




STATE OF HAWAII
DEPARTMENT OF EDUCATION

P.O. BOX 2360
HONOLULU, HAWAII 96804

OFFICE OF THE SUPERINTENDENT

November 17, 2022

TO: The Honorable Bruce D. Voss
Chairperson, Board of Education

FROM: Keith T. Hayashi
Superintendent 

SUBJECT: **Board Action on Compensation Adjustments for Assistant Superintendent of the Office of Fiscal Services, and Complex Area Superintendents of Aiea-Moanalua-Radford; Campbell-Kapolei; Farrington-Kalani-Kaiser; Hana-Lahaina-Lanai-Molokai; Hilo-Waiakea; Honokaa-Kealakehe-Kohala-Konawaena; Kailua-Kalaheo; Kaimuki-McKinley-Roosevelt; Leilehua-Mililani-Waialua**

1. EXECUTIVE SUMMARY

- Leading the Hawaii State Department of Education (Department) requires a strong leadership team. The Hawaii State Board of Education (Board) recognized this critical need when it charged me, as the newly appointed Superintendent, to establish a strong team. In the process of evaluating current leaders and recruiting new leaders to the Department's leadership team, I identified a need for a salary adjustment for fair and competitive salaries. Pursuant to Section V, Other Salary Adjustments, of the Department of Education Leadership Salary Structure guidelines adopted by the Board on May 5, 2022 (Attachment), I am recommending salary adjustments for subordinate superintendents – Complex Area Superintendents and Assistant Superintendents – for the Board's approval.
- Per [Board Policy 500-6](#), Salaries of Subordinate Superintendents, the Board desires the best candidates to appoint to the subordinate superintendent positions to ensure a strong leadership team supports the Department.
- Currently, of the 22 Complex Area Superintendent and Assistant Superintendent positions, 11 have been approved by the Board, and 11 are filled in an interim capacity. Providing a competitive salary is a factor in recruiting and retaining leaders with the experience and fortitude to enable desired results that the Board and other stakeholders envision for our public schools. Many candidates for the subordinate superintendent positions (i.e., principals and external candidates with industry experience for Assistant Superintendent positions) earn a higher salary in their current positions.

- The Department recommends a one-time salary adjustment for subordinate superintendents to provide competitive salaries, as required by Section V, Other Salary Adjustments, of the Board-adopted Department of Education Leadership Salary Structure guidelines. This adjustment is based on market comparisons and promotes recruitment and retention. The recommended salaries are within the Board-approved ranges in Section III.B, Salaries and Salary Ranges, of the same guidelines and fulfill [Board Policy 500-6](#), Salaries of Subordinate Superintendents.

2. RECOMMENDATION

The Department recommends that the Board approve a one-time salary adjustment to attract and retain high-quality leadership. The recommendation is for a salary of \$175,000 for currently appointed Complex Area Superintendents and Assistant Superintendents. The recommendation is consistent with the Board-adopted Department of Education Leadership Salary Structure guidelines, Section V, Other Salary Adjustments.

3. RECOMMENDED EFFECTIVE DATE

Retroactively, as of July 1, 2022, the first day of the Fiscal Year 2022-2023. The adjustments will apply to Complex Area Superintendents and Assistant Superintendents appointed as of November 17, 2022.

4. RECOMMENDED COMPLIANCE DATE (if different from the effective date)

Not applicable.

5. DISCUSSION

a. Conditions leading to the recommendation:

As Superintendent, effective July 1, 2022, I have been evaluating the Department's leadership team and recruiting new leaders. Currently, one-half of the Complex Area Superintendent and Assistant Superintendent positions, 11 of 22, are filled on an interim basis. Recruiting and retaining highly effective leaders to serve as subordinate superintendents – Complex Area Superintendents and Assistant Superintendents – has been difficult. The current salary does not support attracting experienced and effective leaders to the executive positions' increased scope of duties and responsibilities.

Therefore, I recommend salary adjustments consistent with Section V, Other Salary Adjustments, of the Board-adopted Department of Education Leadership Salary Structure guidelines.

Department Employees' Salaries. Employees covered under a collective bargaining agreement (including their excluded counterparts) received salary increases through June 30, 2025, as described in Table 1. On average, these negotiated increases range from approximately 14% to 15% over a four-year period (2021-2025). Some employees have also received salary adjustments and additional compensation for their work in our schools.

Table 1. Salary Increases for Department Employees, July 1, 2021 - June 30, 2025

General Overview of Negotiated Salary Increases for Department Employees								
BU	7/1/2021	7/1/2022	9/1/2022	10/1/2022	7/1/2023	1/1/2024	7/1/2024	1/1/25
1	\$1,000 Lump Sum Bonus	-	-	3.72% Increase	5% Increase	-	5% Increase	-
2	1% Lump Sum Bonus	3.72% Increase	-	-	5% Increase	-	5% Increase	-
3	\$1,000 Lump Sum Bonus	-	-	3.72% Increase	5% Increase	-	5% Increase	-
4	1% Lump Sum Bonus	3.72% Increase	-	-	4.96% Increase	-	5% Increase	-
5	The BU 5 collective bargaining agreement did not include negotiated across the board or step increases. All BU 5 members received additional compensation for 21 hours of professional development annually (equivalent to 1.4% of salary). Depending on their employment history and assignment, BU 5 members may have also received salary adjustments for compression and/or differentials.				Pending collective bargaining in Spring 2023.			
6	1% Lump Sum Bonus	3.71% Increase	-	-	4.6% Increase	1 Step Increase on the salary schedule (Approximately equal to 1.4%)	2.6% Increase	1 Step Increase on the salary schedule (Approximately equal to 1.4%)
10	\$1,000 Lump Sum Bonus	-	2.94% Increase	-	5% Increase	-	5% Increase	-
13	2% Lump Sum Bonus	2% Increase Plus step movement if eligible	-	-	4% Increase Plus step movement if eligible	-	3.59% Increase Plus step movement if eligible	-

Note: Table 1 provides a general overview of increases and does not contain every detail of the collectively bargained increases. Please see each unit's Collective Bargaining Agreements for details.

Comparison of Principals' and Complex Area Superintendents' Roles and Salaries. In this environment, recruitment for Complex Area Superintendent positions is especially challenging as candidates are recruited primarily from Department school principal ranks. Principals' salaries are the relevant market comparisons for Complex Area Superintendent salaries.

The duties of a Complex Area Superintendent are broader in scope and more complex than a school principal. Complex Area Superintendents oversee multiple schools and are at-will employees without the employment protections afforded to principals as tenured educational officers represented by Bargaining Unit 6. In addition to their responsibilities for their schools, Complex Area Superintendents also serve on the Superintendent's

leadership team, contributing to the leadership of public education statewide, and have some responsibilities for public charter schools in their complex area.

Given that Complex Area Superintendents oversee multiple schools, including more than one high school, it is desirable for Complex Area Superintendent candidates to have significant experience as a principal as well as high school experience. Currently, the Complex Area Superintendents' average salary of \$157,065 is at the 63rd percentile, between Quartiles 2 and 3 of high school principals' salaries (See Table 2).

Table 2. Range of High School Principals' Salaries, as of July 1, 2022

Quartile	Salary
Quartile 1	\$142,515
Quartile 2	\$150,660
Quartile 3	\$161,507
Quartile 4	\$198,953

n=46 high school principals

For principals, the differential between the principals' salary and the current salaries of Complex Area Superintendents is not commensurate with the increased duties and responsibilities of the Complex Area Superintendent. Furthermore, principals' salaries have predictable increases for the next few years, while Complex Area Superintendents' initial salary and any subsequent salary increases are recommended by the Superintendent and subject to Board approval.

Recommendation for salary adjustment. I respectfully recommend adjusting the subordinate superintendents' salaries, primarily affecting the Complex Area Superintendents, to align salaries commensurate with the duties and at a level that attracts effective principals, including those with high school experience. The recommended salary is 8% above current high school principals' salary at Quartile 3 (see Table 2): \$161,507 X 8% = \$174,427 (Round up to \$175,000). This 8% increase is aligned with School Code 5206-9, which mandates at least an 8% increase to the base salary when a teacher is promoted to an educational officer position. This adjustment to \$175,000 falls within the leadership salary ranges approved by the Board (see Table 3).

Table 3. Board-Approved Salary Ranges for Subordinate Superintendents

Role	Minimum	Maximum
Deputy Superintendent	\$162,750	\$194,250
Assistant Superintendent	\$157,500	\$189,000
Complex Area Superintendent	\$152,250	\$183,750

Source: Section III.B., Salaries and Salary Ranges, of the Board-adopted Department of Education Leadership Salary Structure guidelines

This recommendation will align the salaries of the Complex Area Superintendents and Assistant Superintendents across the board, where it increases the incumbents (see Table 4 below for impacts). The proposed salary adjustments are expected to attract principals to increase the pool of qualified Complex Area Superintendent candidates. This will help ensure adequate compensation for career advancement and serve as a recruitment incentive.

The recommended adjustment affects all nine incumbent Complex Area Superintendents and one incumbent Assistant Superintendent.

External market comparisons. This recommendation aligns with the “[2021-22 Superintendent’s Salary & Benefits Study](#)” completed by The School Superintendents Association (AASA), which provides data on the base salary for associate superintendents. The salary recommendation of \$175,000 is in the range between the 25th percentile and median for associate superintendents of school districts with an enrollment of more than 100,000 students.

Impacts. Table 4 identifies the current salaries and recommended salaries, pending the Board’s approval of this recommendation.

Table 4. Assistant Superintendents’ and Complex Area Superintendents’ Salaries

Title ¹	Current Salary	Recommended Salary
Complex Area Superintendent	\$145,000	\$175,000
Complex Area Superintendent	\$155,313	\$175,000
Complex Area Superintendent	\$156,056	\$175,000
Complex Area Superintendent	\$156,818	\$175,000
Complex Area Superintendent	\$156,818	\$175,000
Complex Area Superintendent	\$157,437	\$175,000
Complex Area Superintendent	\$157,852	\$175,000
Complex Area Superintendent	\$164,145	\$175,000
Complex Area Superintendent	\$164,149	\$175,000
Assistant Superintendent	\$169,218	\$175,000
Assistant Superintendent	\$182,050	\$182,050 ²
TOTAL COST	\$1,764,856	\$1,932,050
Budget Impact		\$167,194
Current Average Complex Area Superintendent Salary	\$157,065 (n=9 appointed CASs)	
Current Average Assistant Superintendent Salary	\$175,634 (n=2 appointed ASs)	

¹ The recommendation affects appointed Complex Area Superintendents and Assistant Superintendents. There are a number of interim Complex Area Superintendents and Assistant Superintendents: 6 and 5, respectively.

² Current salary will not be reduced.

While this recommendation is not considered a performance-based adjustment, as described in Section IV, Performance-Based Salary Adjustments, of the Board-adopted Department of Education Leadership Salary Structure guidelines, all incumbents recommended for this increase have been evaluated for the 2021-22 school year and met performance expectations.

Policies regarding establishing the salaries of Complex Area Superintendents and Assistant Superintendents. The pertinent policies and guidance related to subordinate superintendent salaries are as follows. Please note, in accordance with §1-17, Hawaii Revised Statutes (HRS), “Words in the masculine gender signify both the masculine and feminine gender, those in the singular or plural number signify both the singular and plural number, and words importing adults include youths or children.”

- [§26-39, HRS](#), provides the superintendent the ability to compensate a subordinate appropriately: “Except as otherwise provided by this chapter and with the approval of the governor, the head of a department may establish or abolish any subordinate office or position, transfer officers and employees between positions, appoint and remove any subordinate, and change the duties, titles, and compensation of offices and positions as is deemed necessary by the head of the department for the efficient functioning of the department, subject to the limitations of available appropriations and of the provisions of chapter 76.”
- [§302A-621, HRS](#), Salary; deputy superintendent, assistant superintendents, complex area superintendents, authorizes the Board to set the salary of the Assistant Superintendents and Complex Area Superintendents.
- [Board Policy 500-6](#) states the Board “desires that the best candidates are appointed to all of the subordinate superintendent positions to create a knowledgeable, strong, and dynamic leadership team that supports the superintendent, teachers, administrators, and other school-level personnel”; thus, the Board “shall establish a salary structure that is competitive and commensurate with the duties, responsibilities, and authorities of the respective subordinate superintendent positions.”
- Board of Education Department of Education Leadership Salary Structure, Section V - Other Salary Adjustments: “The superintendent may recommend, and the Board may consider, other salary adjustments for subordinate superintendents separate from performance-based compensation adjustments on a case-by-case basis as circumstances warrant”

b. Previous action of the Board and Committee(s) on the same or similar matter:

In accordance with Board Policy 500-6, the Board has approved previous adjustments to the leadership salary structure. The most recent action taken by the Board was the approval of the Department leadership salary structure on May 5, 2022 (Action Item V.C.): <https://alala1.k12.hi.us/STATE/BOE/Minutes.nsf/a15fa9df11029fd70a2565cb0065b6b7/06083bec7f7afbac0a258863000588ee?OpenDocument>.

This Board-approved leadership salary structure includes a 5% increase to the salary ranges proposed by Human Resources Committee Chairperson Kaimana Barcarse below:

- May 5, 2022 Memo: [Committee Action on salary structure and compensation adjustments for Department leadership employees \(Deputy Superintendent, Assistant Superintendents, and Complex Area Superintendents\)](#)

- May 5, 2022 Human Resources Committee meeting minutes (Action Item IV.A):
<https://alala1.k12.hi.us/STATE/BOE/Minutes.nsf/a15fa9df11029fd70a2565cb0065b6b7/92bef837f5992ae80a25885d000314d8?OpenDocument>

c. Other policies affected:

None.

d. Arguments in support of the recommendation:

If this recommendation is approved, the Department anticipates increased recruitment and retention for leadership positions. Fair and competitive salaries are essential to attract and retain skilled executive leaders with leadership and managerial responsibilities to the statewide public education system. Each leader is responsible for leading a team, managing budgets, communicating with stakeholders, and delivering educational and operational results. Furthermore, Complex Area Superintendents and Assistant Superintendents are at-will employees without job security.

e. Arguments against the recommendation:

Some may argue that executive leadership should not be paid at the recommended level.

f. Other agencies or departments of the State of Hawaii involved in the action:

There are no other agencies or departments of the State of Hawaii involved in this recommendation.

g. Possible reaction of the public, professional organizations, unions, DOE staff, and/or others to the recommendations:

The topic of executive leadership compensation is sometimes controversial, as often reflected in testimony to the Board on this type of agenda item.

h. Educational implication:

Recruiting and retaining subordinate superintendents in alignment with [Board Policy 500-6](#) will provide the foundation to collaboratively move the Department in a direction that aligns with the upcoming strategic plan, ultimately increasing student achievement results.

i. Personnel implications:

The Board's approval will immediately affect one Assistant Superintendent and nine Complex Area Superintendents. The salaries of interim appointees will not be affected.

The Department expects these salary adjustments to improve recruitment efforts, especially for Complex Area Superintendents.

j. Facilities implications:

None.

k. Financial implications:

The Department projects to have sufficient resources within its general fund budget to accommodate the proposed salary adjustments of \$167,194 for the appointed subordinate superintendents in the current Fiscal Year 2022-2023 and the upcoming Fiscal Year 2023-2024. The Department will not withhold funds appropriated for any program to accommodate the additional salary expenses.

6. OTHER SUPPLEMENTARY RECOMMENDATIONS

Complex Area Superintendent Rebecca Winkie has been paid below the minimum approved range by the Board since the Board took action on May 5, 2022 (see Table 3). I am requesting that the Board approve a retroactive adjustment of Complex Area Superintendent Winkie's annual salary effective May 5, 2022 through June 30, 2022 in the amount of \$152,250.

KTH:toc
Attachment

c: Office of Talent Management

**BOARD OF EDUCATION
DEPARTMENT OF EDUCATION LEADERSHIP SALARY STRUCTURE**

I. Purpose

- A. The purpose of this salary structure is to establish a system for performance-based and other case-by-case salary adjustments for the subordinate superintendents (which are the deputy superintendent, assistant superintendents, and complex area superintendents) of the Department of Education (“Department”).
- B. This salary structure articulates the flexibility of the Board of Education (“Board”) to provide fair and competitive salaries to subordinate superintendents while ensuring this system and resulting leadership salaries are transparent.

II. Authority

- A. Pursuant to Section 302A-621, Hawaii Revised Statutes, the Board has the sole authority to set the salaries of subordinate superintendents with the only restriction being that the salary of a subordinate superintendent cannot exceed the salary of the superintendent.
- B. In accordance with Board Policy 500-6, entitled “Salaries of Subordinate Superintendents,” the Board is to “establish a salary structure that is competitive and commensurate with the duties, responsibilities, and authorities of the respective subordinate superintendent positions.”

III. Salaries and Salary Ranges

- A. The Board must be able to review and approve exact salaries to ensure equity, avoid salary compression issues, and optimize competitiveness for recruitment and retention. Further, more transparency as to salaries of the top leaders of the Department, which is one of the largest state departments, is in the best interest of the public.
- B. The Board has set the following salary ranges for subordinate superintendents to assist the superintendent with leadership recruitment:
 - 1. Deputy superintendent: \$162,750 to \$194,250
 - 2. Assistant superintendents: \$157,500 to \$189,000
 - 3. Complex area superintendents: \$152,250 to \$183,750

- C. The superintendent may recommend changes to the Board to the salary ranges stated in Section III.B based on market conditions. Any changes to the salary ranges require the Board to amend this salary structure document.
- D. The superintendent shall not adjust the salary of a subordinate superintendent without prior approval from the Board.
- E. Whenever the superintendent recommends to the Board the approval of the appointment of a new subordinate superintendent, the superintendent must also recommend an entry salary for that individual.
- F. Whenever the superintendent requests adjustments to a subordinate superintendent's salary, the superintendent must provide the Board with the current salary of the subordinate superintendent and the new proposed salary.
- G. Any Board approval of recommended salary adjustments is also approval of the use of funds necessary to effectuate such salary adjustments. The superintendent shall provide the Board with information on the total cost of any proposed salary adjustments.

IV. Performance-based Salary Adjustments

- A. The superintendent shall annually evaluate the performance of subordinate superintendents using an evaluation instrument of the superintendent's choosing that sets the performance expectations for each subordinate superintendent. The evaluation instrument used by the superintendent to evaluate performance should align with Department and Board goals for consistency and fairness.
- B. Subordinate superintendents who meet performance expectations as determined by the performance evaluation are eligible for a minimum performance-based salary adjustment as determined by the superintendent in consultation with the Human Resources Committee Chairperson or their designee. In determining the minimum performance-based salary adjustment, the superintendent and the Human Resources Committee Chairperson, or their designee, shall consider various market factors, including the Hawaii Consumer Price Index, average Hawaii salary increase rates, and collective bargaining raises of other Department employees.
- C. Subordinate superintendents who exceed performance expectations as determined by the performance evaluation are eligible for an additional performance-based salary adjustment as recommended by the superintendent.

- D. The superintendent shall annually report the overall performance evaluation results to the Board and recommend performance-based salary adjustments based on the evaluation results. The report annually shall also include the copy of the current evaluation being used and the position descriptions of those affected.
- E. The superintendent may recommend no performance-based salary adjustments based on circumstantial conditions, such as economic downturns.
- F. The Board has total discretion over salary adjustments for subordinate superintendents and may decide to defer or forgo performance-based salary adjustments in any given year based on circumstantial conditions, such as economic downturns.
- G. Subordinate superintendents serving in an interim or acting capacity are not eligible for performance-based salary adjustments.

V. Other Salary Adjustments

- A. The superintendent may recommend, and the Board may consider, other salary adjustments for subordinate superintendents separate from performance-based compensation adjustments on a case-by-case basis as circumstances warrant, which include, but are not limited to:
 - 1. A complex area superintendent whose salary is less than the average salary of high school principals;
 - 2. An assistant superintendent whose salary is less than the average salary of peers in the industries relevant to the subject matter area overseen by the assistant superintendent; or
 - 3. A deputy superintendent whose salary is less than the average salary of other subordinate superintendents that the deputy superintendent supervises.
- B. Other salary adjustments may require the amendments of the salary ranges stated in Section III.B and in accordance with Section III. C.

[Adopted 05/05/2022]