

Honolulu, Hawaii

FEB 28 2019

RE: S.B. No. 503
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2019
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 503, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to increase government accountability by addressing the ongoing issue of salary or wage overpayments.

Specifically, this measure:

- (1) Requires each department to deduct the department's total salary or wage overpayment from the department's budget request for the following fiscal biennium;
- (2) Requires employees who exhaust their sick or vacation leave to be placed on a manual accounting system; and
- (3) Removes the two-year statute of limitations on the determination and notice of salary or wage overpayment.

Your Committee received written comments in support of this measure from the Department of Accounting and General Services and Department of Transportation.



Your Committee received written comments on this measure from the Department of Education, Department of Budget and Finance, and University of Hawaii.

Your Committee finds that from November 2016 to October 2017, state departments and agencies overpaid salaries in an amount exceeding \$415,000 each month. Your Committee believes that holding state departments and agencies accountable for salary overpayments will decrease overpayment waste and increase state efficiency.

Your Committee has amended this measure by:

- (1) Exempting the University of Hawaii from the requirement to place employees who exhaust sick or vacation leave on a manual accounting system; and
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 503, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 503, S.D. 2.

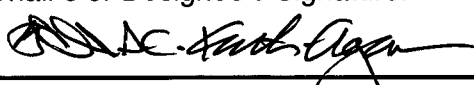
Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,


DONOVAN M. DELA CRUZ, Chair



The Senate
Thirtieth Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* SB 503, SD 1	Committee Referral: GVO, WAM	Date: 2/15/19		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
DELA CRUZ, Donovan M. (C)	X			
KEITH-AGARAN, Gilbert S.C. (VC)	X			
ENGLISH, J. Kalani	X			
HARIMOTO, Breene	X			
INOUYE, Lorraine R.	X			
KAHELE, Kaiali'i	X			
KANUHA, Dru Mamo	X			
KIDANI, Michelle N.	X			
MORIWAKI, Sharon Y.	X			
RIVIERE, Gil	X			
SHIMABUKURO, Maile S.L.	X			
TANIGUCHI, Brian T.				X
FEVELLA, Kurt	X			
TOTAL	12			1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes