



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

TESTIMONY  
OF  
RODERICK K. BECKER, COMPTROLLER  
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES  
TO THE  
SENATE COMMITTEE ON WAYS AND MEANS  
ON  
APRIL 4, 2018  
10:25 A.M.  
CONFERENCE ROOM 211

**LATE**

S.C.R. 192

REQUESTING THAT THE DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES, THE DEPARTMENT OF BUDGET AND FISCAL SERVICES OF THE CITY AND COUNTY OF HONOLULU, AND THE DEPARTMENTS OF FINANCE OF THE COUNTIES OF HAWAII, MAUI, AND KAUAI ELIMINATE THE PAYROLL LAG DELAYING THE DISBURSEMENT OF THE INITIAL PAYCHECK FOR ALL TEMPORARY AND EMERGENCY EMPLOYEES OF THE STATE AND COUNTIES RESPECTIVELY.

Chair Dela Cruz, Vice Chair Keith-Agaran and members of the Committee, thank you for the opportunity to testify on S.C.R. 192.

The Department of Accounting and General Services (DAGS) is opposed to this measure and offers the following comments for your consideration.

Hawaii Revised Statutes (HRS) Section 78-13 requires all officers and employees in public service be paid on after-the-fact payroll on a semi-monthly basis on the fifth and twentieth day of each month. The statute further allows for part-time, intermittent, or casual employees to be paid once a month. The existing statute must be amended in order to eliminate the current payroll lag.

DAGS is unable to calculate the actual cost of eliminating the payroll lag specifically for temporary and emergency employees at this time. However, we expect the cost to be significant

and eliminating payroll lags would require additional general funds appropriations for each agency with temporary and emergency employees.

There are potential issues where the ability to properly calculate payroll where the close of the pay period and the State pay days are extremely short which could result in overpayments. Requiring the elimination of payroll lags could exacerbate the problem of salary overpayments.

Finally, the State is well underway with its payroll system modernization and eliminating the current payroll lag now would be disruptive and place additional risk on the project.

Thank you for the opportunity to testify on this matter.

**LATE**

**SCR-192**

Submitted on: 4/3/2018 9:43:58 PM

Testimony for WAM on 4/4/2018 10:25:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Rachel L. Kailianu	Individual	Support	Yes

Comments:

IN STRONG SUPPORT OF THIS BILL.