

STAND. COM. REP. NO. **276**-24

Honolulu, Hawaii

FEB 13, 2024

RE: H.B. No. 1908
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii

Sir:

Your Committee on Labor & Government Operations, to which was referred H.B. No. 1908 entitled:

"A BILL FOR AN ACT RELATING TO PUBLIC EMPLOYEE COMPENSATION,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Repeal payroll day for public officers and employees by requiring them to be paid pursuant to a predicted payroll schedule, rather than an after-the-fact payroll schedule;
- (2) Provide that the predicted payroll schedule shall not be subject to negotiation under chapter 89, Hawaii Revised Statutes; and
- (3) Appropriate funds to establish six full-time equivalent positions to perform tasks related to payroll processing and to cover the costs of converting to a predicted payroll schedule.

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 testimony in opposition to this

2024-1353 HB1908 HD1 HSCR HMSO



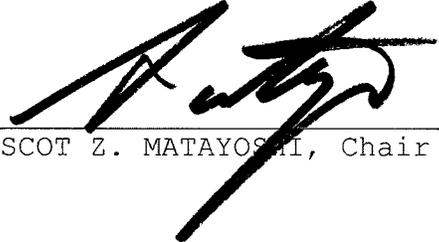
measure from the Department of Budget and Finance and Department of Budget and Fiscal Services of the City and County of Honolulu. Your Committee received comments on this measure from the Department of Accounting and General Services.

Your Committee finds that public employees are paid on a payroll lag schedule, a practice that was established over twenty-five years ago as a way to eliminate the recovery of overpayments made to public employees, among other issues. However, the advancements in banking procedures and the creation of the Hawaii Information Portal address many of those concerns related to payroll. This measure would require public employees to be paid pursuant to a predicted payroll schedule, ensuring that employees are paid expediently and without excessive delay.

Your Committee has amended this measure by changing the effective date to July 1, 3000, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Labor & Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1908, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1908, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Labor & Government
Operations,



SCOT Z. MATAYOSHI, Chair



