STAND. COM. REP. NO. 1422 -18

Honolulu, Hawaii

, 2018

MAR 23

RE: S.B. No. 2598

S.D. 2 H.D. 1

Honorable Scott K. Saiki Speaker, House of Representatives Twenty-Ninth State Legislature Regular Session of 2018 State of Hawaii

Sir:

Your Committee on Labor & Public Employment, to which was referred S.B. No. 2598, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO SALARY OVERPAYMENTS,"

begs leave to report as follows:

The purpose of this measure is to reduce the frequency of and prevent salary overpayments by state departments and agencies. Specifically, this measure:

- (1) Requires each department to deduct the department's total salary overpayment amount from the department's budget request for the following fiscal biennium;
- (2) Requires that departments and agencies place employees who exhaust their sick leave on a manual accounting system; and
- (3) Repeals the two-year statute of limitations for determinations and collection from an employee of salary or wage overpayment.

The United Public Workers, AFSCME, Local 646, AFL-CIO opposed this measure. The Department of Accounting and General Services

(DAGS), Department of Education, and University of Hawaii offered comments.

Your Committee has amended this measure by:

- (1) Changing its effective date to January 1, 2050, to facilitate further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Your Committee notes that DAGS testified that currently approximately half of all salary overpayments are the result of employees calling in sick without having sufficient sick leave accumulated. According to DAGS, until a new leave accounting system is implemented, up-to-date leave records need to be manually maintained for employees that have minimal leave hours accumulated so that the employee's pay can be timely adjusted.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2598, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2598, S.D. 2, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on behalf of the members of the Committee on Labor & Public Employment,

INIC JOHANSON, Chair

State of Hawaii House of Representatives The Twenty-ninth Legislature

HSCR 1422-18

Record of Votes of the Committee on Labor & Public Employment

	Committee Referral: LAB, FIN		Date: 03-20-18		
☐ The committee is reconsidering its previous	decision on the measure.				
The recommendation is to: Pass, unam Pass short	nended (as is) Pas form bill with HD to recor	s, with amendments (Į.	
LAB Members	Ayes	Ayes (WR)	Nays	Excused	
1. JOHANSON, Aaron Ling (C)					
2. HOLT, Daniel (VC)					
3. EVANS, Cindy					
4. ICHIYAMA, Linda					
5. KEOHOKALOLE, Jarrett					
6. YAMASHITA, Kyle T.					
Total Company of the					
7. MATSUMOTO, Lauren Kealohilan	1 V				
			<u> </u>		
TOTAL (7)	7	0	0	0	
The recommendation is: If joint references		did not supp	ort recommendati	ion.	
Vice Chair's or designee's signature:					
Distribution: Original (White) – Committee	Duplicate (Yellow)	- Chief Clerk's Offic	e Duplicate	(Pink) – HMSO	