



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
Senate Committee on Ways and Means
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by
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SB 503 SD1 – RELATING TO SALARY OVERPAYMENTS

Chair Dela Cruz, Vice Chair Keith-Agaran, and members of the Committee:

Thank you for the opportunity to present testimony today. The University of Hawai'i is supportive of the motive in SB 503 SD1, Relating to Salary Overpayments, but has concerns over the approach.

Although we recognize that salary overpayments remains an ongoing issue throughout many State departments, we would like to point out that the University's online leave system has significantly limited our exposure to overpayments related to leave abuse. To the best of our knowledge, the University is the only State agency that has an online leave system.

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.

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.

Despite having the second largest payroll in State government, the University was fourth in gross amount overpaid on DAGS' October 2018 overpayment report. The University's annual payroll is approximately \$665 million and gross overpayments on the August 2018 report totaled \$85,830.47, or .012%. Our own report on gross overpayments as of December 31, 2018 totals at \$130,132.69, which would be .019% of our annual payroll.

Thank you for this opportunity to testify.