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OFFICE OF THE DEPUTY SUPERINTENDENT

October 9, 2025

TO: The Honorable Roy Takumi
Chairperson, Board of Education

FROM: Tammi Oyadomari-Chun
Deputy Superintendent of Strategy and Administration

SUBJECT: Department of Education study on teacher compensation

1. BACKGROUND

   In accordance with Senate Concurrent Resolution 142 from the Thirty-Second Legislature, 2024, State of Hawaiʻi, which urges the Department of Education to study the impact of teacher salary step movements on salary schedule compression, the Experience Management Institute was commissioned to conduct a comprehensive Compensation Impact Study on Teachers' Salary Compression in partnership with the Hawaiʻi State Department of Education.

2. PRESENTATION

   Experience Management Institute will present the methodology and findings of its study using the accompanying slide deck.

TOC:sb
Attachment: Experience Management Institute Teacher Compensation Impact Study

Experience Management Institute

Teacher Compensation Impact Study

Hawai'i Department of Education Board Presentation

October 9, 2025

Our Team

Emily Douglas-McNab
Co-founder & Chief

Dr. Kate Heynoski
Co-founder & Chief

Minny Poon
Data Scientist

Stephen Fujii
Vice President,
Customer Experience

Teresa Daulong
Vice President,
Client Services

Who We Are

At Experience Management Institute, we help organizations build more human workplaces.

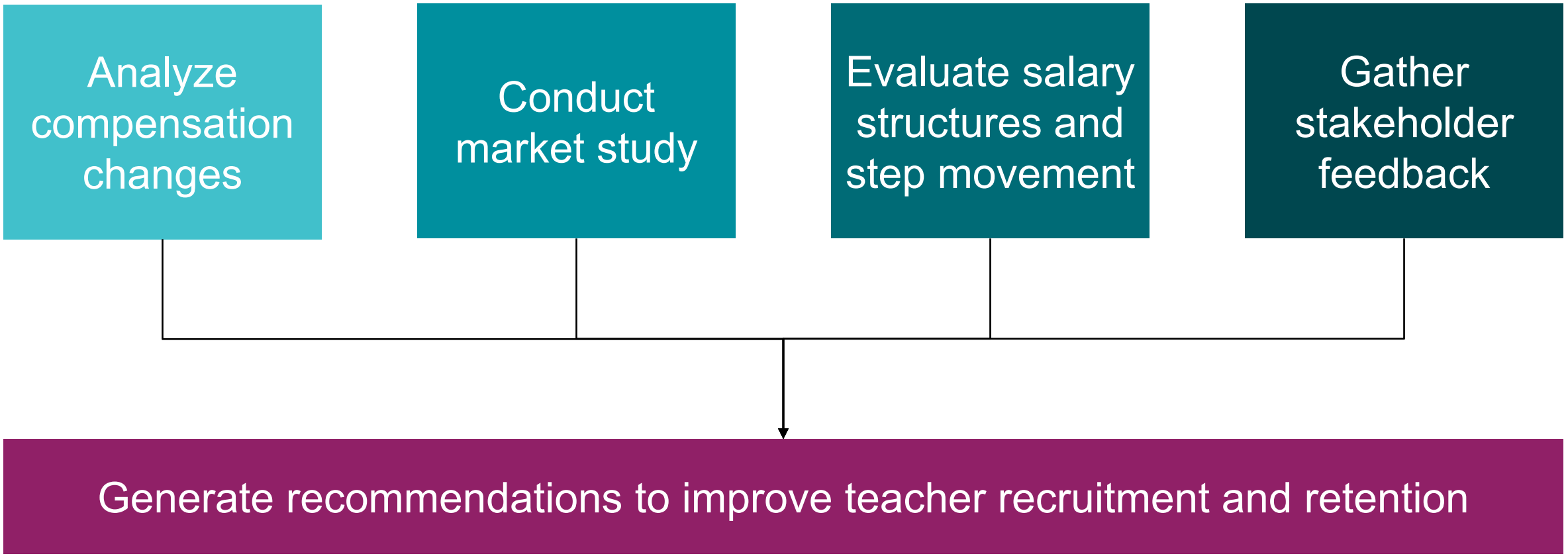
We are a woman-owned small business with extensive experience in organization strategy, human-centered experience management design, people management, instructional design, and process improvement.

www.exmi.org | exminstitute

Agenda

1. Study Overview
2. Market Pay Study
3. Shortage Differential Analysis
4. Compensation Structure Overview
5. Recommendations

Overview of the Work



Stakeholder Engagement

Goal: Ensure findings and recommendations are grounded in the lived experiences, professional insights, and diverse contexts of Hawai‘i’s educator workforce.

Virtual Teacher Focus Groups

99 participants

(May - June 2025)

Onsite Interviews

37 participants

(June - July 2025)

Includes the Board of Education, Superintendent, HSTA, and DHRD

Teacher Survey

1,495 participants

(July - August 2025)

Administrator Survey

56 participants

(July - August 2025)

Teachers and administrators from all 15 complex areas provided feedback

Market Pay Study

Benchmark Comparison Groups

Comparison Group	Selection Criteria	Rationale for Inclusion
Similar-Sized Districts	U.S. school systems with 100,000 or more students (HIDOE serves ~169K students)	Enables comparison with school systems that operate at a similar scale
Geographic Proximity	School systems in large Western and Southwestern cities (population 500,000+)	Captures large mainland school systems geographically closest to Hawai‘i
U.S. Territories/ Commonwealths	School systems in U.S. Territories and affiliated Commonwealths	Reflects unique characteristics of island and non-continental educational systems
Remote Non-Mainland Districts	Alaska school districts with the largest student enrollments	Provides insight into remote and isolated education systems

Salary Data Standardization

Data from multiple sources must be standardized for accurate comparison

- All data is from the 2024-25 school year. No aging was required.
- Teacher working days and hours vary widely. EXMI converted annual salaries to hourly rates for comparison.

	Minimum	Midpoint	Maximum	HIDOE
Working days	182	193	204	193
Work hours	6.5	7.5	8.5	7.0

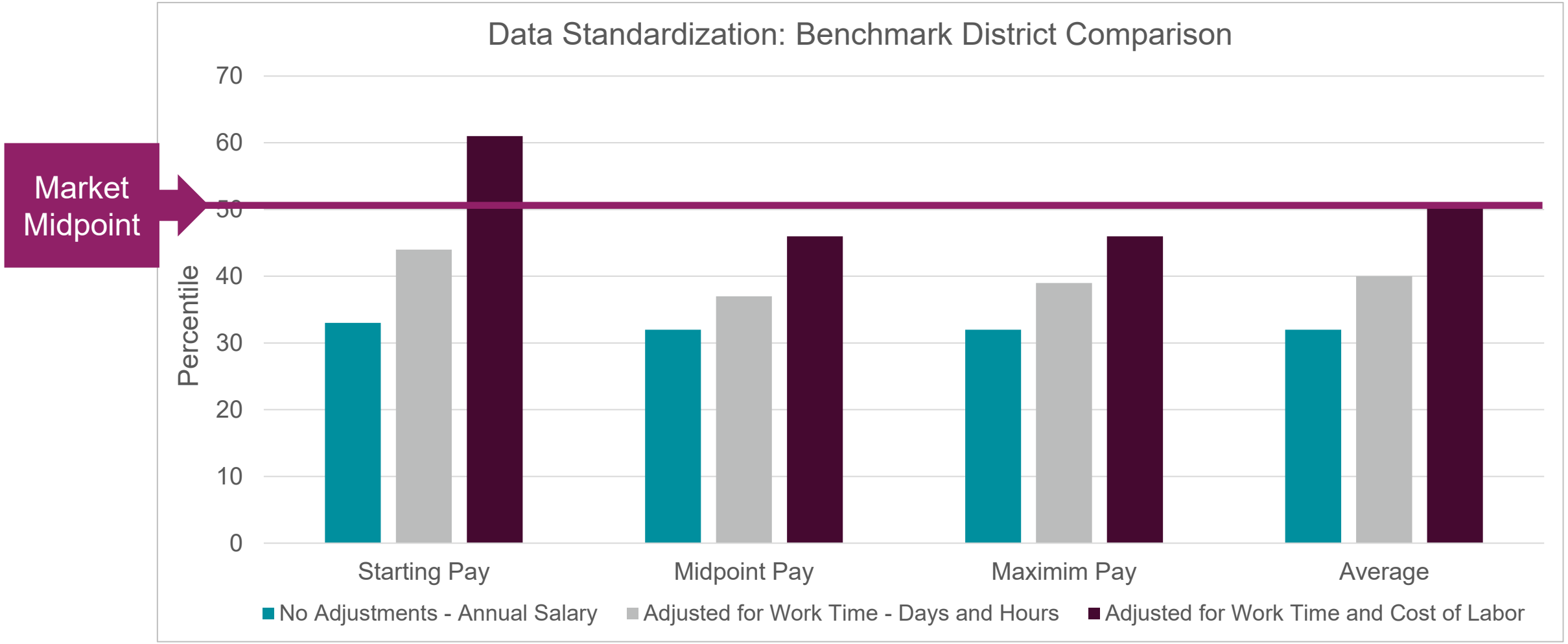
- Cost of labor varies based on location. EXMI used Economic Research Institute geographic data to align all benchmark data to the Hawai'i state average for cost of labor.

Cost of living vs. Cost of labor

Feature	Cost of Labor	Cost of Living
Definition	The market rate employers pay to attract and retain talent for a specific job.	The amount employees need to maintain a standard lifestyle in a geographic area.
Primary Use in Compensation	Used to set salaries, build pay structures, and benchmark roles	Referenced for policy-based adjustments (e.g., COLA), not base salary
Common Applications	Salary survey data, compensation benchmarking, job pricing	Stipends, policy, relocation support, cost-of-living allowances
Data Sources	Market compensation surveys (e.g., Mercer, ERI, BLS wage data)	Consumer price indices (e.g., CPI), housing data, regional cost comparison indexes
Varies By	Occupation, labor market, skill demand	Housing, food, transportation, healthcare, and utilities
Used in Compensation System Design?	Yes. Foundational to setting competitive, market-aligned pay	No. May inform public sector policy

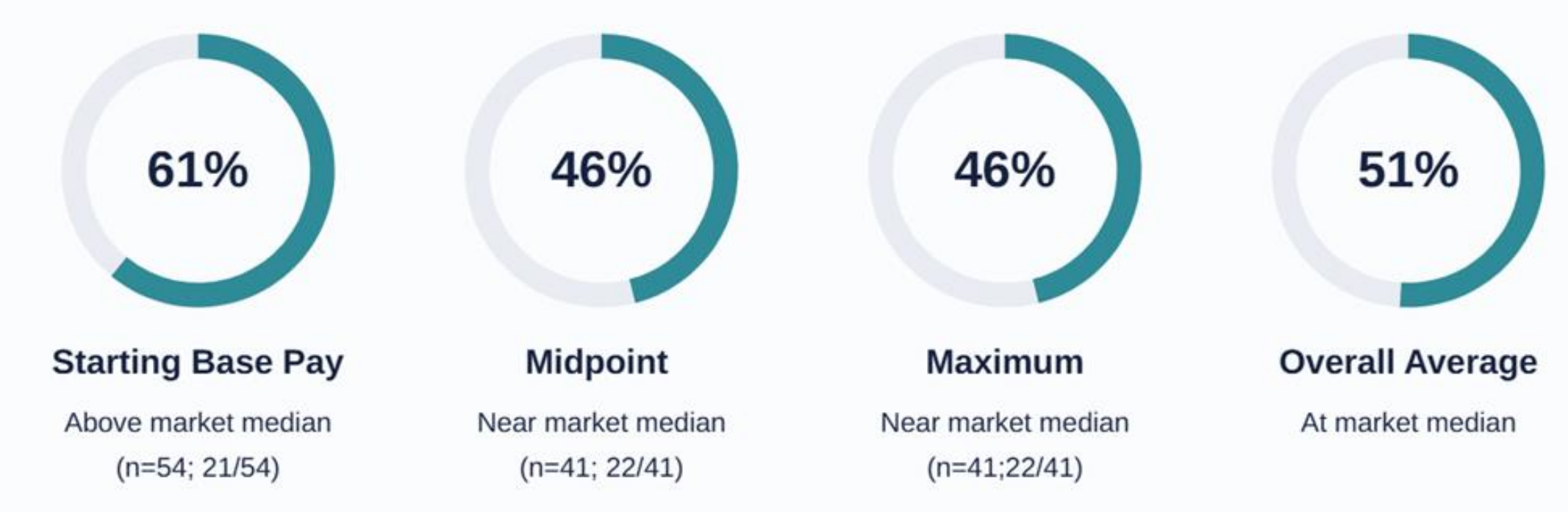
Data Standardization Impact

This graph demonstrates the impact of standardizing data for accurate analysis. Raw data does not accurately portray HIDOE's position in the market.



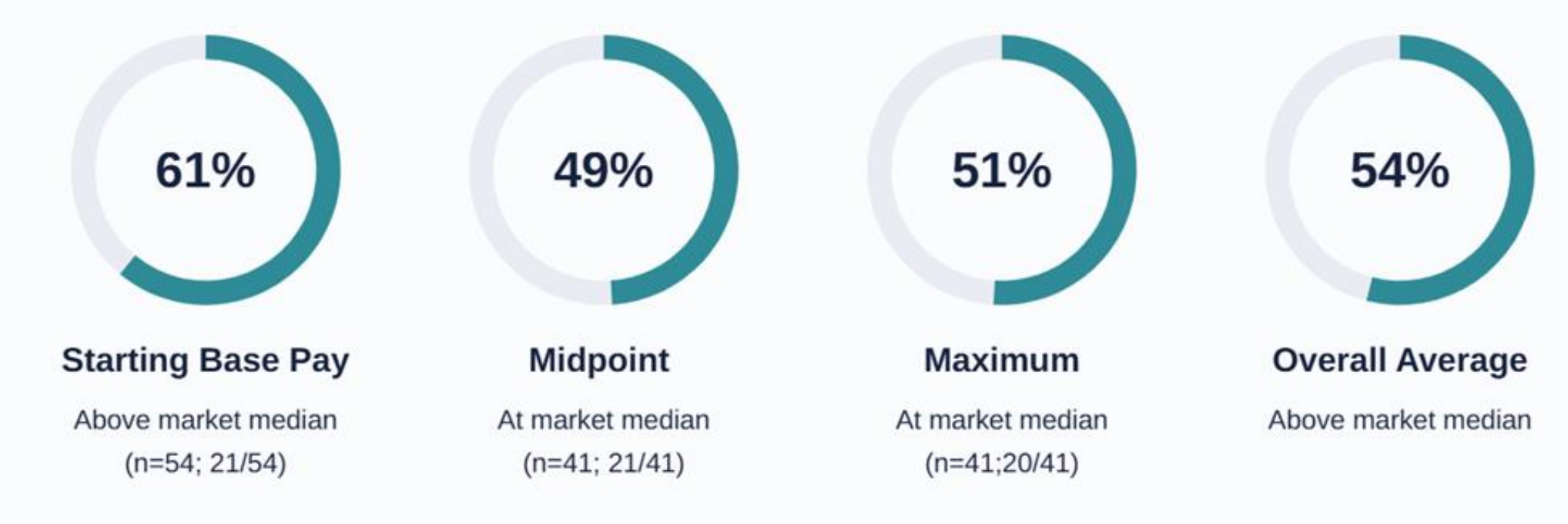
Market Position - All Benchmark Districts

HIDOE teacher pay is **at market** overall and **above market** for starting base pay when the data is standardized for working days, hours, and cost of labor.



Market Position Including Class VIII - All Benchmark Districts

The inclusion of Class VIII **improves** the HIDOE market position at **both the midpoint and the maximum** including a 5% increase at the schedule maximum.



Teacher Salary Modernization: Shortage Differential Analysis

Overview of Shortage Differentials (Jan 2020)

What? Provide extra pay to classroom teachers in areas with the most severe shortages.

Why? Improve recruitment and retention in hard-to-staff areas and locations.

Hard-to-Staff Locations	Amount
Hawai‘i District: Kea‘au and Pāhoa	$3,000
Hawai‘i District: Kealakehe, Kohala, and Konawaena Maui District: Lahainaluna	$5,000
Hawai‘i District: Honoka‘a and Ka‘ū	$7,500
Maui District: Hāna, Lāna‘i, and Moloka‘i Leeward District: Nānākuli and Wai‘anae Special Schools: Olomana School and HSDB	$8,000

Hard-to-Staff Areas	Amount
Special Education	$10,000
Hawaiian Language Immersion Programs	$8,000

Differential Analysis: Hard-to-Staff Locations

Impact on Turnover Rates

Differential Category	Differential Amount	SY2019 (before differential)	Avg SY2022-2025 (after differential)	Delta
Tier 1	$3,000	12.2%	13.2%	▲ 1.0%
Tier 2	$5,000	16.5%	16.9%	▲ 0.4%
Tier 3	$7,500	15.4%	16.7%	▲ 1.2%
Tier 4	$8,000	15.6%	13.8%	▼ 1.8%
No Differential	$0	12.9%	14.3%	▲ 1.4%

Only Tier 4 schools show a sustained decrease in teacher turnover.

Impact on Vacancy Rates

Differential Category	Differential Amount	Oct 2018 (before differential)	Avg 2021-2024 (after differential)	Delta
Tier 1	$3,000	3.2%	4.4%	▲ 1.3%
Tier 2	$5,000	3.0%	8.8%	▲ 5.8%
Tier 3	$7,500	4.0%	7.3%	▲ 3.4%
Tier 4	$8,000	12.5%	6.9%	▼ 5.7%
No Differential	$0	2.6%	3.7%	▲ 1.1%

Only Tier 4 schools show a sustained decrease in teacher vacancies.

Differential Analysis: Special Education

Impact on Special Education Vacancy Rates

Differential Category	Differential Amount	Oct 2018 (before differential)	Avg 2021-2025 (after differential)	Delta
Tier 1, Spec Ed	$13,000	5.1%	5.8%	▲ 0.6%
Tier 2, Spec Ed	$15,000	3.4%	7.4%	▲ 4.0%
Tier 3, Spec Ed	$17,500	5.1%	9.7%	▲ 4.5%
Tier 4, Spec Ed	$18,000	13.8%	4.9%	▼ 8.9%
Spec Ed	$10,000	4.4%	5.1%	▲ 0.6%

Only Tier 4 schools show a sustained decrease in special education vacancies.

Impact on Percentage of Unlicensed Special Education Teachers

Differential Category	Differential Amount	SY2019 (before differential)	Avg SY2022-2025 (after differential)	Delta
Tier 1, Spec Ed	$13,000	7.8%	4.6%	▼ 3.2%
Tier 2, Spec Ed	$15,000	15.8%	5.7%	▼ 10.1%
Tier 3, Spec Ed	$17,500	10.3%	3.2%	▼ 7.0%
Tier 4, Spec Ed	$18,000	13.8%	5.9%	▼ 7.9%
Spec Ed	$10,000	10.6%	7.4%	▼ 3.3%

All schools show a sustained decrease in rates of unlicensed special education teachers.

Compensation Structure Overview

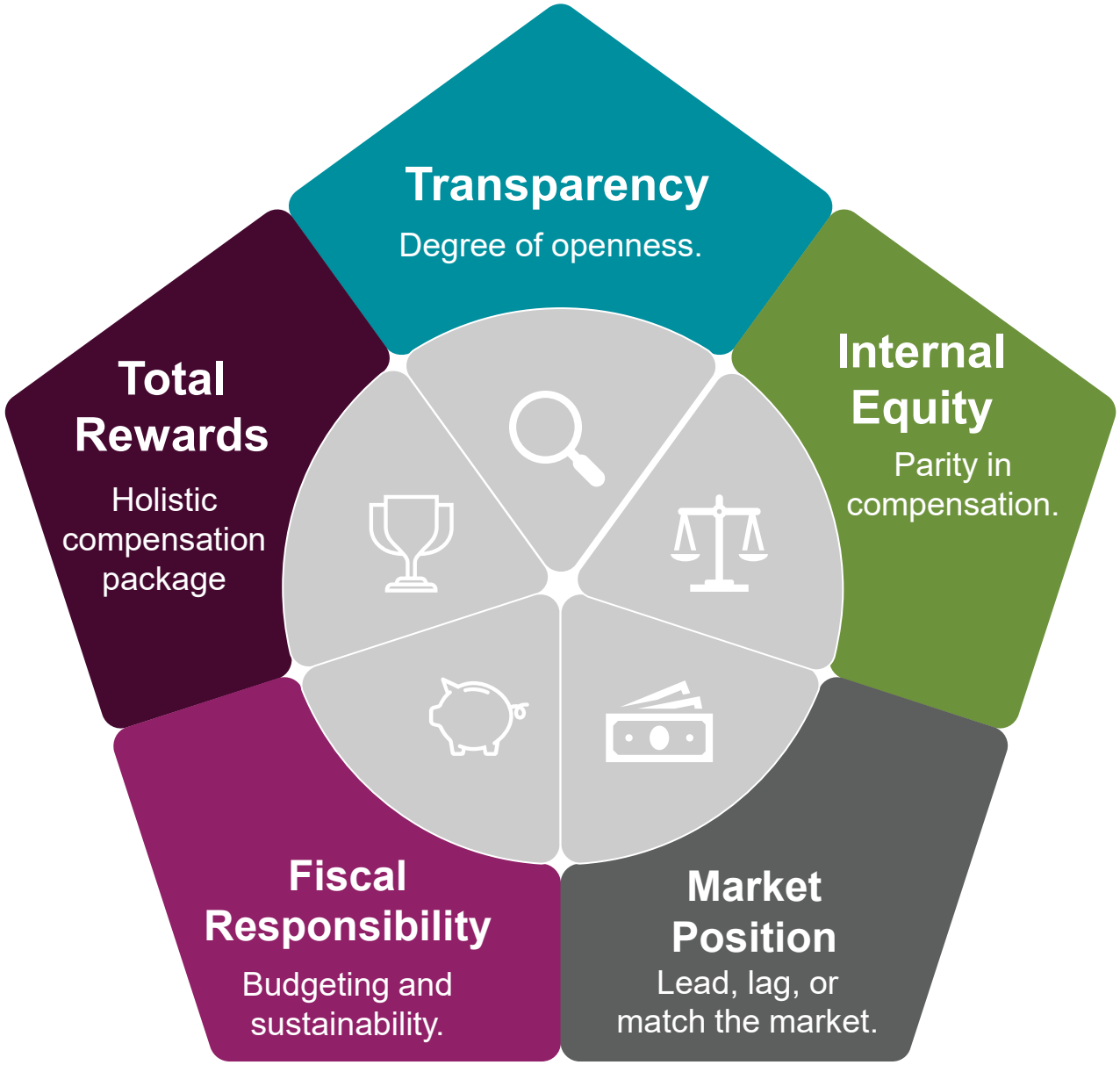
Analysis of Teacher Salary Structures and Policies

Structure/Policy	Intent	Challenges
Steps: 12 regular plus 1 entry Movement negotiated	• Step movement every other year • 24 years to reach the top of the schedule	• Off years and salary freezes breaks a perceived norm
Classes: 6 (Class II - Class VII) 7th class added 2025-26 (Class VIII) Movement tied to degree or credit attainment	• Incentivize ongoing growth and development; Hawaii teacher licensure renewal doesn't require CEUs. • 15 credits to advance classes; 21 hrs. of job-embedded PD built into school calendar assists with advancement	• Cost prohibitive for some educators, "Pay-to-play" • Documentation viewed as burdensome • Unclear approval processes
Placement Policies: Recognize up to 6 yrs of outside teaching experience (2 steps)	• Historical policy	• Deters experienced out-of-state educators from teaching in Hawaii • Deters individuals with relevant industry experience from teaching • Viewed as breaking a perceived norm
Placement Policies: Recognize 1 advanced degree	Incentivize ongoing growth and development; not past learning	• Viewed as breaking a perceived norm

Recommendations

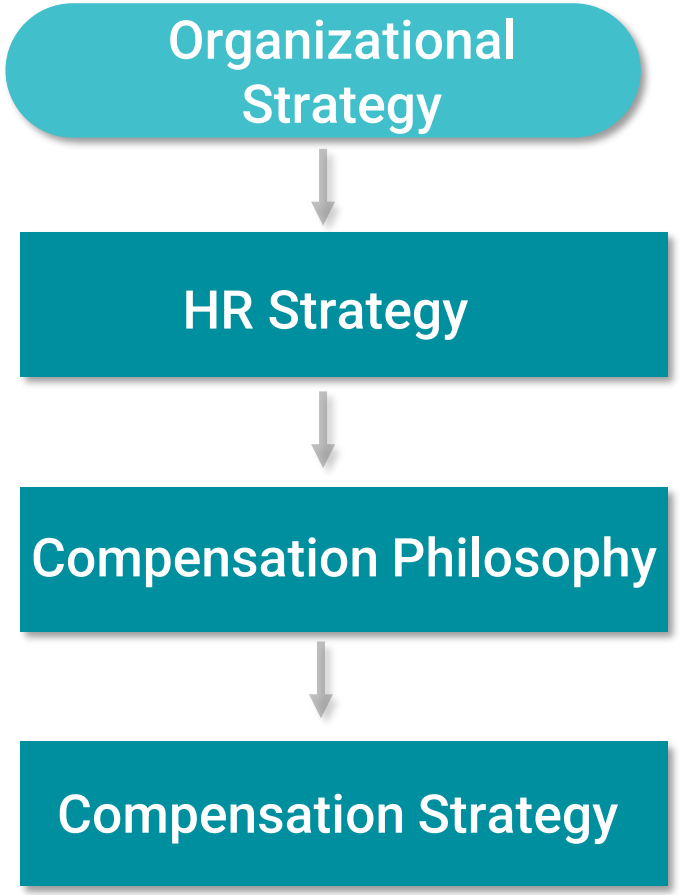
Recommendations

1. **Establish a clear compensation philosophy for educators**
   - Adopt a compensation philosophy that mirrors the Board's existing principles for leadership compensation (Policy 500-28)
   - Leverage the philosophy to guide day-to-day decisions and long-term policy development
   - Consistently communicate and establish key points of contact



Recommendations

2. **Align compensation policies, processes, and structures**
   - Audit current structures and incentives
   - Document and streamline processes
   - Establish oversight and accountability



What is the plan to achieve your purpose?

Align **talent** structures, policies, and practices to achieve your purpose

Define your beliefs about how employees should be compensated

Align **compensation** structures, policies, and practices to achieve your purpose

Recommendations

3. Establish a Formal Market Review Cycle

- Conduct a comprehensive market study every 2-3 years.
- Benchmark against national peer districts and review cost of labor data

4. Evaluate Differentials as Strategic Incentives

- Review differential amounts, criteria, and shortage area designations
- Manage transitions with care and sensitivity

5. Enhance Total Rewards Value

- Align offerings with employee needs

THANK YOU

We appreciate your time and all you do for students in Hawai’i.