

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
Seth S. Colby, Ph.D.

Members
William G. Kunstman
Derek Shigano
Jessie Keola Dean
Barbara Krieg
Andrew Nomura
Brian Taniguchi
Representative Jackson D. Sayama
Senator Brandon J.C. Elefante

**HAWAII RETIREMENT SAVINGS
BOARD**

MINUTES OF THE MEETING

Date: February 10, 2026

Time: 10:00 a.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/81823999516?pwd=92uarRZpAasbRfCGqCYqrqRI4jknhj.1>

Present: William G. Kunstman, Deputy Director, Department of Labor and Industrial Relations (“DLIR”), Director Designee
Derek Shigano, Special Assistant, Department of Budget and Finance, Director Designee
Jessie “Keola” Dean, Member
Barbara Krieg, Member
Andrew Nomura, Member
Brian Taniguchi, Member
Senator Brandon J.C. Elefante
Gary K.H. Kam, Deputy Attorney General
Ahlani K. Quiogue, Executive Director
Deborah K. Kuwaye, Executive Assistant to the Deputy Director, DLIR
WDD-Intern
WDD-Intern

Excused: Representative Jackson D. Sayama, 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
William "Hunter" Railey, Executive Director, Colorado Secure Savings
iPhone User
aknecht
Reem Nassif

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

None.

Agenda:

The agenda for this meeting was posted to the State electronic calendar as required by Hawai'i 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 10:08 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
Minutes:**

a. December 15, 2025, Open Session Minutes

Co-Chairperson Kunstman asked for public testimony on this agenda item. There were none.

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

Co-Chairperson Kunstman and Deputy Attorney General Kam identified two revisions that need to be made to the minutes as follows:

- Page 1, list of members and staff present: "Gary K.M. Kam" should read "Gary K.H. Kam"
- Page 4, the following statement "*Representative Suyama left the virtual meeting room at 10:53 a.m.*" should read "*Representative Jackson D. Sayama, left the virtual meeting room at 10:53 a.m.*"

It was moved by Ms. Krieg, seconded by Mr. Dean and unanimously carried to accept the meeting minutes of December 15, 2025, with the noted revisions.

**Implementation
of the Hawai'i
Retirement
Savings
Program:**

Co-Chairperson Kunstman informed the public that the Hawai'i Retirement Savings Board will evaluate two proposals for multistate partnerships aimed at implementing the Hawai'i Retirement Savings Program. The evaluation will focus on cost, governance, scalability, and operational readiness. The proposals under consideration are the Partnership for a Dignified Retirement (PDR, led by Colorado) and the Multistate Retirement Alliance for Retirement Security (led by Connecticut). Key evaluation criteria considered by the Board included cost structure, governance model, scalability, and operational readiness.

Co-Chairperson Kunstman asked for public testimony. There were none.

As a reminder, the Board voted to defer choosing a partnership at its December 15, 2025, meeting, and requested additional information from both PDR and the Retirement Alliance.

Mr. Railey and Ms. Muirhead were admitted to the virtual meeting room at 10:13 a.m.

Ms. Quiogue informed the Board members that after the December 15, 2025, meeting, with the assistance of Mr. Dean and Ms. Krieg, she had requested additional information from Mr. Railey and Ms. Muirhead as follows:

- Fees
 - Simulations 1 – 3: Individual investment amounts of \$5 per month, \$20 per month for the mid-level number with \$100 per month as the high-level number:
 1. \$5 per month (\$60 per year) for 3 years
 2. \$20 per month (\$240 per year) for 3 years
 3. \$100 per month (\$1,200 per year) for 3 years
 - Aggregate investment amounts of:
 1. Use the study estimates of how much HRSP is anticipated to have under management after year 1, year 3, and year 5
 2. Then, calculate the number of accounts and the average account balance after year 1, year 3, and year 5
- Fee types
 1. Asset-based
 - Program Management Fees (Retirement Alliance calls these Vestwell Program Management Fees) (%) – based on total assets under management; use the study estimates of how much HRSP is anticipated to have under management after year 1, year 3, and year 5
 - Program Manager Asset Level and Fee
 - Less than \$2B: PDR at 0.15% vs. Retirement Alliance at 0.17%

- \$2B – 4B: PDR at 0.12% vs. Retirement Alliance at 0.15%
 - Over \$4B: PDR at 0.10% vs. Retirement Alliance at 0.12%
 - State asset-based fee
 - Retirement Alliance at 0.02% (may Hawaii assess similar fee under PDR?)
 - Investment fees - also asset-based fees (%) – based on individual amount invested in different investment types (see below in Investment Assumptions for scenarios)
 - Program administration fees – also asset-based fee (%) – based on individual amount invested across account balances
 - PDR: 0.20%
 - Retirement Alliance: 0.19%
2. Account-based fees (flat per account) – based on total accounts under management; use the study estimates of how much HRSP is anticipated to have under management after year 1, year 3, and year 5
- Account Total and Fee
 - PDR: Less than 200K accounts at \$22 per account per year vs. Retirement Alliance: Less than 75K accounts at \$24 per account per year
 - PDR: 200K – 350K accounts at \$20 per account per year vs. Retirement Alliance: 75K – 350K accounts at \$20 per account per year
 - PDR: Over 350K accounts at \$18 per account per year vs. Retirement Alliance: Over 350K account at \$18 per account per year
 - Note: In Retirement Alliance, there is a CRSP Administrative Fee – Need to confirm this is included in the Account-based fees above.
3. Startup fees
- Retirement Alliance: \$100,000
- Run four scenarios
 1. All investments in target retirement funds
 - Assume 47-year-old participant (Target Date 2045)
 - Investment Fees: PDR at 0.09% vs. Retirement Alliance at 0.035%
 2. All investments in higher risk funds
 - Domestic Equity (for PDR) at 0.03% vs. Growth (for Retirement Alliance) at 0.032%
 3. All investments in lowest risk funds

- Money Market (for PDR) at 0.12% vs. Cash Preservation (for Retirement Alliance) at 0.10%
4. All investment in medium risk funds
- Fixed Income (for PDR) at 0.025% vs. Income (for Retirement Alliance) at 0.074%

Ms. Quiogue informed the members that, after consulting with Mr. Railey and Ms. Muirhead regarding the initial request for additional information, it was concluded that using flat dollar rates of \$500, \$1,500, \$5,000, and \$7,500 would more accurately reflect the savings amounts by participants and provide a clearer analysis of the information. She noted further that \$1,500 balance most closely reflects the average annual fees paid by a typical participant in the first year after launch of a program.

Ms. Quiogue indicated that Mr. Nomura would lead the discussion; however, members are welcome to direct any questions to Mr. Railey and Ms. Muirhead.

Mr. Nomura examined the responses submitted by Mr. Railey and Ms. Muirhead addressing the Board's inquiry, stating that he was unable to interpret the figures as presented. He specifically remarked that the comparison of simulations using a flat rate dollar amount based on a \$1,500 balance did not adequately clarify the methodology used to calculate the associated fees. Upon reviewing the data, Mr. Nomura concluded that Colorado's numbers should be lower, while Connecticut's figures should be higher. For instance, both programs utilized comparable assumptions in their analyses, including the application of a 0.02% Hawaii asset-based fee; however, the resulting outcomes appear inconsistent.

Ms. Muirhead informed the Board that a 0.02% fee was utilized; however, since a mid-point calculation on the account balance is employed, the resulting impact is effectively halved. Consequently, this approach produces an effect equivalent to applying a 0.01% fee for the entire year.

The mid-point calculation methodology aligns with the procedures outlined in Section 4 of the document, which presents the original analysis. A similar approach is applied when determining the market return.

This rationale is predicated on the fact that contribution amounts are not deposited simultaneously at the start of the year, but rather incrementally throughout the year. Therefore, a more accurate fee assessment should be based on the mid-point—while acknowledging that this is still an oversimplification—of the account balance, rather than the full-year balance. Assessing the fee on the ending balance at year-end would overstate the fee's impact on participant accounts.

Mr. Nomura thanked Ms. Muirhead for her thorough explanation but indicated that the comparison and methodology used to create the simulations is deceptive and may not offer the Board the direct, equivalent

analysis it requested.

Ms. Muirhead expressed appreciation for Mr. Nomura's feedback and offered her apologies for any misinterpretation of the Board's request. She stated her readiness to submit the simulations for further review by the Board and provide a 12-month analysis.

Mr. Railey affirmed that the methodology employed in formulating his responses adhered to established assumptions, and confirmed that, consistent with the fees negotiated with Vestwell, the information he provided was accurate.

Ms. Kreig expressed her appreciation to Mr. Railey and Ms. Muirhead for the materials prepared for the Board's review, noting that she now has sufficient information to make a well-informed decision and proceed with selecting a partnership.

Mr. Dean expressed agreement with the remarks made by Ms. Krieg.

Co-Chairperson Kunstman inquired if there were any additional comments or points for discussion. There was none.

Ms. Quiogue informed the members that, in the absence of any comments, it would be appropriate to offer a motion for entering into a partnership with either Colorado or Connecticut.

Ms. Krieg moved to join the Multistate Retirement Alliance for Retirement Security led by Connecticut. For purposes of having a motion carried, Mr. Taniguchi seconded the motion. The matter was then opened for discussion.

Mr. Nomura indicated his preference for choosing the Partnership for a Dignified Retirement initiative led by Colorado. He expressed confidence in the program's strong foundation, its substantial capacity for scalability, and its anticipated achievement of important milestones in the foreseeable future.

Mr. Dean acknowledged Mr. Nomura's remarks and concurred with his observations, while highlighting that the Connecticut program offers lower investment fees, which provides greater benefits to participants. He additionally noted that asset-based fees may rise as assets under management grow; currently, the account-based fee is lower in Connecticut (\$20.00) compared to Colorado (\$22.00); and that the account-based fee is anticipated to decrease further as participation increases.

Mr. Railey observed that, at present, certain fees associated with the PDR—specifically the asset-based fee and fixed income fees—are comparatively lower.

Ms. Muirhead noted that certain investment funds and state program fees offered by the Retirement Alliance are comparatively lower.

Mr. Dean expressed his appreciation to Mr. Railey and Ms. Muirhead for their remarks and observed that Colorado is expected to reach breakpoints earlier due to the participant count and assets under management.

Mr. Taniguchi expressed his gratitude to both partnerships for their comprehensive presentations and valuable information provided to the Board, which supported his decision-making process. While he considers both partnerships to be of high quality, he currently favors the Colorado partnership, citing reasons aligned with those of Mr. Nomura.

Mr. Dean stated his preference is to join the Connecticut partnership.

Senator Elefante noted that Mr. Dean may have addressed this question previously; however, to enhance his own understanding, he requested that Mr. Railey specify the number of partner states under the PDR as well as the current assets under management.

Mr. Railey reported that five states have joined the PDR: Nevada, Delaware, Maine, Vermont, and most recently, Minnesota. He noted further that in late 2025, the assets under management were \$213M and as of early 2026, the assets under management will grow to \$240M.

Senator Elefante made a comparable inquiry to the state of Connecticut.

Ms. Muirhead stated that Rhode Island is now a member of the Retirement Alliance, which includes 50,000 participants and approximately \$60 million in assets under management.

Co-Chairperson Kunstman asked for questions or discussion; there were none.

The current motion being considered by the Board is to join the Multistate Retirement Alliance for Retirement Security, led by Connecticut. This motion was introduced by Ms. Krieg and seconded by Mr. Taniguchi. Considering previous comments from Mr. Nomura and Mr. Taniguchi, Ms. Quogue recommended that a roll call vote be conducted. A roll call was taken of the members:

Co-Chairperson Kunstman, Mr. Shigano, Mr. Dean, and Ms. Krieg voted in favor of the motion.

Mr. Nomura and Mr. Taniguchi voted in opposition to the motion.

The motion carried to join the Multistate Retirement Alliance for

Retirement Security, led by Connecticut.

2026 Legislative Session:

a. Delegation to Staff

Co-Chairperson Kunstman stated that the Board will deliberate on granting the Executive Director the authority to monitor legislation and prepare testimony on its behalf.

Ms. Krieg questioned whether this task was necessary, considering that the responsibilities of the Executive Director include monitoring legislation, preparing testimony for the Board, and presenting that testimony before legislative committees as she did last year.

Ms. Quiogue stated that the Office of Information Practices advises taking this action, similarly to the subsequent agenda item.

By consensus, the Board authorizes the Executive Director to oversee legislative developments, prepare testimony, and present statements to legislative committees on its behalf.

b. Delegation to Board Members

Co-Chairperson Kunstman announced that the Board will deliberate on authorizing two Board members to work collaboratively with the Executive Director during the legislative session. Their tasks will include assisting in preparing legislative testimony, engaging with legislators, and attending legislative hearings, in accordance with the Board's adopted position on legislation.

Co-Chairperson Kunstman reminded the members that, at a previous meeting, the Board had delegated authority to both him and Mr. Taniguchi to prepare legislative testimony, engage with legislators, and attend legislative hearings on behalf of the Board. If the Board concurs, they may continue to fulfill these roles and responsibilities.

By consensus, the Board agreed to have Co-Chairperson Kunstman and Mr. Taniguchi continue performing their respective roles and responsibilities.

2026 Legislation:

a. H.B. 1290 RELATING TO LABOR

Ms. Quiogue informed the Board that this bill: establishes a Portable Benefits Program under the administration of a board of trustees to provide portable benefits to gig workers; expands the Hawai'i Retirement Savings Program to gig workers; and appropriates funds.

Ms. Quiogue stated that this bill is a carryover measure from 2025, and indicated that based on her research, Hawai'i would be the first state to mandate participation of gig workers/1099 workers into a retirement savings program. She went on to say that other jurisdictions allow for voluntary enrollment into the programs for these types of workers.

While the intention of this bill is commendable, Ms. Quiogue advised members to exercise caution in supporting it without considering several factors: the Unemployment Insurance Division, which holds the necessary data for submission to Vestwell, may not have comprehensive information on gig workers or 1099 workers; integrating 1099 workers into the Vestwell system presents significant challenges; and retirement programs like the Hawai'i Retirement Savings Program are typically facilitated by the employer, rather than self-managed by employees.

- b. H.B. 847, H.D. 1, RELATING TO HAWAII RETIREMENT SAVINGS ACT
S.B. 855, S.D. 1, H.D. 1, C.D. 1 (ACT 113, SLH 2025)

Ms. Quiogue informed the Board that these bills: 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 chooses to opt out; repeal the limit on the total fees and expenses that can be spent for the Program each year; and appropriates funds to the Department of Labor and Industrial Relations for the development and operation of the Program.

Ms. Quiogue indicated that this bill is a carryover measure from 2025, and noted that no formal action would be required by the Board since it had previously expressed its support for H.B. 847, H.D. 1 last year.

- c. H.B. 1136, RELATING TO THE HAWAII RETIREMENT SAVINGS ACT
S.B. 1455, RELATING TO THE HAWAII RETIREMENT SAVINGS ACT

Ms. Quiogue informed the Board that these bills: clarify the definition of "covered employer" under the Hawai'i Retirement Savings Act; and require covered employers to automatically enroll covered employees into the Hawai'i Retirement Savings Program unless the covered employee chooses to opt out.

Ms. Quiogue indicated that this bill is a carryover measure from 2025, and noted that no formal action would be required by the

Board since it had previously expressed its support for these administration bills last year.

d. S.B. 1253, RELATING TO BOARDS AND COMMISSIONS

Ms. Quiogue informed the Board that this bill clarifies that the prohibition against board and commission holdover members from holding office beyond the end of the second regular legislative session following the expiration of the member's term of office takes precedence over any conflicting statutes.

Ms. Quiogue stated that this bill is being presented to the Board solely for informational purposes, as members are governed by applicable laws pertaining to board and commission terms, among other regulations.

Ms. Quiogue recommended the Board monitor this bill. The members agreed with her recommendation.

e. H.B. 724, RELATING TO OPEN MEETINGS

Ms. Quiogue informed the Board that this bill: amends the definition of a "board" under the Sunshine Law to include the Legislature; clarifies notice period requirements; repeals the Legislature's exemption from the Sunshine Law; and repeals the exemption for permitted interactions between board members.

Ms. Quiogue stated that this bill is being presented to the Board solely for informational purposes, as members are governed by applicable laws pertaining to the Sunshine Law (Open Meetings), among other regulations.

Ms. Quiogue recommended the Board monitor this bill. The members agreed with her recommendation.

f. S.B. 381, S.D.1, RELATING TO PUBLIC AGENCY MEETINGS

Ms. Quiogue informed the Board that this bill: requires appointments and selections of heads of state divisions and agencies that require a board approval to be made through a publicly established process and timeline; requires the approval of the process and timeline to appoint or select a new head of a state division or agency to be determined in an open meeting; requires that votes to appoint or select heads of state divisions and agencies be conducted in an open meeting; and provides that any vote to appoint or select a head of a state division or agency cast in violation of the foregoing shall be invalid.

Ms. Quiogue stated that this bill is being presented to the Board

solely for informational purposes, as members are governed by applicable laws pertaining to the Sunshine Law (Open Meetings), among other regulations.

Ms. Quiogue recommended the Board monitor this bill. The members agreed with her recommendation.

g. S.B. 1617, RELATING TO PUBLIC MEETINGS
H.B. 1453, RELATING TO PUBLIC MEETINGS

Ms. Quiogue informed the Board that these bills prohibit boards from beginning or continuing meetings after 9:00 p.m., excluding county council meetings.

Ms. Quiogue stated that this bill is being presented to the Board solely for informational purposes, as members are governed by applicable laws pertaining to the Sunshine Law (Open Meetings), among other regulations.

Ms. Quiogue recommended the Board monitor this bill. The members agreed with her recommendation.

h. S.B. 1543, S.D. 2, RELATING TO GOVERNMENT
ACCOUNTABILITY

Ms. Quiogue informed the Board that this bill: requires each purchasing agency to provide justification for hiring external consultants; caps the amount each agency can spend on external consultants; requires each agency to seek approval from the Legislature for consulting contracts exceeding a certain dollar amount; requires each agency to disclose new contracts with external consultants; requires annual reports to the Legislature; requires the Compliance Audit Unit to conduct regular audits of agency consultant contracts to assess cost-effectiveness and compliance; and requires each chief procurement officer to ensure that inherent government functions are not delegated to a contractor.

Ms. Quiogue explained that this bill is a carryover from the 2025 Legislative Session. She also noted that the following agenda item, S.B. 2662, Relating to Government, introduced this year, is very similar.

i. S.B. 2662, RELATING TO GOVERNMENT ACCOUNTABILITY

Ms. Quiogue informed the Board that this bill: requires each purchasing agency to provide justification for hiring external consultants; caps the amount each agency can spend on external consultants; requires each agency to seek approval from the

Legislature for consulting contracts exceeding a certain dollar amount; requires each agency to disclose new contracts with external consultants; requires annual reports to the Legislature; requires the Compliance Audit Unit within the Office of the Auditor to conduct regular audits of agency consultant contracts to assess cost-effectiveness and compliance; establishes exceptions; requires each chief procurement officer to ensure that inherent government functions are not delegated to a contractor.

Ms. Quiogue presented this bill to the Board to ensure it does not adversely affect the Program's implementation or maintenance. She highlighted that the bill, among other issues, could hinder the government's ability to engage consultants with highly technical and specialized skills and experience that current staff may lack. Furthermore, she noted that the Employees' Retirement System expressed significant concerns in its testimony, which should be considered by the Board.

Ms. Quiogue inquired with Deputy Attorney General Kam whether the partnership with Connecticut, particularly the use of Vestwell, would be affected by this bill.

Deputy Attorney General Kam advised that he did not believe the HRSP would be adversely affected by this bill concerning any projects with Vestwell. However, for other types of projects, such as marketing, if the contract exceeds a certain amount, there may be implications to consider.

Mr. Taniguchi inquired about the status of S.B. 1543, S.D. 2, Relating to Government Accountability, particularly regarding the timeline of when the bill did not progress further.

Ms. Quiogue informed the Board that the Senate Committee on Ways and Means passed the measure with amendments, the bill crossed over to the House but was not heard by the House Committee on Labor.

Ms. Quiogue recommended that the Board monitor this bill for now. Members agreed with her recommendation.

**Executive
Director's
Report:**

a. **Update on the Hawai'i Retirement Savings Program Budget**

Ms. Quiogue informed the Board that as of December 2025, the budget for the program is \$935,496.90.

Next Meeting:

Tuesday, March 17, 2026, at 10 a.m.

In-Person Meeting
Location:

Princess Ruth Ke'elikolani Building
830 Punchbowl Street, Room 321

Honolulu, Hawai'i 96813

Virtual Videoconference Meeting – Zoom Meeting

Adjournment: There being no further business, the meeting was adjourned at 10:58 a.m.

Taken and recorded by:

/s/ Ahlani K. Quiogue

Executive Director

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