

STAND. COM. REP. NO. 1157

Honolulu, Hawaii

**MAR 19 2025**

RE: H.B. No. 164  
H.D. 1  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-Third State Legislature  
Regular Session of 2025  
State of Hawaii

Sir:

Your Committee on Labor and Technology, to which was referred H.B. No. 164, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO INDEBTEDNESS TO THE STATE,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Require disbursing officers to notify employees within sixty days of making a determination that an indebtedness has occurred to the government resulting from salary or wage overpayment; and
- (2) Amend the amount that a disbursing officer may deduct from an employee's salary, wage, or compensation based on the employee's gross income.

Your Committee received testimony in support of this measure from the United Public Workers, AFSCME Local 646, AFL-CIO; and Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO.

Your Committee received comments on this measure from the Department of Accounting and General Services and Hawai'i State Public Library System.



Your Committee finds that repaying a debt to the government caused by overpayment of salary or wage often unduly burdens public employees for a mistake that was not their own. Existing law dictates the minimum repayment amount for an indebtedness greater than \$1,000 at \$100 per pay period or twenty-five percent of an employee's salary, with no consideration for how much the employee earns. This repayment amount is harmful for low-earning employees, particularly those who make less than \$3,000 per pay period. This measure offers financial flexibility to public employees while allowing the government to collect the debt in the least destructive way by establishing a tiered system for repayment based on an employee's gross income.

Your Committee has amended this measure by:

- (1) Increasing the minimum repayment percentage for an employee earning more than \$3,000 in gross income per pay period from five percent to twenty-five percent, to align with the existing requirement for employees with indebtedness greater than \$1,000; and
- (2) Inserting an effective date of July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Labor and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 164, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 164, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.


Respectfully submitted on  
behalf of the members of the  
Committee on Labor and  
Technology,

  
HENRY J.C. AQUINO, Chair



The Senate  
Thirty-Third Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Labor and Technology**  
**LBT**

Bill / Resolution No.:* <i>H0144, HD1</i>	Committee Referral: <i>LBT, WAM</i>	Date: <i>5/12/25</i>		
<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
AQUINO, Henry J.C. (C)	x			
LEE, Chris (VC)	y			
IHARA, Jr., Les	y			
MORIWAKI, Sharon Y.				x
FEVELLA, Kurt	x			
<b>TOTAL</b>	<b>4</b>			<b>1</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center; font-family: cursive; font-size: 2em; margin-top: 10px;">  </div>				
<b>Distribution:</b> Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy				

**\*Only one measure per Record of Votes**