

Members of the North Carolina General Assembly:

As current education leaders and former North Carolina Principals of the Year, we respectfully ask you to consider one unintended consequence of the proposed principal salary language included in the conference budget (Senate Bill 257).

While the proposed budget provides a 3% salary increase for principals and continues to recognize school performance through the Met Growth and Exceeded Growth salary schedules, it fundamentally changes how experienced principals receive a portion of their earned compensation. Under the current system, principals who qualify for the Met Growth or Exceeded Growth salary schedules receive their annual salary through equal monthly installments throughout the year. Under the proposed language, all principals would instead begin the year on the Base Salary Schedule, with the difference between the Base Salary and the salary they have already earned withheld until supplemental payments are issued in October and March.

We sincerely appreciate the General Assembly's continued investment in school leadership. However, the proposed payment structure creates an unintended consequence for experienced principals. Although annual compensation increases, principals with two or more years of demonstrated success meeting or exceeding school growth expectations will experience reduced monthly take-home pay because a portion of their earned salary is deferred into two lump-sum payments later in the school year.

Importantly, these payments are not performance bonuses. They are a component of a principal's annual salary that has already been earned through prior years of demonstrated school performance and placement on the state's principal salary schedule. Once a principal qualifies for the Met Growth or Exceeded Growth salary schedule under state law, that compensation becomes part of the principal's annual salary, not a discretionary incentive or bonus. As such, it should continue to be distributed through equal monthly salary payments rather than delayed until October and March.

Average Daily Membership	Monthly Reduction (Met Growth)	Monthly Reduction (Exceeded Growth)
0–200	\$668	\$1,335
201–400	\$701	\$1,402
401–700	\$735	\$1,469
701–1,000	\$768	\$1,536
1,001–1,600	\$801	\$1,603
1,601+	\$835	\$1,669

For many school leaders, a temporary reduction of \$700 to more than \$1,600 per month creates significant challenges for managing routine financial obligations such as mortgages, childcare, college tuition, insurance premiums, retirement contributions, and other recurring monthly expenses. While the compensation is eventually paid, school leaders budget their lives around consistent monthly salary payments. Delaying a portion of an earned annual salary effectively treats salary as though it were a bonus, despite the fact that it has already been earned under the state's existing compensation model.

We respectfully request that the General Assembly preserve the current method of distributing principal salaries by allowing principals who qualify for the Met Growth or Exceeded Growth salary schedules to continue receiving their earned annual salary through equal monthly installments rather than delayed supplemental payments.

This request does not seek additional compensation or increased appropriations. Rather, it asks that earned salary continue to be paid as salary. Preserving the longstanding monthly payment structure would maintain financial stability for experienced principals without increasing the state's cost.

We are hopeful this unintended consequence can be addressed in the final budget as a technical correction to be eliminated. We also remain committed to partnering with the General Assembly on future conversations about modernizing North Carolina's principal compensation system so that it better reflects the complexity of today's principalship while strengthening the recruitment and retention of highly effective school leaders.

Thank you for your continued investment in North Carolina's public schools and for considering this unintended consequence as you finalize the state budget.

Respectfully,

North Carolina Principal of the Year Network



North Carolina Principals and Assistant Principals Association

