

December 20, 2004

MEMORANDUM

TO: DEPARTMENT HEADS

FROM: RUSS K. SAITO, COMPTROLLER

SUBJECT: OVERTIME APPROVAL PROCEDURE

---

Overtime costs continue to average over \$4 million per month. Effective immediately department heads are required to implement or enforce a policy requiring management approval of all overtime. Further, departments are requested to require approval of overtime by its department head or its deputy when overtime pay meets or exceeds 50% of an employee's base pay or whose percentage of overtime hours meets or exceeds 50% of total hours worked.

We are requiring that departments to submit reports to the Comptroller under the following circumstances:

- To report reasons for employee overtime of 40% or greater in a month;
- To report remediation plans for employee overtime of 40% or greater in a month;
- To confirm enforcement of an overtime policy requiring management approval of overtime.

Overtime reports distributed at monthly Cabinet meetings are subject to review at the Governor's discretion. Please be prepared to discuss your overtime levels if asked to do so during the meeting.