



EXECUTIVE CHAMBERS

HONOLULU

LINDA LINGLE
GOVERNOR

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

Before the
HOUSE COMMITTEE ON EDUCATION
HOUSE COMMITTEE ON LABOR

Wednesday, March 10, 2010, 2:00 PM
State Capitol, Room 309

SB 2434 SD1 RELATING TO SALARIES

Chairs Takumi and Rhoads, Vice Chairs Berg and Yamashita, and members of the Committees:

The Administration is **opposed** to SB 2434 SD1, which changes the salary cap for the superintendent of education from \$150,000 per year to no greater than the salary of the highest paid school-, district-, or state-level administrator in the Department of Education. The bill also changes the cap on the salary for DOE deputy superintendents, assistant superintendents, and complex area superintendents from 80% of the superintendent's salary to 90%, 80%, and 70% of the superintendent's salary.

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: Wednesday, March 10, 2010

Committee: House Committees on Education and
Labor & Public Employment

Person Testifying: Garrett Toguchi, Chairperson, Board of Education

Title of Bill: S.B. No. 2434, S.D. 1, Relating to Salaries

Purpose of Bill: Sets the cap on the superintendent's salary to the salary of the highest paid school-, district-, or state-level administrator in the Department of Education. Sets the cap on the salary of the deputy superintendent, assistant superintendents, complex area superintendents, and state librarian as 90 percent, 85 percent, 80 percent, and 80 percent of the superintendent's salary, respectively.

Board's Position: Chairpersons Takumi and Rhoads, Vice Chairpersons Berg and Yamashita, and members of the House Committees on Education and Labor & Public Employment, thank you for the opportunity to testify on S.B. No. 2434, S.D. 1.

The Board of Education (Board) prefers S.B. No. 2434, as introduced in its original form, because S.B. No. 2434 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,

S.B. No. 2434, S.D. 1 amends the statutory salary caps of those 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.

Regarding the provisions in S.B. No. 2434, S.D. 1, we would like to offer the following comments:

- (1) Rather than setting the salary cap of the superintendent's salary to the salary of the highest paid school-, district-, or state-level *administrator* in the Department of Education, it would be better to tie the maximum salary of the superintendent to the *highest salary step and salary range* in accordance with the prevailing Hawaii Government

Employees Association (HGEA) Bargaining Unit (BU) 6 contract.

The salary of the highest salary step and salary range under the prevailing HGEA BU 6 contract is \$162,419. Under the provisions of the bill, this would result in raising the existing salary cap of the superintendent from \$150,000 to \$162,419, which amounts to a salary cap increase of \$12,419.

- (2) Under the provisions of the bill, the salary caps of the following positions, based on the specified percentages of the superintendent's salary, would be as follows: (1) the deputy superintendent's salary would be capped at \$146,177.10; (2) an assistant superintendent's salary would be capped at \$138,056.15; (3) a complex area superintendent's salary would be capped at \$129,935.20; and (4) the state librarian's salary would be capped at \$129,935.20. While the provisions of the bill increase the flexibility of the Board to establish the salaries of the Department's leadership and state librarian somewhat, it does not take into account the full range and scope of responsibilities of these positions.

The Board believes that the breadth of responsibilities, complexities of these 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 from \$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.

berg1-Matthew

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, March 10, 2010 9:15 AM
To: EDNtestimony
Cc: calltheschatz@hawaii.rr.com
Subject: Testimony for SB2434 on 3/10/2010 2:00:00 PM

Testimony for EDN/LAB 3/10/2010 2:00:00 PM SB2434

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Submitted on: 3/10/2010

Comments:

The salaries need to be at a level that attracts qualified candidates for the position of DOE Superintendent. The qualifications and experience for that position should be at the same level of the University of Hawaii President.