



**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
LABOR & PUBLIC EMPLOYMENT
ON
January 30, 2009

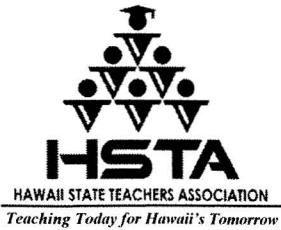
H.B. 111

RELATING TO STATE SALARIES.

Chair Rhoads 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.



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**TESTIMONY BEFORE THE HOUSE COMMITTEE ON
LABOR AND PUBLIC EMPLOYMENT**

RE: HB 111 – RELATING TO STATE SALARIES.

January 30, 2009

**ROGER TAKABAYASHI, PRESIDENT
HAWAII STATE TEACHERS ASSOCIATION**

Chair Rhoads 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.



HAWAII GOVERNMENT EMPLOYEES ASSOCIATION

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The Twenty-Fifth Legislature, State of Hawaii
Hawaii State House of Representatives
Committee on Labor and Public Employment

Testimony by
Hawaii Government Employees Association
January 30, 2009

H.B. 111 – RELATING TO
STATE SALARIES

The Hawaii Government Employees Association supports the purpose and intent of H.B. 111. Given the State's antiquated and over-burdened payroll system, overpayments occur through no fault of the employee. Depending upon the amount of overpayment involved and the time it takes to uncover the error, it can be a real hardship for employees to repay it.

There needs to be a statute of limitation to recover overpayments. 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 who has been unaware of the error.

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

Respectfully submitted,

Nora A. Nomura
Deputy Executive Director

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

COMMITTEE ON LABOR & PUBLIC EMPLOYMENT

Rep. Karl Rhoads, Chair
Rep. Kyle T. Yamashita, Vice Chair

Rep. Henry J.C. Aquino	Rep. Mark M. Nakashima
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Rep. Marilyn B. Lee	Rep. Kymberly Marcos Pine

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

DATE: Friday, January 30, 2009

TIME/PLACE: 8:30 A.M. Conference Room 309
State Capitol
415 South Beretania Street

IN SUPPORT OF HB 111 RELATING TO STATE SALARIES

Good morning Rep. Rhoads, Chair, Rep. Yamashita, 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 difficult to take, to say the least. I hope that this bill becomes law and none of my fellow State Employees has to suffer this injustice in the future.

THANK YOU VERY MUCH FOR HEARING MY SAD TESTIMONY!