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

HAWAIʻI RETIREMENT SAVINGS BOARD

MINUTES OF THE MEETING

Date: October 28, 2025

Time: 10:00 a.m.

In-Person Meeting Location: Princess Ruth Keʻelikolani Building
830 Punchbowl Street, Room 321
Honolulu, Hawaiʻi 96813

Virtual Participation: Virtual Videoconference Meeting – Zoom Webinar

https://us02web.zoom.us/j/86249458947?pwd=CeYTH3TLbpzsTOGvAI8tkQraXrWuJW.1

Meeting Recording: https://www.youtube.com/watch?v=PVZ3kMfi3ZM

Present: William G. Kunstman, Deputy Director, Department of Labor and Industrial Relations (“DLIR”), Director Designee
Jessie Keola Dean, Member
Barbara Krieg, Member
Andrew Nomura, Member
Brian Taniguchi, Member
Representative Jackson D. Sayama, Member
Gary K.M. Kam, Deputy Attorney General (“DAG Kam”)
Ahlani K. Quiogue, Executive Director
Chavonnie J. Ramos, Public Information Officer, DLIR
Tri “Tim” Pham, Information Technology Specialist, DLIR

Excused: Derek Shigano, Special Assistant, Department of Budget and Finance, Director Designee
Senator Henry J.C. Aquino, Member

Zoom Guests:	Angela M. Antonelli, Research Professor, Executive Director, Center for Retirement Initiatives, McCourt School of Public Policy, Georgetown University Jessica Muirhead, Executive Director, MyCT Savings Program Ryley Colle Grace Sullivan Addison Spencer aknecht KHON2 1.95E+10
In-Person Guest(s):	None.
Agenda:	The agenda for this meeting was posted to the State electronic calendar as required by Hawaiʻi 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 10:07 a.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.
Approval of the September 30, 2025, Open Session Minutes:	Co-Chairperson Kunstman asked for public comments on this agenda item. There were none. Co-Chairperson Kunstman asked for comments or amendments to the minutes from the Board members. There were none. There being no comments or revisions to the minutes, the Board approved the September 30, 2025, meeting minutes by unanimous consent.
Presentation by the MyCT Savings Program:	Jessica Muirhead, Executive Director, MyCT Savings Program, presented the Hawaiʻi Retirement Savings Board with information, including, but not limited to the background of the MyCT Savings Program, governance, and state partnership overview. Ms. Muirhead presented the following: • **History and development of Connecticut's program (2016–2022).**

- Connecticut's law for its retirement savings program was enacted in 2016.
- Exploratory phase ran from 2017–2019, and Ms. Muirhead became the Executive Director in 2020.
- First vendor agreement with Vestwell was entered into in 2021.
- Pilot program launched in 2021, and in 2022 the program went public.
- Partnership model with Rhode Island launched 2024.

- **Partnership Model & Benefits:**

  - Fee Savings**:** Partner states (e.g., Rhode Island (Connecticut Partnership), Delaware (Colorado Partnership), Vermont (Colorado Partnership), Maine (Colorado Partnership)) benefit from locked-in investment and administrative pricing, which is difficult for smaller states to negotiate independently.
  - Administrative Burden**:** Partnerships reduce the time and labor required for procurement and program setup. Connecticut's initial RFP process took a year; partnerships allow for faster launches. For example, Rhode Island launched six weeks after contract execution.
  - State Identity**:** Each partner state maintains its own branding, website, and program identity. The partnership is "back-end" only. Partnering states are standalone programs and are responsible for implementation and maintenance of said program.
  - Data and Reporting**:** Each state receives its own participant data and reports. Data is not shared between states except for aggregate reporting.

- **Program Growth & Statistics**

  - Connecticut has 7,700 businesses and nearly 40,000 employees enrolled.
  - There is $52 million in assets under management. Ms. Muirhead noted that assets are expected to grow as Rhode Island rolls out its program.
  - The Connecticut program will implement compliance measures in 2026, which is expected to increase participation.

- **Governance Structure**

  - Connecticut and Rhode Island are sole fiduciary states (Comptroller/Treasurer).
  - Advisory board makes recommendations and as the fiduciary state, the state must execute said decisions.

- Partnerships are governed by an interstate collaboration agreement and a collaboration panel. There is one representative per state who receives one vote each on the panel.

- **Investment Options**

    - Customized investments designed for state auto-IRA programs, which are more conservative to protect financially unstable participants.
    - Default: Target date funds (based on birth year).
    - Seven static portfolio choices for varying risk tolerances including cash preservation to aggressive growth.
    - Investments managed by Bank of New York Mellon Advisors, which is subcontracted by Vestwell Advisors.

- **Fee Structure**

    - Hybrid fee structure: Asset-based fee (currently 30–35 basis points), annual account fee ($24/year, dropping to $20 at next threshold).
    - Early revenues from account fees help program sustainability; fees become a smaller percentage as assets grow.
    - Employers and states do not pay ongoing fees; startup fee for new states is a one-time fee.
    - State revenue: 2 basis points per asset, collected directly by each state.

- **Program Features & Flexibility**

    - Each state maintains its own program name, logo, website, and communications.
    - Assets are pooled but identifiable by state and can be separated if a state leaves the partnership.
    - Program forms and documents are jointly maintained, but state-specific changes are allowed.
    - Procurement of new vendors is led by the host state, with partner input.

- **Implementation and Launch Process**

    - Partner states need employer outreach data, which is usually obtained from Department of Labor or Revenue.
    - Vestwell assists with outreach setup and website customization.
    - Smaller states can launch at once, skipping wave schedules and pilots if desired.

  - Launch timeline: By entering a partnership, a state can implement its program in as few as 90-days after agreements are signed.

- **Marketing and Outreach**
  - Connecticut's marketing budget is $250,000 per year.
  - Marketing includes a combination of commercials, radio ads, and hands-on outreach (e.g., presentations, business talks, expos, etc.).
  - Marketing needs decrease as program matures and hands-on outreach is most effective.
  - Vestwell provides MarCom materials but does not handle ad buys.

- **Enforcement and Compliance**
  - Enforcement is individualized by state; Connecticut is building infrastructure for financial penalties.
  - States often partner with other agencies (tax, labor, wage units) or external vendors for enforcement.

- **Federal Savers Match Integration**
  - States are collectively working to integrate the Federal Savers Match program.
  - Current challenge: Federal matching dollars cannot be deposited into Roth IRAs.
  - Efforts with vendors and federal agencies to find solutions are ongoing.

- **Economies of Scale and Future Benefits**
  - Connecticut benefits from economies of scale as more states join, leading to lower fees and better vendor deals.
  - Partnership model is attractive for future procurements and vendor negotiations.

Co-Chairperson Kunstman opened the floor for questions from members, staff, and the public. It was noted that there were no comments from the public.

Ms. Quiogue shared similar questions that Board members asked of Mr. Hunter Railey, Executive Director of the Colorado SecureSavings Program, including:

- How will Connecticut implement compliance and enforcement for its retirement savings program?

Ms. Muirhead explained that Connecticut's approach is tailored to the state's resources and program maturity. The state recently gained the authority to implement financial penalties for non-compliance and is currently building the necessary infrastructure. While some states partner with agencies such as tax departments or labor units to handle enforcement, Connecticut is considering engaging an external vendor due to limited capacity within its Department of Labor.

- How will the Connecticut program integrate the Federal Savers Match Program?

  Ms. Muirhead described how states across the country, including Connecticut, are collaborating with organizations like Georgetown and Pew, as well as their vendors, to provide input to the U.S. Treasury regarding implementation. She highlighted a key challenge that while Roth IRAs qualify for the Savers Match, federal matching dollars cannot currently be deposited into Roth IRAs. States and vendors are actively exploring workarounds should a federal solution not be forthcoming, and these efforts are ongoing and collective among all states with auto-IRA programs.

- Although discussed earlier, members asked about marketing strategies and budgets. Could this matter be elaborated on?

  Regarding marketing, Ms. Muirhead shared that Connecticut's current budget for outreach is $250,000 per year. This amount has proven sufficient for producing commercials, radio ads, and conducting annual outreach campaigns. She noted that while initial outreach may require a larger budget, marketing needs tend to decline as the program matures and public awareness increases. Ms. Muirhead emphasized that hands-on outreach, such as presentations and business talks, have been the most effective strategy for engaging employers and employees.

- Does the Connecticut program administrator – Vestwell – provide marketing for the program?

  Ms. Muirhead clarified that Vestwell provides marketing communication materials, including website content, flyers, and outreach templates, which are customized for each state's branding. However, Vestwell does not handle paid advertising or ad buys for partner states.

- What is the timeline for fee reductions for program participants?

  Ms. Muirhead explained that Connecticut had already reduced its asset-based fees during the renegotiation process when Rhode Island joined the partnership. The next reduction in the annual account fee from $24 to $20 per year—will occur once the partnership reaches 75,000 accounts. Ms. Muirhead anticipates reaching this threshold next year with Connecticut currently at 40,000 accounts and Rhode Island's program ramping up.

Mr. Taniguchi asked Ms. Muirhead what benefits Connecticut would receive from states joining Connecticut's partnership?

Ms. Muirhead responded that the primary advantage is economies of scale: as more accounts and assets are pooled, fees decrease, and vendor negotiations become more favorable. Connecticut experienced a fee reduction when Rhode Island joined, and the larger scale will make future procurements more attractive to vendors. She noted that pursuing partnerships was a strategic goal from the program's inception, as it benefits all participating states.

There being no further questions, the Board members and staff thanked Ms. Muirhead for attending the meeting and presenting information to the Board.

Implementation of the Hawaiʻi Retirement Savings Program:

The Board discussed the next steps to implement the Hawaiʻi Retirement Savings Program (Program), including whether it will enter an interstate partnership or become a standalone program, delegation to Board staff to draft Requests for Information (RFI) and Requests for Proposals (RFP) to initiate services with vendors to implement the Program, and tentative timeline for the Program to go-live.

Ms. Quiogue shared the steps the Board needs to take to implement the Program. Members weighed the merits of establishing the program as a standalone program versus joining an interstate partnership. To support their decision-making process, Ms. Quiogue referenced presentations and materials from Colorado, Georgetown, Connecticut, and Pew, which provided insights into both models.

A key consideration for the Board is the financial and operational impact of each option. The Board reviewed cost estimates, noting that a standalone program would require an initial investment of approximately $813,000 and ongoing annual costs of $647,000. In contrast, entering a partnership would reduce these figures to $738,000 for initial costs and $512,000 for ongoing expenses. The timeline for implementation also differed significantly: a standalone program would take between 24 and 36 months to launch, not including up to 12 months for the procurement process, while a partnership model promised a much more expedited rollout.

The discussion also addressed the level of control and oversight afforded by each model. A standalone program would grant the Board greater autonomy over the investment menu and program design but would demand more resources and oversight from Board members. Conversely, a partnership would involve shared decision-making regarding initial design and investment monitoring, leveraging economies of scale to achieve lower investment fees and administrative efficiencies.

Members considered the available vendor and partnership options, identifying Vestwell and Ascensus as the primary service providers for state retirement savings programs. The Board reviewed which states had joined the Colorado and Connecticut partnerships, as well as those operating standalone programs, to better understand the landscape and potential partnerships.

To move the process forward, the Board discussed the importance of gathering additional information, including the possibility of issuing Requests for Information ("RFI").

Members discussed the benefits of delegating to its Executive Director the ability to issue RFIs and Requests for Proposals ("RFPs") initiate vendor services. Members also considered a tentative timeline for the Program to go live, contingent on the chosen model (i.e., standalone or intestate partnership).

Based on the prior discussion and information provided to the Board, it was moved by Ms. Krieg, seconded by Mr. Taniguchi, and unanimously carried to proceed with an interstate partnership model for the Program and delegate to the Executive Director the authority to draft and disseminate an RFI to understand the opportunities and challenges of a partnering with other states to share administrative services, technology platforms, and investment management. It was noted that for the purpose of entering an intestate partnership, the Program is exempt from the Procurement Code pursuant to HRS §103D-102(b)((3).

Additionally, it was moved by Ms. Krieg, seconded by Mr. Nomura, and unanimously carried to delegate the Executive Director to develop a Memorandum of Understanding (MOU) for employer data collection, a necessary step for program implementation.

Co-Chairperson Kunstman asked for comments from the members of the public. There were none.

Board Policy on Limitation on Time for Public Testimony:

The Board considered whether it will adopt a limitation on time for public testimony while providing the Chairperson with the discretion to provide a member of the public with more or less time according to the agenda item and the number of people signed up to testify on the agenda item.

Ms. Quiogue referenced HRS section 92-3 and guidance from the Office of Information Practices (OIP), which generally provides that boards may set reasonable time limits by rule or documented decision through meeting minutes. It is the OIP's opinion that rules, as referenced in HRS section 92-3, are not administrative rules.

The Board discussed its past practices, which set an informal five-minute limit of time per testifier. However, this time limit was not formally adopted by the Board.

Mr. Nomura asked if it was extremely necessary to have a time limit in place given the Board rarely has guests.

Co-Chairperson Kunstman expressed his preference for adopting a policy on time limits for testimony.

DAG Kam shared that this agenda item stems from a complaint filed with the OIP regarding the Board's informal five-minute time limit on public testimony.

Members and DAG Kam shared experiences regarding public testimony from other commission meetings, noting that time limits are helpful in contentious meetings but can be flexibly enforced.

The Board considered common time limits placed on public testimony (e.g., three to five minutes), and the need for the Chairperson of the Board to have discretion to adjust limits based on the agenda topic and number of testifiers.

Based on the above discussion, it was moved by Ms. Krieg, seconded by Mr. Taniguchi, and unanimously carried to adopt a five-minute limitation on time for public testimony while providing the Chairperson of the Board the discretion to provide a member of the public with more or less time according to the agenda item and the number of persons signed-up to testify on the agenda item.

<u>Executive Director's Report:</u>

A. <u>Hawaii Retirement Savings Program Website Redesign Project:</u>

Ms. Quiogue and Chavonnie Ramos, DLIR PIO, presented the Board with mockups of the Hawaiʻi Retirement Savings Program's new website. The goals of the redesign are to improve user experience and engagement, modernize program awareness and branding, and ensure that all content aligns with program objectives while updating any outdated or underperforming information.

Key elements of the redesign include a draft logo inspired by the ʻulu (breadfruit), symbolizing both security and growth for program participants. The homepage will feature program information, a placeholder for informational videos, and a section for news and updates. The board meetings page has been streamlined for easier navigation, with buttons for agendas, board packets, and recordings, as well as separate sections for upcoming and past meetings. A new Board members page will display members' photos and brief professional biographies, with designated roles for each member to be included for public reference. Additional tabs for employees, employers, and an "About Us" section will provide targeted information and contact details.

Ms. Quiogue acknowledged the significant contributions of staff, particularly Ms. Ramos, in advancing the project ahead of schedule.

Member Dean asked about the possibility of renaming the Hawaiʻi Retirement Savings Program and referenced different state programs have unique names.

Ms. Quiogue shared that Hawaiʻi's program name is specified in statute but will research naming practices in other jurisdictions for future consideration.

B. <u>2026 Hawaii Retirement Savings Board Meeting Schedule:</u>

Ms. Quiogue presented the proposed meeting schedule for 2026. The Board will meet monthly during the first four months of the year to accommodate the legislative session and ensure timely decisions on legislative matters. Beginning in June, meetings will shift to a bi-monthly schedule. Board members were asked to reserve these dates in advance to avoid quorum issues.

A correction was noted for the March 2026 meeting date, and Ms. Quiogue agreed to send out an updated schedule. The next meeting is tentatively planned for December 18, 2025, with confirmation to follow via email. The Board also discussed upcoming vacancies and the need to fill designated roles, with efforts underway to fill vacant positions.

<u>Next Meeting:</u> To be determined.

<u>Adjournment:</u> There being no further business, the meeting was adjourned at 11:39 a.m.

Taken and recorded by:

/s/ Ahlani K. Quiogue
____
Executive Director

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