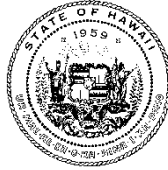


JOSH B. GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



BONNIE KAHAKUI
ADMINISTRATOR

DAYNA OMIYA
ASSISTANT ADMINISTRATOR

STATE OF HAWAI'I | KA MOKU'ĀINA O HAWAI'I
STATE PROCUREMENT OFFICE

P.O. Box 119
Honolulu, Hawaii 96810-0119
Tel: (808) 586-0554
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TESTIMONY
OF
BONNIE KAHAKUI, ADMINISTRATOR
STATE PROCUREMENT OFFICE

TO THE SENATE COMMITTEE
ON
WAYS AND MEANS
April 6, 2026, 10:32 a.m.

HOUSE BILL 1663, HD2, SD1
RELATING TO REIMBURSEMENT OF PUBLIC OFFICERS AND EMPLOYEES

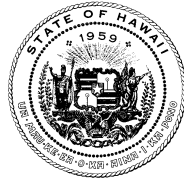
Chair Dela Cruz, Vice Chair Moriwaki, and members of the committee, thank you for the opportunity to submit testimony on House Bill 1663, HD2, SD1.

The State Procurement Office (SPO) appreciates that the Senate Draft 1 of this bill incorporates our recommendation of using the interest rate pursuant to Section 103-10 of the Hawaii Revised Statutes and excluding any personal deviation costs when requesting reimbursement.

Thank you for the opportunity to submit testimony on this measure.

JOSH B. GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LIEUTENANT GOVERNOR



STACEY A. ALDRICH
STATE LIBRARIAN
Ke Po'o Hale Waihona Puke Moku'āina

STATE OF HAWAII
HAWAII STATE PUBLIC LIBRARY SYSTEM
'OIHANA HALE WAIHONA PUKE AUPUNI O KA MOKU'ĀINA O HAWAII'
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Senate Committee on Ways and Means
April 6, 2026, 10:32 a.m.
State Capitol, Room 211

HB 1663 SD1 – Relating to Reimbursement of Public Officers and Employees

To: Sen. Donovan M. Dela Cruz, Chair
Sen. Sharon Y. Moriwaki, Vice Chair
Members of the Senate Committee on Ways and Means

The Hawai'i State Public Library System (HSPLS) **offers comments** regarding HB1663 SD1 which requires the State or a county to reimburse an officer or employee for work-related travel costs that the officer or employee loaned to the State or a county within thirty calendar days of submitting an approved statement of completed travel; requires the State or a county to pay interest on a loan not reimbursed within thirty calendar days until the loan is fully reimbursed; obligates an officer or employee to request a complete refund from the travel vendor for travel not taken for good cause; and entitles an officer or employee to reimbursement from the State or a county when a travel vendor offers a partial refund or no refund.

The HSPLS appreciates the clarifying amendments to ensure timely processing of reimbursements to employees for work-related travel costs, and the application of applicable interest rates should reimbursement not be timely.

Thank you for the opportunity to testify on HB1663 SD1 and for your continued support of the Hawai'i State Public Library System.



UNITED PUBLIC WORKERS

AFSCME Local 646, AFL-CIO

**THE SENATE
KA 'AHA KENEKOA
THE THIRTY-THIRD LEGISLATURE
REGULAR SESSION OF 2026**

COMMITTEE ON WAYS AND MEANS
Senator Donovan M. Dela Cruz, Chair
Senator Sharon Y. Moriwaki, Vice Chair

Monday, April 06, 2026, 10:32 AM
Conference Room 211 & Videoconference

Re: Testimony on HB1663, HD2, SD1 – RELATING TO REIMBURSEMENT OF PUBLIC OFFICERS AND EMPLOYEES

Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee:

The United Public Workers, AFSCME Local 646, AFL-CIO (“UPW”) is the exclusive bargaining representative for approximately 14,000 public employees, which includes blue collar, non-supervisory employees in Bargaining Unit 1 and institutional, health, and correctional employees in Bargaining Unit 10, in the State of Hawaii and various counties.

UPW **strongly supports** HB1663, HD2, SD1, which requires the State or a county to reimburse an officer or employee for work-related travel costs that the officer or employee loaned to the State or a county within thirty calendar days of submitting an approved statement of completed travel. This measure also requires the State or a county to pay interest on a loan not reimbursed within thirty days until the loan is fully reimburse

Due to the type of work UPW members perform, which typically involves the use of state or county-owned vehicles, there are only a handful of job classifications that, under certain conditions, are authorized to receive milage reimbursement. While those members rarely experience issues with receiving their mileage reimbursement within thirty calendar days, we understand that many public employees are not as fortunate.

We believe that this bill is fair approach to ensuring when public employees are not repaid in a timely manner.

Mahalo for this opportunity to testify in support of this measure.

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The Senate Committee on Ways and Means
April 6, 2026
Room 211
10:32 AM

RE: **HB 1663 HD2 SD1, Relating to Reimbursement of Public Officers and Employees**

Attention: Chair Donovan M. Dela Cruz, Vice Chair Sharon Y. Moriwaki, Members of the Committee

The University of Hawaii Professional Assembly (UHPA), the exclusive bargaining representative for all University of Hawai'i faculty members across Hawai'i's statewide 10-campus system, **supports HB 1663 HD2 SD1.**

Faculty members frequently incur significant personal expenses for official research and professional development travel, effectively providing interest-free loans to the State while often facing unreasonable administrative delays in repayment. This bill addresses these inefficiencies by establishing a mandatory 30-day timeline for reimbursement and imposing interest penalties on the employer for failing to meet that deadline.

Appreciation for Adopting the "Good Cause" Standard. We extend our sincere appreciation to the prior committee for incorporating our requested amendment into the HD2 SD1 draft. In previous hearings, we expressed concerns that requiring an employee to prove a travel cancellation was "through no fault of their own" introduced a highly subjective concept that shifted the burden of proof entirely onto the employee. Under a strict administrative interpretation, a Faculty Member who missed a non-refundable flight due to a sudden medical emergency, a family crisis, or severe traffic gridlock could have been arbitrarily denied reimbursement. We thank the prior committee for recognizing this vulnerability and amending the bill to utilize the legally established standard of "for good cause". Faculty who advance personal funds for official state business should not be forced to bear the financial risk of a genuine, unforeseen emergency.

We also recognize and support the HD2 SD1 draft's administrative clarifications, including aligning the interest penalty with the Comptroller's established rate and explicitly excluding personal deviation costs from reimbursement. These are practical, reasonable guardrails that balance the employer's fiscal responsibility with the employee's fundamental right to timely repayment.

UHPA supports the passage of HB 1663 HD2 SD1.

Respectfully submitted,

Christian L. Fern
Executive Director
University of Hawaii Professional Assembly



HAWAII GOVERNMENT EMPLOYEES ASSOCIATION
AFSCME Local 152, AFL-CIO

RANDY PERREIRA, Executive Director • Tel: 808.543.0011 • Fax: 808.528.0922

The Thirty-Third Legislature, State of Hawaii
The Senate
Committee on Ways and Means

Testimony by
Hawaii Government Employees Association

April 6, 2026

H.B. 1663, H.D. 2, S.D. 1 — RELATING TO REIMBURSEMENT OF PUBLIC OFFICERS
AND EMPLOYEES

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO strongly supports the purpose and intent of H.B. 1663, H.D. 2, S.D. 1, which requires the State or a county to reimburse an officer or employee for work-related travel costs that the officer or employee loaned to the State or a county within thirty calendar days of submitting an approved Statement of Completed Travel, and requires the State or a county to pay interest on a loan not reimbursed within thirty days until the loan is fully reimbursed.

Many of our members take approved work-related travel to accomplish and fulfill their duties and responsibilities. This travel consists of flying inter-island, out-of-state, or using their personal vehicle to travel within an island. To purchase the necessary plane tickets, lodging, and transportation, among others, many of our members cover the cost and will later be reimbursed by the respective jurisdiction. Depending on the type and duration of the official travel – the total cost can easily exceed \$1000. Many of our members put this cost on their credit cards which they accrue interest on and must pay. We will be frequently notified by our members about the untimely or pending reimbursement – often citing that they at least wait two to three months, after submitting for reimbursement once their travel is complete, to receive their compensation.

This measure is appropriate and fair as it codifies a thirty-day reimbursement timeline and provides a remedy for employees who do not get reimbursed within thirty days. This is especially necessary for employees who accrue and pay interest on their credit cards due to these travel cost.

Thank you for the opportunity to provide testimony in strong support of H.B. 1663, H.D. 2, S.D. 1.

Respectfully submitted,

Randy Perreira
Executive Director