

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LIEUTENANT GOVERNOR



JADE T. BUTAY
DIRECTOR

WILLIAM G. KUNSTMAN
DEPUTY DIRECTOR

AHLANI K. QUIOGUE
EXECUTIVE DIRECTOR

**STATE OF HAWAII
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS
830 PUNCHBOWL STREET, ROOM 321
HONOLULU, HAWAII 96813**

**HAWAII RETIREMENT
SAVINGS BOARD**

Co-Chairs
Jade T. Butay
Luis Salaveria

Members
Jessie Keola Dean
Barbara Krieg
Andrew Nomura
Brian Taniguchi
Karen Yasukawa
Senator Henry J.C. Aquino
Representative Andrew Garrett

**HAWAII RETIREMENT SAVINGS
BOARD**

MINUTES OF THE MEETING

Date: March 18, 2025

Time: 1:00 p.m.

**In-Person
Meeting
Location:** Princess Ruth Ke'elikolani Building
830 Punchbowl Street, Room 321
Honolulu, Hawaii 96813

**Virtual
Participation:** Virtual Videoconference Meeting – Zoom Webinar

<https://us02web.zoom.us/j/81179630559?pwd=wXbVaTEBxPkSrDROUHToeMqgL1aREQ.1>

**Meeting
Recording:** <https://www.youtube.com/watch?v=wXQaXkjeoDI>

Present: William G. Kunstman, Deputy Director, Department of Labor
and Industrial Relations ("DLIR")
Jessie Keola Dean, Member
Barbara Krieg, Member
Brian Taniguchi, Member
Karen Yasukawa, Member
Michael J.S. Moriyama, Deputy Attorney General
Ahlani K. Quiogue, Executive Director
Deb Kuwaye, Assistant to the Deputy Director, DLIR
Tri C. Pham, Information Technology Specialist, DLIR

Excused: Luis Salaveria, Director, Department of Budget and Finance
Co-Chairperson
Andrew Nomura, Member
Senator Henry J.C. Aquino, Member
Representative Andrew Garrett, Member

Zoom Guests: Grace Sullivan

Angela Antonelli, Georgetown Center for Retirement
Initiatives
aknecht
Lisa M.

**In-Person
Guest(s):**

None.

Agenda:

The agenda for this meeting was posted to the State electronic calendar as required by Hawaii Revised Statutes ("HRS") section 92-7(b).

Co-Chairperson Kunstman explained to the members of the public the procedures to participate in the hybrid board meeting, including how a member of the public can participate and interact with the Board during the board meeting.

Call to Order:

The meeting was called to order at 1:04 p.m., at which time quorum was established.

Co-Chairperson Kunstman welcomed everyone to the meeting and proceeded with a roll call of the Board members. All Board member(s) attending the meeting virtually confirmed that they were present and alone.

**Approval of the
February 18, 2025,
Open Session
Minutes:**

Co-Chairperson Kunstman asked for public comment on this agenda item. There was none.

Co-Chairperson Kunstman asked for comments or amendments to the minutes from the Board members.

Mr. Dean referred to page one of the minutes and stated that his first name was misspelled in the list of present members and staff.

Co-Chairperson Kunstman asked for a motion to be made to approve the minutes with an amendment as reflected below:

Present:

Luis Salaveria, Director, Department of Budget and
Finance, Co-Chairperson
William G. Kunstman, Deputy Director, Department
of Labor and Industrial Relations ("DLIR")
[Jesse] **Jessie** Keola Dean, Member
Barbara Krieg, Member
Andrew Nomura, Member
Brian Taniguchi, Member
Karen Yasukawa, Member
Representative Andrew Garrett, Member
Michael J.S. Moriyama, Deputy Attorney General
Ahlani K. Quiogue, Executive Director
Deb Kuwaye, Assistant to the Deputy Director,

DLIR
Rhalina S. Yuen, WDD, Intern

It was moved by Ms. Krieg, seconded by Mr. Dean, and unanimously carried to approve the February 18, 2025, meeting minutes with the amendment reflected above.

2025 Legislative: A. Legislation

i. S.B. 855, S.D. 1, H.D. 1, RELATING TO THE HAWAII RETIREMENT SAVINGS ACT

Co-Chairperson Kunstman asked for public comment on this agenda item. There was none.

The purposes of this bill are to: clarify the definition of "covered employer" under the Hawai'i Retirement Savings Act; require covered employers to automatically enroll covered employees into the Hawai'i Retirement Savings Program unless the employee opts out; repeal the limit on the total fees and expenses that can be spent for the Program each year; and appropriate funds to the Department of Labor and Industrial Relations for the development and operation of the Program.

Co-Chairperson Kunstman asked for the status of the bill.

Ms. Quiogue provided a status of the bill as follows:

3/11/2025: The bill was heard by the House Committee on Labor and passed with amendments, which included defecting the effective date until July 1, 3000. The Committee also included in the Committee Report reference to the specific funding amounts for startup and ongoing costs. and to include in the Committee Report the funding amounts. The measure has been referred to the House Committee on Finance.

Ms. Krieg inquired about the status of the funding.

Co-Chairperson Kunstman indicated that H.B. 300, Relating to the State Budget was passed out by the House Committee on Finance with a House Draft 1 (H.B. 300, H.D.1), which incorporated the Governor's Message into the bill. He went on to inform the members that there was an error in the initial amounts requested regarding the startup and ongoing costs.

Ms. Quiogue clarified that the amounts inserted into H.B. 300, H.D. 1, included \$720,000 (startup) and \$445,000 (ongoing).

Co-Chairperson Kunstman stated that both the DLIR and Board's office sent letters requesting that S.B. 855, S.D. 1, H.D. 1, be scheduled for hearing by the House Committee on Finance.

Ms. Krieg asked whether there has been any direction given by the administration for newly initiated State programs.

Co-Chairperson Kunstman responded in the negative.

Ms. Krieg referenced the latest Council of Revenues forecast, and stated that the March 2025, forecast was lowered to -2.25% from -1.5% for FY 2026. The forecasts for out years show some growth.

Co-Chairperson Kunstman informed the Board that the amendments to H.B. 300, H.D. 1, were based off the January 2025, Council on Revenues forecast, which increased the FY 2025 forecast. He went on to inform the members that both the Department and Board sent letters to the Chairperson of Finance requesting that S.B. 855, S.D. 1, H.D. 1, be scheduled for hearing.

Ms. Krieg recommended that the Ms. Quiogue study the options the program has if it does not receive the requested funding, or if the program is not changed from a voluntary opt-in to a voluntary opt-out program. More specifically, what is a productive path forward for the Board to make sure the program begins.

Mr. Taniguchi asked whether the bill reflects the requested monetary amounts for the program.

Co-Chairperson Kunstman stated that the amounts are reflected in the Committee Report.

Mr. Dean referred to the testimony submitted to the House Committee on Labor and noted that three organizations submitted testimony in opposition or comments expressing concern. He recommended that staff do outreach to the organizations regarding its concerns.

Ms. Yasukawa inquired whether the effective date of the bill, July 1, 2050, is relevant.

Mr. Taniguchi explained the purposes of defective effective dates. A defective effective date allows for further discussion amongst the committees and chambers in the legislature.

Executive
Director Report:

A. Update on Personnel

- i. Program Specialist
- ii. Administrative Assistant III

The Board was provided an update on the establishment and recruitment of the Program Specialist and Administrative Assistant positions, reviewed the proposed position description for the administrative assistant position, and reviewed the functional statement of the Hawai'i Retirement Savings Program (Program).

Ms. Quiogue informed the Board that the Program Specialist position's not to exceed (NTE) date was extended from June 30, 2025, to June 30, 2027, and once its processed then the position will go out for recruitment.

Co-Chairperson Kunstman advised the Board that the NTE paperwork is currently being processed by the Human Resources office and is a delegated function of the Director.

Ms. Krieg indicated that it was her understanding that both the Program Specialist and Administrative Assistant positions were permanent positions.

Co-Chairperson Kunstman confirmed that the positions are civil service/temporary positions.

Regarding the Administrative Assistant position, members referred to the position description and were advised that it is currently under review by Human Resources.

As part of establishing this position and adding the Program to the Office of the Director, a reorganization and functional statement had to be drafted.

Members reviewed a draft of the functional statement with the understanding that because this document is personnel-related, they would have to defer to Human Resources regarding any formatting/ substantive changes to the document.

Ms. Quiogue informed members that Mr. Moriyama suggested that the functional statement be amended to reflect:

1. The "Office of the Hawaii Retirement Savings Program" be changed to "The Hawaii Retirement Savings Program".

This amendment is to avoid any possible criticism that Hawaii Revised Statutes chapter 389 does not establish an "office" of the Hawaii Retirement Savings Program.

2. Amend the first sentence in the second paragraph to read: "The Hawaii Retirement Savings [~~Program's~~ Board's] duties shall include, but not be limited to..."

This amendment may more closely mirror the statutory structure (i.e., the Board maintains the Program).

3. Add to the Board's duties, the following statement:
 - The day-to-day administration of the Hawaii Retirement Savings Program is performed by its Executive Director appointed by the Hawaii Retirements Savings Board and Hawaii Retirement Savings Program staff.

Ms. Quiogue asked for members comments regarding the position description and functional statement.

Ms. Krieg stated, and members agreed, that the amendments recommended by Mr. Moriyama regarding the function statement are fine. However, expressed that the third recommendation may be limiting and was somewhat repetitive of an earlier statement.

Mr. Dean asked whether the department was moving towards establishing these positions as permanent positions.

Co-Chairperson Kunstman stated that he would need to review the statutes, but if the Board was inclined to make these positions permanent then he would recommend that they be added to the supplemental budget for legislative approval.

Mr. Taniguchi informed the members that positions could be made permanent via the budget preparation documents and it can be reflected it in the budget worksheets. Ultimately, a request from the department would need to be made.

Mr. Dean expressed his concerns that recruitment for

these positions could be impacted adversely if these positions remain temporary.

Ms. Quiogue informed the Board that while these positions are temporary, they are often extended.

Co-Chairperson Kunstman informed members that the department has several positions like these positions.

Ms. Krieg requested a status of the recruitment efforts for the Program Specialist position.

Ms. Quiogue advised that the position has not been posted for recruitment.

Co-Chairperson Kunstman informed members that that recruitment can be done internally, externally, or both concurrently.

Ms. Krieg stated that since there are currently federal funding issues that maybe internal department staff could apply for the position.

Mr. Dean asked whether these positions could be considered for the Governor's Executive Order to prioritize the recruitment of displaced employees.

Co-Chairperson Kunstman advised members that this can be pursued with the Director.

Based on the Board's discussion of these matters, the floor was open for public comment. There was none.

B. Update on Hawai'i Retirement Savings Program

Ms. Quiogue provided an update of the Program's budget. As of January 2025, the total allocation is \$259,064.00, \$5,625.00 has been expended for salaries, and the remaining appropriation is \$253,439.00.

Next Meeting: Tuesday, April 15, 2025

In-Person Meeting Location: Princess Ruth Ke'elikolani Building
830 Punchbowl Street, Room 321
Honolulu, Hawai'i 96813

Virtual Videoconference Meeting – Zoom Webinar

Adjournment: There being no further business, the meeting adjourned at 1:33 p.m.

Taken and recorded by:

/s/ Ahlani K. Quiogue

Executive Director

(X) Minutes approved as is.
() Minutes approved with changes: