

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,



AARON LING JOHANSON, Chair



