

LINDA LINGLE
GOVERNOR



RUSS K. SAITO
Comptroller

BARBARA A. ANNIS
Deputy Comptroller

**STATE OF HAWAII
DEPARTMENT OF ACCOUNTING
AND GENERAL SERVICES**
P.O. BOX 119
HONOLULU, HAWAII 96810-0119

WRITTEN TESTIMONY
OF
RUSS K. SAITO, COMPTROLLER
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
TO THE
HOUSE COMMITTEE
ON
FINANCE
ON
March 3, 2009

H.B. 111

RELATING TO STATE SALARIES.

Chair Oshiro and members of the Committee, thank you for allowing me to testify on H.B.111. DAGS appreciates the intent of this bill. However, DAGS has concerns that this bill's amendment of Section 78-12(f), Hawaii Revised Statutes that proposes to restrict recovery of salary overpayments to those discovered within two years of the overpayment occurrence, may be too stringent.

Discovery of salary overpayments may occur during periodic audits of leave records. Any limit on when an overpayment can be collected should allow a reasonable amount of time to recover amounts due the State. DAGS suggests that the restriction be five years with the proviso that there will be no time limitation if the overpayment is due to fraud. Even within the time limitations of five years, upon discovery, collection

should be attempted. If collection is unsuccessful, procedures issued by the Attorney General can then be followed to write off uncollectible amounts.

Thank you for the opportunity to testify on this matter.



HAWAII GOVERNMENT EMPLOYEES ASSOCIATION

AFSCME Local 152, AFL-CIO

RANDY PERREIRA
Executive Director
Tel: 808.543.0011
Fax: 808.528.0922

NORA A. NOMURA
Deputy Executive Director
Tel: 808.543.0003
Fax: 808.528.0922

DEREK M. MIZUNO
Deputy Executive Director
Tel: 808.543.0055
Fax: 808.523.6879

The Twenty-Fifth Legislature, State of Hawaii
Hawaii State House of Representatives
Committee on Finance

Testimony by
Hawaii Government Employees Association
March 2, 2009

H.B. 111 – RELATING TO
STATE SALARIES

The Hawaii Government Employees Association supports the purpose and intent of H.B. 111. Collecting overpayments from public employees is an unpleasant task, especially when it occurs through no fault of the employee, which is often the case. Depending on the amount of overpayment involved, it can be a real hardship for employees to repay.

There should be a statute of limitation on the recovery of overpayments, and two years seems to be a reasonable length of time. It is unfair for an employer to discover an inadvertent error five or ten years after the fact and then attempt to recover the overpayment from an employee.

Thank you for the opportunity to testify in support of this measure.

Respectfully submitted,

Nora A. Nomura
Deputy Executive Director



1200 Ala Kapuna Street • Honolulu, Hawaii 96819
Tel: (808) 833-2711 • Fax: (808) 839-7108 • Web: www.hsia.org

Roger K. Takabayashi
President
Wil Okabe
Vice President
Karolyn Mossman
Secretary-Treasurer
Mike McCartney
Executive Director

TESTIMONY BEFORE THE HOUSE COMMITTEE ON
FINANCE

RE: HB 111 – RELATING TO STATE SALARIES.

March 3, 2009

ROGER TAKABAYASHI, PRESIDENT
HAWAII STATE TEACHERS ASSOCIATION

Chair Oshiro and Members of the Committee:

The Hawaii State Teachers Association (HSTA) strongly supports HB 111, which establishes a two-year statute of limitations for recovering the overpayment of state salaries.

The current law does not have a statute of limitations for the employer for recovering the overpayments of state salaries which gives the employer unlimited time when, in essence, the employer made the mistake.

There is a current law where the employee has a two-year statute of limitations if the employee was underpaid when, in essence, the employer made the mistake.

What HB 111, does is level the playing field for both the employer as well as the employee who both will have the same statute of limitations of two years.

Thank you for the opportunity to testify.

HOUSE OF REPRESENTATIVES
THE TWENTY-FIFTH LEGISLATURE
REGULAR SESSION OF 2009

COMMITTEE ON FINANCE

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TESTIMONY OF: Ken Austin, DCSW, Private Citizen (Victim)

DATE: Tuesday, March 3, 2009

TIME/PLACE: 12 PM Conference Room 308
State Capitol
415 South Beretania Street

IN SUPPORT OF HB 111 RELATING TO STATE SALARIES

Good morning Rep. Oshiro, Chair, Rep. Lee, Vice Chair, Committee members and attending citizens of the State Of Hawaii.

I am Ken Austin, DCSW, retired December 30, 1998 as a PSD MH Clinical Social Worker with 8 years of service at OCCC on the Mental Health Team. I submitted written testimony in support of HB 1979 during the 2008 Legislative session. That bill was passed out of the House and assigned to the Senate, where it died. I'm making this verbal statement to this Committee and the Public in attendance to once again state my position on this issue.

It seems inconceivable to me that the State of Hawaii has forever to pursue overpayments to its employees, but imposes a 2 year statute of limitation upon the employee to recover underpayments. This bill simply establishes Parity on this issue. Once again, I ask, how much money are we dealing with here? What is the total amount the state is recovering in this unfair and inequitable practice? I asked this question last year and never got an answer. I wonder if I'll hear one this year?

In the meantime, I'm making \$25.00 monthly repayments to the State for the \$2,493.00 that I was overpaid in 1998, which the State did not discover until 2006. This is truly ridiculous and, even if this bill passes and becomes law, I'll be paying on this debt for eight more years. This is hard to take in tough times and I pray this bill becomes law and none of my fellow State Employees ever have to suffer this inexcusable injustice in the future.

THANK YOU VERY MUCH FOR HEARING MY SAD TESTIMONY!

FINTestimony

From: mailinglist@capitol.hawaii.gov
ent: Tuesday, March 03, 2009 8:12 AM
To: FINTestimony
Cc: Dean.H.Seki@hawaii.gov
Subject: Testimony for HB111 on 3/3/2009 12:00:00 PM

Testimony for FIN 3/3/2009 12:00:00 PM HB111

Conference room: 308
Testifier position: comments only
Testifier will be present: No
Submitted by: Dean Seki
Organization: dags
Address:
Phone: 586-0404
E-mail: Dean.H.Seki@hawaii.gov
Submitted on: 3/3/2009

Comments: