

KENTUCKY DEPARTMENT OF EDUCATION

COMPENSATION COMPETITIVE MARKET REVIEW

INTRODUCTION

KDE's greatest asset is the cadre of highly qualified and dedicated employees that make up our staffing complement. Without them, it would be impossible to achieve KDE's mission to provide leadership and support to ensure success for every student in Kentucky's elementary and secondary public schools. KDE employs approximately 500 Frankfort-based workers; 200 employees in support of the Kentucky School for the Blind and Kentucky School for the Deaf; and, about 540 employees at the 53 Area Technology Centers. Daily, these staff exemplify KDE's core values of equity, achievement, collaboration, and integrity.

In order to reward, recruit, and retain the highest-quality team members, KDE has taken several personnel compensation-related actions in recent months:

1. The Personnel Cabinet, in consultation with the appointing authorities and the Office of the State Budget Director, prepares, maintains and revises an official compensation plan for merit system employees. The compensation plan (also known as the Salary Schedule) has a minimum and a midpoint wage.

In 2019, the Personnel Cabinet adjusted the midpoint salary of each pay grade. As a result, KDE was able to upgrade the salaries of certain merit system staff in the summer of 2021. All KDE merit staff that were previously paid below the middle of the range between the minimum and the midpoint wage were raised to the middle of the minimum to mid-point range. Approximately 205 KDE staff received salary upgrades totaling \$1,961,939.

It is also important to note that the entry level salary on the Executive Branch's salary schedule has not been adjusted since July 2007.

2. Any time a new employee is hired at the mid-point wage on the Executive Branch's salary schedule, all KDE employees within the same classification, work county, and office and with similar education and experience but with a lower salary also receive a salary increase.
3. At the direction of the LRC and the Office of the State Budget Director through the biennial budget instructions, all Executive Branch agencies will, once again, include the cost of a 1% salary increase for all employees in their 2022-24 Biennial Budget Request.

According to Personnel Cabinet testimony during a legislative committee meeting on July 7, 2021, *"Executive Branch employees have not received an annual increment since 2015 and none in 9 of the last 11 years. The Governor proposed a 1% annual increment for all state employees in the budget, but it was not approved."*

Building upon the actions described in items one through three above, the fourth action in KDE's personnel reward, recruitment, and retention measures is addressed in the remainder of this report. Dating at least as far back as 2000, the Commonwealth of Kentucky's Executive Branch Budget Bill has identified the Kentucky Board of Education as the sole authority to determine which Kentucky Department of Education (KDE) personnel are exempt from the classified service provisions of KRS Chapter 18A and to set compensation for those positions. Specifically, HB 192 from the 2021 Regular Session of the General Assembly, provides:

(1) Employment of Leadership Personnel:

Notwithstanding KRS 18A.005 to 11 18A.200, the Kentucky Board of Education shall continue to have sole authority to determine the employees of the Department of Education who are exempt from the classified service and to set those employees' compensation comparable to the competitive market.

In order to accomplish a Competitive Market Review for leadership personnel, KDE identified the roles appropriate for inclusion in the definition of Leadership Personnel. It identified the "competitive market", the positions with scope, authority, responsibility significantly similar to KDE's leadership positions and calculated the compensation ranges for the district positions.

KDE LEADERSHIP PERSONNEL

The following KDE roles and classifications were determined to be Leadership personnel because they report to the Commissioner or are otherwise positioned in the organization to make binding decisions for the agency (in areas of policy, spending, contracting, personnel, etc.). Staff in these positions may make recommendations to the Commissioner and his direct reports on matters of significant impact to the agency, the Kentucky Board of Education, and Kentucky's elementary and secondary education system. Leadership roles include:

- Deputy Commissioner
- Associate Commissioner *(including Communications Director)*
- Policy Advisor
- Division Director
- Program Specialist

For ease of reference, and to clarify where these positions fall in relation to the Commissioner, the current KDE organization chart is included as Appendix 1.

COMPARABLE MARKET

The primary source from which KDE recruits and attracts high-quality candidates for leadership positions is Kentucky's local school districts. Therefore, the six largest local school districts, Jefferson, Fayette, Boone, Hardin, Kenton, and Warren, were selected as the "competitive market" specified in HB192.

COMPARABLE POSITIONS

KDE staff selected full-time, local district positions which have district-wide or central office responsibilities, have comparable levels of job duties, or have supervisory responsibilities. Two KDE

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classifications, the Associate Commissioner and Division Director positions, have strong similarities to district positions as described below.

KDE Position	District Positions
Associate Commissioner	Group 1: <ul style="list-style-type: none"> Assistant/Deputy Superintendent Chief of Staff Other “Chief” positions
Division Director	Group 2: <ul style="list-style-type: none"> Division Director District-wide staff Central office staff

As each school district is structured differently, it is difficult to identify matches between all KDE leadership positions and districts positions. The remaining KDE Leadership classifications, Deputy Commissioner, Policy Advisor, and Program Specialist do not have strong comparable district positions, even though there may be occasional similarities in tasks performed by specific individuals in districts.

COMPENSATION

KDE staff compiled compensation for the positions comparable to KDE leadership positions for the 2020-2021 school year as reported by the districts in the Professional Staff Data (PSD) and Classified Staff Data (CSD) reports. In total, approximately 300 employees were included in the local district comparison group.

Standard methods were used to determine the average and median salaries identified below. Average salaries were calculated by adding the salaries for each position from the six districts and dividing the sum by the total number of positions within that group. The salaries were ranked in order by highest to lowest and the median occurrence was selected.

	DISTRICT GROUP 1	KDE ASSOCIATE COMMISSIONER	DISTRICT GROUP 2	KDE DIVISION DIRECTOR
LOW SALARY	\$89,897	\$115,000	\$51,176	\$86,000
HIGH SALARY	\$182,308	\$120,508	\$182,765	\$105,853
NUMBER OF POSITIONS	37	10	257	22
AVERAGE SALARY	\$140,184	\$116,223	\$105,459	\$92,583
MEDIAN SALARY	\$132,174	\$115,680	\$100,692	\$90,830

For the three KDE roles for which no comparable position was found in local districts, the same calculations were performed.

	DEPUTY COMMISSIONER	POLICY ADVISOR	PROGRAM SPECIALIST
LOW SALARY	\$130,000	\$80,000	\$60,000

HIGH SALARY	\$130,000	\$90,830	\$87,500
NUMBER OF POSITIONS	1	9	12
AVERAGE SALARY	\$130,000	\$81,815	\$72,995
MEDIAN SALARY	\$130,000	\$80,000	\$72,000

Findings from the analysis include:

- Average, Median, and High Salaries of KDE Associate Commissioners are not competitive when compared to similar positions in the competitive market (District Group 1).
- Average, Median and high salaries of KDE Division Directors are not competitive when compared to similar positions in the competitive market (District Group 2).
- There are no local district positions comparable to the KDE positions of Deputy Commissioner, Policy Advisor or Program Specialist.
- For leadership positions with no district point of comparison, KDE staff determined a reasonable point from which to establish competitive salary ranges was moving up or down from the average salary of the Associate Commissioner and Division Directors ranges.

RECOMMENDATION

KDE recommends KBE adopt the following

1. Adopt the positions of Deputy Commissioner, Associate Commissioner, Division Director, Policy Advisor, and Program Specialist as unclassified positions when used within the Kentucky Department of Education.
2. Endorse salary ranges for the KDE classifications of Associate Commissioner and Division Director using the comparable district group average as the KDE compensation mid-point.

	LOW SALARY	MID-POINT	HIGH SALARY	SPREAD	
KDE ASSOCIATE COMMISSIONER	\$ 115,000	\$ 140,000	\$ 170,435	\$ 55,435	48%
KDE DIVISION DIRECTOR	\$ 86,000	\$ 105,000	\$128,198	\$ 42,198	49%

3. Endorse salary ranges for the KDE classifications of Deputy Commissioner, Policy Advisor, and Program Specialist.

The Deputy Commissioner salary range will be based on the KDE Associate Commissioner range, increasing the low and high values by \$10,000 and \$25,000 respectively.

	LOW SALARY	MID-POINT	HIGH SALARY	SPREAD	
DEPUTY COMMISSIONER	\$125,000	\$140,000	\$195,435	\$70,435	56%

The Policy Advisor salary range will be based on the KDE Division Director range less 10% due to the more focused scope of responsibilities as well as no staff supervisor duties assigned to the position.

	LOW SALARY	MID- POINT	HIGH SALARY	SPREAD	
POLICY ADVISOR	\$77,400	\$94,500	\$115,378	\$37,978	49%

The Program Specialist salary range will be based on the KDE Policy Advisor range, less 10% which due to the more narrowly defined scope of duties and responsibilities assigned to the position.

	LOW SALARY	MID- POINT	HIGH SALARY	SPREAD	
PROGRAM SPECIALIST	\$69,660	\$89,775	\$103,840	\$34,180	49%

4. Authorize the Commissioner of Education to assign salaries within the approved ranges for the positions.
5. As new employees are hired into the positions hereby designated as unclassified, the same approach will apply to their unclassified status and the assignment of salary.

Summary

The recommendations included herein are adopted, the following salary ranges will be used for unclassified leadership positions in KDE:

	LOW SALARY	MID-POINT	HIGH SALARY	SPREAD	
DEPUTY COMMISSIONER	\$125,000	\$140,000	\$195,435	\$70,435	56%
KDE ASSOCIATE COMMISSIONER	\$115,000	\$140,000	\$170,435	\$55,435	48%
KDE DIVISION DIRECTOR	\$86,000	\$105,000	\$128,198	\$42,198	49%
POLICY ADVISOR	\$77,400	\$99,750	\$115,378	\$37,978	49%
PROGRAM SPECIALIST	\$69,660	\$89,775	\$103,840	\$34,180	49%

This chart can also be found online at [this link](#).

