



GOV. MSG. NO. 670

EXECUTIVE CHAMBERS
HONOLULU

LINDA LINGLE
GOVERNOR

July 6, 2010

The Honorable Colleen Hanabusa, President
and Members of the Senate
Twenty-Fifth State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

Dear Madam President and Members of the Senate:

I am transmitting herewith S2434 SD1 HD1 CD1, without my approval, and with the statement of objections relating to the measure.

SB2434 SD1 HD1 CD1

A BILL FOR AN ACT
RELATING TO SALARIES.

Sincerely,

A handwritten signature in black ink, appearing to read "Linda Lingle", with a large, stylized loop at the end.

LINDA LINGLE

EXECUTIVE CHAMBERS

HONOLULU

July 6, 2010

STATEMENT OF OBJECTIONS TO SENATE BILL NO. 2434

Honorable Members
Twenty-Fifth Legislature
State of Hawaii

Pursuant to Section 16 of Article III of the Constitution of the State of Hawaii, I am returning herewith, without my approval, Senate Bill No. 2434, entitled "A Bill for an Act Relating to Salaries."

The purposes of this bill are to adjust the salaries and to provide annual performance bonuses for the Superintendent of Education, the Deputy Superintendent, the Assistant Superintendents, and the Complex Area Superintendents and to provide an annual performance bonus for the State Librarian, beginning with the 2011-2012 school year.

This bill is objectionable because it could impact the funding of other education programs and comes at a time when other state workers are losing their jobs, taking furloughs, or are subject to decreased pay.

The Department of Education and the Hawaii Public Library System will be obligated to fund the salary increases and bonuses within their current resources. It is unclear how the department will find the funding to meet new fiscal obligations without a reduction or elimination of other programs and priorities. Schools have already experienced reductions or elimination of certain educational programs and parents are now being asked to pay more for school transportation and school meals.

While I fully realize that the intent of this measure is to attract a wider range of potential candidates for senior positions in the Department of Education, it should be noted that

STATEMENT OF OBJECTIONS
SENATE BILL NO. 2434
Page 2

the Superintendent already receives a considerably higher salary than many other critical positions in State Government, such as the Director of Human Services and the Director of Health who are both responsible for the well-being for many individuals.

For the foregoing reasons, I am returning Senate Bill No. 2434 without my approval.

Respectfully,

A handwritten signature in black ink, appearing to read "Linda Lingle", written in a cursive style.

LINDA LINGLE
Governor of Hawaii

VETO

THE SENATE
TWENTY-FIFTH LEGISLATURE, 2010
STATE OF HAWAII

S.B. NO. 2434
S.D. 1
H.D. 1
C.D. 1

A BILL FOR AN ACT

RELATING TO SALARIES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that existing laws
2 authorize the board of education to set the salaries of the
3 superintendent of education, deputy superintendent, assistant
4 superintendents, complex area superintendents, and state
5 librarian. The salaries of the deputy superintendent, assistant
6 superintendents, and complex area superintendents are capped by
7 statute at a percentage of the superintendent's salary.

8 The legislature further finds that it is a challenge to
9 recruit and fill state and complex area leadership positions
10 because the maximum salaries are not competitive with or in the
11 range of the salaries of other administrative leadership
12 positions at the school level. The cap on the superintendent's
13 salary was last established in 2000, and the cap on the state
14 librarian's salary was last established in 2001.

15 The legislature finds that amending the current salaries
16 for the superintendent of education, deputy superintendent,
17 assistant superintendents, complex area superintendents, and
18 state librarian would provide the board of education with the



1 authority and latitude to establish the salaries of these
2 leadership positions commensurate with various factors,
3 including the breadth of responsibilities and duties of those
4 positions and the experience and skills the individuals bring to
5 their respective positions. Adjusting the salaries would also
6 provide the board of education with the flexibility it needs to
7 attract and retain individuals to support a strong statewide
8 public education system and statewide public library system.

9 The purpose of this Act is to provide the board of
10 education with more flexibility to establish the compensation of
11 the superintendent, deputy superintendent, assistant
12 superintendents, complex area superintendents, and state
13 librarian by authorizing it to grant annual performance bonuses
14 to individuals in these state leadership positions.

15 SECTION 2. Section 26-52, Hawaii Revised Statutes, is
16 amended to read as follows:

17 **"§26-52 Department heads and executive officers.** The
18 salaries of the following state officers shall be as follows:

- 19 (1) ~~The [salary of the superintendent of education shall~~
20 ~~be set by the]~~ board of education shall set the salary
21 of the superintendent of education at a rate no
22 greater than ~~[\$150,000]~~ \$160,000 a year ~~[+]~~, with an



1 annual performance bonus of up to \$90,000, the exact
2 amount of which shall be:

3 (A) Subject to an annual performance evaluation based
4 on outcomes that shall be determined by the board
5 of education and include at least the following
6 general categories of outcomes:

7 (i) Student achievement;

8 (ii) Leadership based on outcomes of employees
9 supervised by the superintendent of

10 education;

11 (iii) Community relations; and

12 (iv) Targeted outcomes developed through an
13 agreement between the board of education and
14 the superintendent of education;

15 (B) No greater than \$30,000 prior to the second
16 consecutive annual performance evaluation; and

17 (C) No greater than \$70,000 prior to the third
18 consecutive annual performance evaluation;

19 (2) The salary of the president of the University of
20 Hawaii shall be set by the board of regents;

21 (3) Effective July 1, 2004, the salaries of all department
22 heads or executive officers of the departments of



1 accounting and general services, agriculture, attorney
2 general, budget and finance, business, economic
3 development, and tourism, commerce and consumer
4 affairs, Hawaiian home lands, health, human resources
5 development, human services, labor and industrial
6 relations, land and natural resources, public safety,
7 taxation, and transportation shall be as last
8 recommended by the executive salary commission.

9 Effective July 1, 2007, and every six years
10 thereafter, the salaries shall be as last recommended
11 by the commission on salaries pursuant to section
12 26-56, unless rejected by the legislature; and

- 13 (4) The salary of the adjutant general shall be \$85,302 a
14 year. Effective July 1, 2007, and every six years
15 thereafter, the salary of the adjutant general shall
16 be as last recommended by the commission on salaries
17 pursuant to section 26-56, unless rejected by the
18 legislature, except that if the state salary is in
19 conflict with the pay and allowance fixed by the
20 tables of the regular army or air force of the United
21 States, the latter shall prevail."



SECTION 3. Section 302A-621, Hawaii Revised Statutes, is amended to read as follows:

"§302A-621 Salary; deputy superintendent, assistant superintendents, complex area superintendents. ~~[The salaries of the deputy superintendent, assistant superintendents, and complex area superintendents shall be set by the board; provided that the salaries of the deputy superintendent, assistant superintendents, and the complex area superintendents shall not exceed eighty per cent of the superintendent's salary.]~~ (a)

The board of education shall set the salary of the deputy superintendent at a rate no greater than \$130,000 a year, with an annual performance bonus of up to \$50,000, the exact amount of which shall be:

(1) Subject to an annual performance evaluation based on outcomes that shall be determined by the board of education and include at least the following general categories of outcomes:

(A) Student achievement;

(B) Leadership based on outcomes of employees supervised by the deputy superintendent;

(C) Community relations; and



1 (D) Targeted outcomes developed through an agreement
2 between the board of education and the deputy
3 superintendent;

4 (2) No greater than \$20,000 prior to the second
5 consecutive annual performance evaluation; and

6 (3) No greater than \$35,000 prior to the third consecutive
7 annual performance evaluation;

8 (b) The board of education shall set the salary of each
9 assistant superintendent at a rate no greater than \$120,000 a
10 year, with an annual performance bonus of up to \$20,000, the
11 exact amount of which shall be subject to an annual performance
12 evaluation based on outcomes that shall be determined by the
13 board of education and include at least the following general
14 categories of outcomes:

15 (1) Support of student achievement;

16 (2) Leadership based on outcomes of employees supervised
17 by the assistant superintendent; and

18 (3) Targeted outcomes developed through an agreement
19 between the board of education and the assistant
20 superintendent.

21 (c) The board of education shall set the salary of each
22 complex area superintendent at a rate no greater than \$120,000 a



1 year, with an annual performance bonus of up to \$40,000, the
2 exact amount of which shall be:

3 (1) Subject to an annual performance evaluation based on
4 outcomes that shall be determined by the board of
5 education and include at least the following general
6 categories of outcomes:

7 (A) Student achievement;

8 (B) Leadership based on outcomes of employees
9 supervised by the complex area superintendent;

10 (C) Community relations; and

11 (D) Targeted outcomes developed through an agreement
12 between the board of education and the complex
13 area superintendent;

14 (2) No greater than \$10,000 prior to the second
15 consecutive annual performance evaluation; and

16 (3) No greater than \$25,000 prior to the third consecutive
17 annual performance evaluation."

18 SECTION 4. Section 312-2.1, Hawaii Revised Statutes, is
19 amended by amending subsection (b) to read as follows:

20 " (b) ~~The [salary of the state librarian shall be set by~~
21 ~~the]~~ board of education shall set the salary of the state
22 librarian at a rate no greater than \$120,000 a year[-], with an



1 annual performance bonus of up to \$20,000, the exact amount of
2 which shall be:

3 (1) Subject to an annual performance evaluation based on a
4 minimum of four outcomes to be determined by the board
5 of education; and

6 (2) No greater than \$10,000 prior to the second
7 consecutive annual performance evaluation."

8 SECTION 5. Statutory material to be repealed is bracketed
9 and stricken. New statutory material is underscored.

10 SECTION 6. This Act shall take effect on July 1, 2010, and
11 shall apply beginning with the 2011-2012 school year.

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