



Bill Draft 2017-MT-166: Revise Principal Compensation.

2017-2018 General Assembly

Committee:	Date:	May 11, 2018
Introduced by:	Prepared by:	Matt M. Pagett
Analysis of:		Staff Attorney

OVERVIEW: Draft 2017-MT-166 would revise principal compensation to:

- continue the current principal hold harmless for the 2018-2019 fiscal year,
- move principal pay to a calendar year model over a fiscal year model,
- provide a three-year salary floor for principals qualifying for the exceeded growth column who go to a low-performing school, and
- revise principal bonuses to increase the top 50% bonus and do away with the moves from met or not met to exceeded growth bonus.

CURRENT LAW: The current principal salary schedule, Section 8.3 of S.L. 2017-57, is effective for the 2017-2018 fiscal year. A hold harmless is included for principals earning a higher amount under the 2016-2017 salary schedule, but Section 8.3(c1) provides that the hold harmless will not continue in 2018-2019. Section 8.4 provided bonuses for principals in 2017-2018 who were in the top 50% growth in the previous year and who moved a school from met or not met growth in one year to exceeded growth in the next. The second bonus was larger if the principal started out in a school with a grade of D or F.

BILL ANALYSIS: Draft 2017-MT-166 would:

- **Section 1(a)** – repeal the statement that the hold harmless would not continue in 2018-2019.
- **Section 1(b)** – extend the current principal salary schedule to the end of this calendar year and align the new principal salary schedule to the 2019 calendar year, instead of the fiscal year, to allow time for reporting updated growth scores and average daily membership (ADM) data.
- **Section 1(c)** – set out the principal hold harmless provision again for the 2019 calendar year. Principals would receive the higher of the 2019 principal salary schedule amount or their 2016-2017 salary amount, with or without longevity.
- **Section 1(d)** – provide that for three calendar years (through Dec. 31, 2021) a principal cannot make less than what he or she could earn in 2017-2018 at the exceeded growth level of the principal salary schedule, if:
 - The principal is paid at or qualified for the exceeded growth level
 - The principal moves to a low-performing school between July 1 and December 31, 2018
 - The principal stays at that school or another low-performing school.
- **Section 2** – change definition of “demote” to exclude a change in a principal’s pay resulting from the principal salary schedule (growth or a change in ADM at the principal’s school).
- **Section 3** – change the principal bonuses by increasing the amounts available to principals who were in the top 50% of growth last year, doubling those amounts if the principal supervised a D or F school last year, and not continuing the bonuses for principals who moved a school from met or not met growth to exceeded growth.

EFFECTIVE DATE: The bill draft would become effective July 1, 2018.

Kory Goldsmith
Director



Legislative Drafting
919-733-6660