

STAND. COM. REP. NO.

2840

Honolulu, Hawaii

MAR 02 2018

RE: S.B. No. 2598
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2018
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 2598, 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 reduce the frequency of, and prevent, salary overpayments by state departments and agencies.

More specifically, the measure:

- (1) Requires each department to deduct the department's total salary overpayment from the department's budget request for the following fiscal biennium, and to include employees who exhaust their sick leave on a manual accounting system;
- (2) Repeals the two-year statute of limitations for determinations and notice of salary or wage overpayment; and
- (3) Allows officers charged with collecting debt due to salary or wage overpayment to garnish the pensions of former employees, including former employees who have not been employed by the State for more than two years.



The Department of Accounting and General Services, Department of Education, and Employees' Retirement System submitted written comments on the measure.

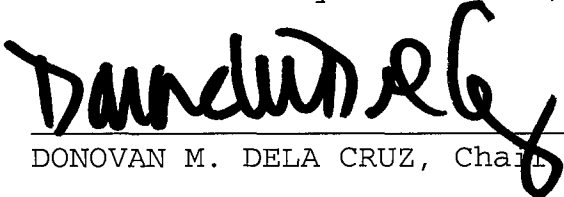
Your Committee finds that salary overpayments have been an ongoing issue throughout many departments and agencies of the State and that approximately half of all salary overpayments involve an employee's use of unaccrued sick leave. Your Committee believes that requiring departments and agencies to be more accountable for salary overpayments, and enhancing their ability to correct overpaid salaries, will allow the State to more effectively address overpayment waste.

Your Committee has amended this measure by:

- (1) Redesignating from Chapter 26 to Chapter 37, Hawaii Revised Statutes, the new section that requires a department with an outstanding wage or salary overpayment balance at the end of a fiscal biennium to deduct the amount of the balance from the department's budget request in the following fiscal biennium; and
- (2) Deleting the language that authorizes the garnishment of an indebted former employee's pension.

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. 2598, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2598, S.D. 2.

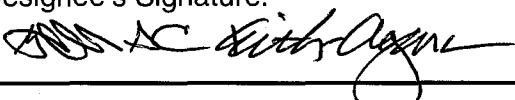
Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,


DONOVAN M. DELA CRUZ, Chair



The Senate
Twenty-Ninth Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 2598, SDI	GVO/LBR, WAM	2/21/18		
<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			
GALUTERIA, Brickwood	X			
HARIMOTO, Breene	X			
INOUYE, Lorraine R.	X			
KAHELE, Kaiali'i	X			
KIDANI, Michelle N.	X			
RIVIERE, Gil	X			
SHIMABUKURO, Maile S.L.				X
WAKAI, Glenn	X			
TOTAL	10	0	0	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