

**PROPOSED FINDINGS OF FACT BY THE 2025 COUNTY OF HAWAI‘I
SALARY COMMISSION DATED AUGUST 28, 2025**

Pursuant to Section 13-28 of the County Charter for the County of Hawai‘i Charter (2024), as amended (hereinafter “Charter”), the County of Hawai‘i Salary Commission (hereinafter “COH Salary Commission”) hereby makes the following findings in support of its decision to adjust the salaries and salary schedules of elected and appointed officials of the County of Hawai‘i to be effective January 1, 2026:

1. The COH Salary Commission has the authority to review and set compensation for all county executive positions, elected positions and appointed positions of directors and deputy directors (collectively hereinafter “Covered Positions”) so that their total compensation and benefits have an equitable and reasonable relationship to compensation in the public and private sectors.
2. The COH Salary Commission last adjusted compensation for Covered Positions on January 1, 2024 with a 22.44% inflationary adjustment increase, and on July 1, 2024 with a 5% pay increase to account for pay adjustments to stay in line with the relevant collective bargaining agreement pay increases for union members.
3. Prior to the action taken in 2023, the COH Salary Commission had not reviewed and adjusted the compensation for any Covered Positions since March 1, 2018. The base compensation for these positions remained unchanged and frozen at the same 2018 base salary. Individuals occupying these positions have not received either a cost of living adjustment or any increase in their pay for five consecutive years. Meanwhile employees covered by the collective bargaining process have received contractually agreed upon adjustments and raises in their compensation during the period from 2018-2023. This situation created unfairness and inequity in the compensation for the Covered Positions.
4. Historically, the salaries established by the COH Salary Commission have been indexed to the increases given to County of Hawai‘i employees in collective Bargaining Units 11 (HFFA), 12 (SHOPO), and 13 (HGEA - Professional and Scientific Employees) (“collectively, BUs”) and the various Civil Service managerial employees who are excluded from collective bargaining (“Excluded Managers”), but whose salaries are tied to the BUs.
5. After its 2024 adjustments, the COH Salary Commission deferred further salary adjustments to afford the collective bargaining units to negotiate contracts for the next four years. HGEA negotiated the following raises for its members in bargaining unit 13 for the next four years: year one: 3.5% increase, year two: 3.79% increase, year three: 4% increase and year four: 4% increase.

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Comm. No. 25-05
Date September 24, 2025

6. In accordance with the Charter and Hawai'i Revised Statutes Chapter 92, the COH Salary Commission held a meeting on August 28, 2025 (*include future meetings here); were duly noticed and afforded opportunities for public comment and testimony was received.
7. To facilitate and assist in its review of compensation for the Covered Positions, and as required by the Charter, the COH Salary Commission consulted with those boards and commissions which have appointing authority for department heads, specifically, it solicited input from the Police Commission, Fire Commission, and Merit Appeals Board. The COH Salary Commission also afforded the Mayor of the County of Hawai'i and all Covered Positions to submit input and/or recommendations for the COH Salary Commission to consider. The COH Salary Commission also considered all testimony both written and oral received to date, current cost-of-living index information, the purchasing price of a dollar in 2025, the March 3, 2025 Classification and Compensation Study conducted by MGT for the County of Maui, historical salary data, salaries of excluded managers within the County of Hawai'i, the schedule of raises for both included and excluded subordinates over the past five years, challenges with recruitment for positions within the County of Hawai'i, the duties and responsibilities of the Covered Positions with the County of Hawai'i, salaries of the Covered Positions' counterparts in other county jurisdictions within the State, inversion challenges, and other public and private industry data.
8. The COH Salary Commission has not awarded any inflationary adjustment for the Covered Positions since January 1, 2024. The COH Salary Commission has not met to evaluate the salaries of Covered Positions since 2023.
9. The COH Salary Commission acknowledges that interest arbitrations are currently pending for employees in Bargaining Units 11, 12, and 15, and any pay raises for contract period July 1, 2025 through June 30, 2029 have not yet been finally determined. Employees whose positions are included in or indexed to BU 13 are set to receive a cumulative total of 15.29% in salary increases for the period July 1, 2025 through June 30, 2029. Covered Positions have not and currently are not scheduled to receive any increase in salaries since 2024.
10. The COH Salary Commission notes that quite often Department Heads and Deputy Department Heads are suffering from salary "inversion" where subordinate Civil Servant employees are paid higher salaries than the Department Heads and Deputy Department Heads who supervise them and oversee their work. This inversion provides a disincentive for experienced Civil Servants to step into Department Head and Deputy Department Head positions when they are vacated and makes it difficult for the Mayor and appointing boards and commissions to appoint or promote experienced managerial employees from within the County of Hawai'i or to recruit qualified candidates for employment. The COH Salary Commission considered inversion information, which

compared base salaries that did not also include other forms of monetary compensation, such as overtime pay and step increases. None of the Covered Positions are eligible for overtime pay or step increases.

11. The COH Salary Commission considered all the above information and determined it was necessary to be competitive with the current compensation of Covered Positions to ensure the County's ability to both retain and recruit qualified employees.
12. To keep pace with CPI inflation rates, pay increases granted to BU 13 employees, and to avoid further inversion scenarios where Civil Servants are paid more than their managers, the COH Salary Commission concludes that the following annual salary adjustments in base salary for Covered Positions are necessary and appropriate: year one (1): 3.5% effective January 1, 2026 or on the first day of the month following the COH Salary Commission's final approval, year two (1): 3.79% on July 1, 2026, year three (3): 4% on July 1, 2027, and year four (4): 4% on July 1, 2028. These adjustments are consistent with the wages paid to other County of Hawai'i employees in collective bargaining units who receive across the board pay increases, step movements, and overtime. It shall be implemented and is consistent with the principles of adequate compensation for work performed and preservation of a reasonable relationship to compensation in the public and private sectors, as the COH Salary Commission is directed to do by Section 13-28 of the Charter. A table of the recommended salary increases as set forth in this section are attached hereto as Exhibit "A".
13. The COH Salary Commission acknowledges that these proposed salary adjustment for the next four (4) years may not level the historic disparity but it is, nonetheless, a step in the right direction. The COH Salary Commission strongly recommends that this Commission meet annually, before the budget cycle begins, and make the appropriate adjustments going forward.
14. On August 28, 2025, the COH Salary Commission acknowledged its charge pursuant to the Charter is to review and compensate all county elected officials and appointed Directors and Deputy Directors so that their total salaries and benefits have a reasonable relationship to compensation in the public and private sectors. The COH Salary Commission approved these Proposed Findings of Fact on (date) recommending the salary adjustments for FY 2026-2028 for Covered Positions as further detailed in Exhibit "A", and will hereafter ensure publication at least once in two daily newspapers of general circulation, submit said Proposed Findings of Fact to the Office of the County Clerk and the Office of the Mayor for public inspection and will hold a public hearing on these Proposed Findings of Fact on a date to be announced in the aforementioned newspaper publication. Any adjustment that increases or decreases any salary by more than ten percent shall require an affirmative vote of two-thirds of the entire membership of the COH Salary Commission. Following public hearing, the COH Salary Commission

may vote to approve the recommended salary increases attached hereto as Exhibit “A” at its next duly scheduled and noticed meeting.

15. The COH Salary Commission is comprised of volunteer commissioners who are mindful of current economic conditions and anticipated concerns of the public. The COH Salary Commission balanced such against their obligation to set salaries consistent with the principles of adequate compensation for work performed while preserving a reasonable relationship between the salaries it sets for Covered Positions so that their total salaries and benefits have a reasonable relationship to compensation in the public and private sectors, mindful that the salaries of other County of Hawai'i employees have regular salary increases. In total, the recommended salary increase for the Covered Positions for fiscal year 2024 are approximately \$484,107 or 0.06% of the County operating budget, while the recommended salary increases for fiscal year 2025 are an additional \$264,216 or roughly 0.03% of the current operating budget. These potential salary increases were accounted for when the fiscal year 2024 budget was prepared.
16. The COH Salary Commission is aware that salaries offered for equivalent work in the private sector may be higher than that offered by the County of Hawai'i. The COH Salary Commission also notes that other employees may continue to make higher wages based on their ability to receive overtime pay. The COH Salary Commission's intent is to bring Covered Positions up to a fair and equitable salary consistent with these Proposed Findings of Fact to facilitate recruitment and retention of qualified Covered Positions.

The above Findings of Fact will be available for public inspection at the Office of the County Clerk and the Office of the Mayor as required by Section 13-28(e) of the Hawai'i County Charter.