

NEIL ABERCROMBIE
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IN REPLY REFER TO:

April 15, 2012

LATE TESTIMONY

S.C.R. NO. 34, S.D. 1

**REQUESTING THE AUDITOR TO CONDUCT AUDITS OF STATE DEPARTMENT
OPERATIONS THAT RESULT IN HIGH NON-BASE COMPENSATION OF STATE
AND COUNTY EMPLOYEES, PAY FOR NOT WORKING, AND SALARY
OVERPAYMENTS**

HOUSE COMMITTEE ON LABOR & PUBLIC EMPLOYMENT

The Department of Transportation (DOT) understands the intent of Senate Concurrent Resolution No 34 requesting the auditor to conduct audits of State Department operations that result in high non-base compensation of State and County employees.

Moving forward, the Department will continue to do its best to manage its overpayments and overtime use while maintaining a high level of service to the public and will cooperate fully and expeditiously when requests for more information is made.



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GOVERNOR OF HAWAII



LORETTA J. FUDDY, A.C.S.W.,
M.P.H.
DIRECTOR OF HEALTH

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In reply, please refer to:
File:

House Committee on Labor

April 16, 2012

Testimony of Loretta J. Fuddy, A.C.S.W., M.P.H.
Director of Health

SCR34 SD1 REQUESTING THE AUDITOR TO CONDUCT AN AUDITS OF STATE DEPARTMENT OPERATIONS THAT REULST IN HIGH NON-BASE COMPENSATION OF STATE AND COUNTY EMPLOYEES, PAY FOR NOT WORKING, AND SALARY OVERPAYMENTS.

1 **Department's Position:** Comments.

2 **Fiscal Implications:** Undetermined.

3 **Comments:**

4 The Department of Health (DOH) acknowledges the importance of responsible pubic administration and will
5 cooperate with the State Auditor if requested.

6
7 Prior to the 2012 Legislative session, DOH recognized opportunities on its own to improve oversight of high non-
8 based compensation, pay for not working, and salary overpayments. In 2011, for example, the Department
9 implemented an electronic leave tracking system to reduce administrative errors associated with a paper-based
10 manual system, increase the efficiency of staff, and improve decision-making.

11
12 In another example, DOH's largest and most complex 24/7 operation, the Hawaii State Hospital (HSH), has
13 implemented a series of internal controls and policies and procedures (in consultation with the union) that have
14 produced a downward trend in payment for not working and overtime over a 10 year period (Attachment A).

Promoting Lifelong Health and Wellness

1 The Department of Health established Quality and Service Excellence as a strategic foundation and will continue
2 to invest in efforts to improve stewardship of public funds and accountability, as well as support Governor
3 Abercrombie's New Day Agenda to Transform Government.

4

5 Thank you for the opportunity to testify.

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