




STATE OF HAWAII
DEPARTMENT OF EDUCATION

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OFFICE OF THE SUPERINTENDENT

April 15, 2021

TO: The Honorable Dwight Takeno
Chairperson, Human Resources Committee

FROM: Dr. Christina M. Kishimoto 
Superintendent

SUBJECT: **Committee Action on Methodology for Compensation Adjustments for Department of Education Leadership Employees (Deputy Superintendent, Assistant Superintendents, and Complex Area Superintendents) Leadership Compensation Adjustment, Projected Amount of Funds Required for Adjustments, and Source of Funds for Adjustments**

1. DESCRIPTION

The Board of Education (Board) Policy 500-6 states a desire that the best candidates are appointed to the subordinate superintendent positions to create a knowledgeable, strong, and dynamic leadership team that supports the superintendent, administrators, teachers, and other school-level personnel. Performance management and compensation are two key areas of the Talent Management strategy for the Department of Education (Department). Fair and competitive salaries are essential to attract and retain skilled executive leaders to carry out the mission and vision of the Department.

The 23 positions covered by this recommendation are not included in a collective bargaining unit. The Superintendent recommends, and the Board approves the final appointments and salaries for employees in these positions.

Therefore, Board approval is required to make compensation adjustments for this group of leadership employees, which includes the Deputy Superintendent, Assistant Superintendents, and Complex Area Superintendents.

2. BACKGROUND

Section 302A-621, Hawaii Revised Statutes, states that the salaries of the Deputy Superintendent, Assistant Superintendents, and Complex Area Superintendents shall be set by the Board and shall not exceed the salary of the Superintendent. Board Policy 500-6 further states that the Board shall establish a salary structure that is competitive and commensurate with the duties, responsibilities, and authorities of the respective subordinate superintendent positions.

As such, the Board previously approved the following actions on this matter.

- June 15, 2015: a 4% across-the-board increase in executive leadership compensation effective July 1, 2015, based on performance and maintaining internal salary parity for all of the leadership positions.
- November 15, 2016: compensation adjustments effective July 1, 2016, using methodology based on performance evaluations for School Year (SY) 2015-2016 with increased amounts linked to the Hawaii consumer price index for Fiscal Year (FY) 2015-2016. Executives who attained an “exceptional” rating received a 4.5% increase, executives who “exceeded expectations” received a 3.4% increase, and executives who “fully met expectations” received a 2.4% increase.
- June 20, 2017: compensation adjustments effective July 1, 2017, with continued methodology tied to performance evaluations for SY 2016-2017 and the Hawaii consumer price index for FY 2016-2017. Executives who attained an “exceptional” rating received a 3.75% increase, executives who “exceeded expectations” received a 3.0% increase and executives who “fully met expectations” received a 2.0% increase.
- September 20, 2018: compensation adjustments effective July 1, 2018, with continued methodology tied to performance evaluations for SY 2017-2018 and the Hawaii consumer price index for FY 2017-2018. Executives who attained an “exceptional” rating received a 3.5% increase, executives who “exceeded expectations” received a 3.0% increase and executives who “fully met expectations” received a 2.5% increase.
- September 19, 2019: compensation adjustments effective July 1, 2019, with continued methodology tied to performance evaluations for SY 2018-2019 and the Hawaii Consumer Price Index for FY 2018-2019. Executives who

attained a “level 5” rating received a 4.0% increase, executives who attained a “level 4” received a 3.0% increase and executives who attained a “level 3” received a 1.9% increase.

3. DISCUSSION

Typically, the Department requests the Board consider salary adjustments at the end of each school year as the recommendation is based on the Board’s approved methodology that takes into account annual performance ratings, the consumer price index, and the availability of funds. For this particular performance cycle, the Department, in consultation with the Human Resources Committee Chairperson, did not request the pay adjustments in September 2020 as the budget outlook was uncertain. The Department and the Board were laser-focused on safely reopening schools during the COVID-19 pandemic.

Leadership compensation adjustments are based on annual performance evaluations. This ensures the retention of high-performing individuals with the knowledge, skills, and abilities to continue to support the Board’s goals and the Department’s Strategic Plan.

The period of performance for this request is from July 1, 2019, to June 30, 2020, and if approved, the compensation adjustment would be retroactive to July 1, 2020. Following the Board’s recommendation on proposing compensation adjustments for the Department’s leadership employees, the Department is proposing that the same performance evaluation methodology used for calculating the SY 2019-2020 adjustments be utilized again. Funding to implement this pay adjustment is calculated to be no more than \$70,000, and the Chief Financial Officer has accounted for this cost in the Department’s central salary budget for all general funded employees.

The previous budgetary uncertainty in Fall 2020 has now been significantly improved by the addition of Federal funds due to President Biden’s \$1.9T American Rescue Plan (aka COVID-19 Relief Bill) that provided specific and significant funding to the Department. The sum of \$70,000 allocated for these compensation adjustments is <.0055% of the entire Department’s general fund personnel costs. Under this proposed salary adjustment, the potential number of Deputy and Assistant Superintendents eligible for this compensation adjustment is 5 out of 8. The potential number of Complex Assistant Superintendents eligible for this compensation adjustment is 13 out of 15. Again, the proposed compensation

adjustments are based on the July 1, 2019 – June 30, 2020 performance rating period with retroactivity to July 1, 2020.

As noted above, the recommended compensation adjustments to be effective July 1, 2020, are based on employee performance ratings for SY 2019-2020, which were based on achievement of performance objectives tied to the Strategic and Complex Area Plans and linked to the Hawaii Consumer Price Index for FY 2019-2020.

Ratings for the Deputy Superintendent and Assistant Superintendents used the following four-point scale and were based on meeting specific performance outcomes linked to the implementation of the Board and Department's joint three-year Strategic Plan.

1. Unsatisfactory - Performance does not meet.
2. Marginal - Performance inconsistently or partially meets stated expectations.
3. Effective - Performance consistently meets stated expectations.
4. Highly Effective - Performance has continually exceeded stated expectations.

The proposed calculation of SY 2019-2020 compensation adjustments for the Deputy Superintendent and Assistant Superintendents effective July 1, 2020, is as follows:

- 0.0% increase for executives who attain a rating of 2 (Marginal) or 1 (Unsatisfactory);
- 2.0% increase for executives who attain a rating of 3 (Effective); this is based on the consumer price index of 1.9% (rounded) for Hawaii for 2020; and
- 3.0% increase for executives who attain level 4 (Highly Effective); this is an additional 1.0% in compensation for the higher level of performance.

Complex Area Superintendents for SY 2019-2020 were rated using a five-point scale:

1. Does not meet performance objectives.
2. Minimally meets performance objectives.
3. Meets performance objectives or significant progress on deliverables.

4. Meets and exceeds level 3 with an outstanding quality of work and demonstrates collaboration across the organization.
5. Meets and exceeds level 4 and demonstrates system-wide innovation and improvements. Builds capacity across the organization.

The proposed calculation of SY 2019-2020 compensation adjustments for the Complex Assistant Superintendents effective July 1, 2020, are as follows:

- 0.0% increase for executives who attain a rating of 2 (Minimally meets) or 1 (Does not meet)
- 2.0 % increase for executives who attain level 3; this is based on the consumer price index of 1.9% (rounded up) for Hawaii for 2020.
- 2.5% increase for executives who attain level 4; this is an additional 0.5% in compensation for the higher level of performance.
- 3.0% increase for executives who attain level 5; this is an additional 1.0% compensation for the highest level of performance.

4. RECOMMENDATION

The Department recommends Board approval of 1) use of funds in an amount not to exceed \$70,000 for executive compensation adjustments for the Deputy Superintendent, Assistant Superintendents, and Complex Area Superintendents effective July 1, 2020; and 2) approval of the compensation adjustments and proposed methodology using performance evaluation ratings for SY 2019-2020 and the percentage increase tied to the consumer price index for FY 2019-2020.

CMK:cac