



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

TESTIMONY
OF
RUSS K. SAITO, COMPTROLLER
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
TO THE
HOUSE COMMITTEE
ON
ECONOMIC REVITALIZATION, BUSINESS, & MILITARY AFFAIRS
ON
March 24, 2009

H.C.R 169/H.R. 136

REQUESTING THE DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES TO IMPLEMENT AN ELECTRONIC DIRECT DEPOSIT SYSTEM FOR MEMBERS OF THE HAWAII NATIONAL GUARD WHILE ON ACTIVE DUTY IN ACCORDANCE WITH ACT 31, SESSION LAWS OF HAWAII 2007.

Chair McKelvey and members of the Committee, thank you for allowing me to testify on H.C.R. 169/H.R. 136.

The Department of Accounting and General Services (DAGS) supports the intent of the bill which requests DAGS to implement a system that would direct deposit paychecks for members of the Hawaii National Guard while on active duty.

DAGS' existing payroll system can't make direct, individual deposits into individual bank accounts. However, if the Department of Defense would modify its existing emergency payroll system to electronically transmit to DAGS the member's net pay amount and the necessary banking information, DAGS will be able to process the

payments through the "Automated Clearing House" (ACH) funds transfer system, a system that we currently use to make direct deposit payments of tax refunds.

Thank you for the opportunity to testify on this matter.