

OVERVIEW

THE AUDITOR
STATE OF HAWAII

A Review of the Educational Officer Classification and Compensation Program

Summary

In Act 364, Session Laws of Hawaii 1993, the Legislature directed the Auditor to review the classification and salaries of educational officers (EOs) and the role of the Department of Education (DOE) Classification/Compensation Appeals Board (CCAB), as governed by Chapter 297, Part III, Hawaii Revised Statutes. The law defines EOs as principals, vice principals, and professional employees of the DOE except for those classified employees in the civil service.

The Legislature established the CCAB in 1989 as an appellate body to hear appeals from EOs who disagree with the DOE's classification and compensation decisions. The CCAB is attached to the DOE for administrative purposes and is required to function independently of DOE in reviewing EO appeals. We found that improvements are needed in both the current appeals process and the DOE's classification and compensation plan for EOs.

In reviewing the appeals process, we found that the CCAB has not functioned as intended by the Legislature. The board's independence from the DOE could be compromised by relying on department staff for technical support. In addition, the CCAB has not functioned solely as an appeals board. Instead, the CCAB has made initial decisions in cases where no previous DOE administrative decision had been made. These are decisions that should have been made by the DOE. The CCAB also heard appeals from the DOE although the law had not intended the CCAB to be used by the DOE for appeals. In some cases, the CCAB created new classification criteria. In other cases, the CCAB raised salaries. The CCAB actions have allowed the DOE to avoid responsibility for making classification and compensation decisions that belong rightfully with the department and the Board of Education.

The CCAB actions have had considerable impact. Its decisions have affected 725 positions and 119 class titles. Its most recent action created a new principal class, affecting approximately 32 positions and requiring an additional appropriation of \$543,000 to the DOE for the 1993-1995 biennium.

We also found that the department has not maintained the classification and compensation plan as required by law. The Board of Education had delegated its responsibility for establishing and maintaining a classification and compensation plan to the DOE. The DOE has given these responsibilities low

priority. It has only a single personnel specialist in its Classification and Compensation Section.

An up-to-date classification compensation plan is essential for a sound personnel program. But the department has issued only one official plan in 1981. Although the plan states that every EO position is to be reviewed at least once every five years, the plan has been updated only on a case-by case basis. In addition, the current plan does not promote the department's mission. Strong leadership at the school level has been undermined by the increasing number of 10-month EOs such as principals who have been moving to higher paying 12-month EO administrative and specialist type positions. Finally, the plan contains minimum qualifications (MQs) for some classes that are neither relevant, clear, or appropriate.

Recommendations and Response

We recommend that the Classification/Compensation Appeals Board should take steps to: (a) ensure its independence from the Department of Education, and (b) amend the administrative rules to make clear that it will hear appeals only from educational officers or their exclusive collective bargaining agent.

The Classification/Compensation Appeals Board concurred generally with our recommendations. It will take steps to ensure its independence from the Department of Education and amend the administrative rules to hear appeals only from educational officers or their exclusive collective bargaining agent.

We recommend that the Department of Education give priority to developing and maintaining its classification and compensation plan. It should consider: (a) creating separate plans for EOs in 10-month positions who are directly engaged in instructional services and EOs in 12-month positions who are engaged in administrative support type services, (b) making the DOE administrative support type positions comparable to similar classes in state government and at the university, and (c) creating a separate managerial class comparable to executive and managerial classes in state government and at the university.

The Department of Education responded that it did not accept our findings and recommendations for the department. The department said that it does maintain its classification and compensation plan and took issue with the report's contents and methodology.

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