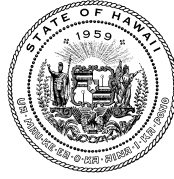


HB2306 HD2



EXECUTIVE CHAMBERS

HONOLULU

LINDA LINGLE
GOVERNOR

Testimony of
Linda L. Smith
Senior Policy Advisor to the Governor

Before the
SENATE COMMITTEE ON EDUCATION & HOUSING

Monday, March 8, 2010, 1:15 PM
State Capitol, Room 225

H.B. 2306 HD2 RELATING TO SALARIES

Chair Sakamoto, Vice Chair Kidani, and members of the Committee:

The Administration is **opposed** to H.B. 2306 HD2, which changes the salary cap for the superintendent of education from \$150,000 per year to 150% of the salary of the highest-paid principal in the Department of Education (DOE). The bill also changes the salary cap for the state librarian from \$120,000 per year to 150% of the highest-paid librarian in the Department of Education.

The Administration believes that the superintendent, as the chief executive of the Department of Education, plays an important role in State government. For this reason, Governor Lingle proposed a bill, S.B. 2705, to transfer the duties currently delegated to the Board of Education to the DOE superintendent. Under this proposal, the Superintendent would be nominated by and, with the consent of the Senate, appointed by the Governor. This is a process that is applied to the directors of all other cabinet level executive departments.

It is also important to consider that the directors of other state departments are run by skilled and experienced individuals who frequently come from the private sector and take a pay reduction because they are willing to be a public servant and work toward bettering local government. Our department directors willingly take these difficult and demanding jobs to improve our State, rather than for the compensation that may be associated with the position.

While the importance of the work of the superintendent should not be diminished, the Administration believes that the Legislature needs to focus on improving Hawaii's

public schools by enacting key changes to its governance structure, as we have suggested in Administration-sponsored bills S.B. 2705 and 2706.

Thank you for the opportunity to testify on this measure.

Date of Hearing: Monday, March 8, 2010

Committee: Senate Committee on Education and
Housing

Person Testifying: Garrett Toguchi, Chairperson, Board of Education

Title of Bill: H.B. No. 2306, H.D. 2, Relating to Salaries

Purpose of Bill: Amends the salary cap of the superintendent of education set by the Board of Education (Board) at a rate no greater than 150 percent of the highest-paid principal in the Department of Education (Department), and amends the salary cap of the state librarian set by the Board at a rate no greater than 150 percent of the highest-paid librarian in the Department.

Board's Position: Chairperson Sakamoto, Vice Chairperson Kidani, and members of the Senate House Committee on Education and Housing, thank you for the opportunity to submit testimony on H.B. No. 2306, H.D. 2.

The Board of Education (Board) prefers H.B. No. 2306, as introduced in its original form, because it authorizes the Board with full flexibility and latitude to establish the salaries of the superintendent of education, deputy superintendent, assistant superintendents, complex area superintendents, and state librarian, by *repealing the statutory salary caps* on these positions. Instead, H.B. No. 2306, H.D. 2 *amends the statutory salary caps* of the positions stated above.

As the appointing body of the superintendent and state librarian, it is the Board's position that it be given full flexibility and authority to establish salaries that are commensurate with various factors, including the scope

and responsibilities of these individual positions, as well as the experience and skills that individuals bring to these positions. The Board believes that the salaries of these positions must be competitive to attract and retain highly qualified and effective individuals to lead our public school and public library systems.

However, regarding the provisions in H.B. No. 2306, H.D. 2, we would like to offer the following comments:

- (1) Rather than tie the salary caps of the superintendent and state librarian to a particular *individual's* salary, it would be better to tie the maximum salary of the superintendent and state librarian to a *salary schedule*. This would provide greater latitude to the Board in establishing those salaries, as well as remove those salaries from the fluctuations of individuals who enter and leave the system;
- (2) If the 150 percent provision for the superintendent were tied to a prevailing salary schedule, the salary cap of the superintendent would be raised from \$150,000 to approximately \$244,000, a salary cap increase of approximately \$94,000. This would result in raising the current salary cap and providing more latitude to the Board in setting the salary of the superintendent; and
- (3) If the 150 percent provision for the state librarian were tied to a prevailing salary schedule, the salary of the state librarian would

be lowered from \$120,000 to approximately \$119,000, a salary cap decrease of approximately \$1,000. This would result in slightly lowering the current salary cap and lessening the latitude of the Board in setting the salary of the state librarian.

The Board believes that the breadth of responsibilities, complexities of the jobs, and the importance of the superintendent's and state librarian's positions are reflected in that the superintendent oversees a statewide public school system of 258 public schools, 15 complex areas, and 172,327 students; and the state librarian oversees a statewide public library system of 51 public libraries on Hawaii, Kauai, Lanai, Maui, Molokai, and Oahu.

While the salaries of other state positions have increased, the salaries of the superintendent and state librarian, as well as the Department of Education (DOE) leadership salaries that are tied to the superintendent's salary cap, have not increased in nearly a decade. There are four principals whose salaries are higher than the superintendent's \$150,000 salary cap. About 100 principals earn between \$121,000 to \$149,000, and are within 80 percent of the superintendent's salary, and about the same number of principals are paid more than the deputy superintendent. A far greater number of principals earn more than complex area superintendents. It is clear that the salaries of the

Department's top leadership are not commensurate with their scope and breadth of responsibilities.

A January 2009 report by Watson Wyatt and the DOE included a compensation analysis of the salary of the superintendent, deputy superintendent, and complex area superintendents, and the salaries of the assistant superintendents. The report indicated that, for example:

- Hawaii's superintendent salary of \$150,000 is 59.87 percent below the market average of \$250,537 for comparable position;
- Hawaii's deputy superintendent salary of \$120,000 is 69.88 percent below the market average of \$171,723 for comparable position;
- A Hawaii complex area superintendent's salary of \$115,000 is 81.40 percent below the market average of \$141,271 for comparable position; and
- The Hawaii assistant superintendent-chief financial officer's salary of \$115,000 is 67.42 percent below the market average of \$170,578 for comparable position.

A March/April 2008 Scholastic Administrator article that included the 25 largest school districts in the United States listed Hawaii as the tenth largest in size, with Hawaii's superintendent earning \$150,000, the

lowest paid superintendent among the top 10 districts and the lowest paid among all 25 districts listed.

The Board firmly believes that the salaries of the superintendent and state librarian positions should reflect the importance of their positions, the breadth and scope of their work, and the worth that must be demonstrated to draw a high caliber of individuals to the positions.

The Board is currently developing a search process to hire a permanent superintendent of education. The Board believes that giving the Board full authority and flexibility to determine the salaries of the superintendent will enable the Board to attract and recruit a greater number of applicants to lead our public education system, and allow Board members to select from a range of individuals with multiple talents, and leadership, academic, and professional experiences. The flexibility of the Board to establish competitive and fair salaries for these positions, along with performance measurements, will ensure accountability and feedback to these individuals.

Thank you very much for the opportunity to testify on this measure.



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**Senate Committee on Education and Housing
March 8, 2010, 1:15 p.m.
State Capitol, Room 225**

HB 2306, HD2 – Relating to Salaries

The Hawaii State Public Library System (HSPLS) is in support of HB 2306, HD2 which will adjust the salary caps of the Superintendent of Education and the State Librarian, with the following recommendations.

In section 3.b., the bill as currently written states that the "salary of the state librarian shall be set by the board of education at a rate no greater than one hundred fifty per cent of the salary of the highest-paid librarian in the department of education." It is important to note that the highest paid employee in the Hawaii State Public Library System, is not necessarily a *librarian*, and in fact usually is not a librarian. In addition, for the State Librarian this calculation should be based on employees in the *Hawaii State Public Library System*, not the department of education, as the bill currently states.

We request that the Bill's wording in 3.b. be changed to "The salary of the state librarian shall be set by the board of education at a rate no greater than one hundred fifty per cent of the salary of the highest-paid employee in the Hawaii State Public Library System."

Finally, it would be more reasonable to base the salary cap for both the Superintendent of Education and the State Librarian on the highest rate of the

collective bargaining schedule for the next highest paid position in the Department of Education for the Superintendent and in the Hawaii State Public Library System for the State Librarian.

Rather than basing these salaries on the highest paid *individual*, it would be more appropriate to set the salary of the Superintendent and State Librarian to a *percentage higher* than the *highest salary step and salary range* in accordance with the next highest paid position.

Thank you for the opportunity to testify on HB 2306, HD2.