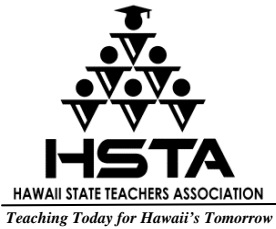


TESTIMONY

HB 1 1 1



1200 Ala Kapuna Street λ Honolulu, Hawaii 96819
Tel: (808) 833-2711 λ Fax: (808) 839-7106 λ Web: www.hsta.org

Roger K. Takabayashi
President

Wil Okabe
Vice President

Karolyn Mossman
Secretary-Treasurer

Mike McCartney
Executive Director

TESTIMONY BEFORE THE SENATE COMMITTEE ON
LABOR

RE: HB 111 – RELATING TO STATE SALARIES.

March 19, 2009

ROGER TAKABAYASHI, PRESIDENT
HAWAII STATE TEACHERS ASSOCIATION

Chair Takamine and Members of the Committee:

The Hawaii State Teachers Association (HSTA) strongly supports HB 111, which establishes a two-year statute of limitations for recovering the overpayment of state salaries.

The current law does not have a statute of limitations for the employer for recovering the overpayments of state salaries which gives the employer unlimited time when, in essence, the employer made the mistake.

There is a current law where the employee has a two-year statute of limitations if the employee was underpaid when, in essence, the employer made the mistake.

What HB 111, does is level the playing field for both the employer as well as the employee who both will have the same statute of limitations of two years.

Thank you for the opportunity to testify.

TRANSMITTAL COVER:

**For Written Testimony in Support of
HB 111**

SUBMITTED:

Wednesday, 03/18/09

BY: KEN AUSTIN, DCSW: Private Citizen (Victim)

HOUSE OF REPRESENTATIVES
THE TWENTY-FIFTH LEGISLATURE
REGULAR SESSION OF 2009

COMMITTEE ON LABOR

Senator Dwight Y. Takamine, Chair
Senator Brian T. Taniguchi, Vice Chair

MEMBERS:

Senator Robert Bunda
Senator Clayton Hee
Senator Sam Slom

NOTICE OF HEARING

DATE:

Thursday, March 19, 2009

TIME/PLACE:

2:45 PM Conference Room 224
State Capitol
415 South Beretania Street

HB 111
Status

RELATING TO STATE SALARIES.
Establishes a two year statute of limitations for
recovering indebtedness to State through
withholding of state salary.

HOUSE OF REPRESENTATIVES
THE TWENTY-FIFTH LEGISLATURE
REGULAR SESSION OF 2009

COMMITTEE ON LABOR

Senator Dwight Y. Takamine, Chair
Senator Brian T. Taniguchi, Vice Chair

MEMBERS:

Senator Robert Bunda
Senator Clayton Hee
Senator Sam Slom

TESTIMONY OF: Ken Austin, DCSW, Private Citizen (Victim)
DATE: TH 3/19/2009
TIME/PLACE: 2:45 PM Conference Room: 224
State Capitol
415 South Beretania Street

IN SUPPORT OF HB 111 RELATING TO STATE SALARIES

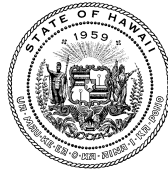
Good morning Senator Takamine, Chair, Senator Taniguchi,, Vice Chair, Committee members and attending citizens of the State Of Hawaii.

I am Ken Austin, DCSW, retired December 30, 1998 as a PSD MH Clinical Social Worker with 8 years of service at OCCC on the Mental Health Team. I submitted written testimony in support of HB 1979 during the 2008 Legislative session. That bill was passed out of the House and assigned to the Senate, where it died. I'm making this verbal statement to this Committee and the Public in attendance to once again state my position on this issue.

It seems inconceivable to me that the State of Hawaii has forever to pursue overpayments to its employees, but imposes a 2 year statute of limitation upon the employee to recover underpayments. This bill simply establishes Parity on this issue. Once again, I ask, how much money are we dealing with here? What is the total amount the state is recovering in this unfair and inequitable practice? I asked THESE QUESTIONS last year and never got answers. I wonder if I'll hear any this year?

In the meantime, I'm making \$25.00 monthly repayments to the State for the \$2,493.00 that I was overpaid in 1998, which the State did not discover until 2006. This is truly ridiculous and, even if this bill passes and becomes law, I'll be paying on this debt for eight more years. This is hard to take in tough times and I pray this bill becomes law so that none of my fellow State Employees have to suffer this inexcusable injustice in the future.

THANK YOU VERY MUCH FOR HEARING MY SAD TESTIMONY!



**STATE OF HAWAII
DEPARTMENT OF ACCOUNTING
AND GENERAL SERVICES**

P.O. BOX 119
HONOLULU, HAWAII 96810-0119

TESTIMONY
OF
RUSS K. SAITO, COMPTROLLER
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
TO THE
SENATE COMMITTEE
ON
LABOR
ON
March 19, 2009

H.B. 111

RELATING TO STATE SALARIES.

Chair Takamine and members of the Committee, thank you for the opportunity to testify on H.B.111.

The Department of Accounting and General Services (DAGS) appreciates the intent of this bill. However, DAGS has concerns that this bill's amendment of Section 78-12(f), Hawaii Revised Statutes that proposes to restrict recovery of salary overpayments to those discovered within two years of the overpayment occurrence, may unnecessarily limit State agencies in their collection of overpayments to its current and former employees.

Discovery of salary overpayments may occur during periodic audits of leave records. Any limit on when an overpayment can be collected should allow a reasonable amount of time to recover amounts due the State. DAGS suggests that the restriction be five years with the proviso that there will be no time limitation if the overpayment is due

to fraud. Even within the time limitations of five years, upon discovery, collection should be attempted. If collection is unsuccessful, procedures issued by the Attorney General can then be followed to write off uncollectible amounts.

Thank you for the opportunity to testify on this matter.