SB 2598 SD2 – RELATING TO SALARY OVERPAYMENTS

Chair Johanson, Vice Chair Holt, and members of the committee:

The University of the Hawai‘i supports the intent of SB 2598 SD2, Relating to Salary Overpayments, but has several concerns and a proposed amendment.

Although we recognize that salary overpayments remain an ongoing issue throughout many State departments, we would like to point out that the University has an online leave system which has significantly limited our exposure to overpayments related to leave abuse.

The University currently has no overpayments due to the overuse of sick leave. It is possible for such overpayments to occur, as we have no control over the duration an employee is out sick. The overpayments that the University currently has are mostly related to workers’ compensation claims and terminations.

Despite having the second largest payroll in State government, the University was fourth in gross amount overpaid on DAGS’ December 2017 overpayment report. The University’s annual payroll is approximately $656 million and gross overpayments on the December 2017 report totaled $77,587, or .012 percent.

Requiring the University to create a manual system to track employees with leave issues would not only increase administrative overhead but would also create more opportunities for overpayments to occur. As such, we respectfully request that the bill be amended to exempt the University from the requirement in Section 3 to establish a manual accounting system.

Thank you for this opportunity to testify.