successful revision to the teacher salary schedule will make teachers more satisfied in their career.

- **Align teacher salary expenditures with teacher quality.**

An ideal revision to the teacher salary schedule will likely require increased state funds for education. However, the revised schedule should be evidence-based, and expenditures should target

⁵⁹ Session Law 2012-142 Section 7A.10(a)

⁶⁰ NC Department of Public Instruction, www.dpi.state.nc.us

⁶¹ Interview with Fiscal Research, 1 Mar 2013

⁶² Interview with Fiscal Research, 1 Mar 2013

⁶³ Oliff et al 2012

⁶⁵ Ellenberg 1972, Black 2001

credentials associated with higher teacher quality to ensure the schedule is cost-effective.⁶⁶

- **Account for political landscape.**

A revised teacher salary schedule must be able to pass in the General Assembly, garner consensus at the State Board of Education, and comply with Race to the Top stipulations. The salary schedule should also account for differences in local district needs. A salary schedule cannot fully satisfy all stakeholder interests. However, a politically feasible and evidence-based schedule will seek to balance the varied interest of key stakeholders.

We weighed each criterion equally, and we evaluated each alternative against the criteria on a scale of 0-3.

Table 1: Criteria Scoring System

Score	Explanation
0	Fails to satisfy criterion.
1	Minimally satisfies criterion.
2	Mostly satisfies criterion.
3	Fully satisfies criterion.

ALTERNATIVES

Our core recommendation is a new statewide minimum schedule. This “new minimum schedule” best fulfills our criteria while remaining close to budget-neutral.⁶⁷ It reflects the consensus of both the scholarly research and the stakeholders we interviewed.

Additional expenditures on top of our new minimum schedule are also required to address North Carolina’s teacher salary issues. We provide three supplemental alternatives for these additional expenditures. Any combination of the new minimum schedule and a supplemental alternative is a vast improvement over the status quo.

⁶⁶ Vigdor 2008

⁶⁷ Appendix 3

CORE RECOMMENDATION: NEW MINIMUM SCHEDULE

The new minimum schedule would raise pay for first-year teachers to \$34,000. Teachers would receive a 2.5 percent raise at the conclusion of each of their first three years of teaching, a 1.5 percent raise after years four through 10, and a .75 percent raise after years 11 through 15. Teachers with National Board Certification would receive an extra 6 percent in pay, and those with a master's degree would receive a 4 percent pay boost. Board-certified teachers would receive an additional 6 percent if they teach at hard-to-staff schools.

The new schedule creates a “consistently high-performing” classification that parallels National Board Certification. Consistently high-performing teachers are those who achieve “highly effective” ratings in the state’s evaluation system in two of their three most recent years. Consistently high-performing teachers receive a 6 percent increase over the base schedule if they teach in low-performing schools, though their evaluation years do not have to come at a low-performing school.

These credential-based increases can compound with one exception: A Board-certified teacher in a low performing school cannot also receive the “consistently high performing teacher” bonus, as the two credentials parallel each other.

Table 2: Opportunities for pay increases

A teacher with these credentials...	... gets this increase to base pay
Master's degree	4%
National Board Certification	6%
Consistently high-performing teacher ¹ in low-performing school ²	6%
Board-certified teacher with master's degree	10%
Consistently high-performing teacher in low-performing school with master's degree	10%
Board-certified teacher in low-performing school	12%
Board-certified teacher with master's degree in low-performing school	16%

¹ A consistently high-performing teacher is one who receives a “highly effective” rating in the state’s evaluation system in two of their most recent three years.

² A list of low performing schools can be found in Appendix 4.

The new minimum schedule incorporates a hold harmless clause, meaning current teachers can choose to remain on the old schedule. Moreover, the schedule is presented in constant dollars; for this schedule to have its intended effect, the General Assembly must update the schedule with cost-of-living adjustments on an annual basis.

The new minimum schedule serves as the foundation for all other alternatives analyzed in this report. It can be viewed in full in appendix 3.

SUPPLEMENTAL ALTERNATIVES

1. Provide LEAs a set amount of funding based on student population to use on at least one of the following options.
 - Provide extra pay to math or science teachers that have a master's degree in a math or science field.
 - Provide extra pay for any teacher in a high-need subject area.
 - Design and institute a career ladder framework with some State Board of Education-mandated characteristics.
 - Design and institute a performance pay plan that, amongst other State Board of Education-mandated characteristics, uses multiple measures of teacher performance, multiple years of test data, and includes a component for both individual teacher performance and school-wide performance.
 - Raise the base salary for all teachers.
2. Institute a statewide teacher career ladder.

Teacher career ladders are a performance-based, multi-level compensation system.⁶⁸ Career ladder systems typically include varied teacher roles and responsibilities, differentiated professional development, and multiple measures of performance and student achievement.

⁶⁸ "Proposal for a Career Ladder Program" 2006

See Appendix 6 for examples of career ladder structures that have been used in other states. See Appendix 5 for an example of a statewide teacher career ladder for NC.

3. Increase the starting salary in the new minimum schedule to \$42,500.

This version of the schedule incorporates the same percentage increases for credentials and experience as the proposed new minimum schedule. Like the new minimum schedule, the \$42,500 base schedule will be guaranteed for all the positions that the state funds. The schedule can be viewed in full in appendix 7.

ANALYSIS

Table 3: Alternative Evaluation Matrix

Alternatives	Recruit high-quality teachers, especially in low-performing schools	Recruit high quality teachers, especially in low-performing schools	Improve teacher morale	Align expenditures with teacher quality	Account for political landscape	Total Score
New minimum schedule	3	3	2	2	2.5	12.5
Give LEA's funding	2.5	2.5	2	2	3	12
Statewide teacher career ladder	2	3	2	3	1	11
Raise starting salary to \$42.500	2	2	3	2	0	9

CORE RECOMMENDATION: Reformulate the statewide minimum schedule.

Alternative	Recruit high-quality teachers, especially in low-performing schools	Retain high quality teachers, especially in low-performing schools	Improve teacher morale	Align expenditures with teacher quality	Account for political landscape	Total Score
New minimum	3	3	2	2	2.5	12.5

The new minimum schedule fully satisfies the recruitment criterion by increasing the starting salary and frontloading pay raises. Higher wages closer to the beginning of a career will appeal to highly qualified college graduates weighing various career options.⁶⁹ Under the current system, teachers do not reach peak earnings until their early 50s. The new minimum schedule brings teaching in line with other professions such as medicine and law, in which workers reach peak earnings in their early 40s.⁷⁰ Increasing the starting salary and the average salary allows recruiters to draw from a pool of more highly qualified applicants, increasing the overall quality of the teaching workforce.⁷¹ Moreover, teachers from other states who have completed the Board certification process will still have incentive to move to North Carolina. The hard-to-staff incentives will also help draw teachers to schools with difficulty filling positions, as demonstrated by studies nationwide.⁷²

The new minimum schedule fully satisfies the retention criterion. North Carolina-specific experiences confirm that salary increases can reduce turnover, as evidenced by the successes of the ABC Bonus program, Mission Possible in Guilford County, and the \$1,800 bonus pilot program.⁷³ Collapsing the teaching schedule will likely do far more to retain young teachers than it will to drive away older teachers. Teachers are significantly more likely to leave early in their careers if they are paid poorly.⁷⁴ The new minimum schedule identifies high-quality teachers through Board certification status, experience, and measurable accomplishments. The Board certification process effectively identifies high-quality teachers.⁷⁵ Hard-to-staff incentives not only attract high-quality teachers, but effectively keep them as well.⁷⁶ Pay is especially important to retention in low-achieving schools.⁷⁷

The new minimum schedule mostly satisfies the morale criterion. Rodney Ellis, Sr., of the NCAE believes that raising the starting salary would boost teacher morale, as does Carol Vandenberg of Professional Educators of North Carolina (PENC).⁷⁹ Reducing the master's and Board certification bonuses is not popular amongst North Carolina teachers, who often see these incentives as the only way to increase their salaries to livable wages.⁸⁰ However, both the NCAE and the PENC believe that reducing the master's degree bonus will be easier if the salary is raised enough to compensate for the reduction,⁸¹ which the new minimum schedule accomplishes for most teachers. In any case, the hold harmless clause will prevent any current teacher's salary from being reduced. Performance pay is controversial among teachers; in our survey of North Carolina teachers, about 22 percent of

⁶⁹ Vigdor 2008

⁷⁰ Ibid.

⁷¹ McKinsey report 2007, Figlio 1996, Vigdor 2008

⁷² Steele et. al 2010, Prince 2002

⁷³ Center for Education Compensation Reform 2008, Clotfelter, Ladd, Vigdor 2008.

⁷⁴ Clotfelter, Ladd, Vigdor 2010, Murnane et. al 1989

⁷⁵ Goldhaber and Anthony 2007

⁷⁶ Clotfelter et. al 2007

⁷⁷ Steele, Murnane, Willett 2010, Kirby et. al 1999

⁷⁹ Interview with Rodney Ellis (Mar 2013) and Carol Vandenberg (Mar 2013)

⁸⁰ Ibid.

⁸¹ Ibid.

teachers reported they would be less likely to remain at their school if a performance pay system based on test scores, administrator reviews and/or student perceptions were in place, as compared to about 12 percent who said they would be more likely to stay. However, a performance pay system based on the state's evaluation system, which uses EVAAS ratings and administrator observations, may enjoy more support than other systems. Ellis reports that teachers generally have no problem with EVAAS.⁸² While the NCAE believes that performance pay based on administrator observations will not be implemented fairly,⁸³ teachers have more faith in administrators than in other evaluation methods. Our survey asked teachers what form of evaluation they felt best reflected the true quality of their teaching. Administrator observations outscored test score proficiency levels and test score growth by 1.3 and 0.85 points (respectively) on a seven-point scale. While performance pay may be controversial, EVAAS and administrator observations are a relatively uncontroversial way to implement it. The limited scope of pay increases tied to performance pay will limit associated controversies. Finally, unfreezing the schedule and raising base pay by about 10 percent will boost morale.

The new minimum schedule mostly satisfies the alignment criterion. Board certification helps identify high-quality teachers⁸⁴ and should continue to be rewarded. But reducing the raise devoted to Board certification allows the new minimum schedule to divert funds to other teachers identified as highly effective. The consistently high-performing teacher bonus introduces a performance-based pay increase, which will only reward teachers with proven records of quality. Raises based on experience levels are brought in line with observed returns to student test scores from years of experience.⁸⁶ That said, master's degrees will still earn teachers a pay increase despite the dearth of evidence supporting the idea that they increase teacher effectiveness.

The new minimum schedule reflects political realities concerning stakeholder viewpoints, Race to the Top compliance, and the state budget. Every political player we spoke with supported raising the starting salary, reducing the number of steps to the peak, and introducing hard-to-staff incentives.⁸⁷ None of these stakeholders supported eliminating the Board certification bonus completely. The performance-based consistently high-performing teacher designation helps the plan pass Race to the Top muster. The new minimum schedule will increase costs, but not exorbitantly. The hold harmless clause will increase costs in the short run because it allows teachers to stay on the old schedule. We estimate that this new base schedule will increase costs by between \$180 million and \$195 million in constant dollars under hold harmless, which represents only a 5-6 percent budget increase. In the long-run, we estimate that extra costs will be between \$17 million and \$70 million in constant dollars, which is only a 0.5-2 percent budget increase. (See Appendix 8 for more

⁸² Ellis 2013

⁸³ Ibid.

⁸⁴ Goldhaber and Anthony 2007

⁸⁶ Clotfelter et. al 2007b

⁸⁷ Interviews (Feb-March 2013) with Dr. Terry Stoops, Bill Harrison, JB Buxton, Rodney Ellis, Chris Cody, Leanne Winner, Jack Hoke, Shirley Prince

information on our cost estimates.) These numbers are not negligible, but they are within reason.

SUPPLEMENTAL ALTERNATIVES

1. Give LEAs a set amount of funding based on student population to use on a menu of options.

Alternative	Recruit high-quality teachers, especially in low-performing schools	Retain high quality teachers, especially in low-performing schools	Improve teacher morale	Align expenditures with teacher quality	Account for political landscape	Total Score
Give LEAs funding	2.5	2.5	2	2	3	12

Granting LEAs additional funding fulfills the recruitment criterion. Low-performing schools, especially rural ones, often have a shortage of quality math, science, and special education teachers.⁸⁸ This plan, aligned with Race to the Top's recruitment model, allows districts to use state funds to recruit teachers in higher-need areas. Science and math teachers with master's degrees in their subject tend to perform better than their counterparts.⁸⁹ Career ladders and higher base pay are associated with recruiting higher quality teachers.⁹⁰ LEA supplements also allow low-performing LEAs to differentiate their salary structures to fulfill their recruitment needs. LEAs without the capacity to create their own plans can simply attempt to attract teachers by raising their base pay.⁹¹

Providing supplements to LEAs also fulfills the retention criteria by allowing all districts, especially low-performing ones, to match their retention strategies to local needs. However, the evidence supporting the different options on the menu varies in strength, making it difficult to determine the composite effects on retention. It is also difficult to predict which strategies LEAs will choose. Each of these options addresses the fact that teachers, especially high-quality teachers, leave the profession due to salary.⁹² Additional base pay does prevent the best teachers from leaving the profession and further incentivizes high-quality teachers to teach in hard-

⁸⁸ Interview with Chris Cody (Feb 2013)

⁸⁹ Clotfelter, Ladd, Vigdor, 2007

⁹⁰ For Career Ladders, see next section. For the association of pay and recruitment, see Wheeler and Glennie 2007, Prince 2003, and Figlio 1997.

⁹¹ Interviews with Leanne Winner, Rodney Ellis and Margaret Foreman

⁹² For the association of pay and retention, see TNTP 2012, Wheeler and Glennie 2007, Clotfelter 2006, Guarino 2006, Prince 2003, Hanushek 2001, and Figlio 1997, which cite examples in North Carolina, Chattanooga, Anaheim, and New York City where pay incentives increased the retention of teachers, especially in hard to staff schools.

to-staff schools by increasing the magnitude of the incentives in the base schedule.⁹³ LEAs that choose to pay science and math teachers with master's degrees in their subject an additional stipend are increasing their odds of retaining a high-performing group of teachers in a shortage area.⁹⁴ Career ladders also retain quality teachers.⁹⁵ However, a recent experiment showed that performance pay based only on test scores and teacher observations does not improve student performance.⁹⁶ Providing extra pay for teachers in high-need subject areas regardless of teacher quality incentivizes both high- and low-performing teachers to stay. However, different districts potentially have different needs, budgetary constraints, and capacity. Low-performing districts and rural districts require different retention strategies than high-performing and urban districts.⁹⁷ By providing a menu of strategies instead of a top-down mandate, this alternative allows low-performing districts to adopt these retention strategies while maintaining quality control.

LEA supplements mostly fulfill the morale criterion. Again, the overall effect of this alternative on teacher morale depends on how districts use their supplements. Many teachers are opposed to test-based performance pay and additional pay for teachers with science and math master's degrees.⁹⁸ According to our teacher survey, 22 percent of teachers would be less likely to remain in the profession if a performance pay plan were implemented, while 11 percent of teachers would be more likely to remain in the profession. If districts choose either career ladders or increased base pay, then teacher morale would likely improve,⁹⁹ although teachers would prefer a larger pay raise.¹⁰⁰ Districts can mitigate teacher dissatisfaction by actively including teachers in any discussion on how to spend their stipend, as the Gaston County LEA did in formulating its recent performance pay plan.¹⁰¹ Lastly, this alternative allows districts to be more responsive to local teacher morale needs than a one-size-fits-all system.

By allowing LEAs to only select options within a framework of best practices, the LEA flexibility alternative mostly succeeds at aligning expenditures with teacher quality. The extent of the alignment depends on which options LEAs ultimately choose. LEAs that choose to give bonuses to science and math teachers who have science and math master's degrees are incentivizing an evidenced-based credential.¹⁰² Career ladders also devote resources to teachers with proven track records.¹⁰³ Increasing the starting salary of the new state minimum schedule increases the magnitude all of its evidence-based elements. Performance pay systems have inconsistent results and could potentially incentivize teachers to

⁹³ Clotfelter, Ladd and Vigdor, 2007

⁹⁴ Ibid.

⁹⁵ TNTP 2012

⁹⁶ Moran 2010

⁹⁷ Interview with J.B. Buxton (Feb 2013)

⁹⁸ Interview with Rodney Ellis and Margaret Foreman, NCAE (Mar 2013)

⁹⁹ Ibid, Ballou and Podursky 1993

¹⁰⁰ Interview with Rodney Ellis and Margaret Foreman, NCAE (Mar 2013)

¹⁰¹ Ibid.

¹⁰² Clotfelter, Ladd, and Vigdor 2007

¹⁰³ TNTP 2012

prioritize improving test scores over their other responsibilities.¹⁰⁴ However, a performance pay plan that uses multiple measures and multiple years of test data increases reliability and validity.¹⁰⁵

This plan best accounts for the political landscape. It is Race to the Top-compliant, provides potential funding for the performance pay plans that LEAs develop under Session Law 2012-142, and is the plan most likely to gain both the support of NCAE and the General Assembly. One major concern is that local LEAs do not have the capacity to create and implement their own plans.¹⁰⁶ However, by allowing LEAs to raise pay across the board, districts may chose an option with few implementation costs. This alternative is the preferred method of the North Carolina School Superintendents Association and PENC.¹⁰⁷ Additionally, allowing for a menu of choices accounts for the fact that rural and urban school districts have very different needs and capabilities.¹⁰⁸ Most importantly, several members of the General Assembly value performance pay and local school system control, both of which exist in this plan.¹⁰⁹

2. Institute a statewide teacher career ladder.

Alternative	Recruit high-quality teachers, especially in low-performing schools	Retain high quality teachers, especially in low-performing schools	Improve teacher morale	Align expenditures with teacher quality	Account for political landscape	Total Score
Statewide teacher career ladder	2	3	2	3	1	11

This alternative mostly meets the recruitment criterion. A statewide career ladder would not differentiate incentives by school or district, and thus is not likely to have an impact on recruitment specifically for low-performing schools. However, it is likely to improve recruitment of high-quality teachers. Evidence suggests that high-quality teachers are especially responsive to financial incentives tied to quality measures.¹¹⁰ A 2012 study found that the percentage of teachers who would choose to work in a low-performing school doubled when the school offered teachers leadership roles.¹¹¹ Thus, quality-blind incentives (like universal raises) will be less effective at recruiting high-quality teachers than the performance-based compensation of career ladders.

¹⁰⁴ Economic Policy Institute 2010

¹⁰⁵ Bill and Melinda Gates Foundation 2013

¹⁰⁶ Interviews (Feb-Mar 2013) with Ed Dunlap and Leanne Winner of NCSBA, and Rodney Ellis and Margaret Foreman of NCAE

¹⁰⁷ Interviews with Jack Hoke and Carol Vandenberg

¹⁰⁸ Interviews with Jack Hoke, Bill Harrison, and J.B. Buxton

¹⁰⁹ Interviews with Bill Harrison and Terry Stoops

¹¹⁰ TNTP 2012

¹¹¹ Ibid.

Teacher career pathways retain high-quality teachers. A 2012 report identified eight strategies that help boost retention of high-quality teachers. Career ladders address six of the eight retention strategies identified in the report.¹¹² High-quality teachers who experience two or more of these strategies planned to remain at their school up to six years longer than those who did not receive these strategies.¹¹³ But one-third to half of the high-quality teachers surveyed said that they had experienced fewer than two of these retention strategies and about a quarter said they had experienced none at all.¹¹⁴ If low-performing districts in North Carolina implemented a career ladder that used these strategies, the state would likely improve retention of their best teachers.

The impact of teacher career ladders on teacher morale will depend on how well the system is developed and implemented. A report on working conditions in North Carolina found that teacher empowerment is directly associated with student achievement.¹¹⁵ A well-developed teacher career ladder would empower high-quality teachers by providing them with recognition and fulfillment through career advancements.¹¹⁶ There is evidence that teachers support career ladders. A charter school network that recently implemented a teacher-designed career ladder attributes the early success of the initiative to the fact that teachers provided significant input in the design. A report by a group of Illinois teachers convened in 2012 by the Center for Teaching Quality states, "We believe that evaluation systems should give more meaning to the career and compensation ladder for teachers, by helping to advance and retain the most accomplished and effective teachers."¹¹⁷ Another survey of teachers found that teachers said they would support a career ladder if it rewarded teachers for taking on extra duties and performance.¹¹⁸ However, low-quality teachers who do not receive recognition could experience decreased satisfaction.

Teacher career ladders align with indicators of teacher quality and thus it fully meets this criterion. One of the most thorough evaluations of career ladder programs, conducted in Arizona, showed significantly higher student achievement in schools with career ladders when compared to schools without career ladders.¹¹⁹ Career ladders will only have these positive effects if districts have the necessary

¹¹² These strategies are (1) provide teachers with regular, positive feedback, (2) help teachers identify areas of development, (3) recognize teachers' accomplishments publicly, (4) inform high-quality teachers that they are high-performing, (5) identify opportunities or paths for teacher leader roles, (6) put high-quality teachers in charge of something important.

¹¹³ TNTP 2012

¹¹⁴ Ibid.

¹¹⁵ "Proposal for a Career Ladder Program" 2006

¹¹⁶ TNTP 2012

¹¹⁷ "Measuring Learning, Supporting Teaching: Classroom Experts' Recommendations for an Effective Educator Evaluation System." 2013

¹¹⁸ Ballou, Podgursky 1995

¹¹⁹ Dowling 2007

funding to administer and evaluate teachers and to provide substantial salary increases.¹²⁰

Career ladders have limited political feasibility. North Carolina's experimentation with career ladders in the late 1980s was met with mixed support. Former Governor James Hunt and the State Board of Education wanted to expand the local district program statewide. However, local presidents of the NCAE at the time "voted overwhelmingly to fight the program's expansion."¹²¹ Current NCAE leaders expressed support of career ladders that are designed to reward teachers for taking on extra jobs such as being a mentor teacher.¹²² Governor McCrory and many state legislators have also voiced strong support for performance-based compensation systems.¹²³ However, many in North Carolina retain the memory of previous career ladders that failed, largely because of districts' inability to effectively implement them. North Carolina School Superintendents Association Executive Director Jack Hoke is not supportive of career ladders because they can be challenging and complicated to implement, especially in districts with low human resources capacity.¹²⁴ Similarly, a 2006 report by the Ohio Department of Education notes that "many districts, without sufficient resources and technical capacity, have failed to develop equity in teacher evaluation and opportunities for career advancement."¹²⁵ Past attempts at career ladders have proven to be expensive, and the costs are difficult to project.¹²⁶ For these reasons, it could be challenging to roll out a statewide teacher career ladder.

3. Raise the starting salary in state minimum schedule to \$42,500.

Alternative	Recruit high-quality teachers, especially in low-performing schools	Recruit high quality teachers, especially in low-performing schools	Improve teacher morale	Align expenditures with teacher quality	Account for political landscape	Total Score
Raise starting salary to \$42,500	2	2	3	2	0	9

Raising the starting salary fulfills the recruitment criterion. Research indicates that increases in overall pay attract both high-performing teachers and teachers from competitive institutions.¹²⁷ Additionally, teachers considering moving to North Carolina from other states compare their potential earnings amongst different states.¹²⁸ With this alternative, North Carolina would have the highest starting salary

¹²⁰ Cornett 1985

¹²¹ Olson 1 Feb 1989 *EdWeek*

¹²² Interview with Rodney Ellis and Margaret Foreman, NCAE (Mar 2013)

¹²³ Binker 2012

¹²⁴ Hoke 2013

¹²⁵ "Proposal for a Career Ladder Program" 2006

¹²⁶ Cornett 1985

¹²⁷ Wheeler and Glennie 2007, Prince 2003, and Figlio 1997

¹²⁸ Interview with Chris Cody and Terry Mebane

in the South and the sixth-highest starting salary in the nation. Furthermore, this alternative aligns the base salary with the starting salary of accountants and nurses in North Carolina, two professions that often compete against the teaching profession for talent.¹²⁹ By increasing the salary of the state-minimum schedule, this schedule also increases the magnitude of the incentive for consistently high-performing and Board-certified teachers to teach in hard-to-staff schools. However, while increased salaries will raise the caliber of candidates for open positions, districts with smaller human resources departments might be overwhelmed.¹³⁰

Increasing the base salary fulfills the retention criterion. High-performing teachers are the most likely to leave due to salary reasons.¹³¹ By maximizing the base salary for most teachers and making base pay competitive nationally, this alternative does more to improve retention than any of the other alternatives. Raising base pay to a level that is more competitive with other professions decreases the financial incentive for teachers to switch careers.¹³³ However, while the career ladder and most of the options in supplemental alternative 1 are designed to retain either successful teachers or teachers with expertise in high-need subjects, this alternative will increase the retention of all teachers by increasing their overall pay. Only teachers that choose to teach in a low-performing school would receive additional pay for quality.

A nationally competitive base salary also best improves teacher morale. Increased teacher salaries improve teacher morale.¹³⁴ Raising salaries to this level sends a message that North Carolina values its teachers more than other states and as much as other professions.

By increasing funding for the evidence-based new minimum schedule, this version of the salary schedule partially fulfills the alignment criterion. However, this alternative does not align expenditures with individual districts' needs. Merely raising the base salary neither increases the weighting for evidence-based credentials nor rewards past performance. By continuing to incentivize general master's degrees, North Carolina would be paying more for an incentive unrelated to student achievement. A higher base salary will likely attract and retain a larger number of teachers, causing the state to pay increased salaries to lower-performing teachers.

This alternative fails to account for the political landscape. Increased teacher salaries are a priority of several stakeholders.¹³⁵ However, the General Assembly

¹²⁹ Odden and Wallace 2007

¹³⁰ Interviews (Feb-March 2013) with Chris Cody, Bill Harrison, Jack Hoke, Carol Vandenberg, and Shirley Prince

¹³¹ TNTP 2012

¹³³ For the association of pay and retention, see TNTP 2012, Wheeler and Glennie 2007, Clotfelter 2006, Guarino 2006, Prince 2003, Hanushek 2001, and Figlio 1997, which cite examples in North Carolina, Chattanooga, Anaheim, and New York City where pay incentives increased the retention of teachers, especially in hard to staff schools.

¹³⁴ Guarino 2004

¹³⁵ Interviews (Feb-Mar 2013) with Margaret Foreman, Rodney Ellis, Carol Vandenberg, Leanne Winner, Ed Dunlap, and Shirley Prince.

wants to minimize cost and at least experiment with performance pay.¹³⁶ This alternative is extremely costly¹³⁷ and lacks a performance pay component.

RECOMMENDATION

We recommend the state implement our core proposal and alternative one.

¹³⁶ Interviews (Feb-Mar 2013) with Bill Harrison, Terry Stoops, Leanne Winner and Ed Dunlap
¹³⁷ Appendix 8

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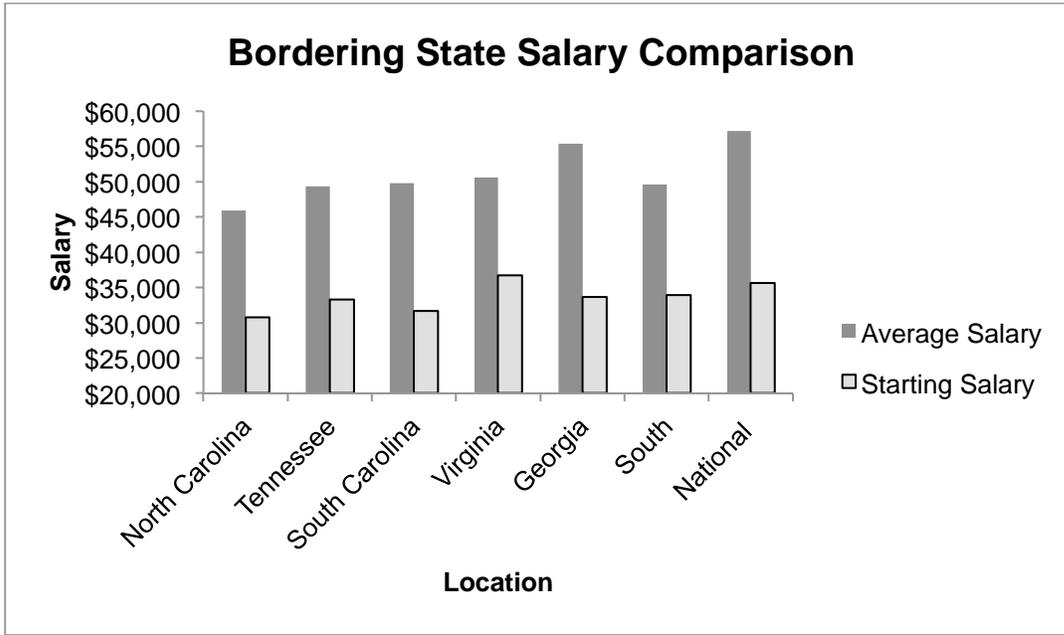
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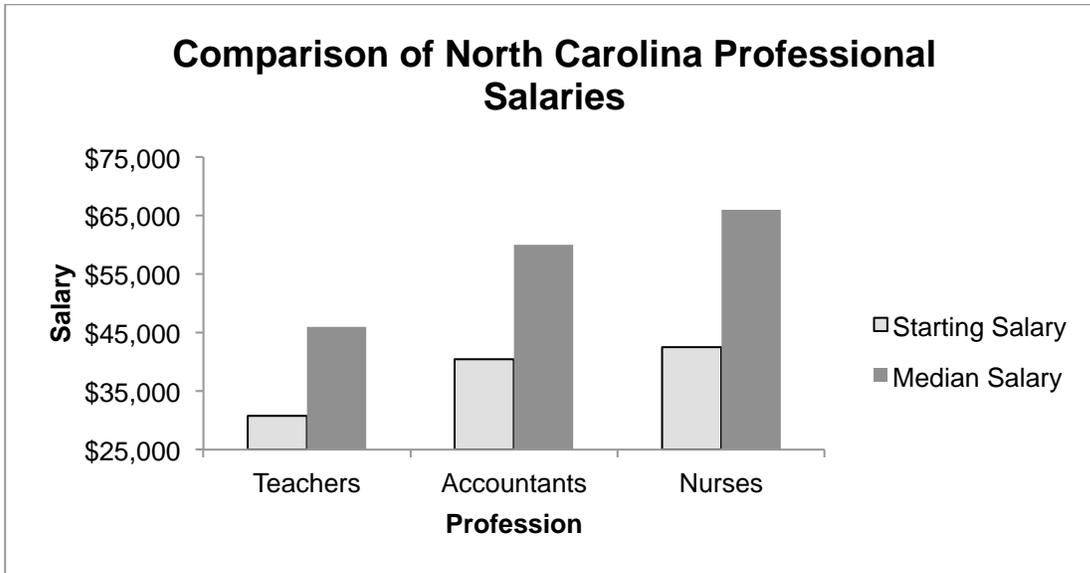
APPENDICES

APPENDIX 1: North Carolina Teacher Salary Comparisons



	Average Salary	Starting Salary
North Carolina	\$45,947	\$30,800
Tennessee	\$49,342	\$33,287
South Carolina	\$49,769	\$31,685
Virginia	\$50,574	\$36,737
Georgia	\$55,409	\$33,673
South	\$49,645	\$33,910
National	\$57,218	\$35,672

Source: National Education Association



	Starting Salary	Median
Teachers	\$30,800	\$45,947
Accountants	\$40,400	\$60,000
Nurses	\$42,500	\$66,000

Source: National Education Association

APPENDIX 2: Survey questions and responses

This appendix summarizes the results of the survey we conducted of approximately 15,000 North Carolina teachers. The survey was conducted via email and was administered through the Department of Public Instruction's Survey Monkey account.

Demographic information

- 1) On a scale from 1-7, with one being very unsatisfied and seven being very satisfied, how satisfied are you with your job?

1	2	3	4	5	6	7	Mean	Respondents
5.25%	11.22%	15.36%	18.33%	22.60%	19.79%	7.45%	4.31	15,589

- 2) On a scale from 1-7, with one being very unlikely and seven being very likely, how likely is it that you would remain at your current school next year if you had total control over the decision? (i.e. If you were not transferred by your district, if you did not have to relocate for a spouse or to take care of a family member, etc.)

1	2	3	4	5	6	7	Mean	Respondents
9.28%	6.32%	6.09%	8.18%	9.49%	14.30%	46.33%	4.00	15,645

- 3) On a scale from 1-7, with one being very unlikely and seven being very likely, how likely is it that you will be teaching at your school or at a similar school in North Carolina five years from now?

1	2	3	4	5	6	7	Mean	Respondents
22.13%	10.23%	11.69%	12.58%	9.59%	12.27%	21.51%	4.00	15,645

- 4) On a scale from 1-7, with one being very unlikely and seven being very likely, how likely is it that you will still be teaching in five years?

1	2	3	4	5	6	7	Mean	Respondents
18.79%	9.54%	12.63%	13.02%	9.44%	11.84%	24.74%	4.19	15,649

- 5) Please answer this question only if you answered less than 4 for any of the preceding questions: would a 10-20% pay increase make it more likely that you would stay in teaching?

Yes, I would be significantly more likely to keep teaching	51.39%
Yes, I would be somewhat more likely to keep teaching	25.1%
No, I would not be more likely to keep teaching	6.71%
Don't know/not sure	4.33%

Does not apply (answered more than 5)	12.47%
<i>Respondents</i>	12,771

- 6) Which of these factors have most greatly impacted your decision to stay in teaching?
Or, if you are a first-year teacher, which of these do you feel best describes why you got into teaching? (Select up to three.)

I feel like I'm making a difference in my students' lives.	71.49%
I am good at my job.	58.30%
I am happy with my work-life balance.	12.35%
I am happy with my pay, benefits, and vacation time.	3.25%
My good work is recognized and appreciated by higher-ups.	6.84%
I enjoy teaching.	63.30%
My coworkers and I get along/work well together.	36.08%
I have the resources and support necessary to do my job well.	7.25%
I support the vision and/or methods of my school's administration.	7.89%
Family/personal reasons	17.56%
Other	7.61%
<i>Respondents</i>	15,624

- 7) What are you least satisfied with in your job? (Select up to three.)

It is hard to make an impact on students.	8.16%
My good work goes unrecognized and/or unappreciated by higher-ups.	27.46%
There are limited opportunities for career advancement.	21.30%
I am unhappy with my pay, benefits, and/or vacation time.	69.65%
I feel unappreciated by students.	12.33%
My coworkers and I do not work well together.	1.61%
I do not have the resources and/or support to do my job well.	26.00%
The time commitment is bigger than I expected.	33.99%
It is difficult to manage student behavior.	20.81%
I disagree with the vision or methods of my school or district leadership.	16.69%
Family/personal reasons	3.15%
Other	22.48%
<i>Respondents</i>	15,486

- 8) If this is not the first school you've taught at, what were the primary reasons you left your last school? (Select up to three.)

It was hard to make an impact on students.	3.08%
My good work was unrecognized and/or unappreciated by higher-ups.	10.18%
There were limited opportunities for career advancement.	4.48%
I was unhappy with my pay, benefits, and/or vacation time.	5.06%
I felt unappreciated by students.	2.34%
My coworkers and I did not work well together.	2.57%
I did not have the resources and/or support to do my job well.	7.94%
The time commitment was bigger than I expected.	3.22%
It was difficult to manage student behavior.	6.18%
I disagreed with the vision or methods of my school or district leadership.	10.89%
I wanted to move to a different place.	23.01%
Family/ personal reasons	35.83%
I was transferred by my school district.	9.75%
This is this first school I've taught at.	23.46%
Other	34.22%
<i>Respondents</i>	<i>15,486</i>

9) What would be most likely to increase your job satisfaction? (Select one or two.)

Better professional development	7.37%
Increased pay	86.62%
Smaller classes	40.76%
Reduced number of preps	15.85%
Better administrative support	22.31%
More classroom resources	21.04%
<i>Respondents</i>	<i>15,486</i>

10) On a scale from 1-7, with one being very poorly and seven being very well, how well do you believe the following evaluation methods reflect the actual quality of your teaching?

Administrator observations

1	2	3	4	5	6	7	Mean	Respondents
6.54%	9.07%	10.77%	18.22%	21.50%	21.96%	11.95%	4.53	15,558

Student test score growth

1	2	3	4	5	6	7	Mean	Respondents
14.29%	15.09%	15.54%	20.55%	17.65%	12.06%	4.83%	3.68	15,438

Student test score proficiency levels

1	2	3	4	5	6	7	Mean	Respondents
18.28%	19.11%	17.80%	21.11%	13.60%	7.42%	2.68%	3.26	15,372

Student surveys

1	2	3	4	5	6	7	Mean	Respondents
14.41%	14.27%	16.31%	22.38%	16.92%	10.92%	4.79%	3.65	15,263

Peer reviews

1	2	3	4	5	6	7	Mean	Respondents
5.08%	6.59%	11.46%	22.18%	24.02%	22.15%	8.52%	4.54	15,312

Parental response/feedback

1	2	3	4	5	6	7	Mean	Respondents
7.85%	11.38%	15.82%	24.02%	20.01%	14.66%	6.25%	4.06	15,269

11) Say that teachers were evaluated based on some combination of administrator observations, growth in student test scores, and/or student perceptions. Say that you received a bonus worth 10-20% of your salary if you performed well in these measures. How might you change your teaching practices if such a system were in place at your school? (Choose up to three.)

I would spend more time preparing lesson plans.	12.64%
I would spend more time grading.	2.37%
I would spend more time giving feedback to students in-class.	15.42%
I would spend more time engaging in professional learning or development.	11.92%
I would spend more time at school (before or after classes).	5.57%
I would tailor my teaching to appeal to administrators.	12.90%
I would "teach to the test."	20.08%
I would not change my teaching practices.	48.95%
Don't know/not sure	16.26%
Other	17.21%
<i>Respondents</i>	<i>15,627</i>

12) Do you believe you would perform better, worse, or about the same under such an evaluation system, as compared to your current performance level?

I would perform better	8.47%
I would perform worse	7.29%
I would perform about the same	67.77%
Don't know/not sure	16.47%
<i>Respondents</i>	<i>15,604</i>

13) If this evaluation system were in place, would it make you more or less likely to remain at your current school?

More likely	11.64%
Less likely	22.19%
No difference	49.25%
Don't know/not sure	16.92%
<i>Respondents</i>	<i>15,631</i>

APPENDIX 3: New Minimum Schedule

New Minimum Schedule for Teachers With Bachelors' Degrees

Years of Experience	Not Board Certified				Board Certified			
	Base Salary	Difference from Old Schedule	Supplement for consistently high-performing teachers in low-Performing Schools*	Difference from Old Schedule	Base Salary	Difference from Old Schedule	Supplement for consistently high-performing teachers in low-Performing Schools*	Difference from Old Schedule
0	\$34,000	\$3,200	N/A	N/A	N/A	N/A	N/A	N/A
1	\$34,850	\$4,050	N/A	N/A	N/A	N/A	N/A	N/A
2	\$35,721	\$4,921	N/A	N/A	N/A	N/A	N/A	N/A
3	\$36,614	\$5,814	\$38,811	\$8,011	\$38,811	\$4,311	\$41,140	\$6,640
4	\$37,163	\$6,363	\$39,393	\$8,593	\$39,393	\$4,893	\$41,757	\$7,257
5	\$37,721	\$6,501	\$39,984	\$8,764	\$39,984	\$5,014	\$42,383	\$7,413
6	\$38,287	\$6,617	\$40,584	\$8,914	\$40,584	\$5,114	\$43,019	\$7,549
7	\$38,861	\$5,831	\$41,193	\$8,163	\$41,193	\$4,203	\$43,664	\$6,674
8	\$39,444	\$4,994	\$41,811	\$7,361	\$41,811	\$3,231	\$44,319	\$5,739
9	\$40,036	\$4,236	\$42,438	\$6,638	\$42,438	\$2,338	\$44,984	\$4,884
10	\$40,636	\$3,526	\$43,074	\$5,964	\$43,074	\$1,514	\$45,659	\$4,099
11	\$40,941	\$2,781	\$43,397	\$5,237	\$43,397	\$657	\$46,001	\$3,261
12	\$41,248	\$2,598	\$43,723	\$5,073	\$43,723	\$433	\$46,346	\$3,056
13	\$41,557	\$2,417	\$44,051	\$4,911	\$44,051	\$211	\$46,694	\$2,854
14	\$41,869	\$2,219	\$44,381	\$4,731	\$44,381	-\$29	\$47,044	\$2,634

15	\$42,183	\$2,033	\$44,714	\$4,564	\$44,714	-\$256	\$47,397	\$2,427
16	\$42,183	\$1,523	\$44,714	\$4,054	\$44,714	-\$826	\$47,397	\$1,857
17	\$42,183	\$1,003	\$44,714	\$3,534	\$44,714	-\$1,406	\$47,397	\$1,277
18	\$42,183	\$473	\$44,714	\$3,004	\$44,714	-\$2,006	\$47,397	\$677
19	\$42,183	-\$77	\$44,714	\$2,454	\$44,714	-\$2,616	\$47,397	\$67
20	\$42,183	-\$637	\$44,714	\$1,894	\$44,714	-\$3,246	\$47,397	-\$563
21	\$42,183	-\$1,187	\$44,714	\$1,344	\$44,714	-\$3,856	\$47,397	-\$1,173
22	\$42,183	-\$1,787	\$44,714	\$744	\$44,714	-\$4,536	\$47,397	-\$1,853
23	\$42,183	-\$2,377	\$44,714	\$154	\$44,714	-\$5,196	\$47,397	-\$2,513
24	\$42,183	-\$2,967	\$44,714	-\$436	\$44,714	-\$5,856	\$47,397	-\$3,173
25	\$42,183	-\$3,587	\$44,714	-\$1,056	\$44,714	-\$6,546	\$47,397	-\$3,863
26	\$42,183	-\$4,207	\$44,714	-\$1,676	\$44,714	-\$7,246	\$47,397	-\$4,563
27	\$42,183	-\$4,877	\$44,714	-\$2,346	\$44,714	-\$7,996	\$47,397	-\$5,313
28	\$42,183	-\$5,527	\$44,714	-\$2,996	\$44,714	-\$8,726	\$47,397	-\$6,043
29	\$42,183	-\$6,177	\$44,714	-\$3,646	\$44,714	-\$9,446	\$47,397	-\$6,763
30	\$42,183	-\$6,847	\$44,714	-\$4,316	\$44,714	-\$10,196	\$47,397	-\$7,513
31	\$42,183	-\$7,537	\$44,714	-\$5,006	\$44,714	-\$10,976	\$47,397	-\$8,293
32	\$42,183	-\$8,257	\$44,714	-\$5,726	\$44,714	-\$11,776	\$47,397	-\$9,093
33	\$42,183	-\$8,977	\$44,714	-\$6,446	\$44,714	-\$12,586	\$47,397	-\$9,903
34	\$42,183	-\$9,967	\$44,714	-\$7,436	\$44,714	-\$13,696	\$47,397	-\$11,013
35	\$42,183	-\$10,997	\$44,714	-\$8,466	\$44,714	-\$14,846	\$47,397	-\$12,163

New Minimum Schedule for Teachers With Masters' Degrees

Years of Experience	Not Board Certified				Board Certified			
	Base Salary	Difference from Old Schedule	Supplement for consistently high-performing teachers in low-Performing Schools*	Difference from Old Schedule	Base Salary	Difference from Old Schedule	Supplement for consistently high-performing teachers in low-Performing Schools*	Difference from Old Schedule
0	\$35,360	\$1,480	N/A	N/A	N/A	N/A	N/A	N/A
1	\$36,244	\$2,364	N/A	N/A	N/A	N/A	N/A	N/A
2	\$37,150	\$3,270	N/A	N/A	N/A	N/A	N/A	N/A
3	\$38,079	\$4,199	\$40,276	\$6,396	\$40,276	\$2,326	\$42,473	\$4,523
4	\$38,650	\$4,770	\$40,880	\$7,000	\$40,880	\$2,930	\$43,110	\$5,160
5	\$39,230	\$4,890	\$41,493	\$7,153	\$41,493	\$3,033	\$43,756	\$5,296
6	\$39,818	\$4,978	\$42,115	\$7,275	\$42,115	\$3,095	\$44,413	\$5,393
7	\$40,416	\$4,086	\$42,747	\$6,417	\$42,747	\$2,057	\$45,079	\$4,389
8	\$41,022	\$3,122	\$43,388	\$5,488	\$43,388	\$938	\$45,755	\$3,305
9	\$41,637	\$2,257	\$44,039	\$4,659	\$44,039	-\$71	\$46,441	\$2,331
10	\$42,262	\$1,442	\$44,700	\$3,880	\$44,700	-\$1,020	\$47,138	\$1,418
11	\$42,579	\$599	\$45,035	\$3,055	\$45,035	-\$1,985	\$47,491	\$471
12	\$42,898	\$378	\$45,373	\$2,853	\$45,373	-\$2,247	\$47,848	\$228
13	\$43,220	\$170	\$45,713	\$2,663	\$45,713	-\$2,507	\$48,207	-\$13
14	\$43,544	-\$76	\$46,056	\$2,436	\$46,056	-\$2,794	\$48,568	-\$282

15	\$43,870	-\$300	\$46,401	\$2,231	\$46,401	-\$3,069	\$48,932	-\$538
16	\$43,870	-\$860	\$46,401	\$1,671	\$46,401	-\$3,699	\$48,932	-\$1,168
17	\$43,870	-\$1,430	\$46,401	\$1,101	\$46,401	-\$4,339	\$48,932	-\$1,808
18	\$43,870	-\$2,010	\$46,401	\$521	\$46,401	-\$4,989	\$48,932	-\$2,458
19	\$43,870	-\$2,620	\$46,401	-\$89	\$46,401	-\$5,669	\$48,932	-\$3,138
20	\$43,870	-\$3,230	\$46,401	-\$699	\$46,401	-\$6,349	\$48,932	-\$3,818
21	\$43,870	-\$3,840	\$46,401	-\$1,309	\$46,401	-\$7,039	\$48,932	-\$4,508
22	\$43,870	-\$4,500	\$46,401	-\$1,969	\$46,401	-\$7,769	\$48,932	-\$5,238
23	\$43,870	-\$5,150	\$46,401	-\$2,619	\$46,401	-\$8,499	\$48,932	-\$5,968
24	\$43,870	-\$5,800	\$46,401	-\$3,269	\$46,401	-\$9,229	\$48,932	-\$6,698
25	\$43,870	-\$6,480	\$46,401	-\$3,949	\$46,401	-\$9,989	\$48,932	-\$7,458
26	\$43,870	-\$7,160	\$46,401	-\$4,629	\$46,401	-\$10,749	\$48,932	-\$8,218
27	\$43,870	-\$7,900	\$46,401	-\$5,369	\$46,401	-\$11,579	\$48,932	-\$9,048
28	\$43,870	-\$8,610	\$46,401	-\$6,079	\$46,401	-\$12,379	\$48,932	-\$9,848
29	\$43,870	-\$9,330	\$46,401	-\$6,799	\$46,401	-\$13,179	\$48,932	-\$10,648
30	\$43,870	-\$10,060	\$46,401	-\$7,529	\$46,401	-\$13,999	\$48,932	-\$11,468
31	\$43,870	-\$10,820	\$46,401	-\$8,289	\$46,401	-\$14,849	\$48,932	-\$12,318
32	\$43,870	-\$11,610	\$46,401	-\$9,079	\$46,401	-\$15,739	\$48,932	-\$13,208
33	\$43,870	-\$12,410	\$46,401	-\$9,879	\$46,401	-\$16,629	\$48,932	-\$14,098
34	\$43,870	-\$13,500	\$46,401	-\$10,969	\$46,401	-\$17,849	\$48,932	-\$15,318

35	\$43,870	-\$14,630	\$46,401	-\$12,099	\$46,401	-\$19,119	\$48,932	-\$16,588
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** Teachers who score highly effective on their state evaluations for two out of past three years and are teaching in or move to a school listed in Appendix 4 are eligible for this raise. If the school moves off the low-performing list, the teacher keeps their raise.*

***Board-certified teachers who teach in the schools listed in Appendix 4 are eligible for this raise.*

APPENDIX 4: Persistently Low Performing Schools

LEA	School
Alamance-Burlington Schools	Almance-Burlington Middle College
Alamance-Burlington Schools	Eastlawn Elementary
Alamance-Burlington Schools	Haw River Elementary
Anson County Schools	Anson High School
Anson County Schools	Anson Middle
Anson County Schools	Morven Elementary
Anson County Schools	Wadesboro Elementary
Caldwell County Schools	Whitnel Elementary
Hickory City Schools	Hickory Career & Arts Magnet High School
Columbus County Schools	Boys and Girls Home
Thomasville City Schools	Thomasville Primary
Duplin County Schools	Warsaw Elementary
Durham Public Schools	Eastway Elementary
Durham Public Schools	Chewning Middle
Durham Public Schools	Glenn Elementary
Durham Public Schools	Hillside High
Durham Public Schools	Fayetteville Street Elementary
Durham Public Schools	Lowe's Grove Middle
Durham Public Schools	Neal Middle
Durham Public Schools	Southern High
Durham Public Schools	Spring Valley Elementary
Durham Public Schools	W G Pearson Elementary
Durham Public Schools	Y E Smith Elementary
Edgecombe County Schools	Coker-Wimberly Elementary
Edgecombe County Schools	W A Pattillo A+ Elementary School
Edgecombe County Schools	Princeville Montessori
Forsyth County Schools	Carver High
Forsyth County Schools	Cook Elementary
Forsyth County Schools	Easton Elementary
Forsyth County Schools	Forest Park Elementary
Forsyth County Schools	Hill Middle
Forsyth County Schools	Petree Elementary
Forsyth County Schools	Philo Middle
Forsyth County Schools	Sch Computer Tech
Forsyth County Schools	Sch of Biotech
Forsyth County Schools	Sch Pre-Engineering Atkins High
Gaston County Schools	Pleasant Ridge Elementary
Gaston County Schools	Woodhill Elementary

Greene County Schools	Greene Central High
Greene County Schools	Greene County Middle
Guilford County Schools	T Wingate Andrews High
Guilford County Schools	Dudley High
Guilford County Schools	Fairview Elementary
Guilford County Schools	Julius I Foust Elementary
Guilford County Schools	Oak Hill Elementary
Guilford County Schools	Parkview Village Elementary
Guilford County Schools	Ben L Smith High
Guilford County Schools	Union Hill Elementary
Guilford County Schools	Wiley Elementary
Halifax County Schools	Aurelian Springs Elementary
Halifax County Schools	Dawson Elementary
Halifax County Schools	Enfield Middle
Halifax County Schools	Everetts Elementary
Halifax County Schools	Inborden Elementary
Halifax County Schools	Nothwest Elementary
Halifax County Schools	Pittman Elementary
Halifax County Schools	Scotland Neck Primary
Halifax County Schools	Southeast Halifax High
Halifax County Schools	William R Davie Middle
Weldon City Schools	Weldon Middle
Weldon City Schools	Weldon STEM High School
Hertford County Schools	Hertford County Middle
Hertford County Schools	Riverview Elementary
Hertford County Schools	Student Development Center
Hoke County Schools	Hawk Eye Elementary
Hyde County Schools	Mattamuskeet High
Lenoir County Public Schools	Northeast Elementary
Lenoir County Public Schools	Rochelle Middle
Lenoir County Public Schools	Southeast Elementary
Charlotte-Mecklenburg Schools	Billingsville Elementary
Charlotte-Mecklenburg Schools	Druid Hills Elementary
Charlotte-Mecklenburg Schools	E E Waddell High
Charlotte-Mecklenburg Schools	Hawthorne High
Charlotte-Mecklenburg Schools	Martin Luther King Jr Middle
Charlotte-Mecklenburg Schools	Bruns Avenue Elementary
Charlotte-Mecklenburg Schools	Pawtucket Elementary
Charlotte-Mecklenburg Schools	Reid Park Elementary
Charlotte-Mecklenburg Schools	Sedgefield Elementary
Charlotte-Mecklenburg Schools	Bishop Spaugh Community Middle
Charlotte-Mecklenburg Schools	Thomasboro Elementary

Charlotte-Mecklenburg Schools	Walter G Byers Elementary
Charlotte-Mecklenburg Schools	West Charlotte High
Charlotte-Mecklenburg Schools	West Mecklenburg High
Charlotte-Mecklenburg Schools	J T Williams Middle
Nash-Rocky Mount Schools	D S Johnson Elementary
Nash-Rocky Mount Schools	O R Pope Elementary
Nash-Rocky Mount Schools	Williford Elementary
New Hanover County Schools	A H Snipes Academy of Arts/Des
Pasquotank County Schools	P W Moore Elementary
Pitt County Schools	Belvoir Elementary
Pitt County Schools	North Pitt High School
Pitt County Schools	Northwest Elementary
Pitt County Schools	Pactolus Elementary
Pitt County Schools	Sadie Saulter Elementary
Pitt County Schools	Wellcome Middle
Asheboro City Schools	Charles W McCrary Elementary
Richmond County Schools	Mineral Springs Elementary
Robeson County Schools	Fairgrove Middle
Robeson County Schools	Lumberton Junior High
Robeson County Schools	Magnolia Elementary
Robeson County Schools	Red Springs Middle
Robeson County Schools	Southside/Ashpole Elementary
Robeson County Schools	Townsend Middle
Rockingham County Schools	Draper Elementary
Rockingham County Schools	Lawsonville Ave Elementary
Rowan-Salisbury Schools	Knox Middle
Rowan-Salisbury Schools	North Rowan High
Scotland County Schools	SHS-Visual & Performing Arts
Tyrrell County Schools	Columbia High
Union County Public Schools	Rock Rest Elementary
Vance County Schools	L B Yancey Elementary
Washington County Schools	Pines Elementary
Washington County Schools	Washington County Union
Wayne County Public Schools	Dillard Middle
Wayne County Public Schools	Goldsboro High
Wilson County Schools	Beddingfield High
Wilson County Schools	Margaret Hearne Elementary
Wilson County Schools	Vick Elementary

Note: These schools were identified as low performing for Race to the Top

APPENDIX 5: Example of statewide career ladder for NC

Title	Definition	Qualifications			Extra Responsibilities	Base Salary
		Experience	Student Scores	Observations		
Teacher	Developing skills during beginning of teaching career.	All teachers with less than three full years experience	No requirement	Yes		\$34,000
Teacher	Solid contributor; delivers solid student achievement.	3+ years	Average one year of growth over most recent three years	Pass standards in 2 of 3 years		\$35,500
Advanced Teacher	Strong, stable contributor; delivers strong student achievement.	5+ years	Average one year of growth over most recent five years	Pass standards in 4 of 5 years	PD leaders Team leader	\$37,000
Senior Teacher	Makes exceptional contributions, delivers consistently strong student achievement.	6+ years	Average one year of growth over most recent six years	In most recent 4 years passed all standards	PD leaders Team leader Teacher interviews	\$42,000
Master Teacher	Exceptional contributor; delivers consistently exemplary student achievement.	6+ years	Average greater than 1 year of growth over most recent six years	In most recent 4 years passed all standards	Board certification required PD leaders Evaluators Teacher interviews Team leader	\$45,000

APPENDIX 6: Examples of teacher career ladders¹³⁸

Program Name	Purpose	Funding	Levels	Activities	Incentives
Missouri Career Development and Teacher Excellence Plan 1986–2011	Retain quality teachers by providing opportunities for professional growth and financial incentives	State	<ol style="list-style-type: none"> 1. Stage I 2. Stage II 3. Stage III <p>Each stage is based on years of experience and success at the previous stage. Teachers create a Career Development Plan that includes responsibilities and expected performance criteria.</p> <p>Teachers are eligible to move to a higher level based on performance at a previous level, evaluation results, and credit hours or a master's degree.</p>	Professional development, staff-support (such as mentoring), and schoolwide-support activities (such as coordination of tutoring or response to intervention programs)	District-determined salary bonuses for each rung of the ladder
Pittsburg Public Schools Career Ladder Roles 2011–present	To use multiple career pathways to make greater impacts on student achievement	District	<ol style="list-style-type: none"> 1. Promise-Readiness Corps (9th and 10th grades) 2. K–8 Instructional Teacher Leader 2 3. Secondary Instructional Leader <p>Teachers are eligible for roles through experience and certification. Teachers apply for positions and are selected by the district.</p>	<p>Promise-Readiness Corps: advising students, team teaching</p> <p>K–8 Instructional Teacher Leader 2: coaching and evaluating peers, providing professional development</p> <p>Secondary Instructional Leader: coaching and evaluating peers, providing professional development</p>	<p>Promise-Readiness Corps: base salary increase of \$9,300; two-year role</p> <p>Instructional Leaders (both levels): base salary increase of \$11,300; addition to base salary; three-year role</p>
Arizona Career Ladder Program 1984–1994	To support higher levels of student academic progress, teaching skills, teacher responsibility, and professional growth while supporting equal pay for equal performance	State	<p>District-determined levels with increasing responsibilities for each rung of the ladder</p> <p>Teachers become eligible to move to a higher level through evaluation results and student progress.</p>	District-determined activities coordinated with other programs	District-determined salary bonuses for each rung of the ladder
District of Columbia Leadership Initiative for Teachers (LIFT) 2012–present	To retain top-performing teachers, reward experience, broaden recognition of top-performing teachers, and increase career stability	District	<ol style="list-style-type: none"> 1. Teacher 2. Established Teacher 3. Advanced Teacher 4. Distinguished Teacher 5. Expert Teacher 	<p>There are a multitude of leadership activities available to teachers at all levels. Examples include: school point of contact (Teacher), Teacher-Leader of content or standards (Established Teacher), Curriculum Specialist or Master Educator (Advanced, Distinguished, and Expert Teachers). Advanced, Distinguished, and Expert Teachers are differentiated by evaluation results over time.</p>	<p>Base salary increases and bonuses are tied to evaluation results, teaching assignments, and education levels. There are a variety of calculations done to determine base salary increases, which vary among all teachers.</p> <p>Advanced Teacher: base salary increase of up to \$9,000</p> <p>Distinguished or Expert Teacher: base salary increase of up to \$27,000</p>

APPENDIX 7: Alternative 3 Schedule, Base at \$42,500

With a Bachelors Degree:

Years of Experience	Not Board-Certified		Board-Certified	
	Base Salary	Supplement for consistently high-performing teachers in low-Performing Schools*	Base Salary	Supplement for consistently high-performing teachers in low-Performing Schools**
0	\$42,500	\$45,050	N/A	N/A
1	\$43,563	\$46,176	N/A	N/A
2	\$44,652	\$47,331	N/A	N/A
3	\$45,768	\$48,514	\$48,514	\$51,425
4	\$46,454	\$49,242	\$49,242	\$52,196
5	\$47,151	\$49,980	\$49,980	\$52,979
6	\$47,858	\$50,730	\$50,730	\$53,774
7	\$48,576	\$51,491	\$51,491	\$54,580
8	\$49,305	\$52,263	\$52,263	\$55,399
9	\$50,045	\$53,047	\$53,047	\$56,230
10	\$50,795	\$53,843	\$53,843	\$57,074
11	\$51,176	\$54,247	\$54,247	\$57,502
12	\$51,560	\$54,654	\$54,654	\$57,933
13	\$51,947	\$55,064	\$55,064	\$58,367
14	\$52,336	\$55,476	\$55,476	\$58,805
15+	\$52,729	\$55,893	\$55,893	\$59,246

* Teachers who score highly effective on their state evaluations for two out of past three years and are teaching in or move to a school listed in Appendix 4 are eligible for this raise. If the school moves off the low-performing list, the teacher keeps their raise.

**Board-certified teachers who teach in the schools listed in Appendix 4 are eligible for this raise.

With a Masters Degree:

Years of Experience	Not Board Certified		Board Certified	
	Base Salary	Supplement for consistently high-performing teachers in low-Performing Schools*	Base Salary	Supplement for consistently high-performing teachers in low-Performing Schools**
0	\$44,200	\$46,852	N/A	N/A
1	\$45,305	\$48,023	N/A	N/A
2	\$46,438	\$49,224	N/A	N/A
3	\$47,599	\$50,454	\$50,345	\$53,091
4	\$48,313	\$51,211	\$51,100	\$53,887
5	\$49,037	\$51,979	\$51,866	\$54,695
6	\$49,773	\$52,759	\$52,644	\$55,516
7	\$50,519	\$53,551	\$53,434	\$56,349
8	\$51,277	\$54,354	\$54,235	\$57,194
9	\$52,046	\$55,169	\$55,049	\$58,052
10	\$52,827	\$55,997	\$55,875	\$58,922
11	\$53,223	\$56,417	\$56,294	\$59,364
12	\$53,622	\$56,840	\$56,716	\$59,810
13	\$54,025	\$57,266	\$57,141	\$60,258
14	\$54,430	\$57,696	\$57,570	\$60,710
15+	\$54,838	\$58,128	\$58,002	\$61,165

* Teachers who score highly effective on their state evaluations for two out of past three years and are teaching in or move to a school listed in Appendix 4 are eligible for this raise. If the school moves off the low-performing list, the teacher keeps their raise.

** Board-certified teachers who teach in the schools listed in Appendix 4 are eligible for this raise.

APPENDIX 8: Estimated Costs

	EXPENDITURES	BUDGET INCREASE	
CURRENT	\$3,318,481,959	N/A	N/A
\$34,000 BASE			
<i>Without Hold Harmless</i>			
(1) No NBCTs get bonus	\$3,334,889,558	\$16,407,599	0.49%
(2) All NBCTs get bonus	\$3,385,692,181	\$67,210,223	2.03%
<i>With Hold Harmless</i>			
(3) No NBCTs get bonus	\$3,497,194,288	\$178,712,329	5.39%
(4) All NBCTs get bonus	\$3,512,857,987	\$194,376,029	5.86%
\$42,500 BASE			
<i>Without Hold Harmless</i>			
(5) No NBCTs get bonus	\$4,194,819,646	\$876,337,688	26.41%
(6) All NBCTs get bonus	\$4,232,115,226	\$913,633,268	27.53%
<i>With Hold Harmless</i>			
(7) No NBCTs get bonus	\$4,201,949,354	\$883,467,396	26.62%
(8) All NBCTs get bonus	\$4,237,018,252	\$918,536,293	27.68%

These estimates reflect what costs would be if the schedules we are proposing were enacted today. They are calculated using the salary schedules described in appendix 3 and appendix 7 and estimates of current full-time equivalents (FTEs) provided to us by the state's Department of Public Instruction. We received estimates of the FTEs by years of experience and credentials (master's degree, advanced degree, doctoral degree, and board certification). Then we simply multiplied salaries for a given credential package by the number of FTEs at that position.

We were not able to attain FTE estimates for qualifying teachers. However, based on a dataset we received from DPI containing evaluation information from the 2011-2012 school year, we believe the number of teachers who qualify for the consistently high-performing bonus would be nearly identical to the number of Board-certified teachers. (Consistently high-performing teachers also tend to be less experienced than Board-certified teachers, meaning their base salary is lower.) Thus, if one assumes a maximum take-up rate of about 50 percent, the estimates assuming full take-up by Board-certified teachers (estimates 2, 4, 6, and 8) reflect maximum projected costs. If take-up is greater than 50 percent, these projections will be too low.

Since we do not know how many teachers will move to hard-to-staff schools, we provide estimates for 0 percent NBCT take-up (estimates 1, 3, 5, and 7) and 100

percent NBCT take-up (estimates 2, 4, 6, and 8). While neither estimate is realistic, true costs will lie somewhere between these estimates.

The hold harmless estimates assume that all teachers will choose the schedule that would pay them the most in the coming year; this most likely will not occur, as many teachers close to the crossover point will likely choose to stay on the old schedule. If this were to occur, costs would be lower than shown here in the short-term and higher in the long-term. However, this table shows the minimum cost in constant dollars for any given year, as well as the maximum cost in constant dollars for next year. Since older teachers who are on the old schedule will retire as time goes on, costs will regress towards the estimates that do not include a hold harmless clause.

APPENDIX 9: 2012-2013 NC Teacher Salary Schedule

Bachelor's Degree Certified Teacher Salary Schedule:

Years of Exp	Bachelor's Teacher			Bachelor's w/ NBPTS Certification		
	Monthly Salary	12 Monthly Installments	Annual Salary (10 months)	Monthly Salary	12 Monthly Installments	Annual Salary (10 months)
0-2	\$3,080	\$2,566.67	\$30,800	N/A	N/A	N/A
3-4	\$3,080	\$2,566.67	\$30,800	\$3,450	\$2,875.00	\$34,500
5	\$3,122	\$2,601.67	\$31,220	\$3,497	\$2,914.17	\$34,970
6	\$3,167	\$2,639.17	\$31,670	\$3,547	\$2,955.83	\$35,470
7	\$3,303	\$2,752.50	\$33,030	\$3,699	\$3,082.50	\$36,990
8	\$3,445	\$2,870.83	\$34,450	\$3,858	\$3,215.00	\$38,580
9	\$3,580	\$2,983.33	\$35,800	\$4,010	\$3,341.67	\$40,100
10	\$3,711	\$3,092.50	\$37,110	\$4,156	\$3,463.33	\$41,560
11	\$3,816	\$3,180.00	\$38,160	\$4,274	\$3,561.67	\$42,740
12	\$3,865	\$3,220.83	\$38,650	\$4,329	\$3,607.50	\$43,290
13	\$3,914	\$3,261.67	\$39,140	\$4,384	\$3,653.33	\$43,840
14	\$3,965	\$3,304.17	\$39,650	\$4,441	\$3,700.83	\$44,410
15	\$4,015	\$3,345.83	\$40,150	\$4,497	\$3,747.50	\$44,970
16	\$4,066	\$3,388.33	\$40,660	\$4,554	\$3,795.00	\$45,540
17	\$4,118	\$3,431.67	\$41,180	\$4,612	\$3,843.33	\$46,120
18	\$4,171	\$3,475.83	\$41,710	\$4,672	\$3,893.33	\$46,720
19	\$4,226	\$3,521.67	\$42,260	\$4,733	\$3,944.17	\$47,330
20	\$4,282	\$3,568.33	\$42,820	\$4,796	\$3,996.67	\$47,960
21	\$4,337	\$3,614.17	\$43,370	\$4,857	\$4,047.50	\$48,570
22	\$4,397	\$3,664.17	\$43,970	\$4,925	\$4,104.17	\$49,250
23	\$4,456	\$3,713.33	\$44,560	\$4,991	\$4,159.17	\$49,910
24	\$4,515	\$3,762.50	\$45,150	\$5,057	\$4,214.17	\$50,570
25	\$4,577	\$3,814.17	\$45,770	\$5,126	\$4,271.67	\$51,260
26	\$4,639	\$3,865.83	\$46,390	\$5,196	\$4,330.00	\$51,960
27	\$4,706	\$3,921.67	\$47,060	\$5,271	\$4,392.50	\$52,710
28	\$4,771	\$3,975.83	\$47,710	\$5,344	\$4,453.33	\$53,440
29	\$4,836	\$4,030.00	\$48,360	\$5,416	\$4,513.33	\$54,160
30	\$4,903	\$4,085.83	\$49,030	\$5,491	\$4,575.83	\$54,910
31	\$4,972	\$4,143.33	\$49,720	\$5,569	\$4,640.83	\$55,690
32	\$5,044	\$4,203.33	\$50,440	\$5,649	\$4,707.50	\$56,490
33	\$5,116	\$4,263.33	\$51,160	\$5,730	\$4,775.00	\$57,300
34	\$5,215	\$4,345.83	\$52,150	\$5,841	\$4,867.50	\$58,410
35+	\$5,318	\$4,431.67	\$53,180	\$5,956	\$4,963.33	\$59,560

Note: "NBPTS" stands for National Board for Professional Teacher Standards.

Master's Degree Certified Teacher Salary Schedule:

Years of Exp	Master's Teacher			Master's w/NBPTS Certification		
	Monthly Salary	12 Monthly Installments	Annual Salary (10 months)	Monthly Salary	12 Monthly Installments	Annual Salary (10 months)
0-2	\$3,388	\$2,823.33	\$33,880	N/A	N/A	N/A
3-4	\$3,388	\$2,823.33	\$33,880	\$3,795	\$3,162.50	\$37,950
5	\$3,434	\$2,861.67	\$34,340	\$3,846	\$3,205.00	\$38,460
6	\$3,484	\$2,903.33	\$34,840	\$3,902	\$3,251.67	\$39,020
7	\$3,633	\$3,027.50	\$36,330	\$4,069	\$3,390.83	\$40,690
8	\$3,790	\$3,158.33	\$37,900	\$4,245	\$3,537.50	\$42,450
9	\$3,938	\$3,281.67	\$39,380	\$4,411	\$3,675.83	\$44,110
10	\$4,082	\$3,401.67	\$40,820	\$4,572	\$3,810.00	\$45,720
11	\$4,198	\$3,498.33	\$41,980	\$4,702	\$3,918.33	\$47,020
12	\$4,252	\$3,543.33	\$42,520	\$4,762	\$3,968.33	\$47,620
13	\$4,305	\$3,587.50	\$43,050	\$4,822	\$4,018.33	\$48,220
14	\$4,362	\$3,635.00	\$43,620	\$4,885	\$4,070.83	\$48,850
15	\$4,417	\$3,680.83	\$44,170	\$4,947	\$4,122.50	\$49,470
16	\$4,473	\$3,727.50	\$44,730	\$5,010	\$4,175.00	\$50,100
17	\$4,530	\$3,775.00	\$45,300	\$5,074	\$4,228.33	\$50,740
18	\$4,588	\$3,823.33	\$45,880	\$5,139	\$4,282.50	\$51,390
19	\$4,649	\$3,874.17	\$46,490	\$5,207	\$4,339.17	\$52,070
20	\$4,710	\$3,925.00	\$47,100	\$5,275	\$4,395.83	\$52,750
21	\$4,771	\$3,975.83	\$47,710	\$5,344	\$4,453.33	\$53,440
22	\$4,837	\$4,030.83	\$48,370	\$5,417	\$4,514.17	\$54,170
23	\$4,902	\$4,085.00	\$49,020	\$5,490	\$4,575.00	\$54,900
24	\$4,967	\$4,139.17	\$49,670	\$5,563	\$4,635.83	\$55,630
25	\$5,035	\$4,195.83	\$50,350	\$5,639	\$4,699.17	\$56,390
26	\$5,103	\$4,252.50	\$51,030	\$5,715	\$4,762.50	\$57,150
27	\$5,177	\$4,314.17	\$51,770	\$5,798	\$4,831.67	\$57,980
28	\$5,248	\$4,373.33	\$52,480	\$5,878	\$4,898.33	\$58,780
29	\$5,320	\$4,433.33	\$53,200	\$5,958	\$4,965.00	\$59,580
30	\$5,393	\$4,494.17	\$53,930	\$6,040	\$5,033.33	\$60,400
31	\$5,469	\$4,557.50	\$54,690	\$6,125	\$5,104.17	\$61,250
32	\$5,548	\$4,623.33	\$55,480	\$6,214	\$5,178.33	\$62,140
33	\$5,628	\$4,690.00	\$56,280	\$6,303	\$5,252.50	\$63,030
34	\$5,737	\$4,780.83	\$57,370	\$6,425	\$5,354.17	\$64,250
35+	\$5,850	\$4,875.00	\$58,500	\$6,552	\$5,460.00	\$65,520

Note: "NBPTS" stands for National Board for Professional Teacher Standards.

APPENDIX 10: List of Interviews Conducted

Bill Harrison, *Former State Board of Education Chair*

Brian Matteson, Drupti Chauhan, Kristopher Nordstrom, *NC Fiscal Research Division*

Carol Vandenberg, *Professional Educators of North Carolina*

Charles T. Clotfelter, *Professor, Duke University's Sanford School of Public Policy*

Chris Cody, *North Carolina Public School Forum*

Helen Ladd, *Professor, Duke University's Sanford School of Public Policy*

Jack Hoke, *North Carolina Superintendents Association*

Jacob Vigdor, *Professor, Duke University's Sanford School of Public Policy*

J.B. Buxton, *Former Deputy Superintendent of North Carolina Schools*

Kerry Mebane, *North Carolina Teaching Fellows*

Leanne Winner, *North Carolina School Boards Association*

Leslie Bermingham, *Achievement First*

Ed Dunlap, *North Carolina School Boards Association*

Margaret Foreman, *North Carolina Association of Educators*

Rodney Ellis, *North Carolina Association of Educators*

Shirley Prince, *North Carolina Association of School Administrators*

Terry Stoops, *John Locke Foundation*

Note: All interviews were conducted between February and March 2013.