


**STATE OF HAWAII**  
**DEPARTMENT OF EDUCATION**  
**KA 'OIHANA HO'ONA'AUAO**  
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OFFICE OF THE SUPERINTENDENT

October 4, 2023

**TO:** The Honorable Shanty Asher  
Chairperson, Human Resources Committee

**FROM:** Keith T. Hayashi  
Superintendent 

**SUBJECT:** Committee Action on Compensation Adjustments for Department Leadership Employees (Deputy Superintendents, Assistant Superintendents, and Complex Area Superintendents) for School Year 2022-2023 and 2023-2024

1. EXECUTIVE SUMMARY

Performance management and compensation are two key Talent Management strategies for the Hawaii State Department of Education (Department). Applying these strategies to the Department's executive leadership positions also addresses the Board of Education (Board) Policy 500-6, which 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." Fair and competitive salaries are essential to attract and retain skilled executive leaders to carry out the Board's Strategic Plan as well as the mission and vision of the Department.

There are currently 25 subordinate superintendent positions—three (3) Deputy Superintendents, seven (7) Assistant Superintendents, and 15 Complex Area Superintendents—that are not included in a collective bargaining unit. Board approval is required to make compensation adjustments for this group of employees. The Department is requesting 21 of the 25 subordinate superintendents to receive compensation adjustments for fiscal year 2023-2024.

The Department is also recommending, as of July 1, 2022 a retroactive one-time salary adjustment for the Assistant Superintendent of the Office of Fiscal Services and a salary adjustment for subordinate superintendents who have met or exceeded performance evaluations for the school year 2022-2023.

2. RECOMMENDATION

The Department respectfully recommends adjusting the salaries of the subordinate superintendents as follows: 1) a salary adjustment for subordinate superintendents pursuant

to Section IV, Performance-based Salary Adjustments of the Board-adopted Department of Education Leadership Salary Structure guidelines (Attachment) who have met or exceeded performance evaluations for the school year 2022-2023; and 2) a retroactive one-time salary adjustment for the Assistant Superintendent of the Office of Fiscal Services pursuant to Section V, Other Salary Adjustments of the Board-adopted Department of Education Leadership Salary Structure guidelines.

3. RECOMMENDED EFFECTIVE DATE

Retroactively, as of July 1, 2023, for the salary adjustments that will apply to Deputy Superintendents (DSs), Assistant Superintendents (ASs), Complex Area Superintendents (CASs), and with an “effective” or better performance evaluation as of June 30, 2023.

*\*For employees who are appointed and are not in an acting or interim capacity.*

Retroactively, as of July 1, 2022, for the one-time salary adjustment for the Assistant Superintendent of the Office of Fiscal Services.

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

Not applicable.

5. DISCUSSION

a. Conditions leading to the recommendation:

For fiscal year 2023-24, the Department recommends a performance-based salary adjustment for eligible DSs, ASs, and CASs 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 2022-23 school year and have met or exceeded performance expectations. Depending on the incumbent's performance rating and current salary, they may exceed the maximum of the previously approved salary range.

The Department proposes a performance-based salary adjustment aligned with the increases that Hawaii Government Employees Association (HGEA) Bargaining Unit 6 (BU 06) members will receive in fiscal year 2024. BU06 members' negotiated increases are 4.6% across the board on July 1, 2023, and a step (1.4%) on January 1, 2024.

Evaluation ratings for the DSs and ASs use the following four-point scale:

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.

To receive a salary adjustment, the DS or AS must, at a minimum, meet expectations for School Year 2022-2023. Recommended performance increases are as follows:

1. A DS or AS not rated effective or highly effective will not be eligible for an increase;
2. A DS or AS rated effective (score of 3) will receive an increase of 4.6%; and
3. A DS or AS rated as highly effective (score of 4) will receive an additional increase of 1.4% (6.0%).

Complex Area Superintendents are evaluated on their performance annually using ratings on 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. Exceeds rating 3 with an outstanding quality of work and demonstrates collaboration across the organization; and
5. Exceeds rating 4 and demonstrates system-wide innovation and improvements, builds capacity across the organization.

To receive a salary adjustment, the CAS must, at a minimum, meet expectations for School Year 2022-2023. Recommended performance increases are as follows:

1. CASs who do not meet expectations will not be eligible for an increase;
2. CASs who meet expectations and receive a score of 3 will receive an increase of 4.6%;
3. CASs rated as exceeding expectations and receive a score of 4 will receive an additional increase of 0.7% (5.3%); and
4. CASs rated as exceeding expectations and receive a score of 5 will receive an additional increase of 0.7% (6.0%).

In addition, at the November 17, 2022 Board's General Business Meeting, the Department of Education requested a one-time salary adjustment for the Assistant Superintendent of the Office of Fiscal Services of \$175,000 to maintain internal salary parity with the other Assistant Superintendents. However, the decision at that time was to defer the request until a later date.

At this time, the Department respectfully requests the Board's approval of a one-time salary adjustment for the Assistant Superintendent of the Office of Fiscal Services of \$175,000. 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, it is essential to ensure equitable and fair compensation. The incumbent recommended for this increase has been evaluated and met previous performance expectations since their initial appointment to the position.

- b. Previous action of the Board and Committee(s) on the same or similar matter:  
The most recent action(s) for DSs and ASs:

- May 5, 2022 Human Resources Committee meeting minutes (Action Item IV.A):  
<https://alala1.k12.hi.us/STATE/BOE/Minutes.nsf/a15fa9df11029fd70a2565cb0065b6b7/92bef837f5992ae80a25885d000314d8?OpenDocument>
- November 17, 2022 General Business meeting: [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 Complex Areas](#)

The most recent action for CASs:

- June 1, 2023 Memo: [Board Action on Human Resources Committee recommendations concerning compensation adjustments for Complex Area Superintendents of Aiea-Moanalua-Radford, Baldwin-Kekaulike-Kulanihako-i-Maui, Campbell-Kapolei, Castle-Kahuku, Farrington-Kalani-Kaiser, Hana-Lahaina-Lanai-Molokai, Hilo-Waiakea, Honokaa-Kealakehe-Kohala-Konawaena, Kailua-Kalaheo, Kaimuki-McKinley-Roosevelt, Kau-Keaau-Pahoa, Leilehua-Mililani-Waialua, Pearl City-Waipahu Complex Areas](#)

- c. Other policies affected:

None.

- d. Arguments in support of the recommendation:

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, Deputy Superintendents, 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:

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

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

Executive leadership compensation is sometimes controversial, as often reflected in prior testimony to the Board on related agenda items.

- h. Educational implication:

These performance-based salary adjustments align with [Board Policy 500-6](#), the Board of Education's strategic plan, and the Department of Education's implementation plan, which aims to provide high quality workforce (Priority 2) in support of increasing student achievement and equity.

- i. Personnel implications:

The Board's approval will immediately affect three (3) Deputy Superintendents who met or exceeded expectations, five (5) Assistant Superintendents who met or exceeded expectations, and 13 Complex Area Superintendents who met or exceeded expectations. The salaries of acting and interim appointees will not be affected.

- 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 \$232,369 for the appointed subordinate superintendents in the current Fiscal Year 2023-2024. The Department will not withhold funds appropriated for any program to accommodate the additional salary expenses.

6. OTHER SUPPLEMENTARY RECOMMENDATIONS

None.

KTH:cm

Attachment: Department of Education Leadership Salary Structure adopted by the Board of Education on May 5, 2022

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]