

JOSH GREEN, M.D.  
GOVERNOR

SYLVIA LUKE  
LIEUTENANT GOVERNOR



JADE T. BUTAY  
DIRECTOR

WILLIAM G. KUNSTMAN  
DEPUTY 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 Sharon Moriwaki  
Rep Andrew Takuya

## HAWAII RETIREMENT SAVINGS PROGRAM BOARD MEETING

### MINUTES

February 15, 2023  
3:00 p.m.

#### **MEMBER ATTENDEES**

Bill Kunstman, Department of Labor and Industrial Relations (DLIR), Director's Designee, Co-Chair  
Luis Salaveria, Cho-Chair, Department of Budget & Finance (B&F)  
Jessie "Keola" Dean, Member  
Barbara Krieg, Member  
Andrew Nomura, Member  
Karen Yasukawa, Member

#### **Others in attendance**

Kristine K. Reitan, DLIR (Secretary)  
Michael Moriyama, Department of the Attorney General  
Keali'i Lopez, AARP  
Audry Suga-Nakagawa, AARP  
Andi Pawasarat-Losalio

#### **I. Call Meeting to Order**

Co-Chair Kunstman called the meeting to order at 3:00 p.m.

#### **II. Approval of the Minutes of the December 15, 2023, Meeting**

Co-Chair Kunstman inquired if there were any corrections to the minutes of December 15th, 2023, meeting that had been distributed. Hearing none, the minutes were approved.

#### **III. Public Comment Period**

No public comments were provided.

#### **IV. Executive Session (Closed to the public)**

Member Nomura moved to convene into executive session, seconded by member Dean, with all members present voting in the affirmative, the board approved convening in executive session to consider the hire, evaluation, dismissal, or discipline of an officer or employee, where consideration of matters affecting privacy will be involved, pursuant to Section 92-5(a)(2), Hawaii Revised Statutes (HRS)) for the hiring of the Executive

Director pursuant to section 389-3(f), HRS.

The meeting recessed at 3:05 p.m.

Co-Chair Kunstman called the meeting back to order at 3:20 p.m. and announced that the board met in executive session to discuss the hiring of the executive director.

## **V. Hiring of the Executive Director**

Co-Chair Kunstman announced that an offer to the top candidate by the selection panel was rejected by the candidate in the first week in January. The selection panel engaged virtually with the second ranked candidate during the second week of January, and based on those discussions decided against making an offer to the candidate. The job announcements are still posted on the Department of Labor and Industrial Relations job page as well as Department of Human Resources Development under their non-civil services announcements page.

Co-Chair Kunstman asked if the board members had any questions or comments regarding the selection of an Executive Director and solicited public input regarding the selection process.

Co-Chair Salaveria noted that he had met with the candidates and said they were of high caliber and had high qualifications. He also noted that the selection panel is struggling with meeting certain expectations on compensation but is hopeful that they could continue and find the right person. Co-Chair Bill Kunstman thanked Co-Chair Salaveria for his comments and also noted that more candidates might be interested if there were a change to the opt-in law as it may be difficult for the Executive Director to succeed with the way the current law is written.

Co-Chair Kunstman solicited testimony from the public.

Andi Pawasarat-Losalio asked if the board could hire an interim Executive Director while the board is looking for a permanent one so some of the basic functions can move forward. Co-Chair Kunstman replied that it is possible to hire someone temporarily and noted another suggestion that has been made is that until the of hiring an Executive Director a temporary program specialist could be hired to help with the operations of the board, which he noted would be discussed later on per the agenda.

Keali'i Lopez commented that people currently working for the state that do this type of work may not have applied for the opening because of the budgeted amount. She mentioned that compensation is a factor with local candidates.

## **VI. Discussion on Legislation**

### **A. HB2197/SB2553 Relating to Hawaii Retirement Savings Act**

Co-Chair Kunstman stated these proposals require employers to automatically enroll employees in the Hawaii Retirement Savings Program and allow employees to opt-out instead of opt-in to the program. The measures also make a housekeeping amendment to the definition of covered employer, which aligns with the purpose of the original Act to provide a state-facilitated payroll deduction retirement savings program for private sector employees who do not have access to employer sponsored retirement plans. Member Nomura asked what the difference between the two measurers was. Co-Chair Kunstman replied that the measures were essentially identical as

they are companion measures. Due to the different drafting agencies, there may be slightly different technical amendments. Both measures have had hearings in both chambers and are at the point where they are going to the last committee in the originating chambers, which are the money committees—Finance and Ways and Means.

Co-Chair Kunstman explained the legislative process for the bills and stated that one way or another the board should know no later than the end of April if there will be any changes to the statute.

Co-Chair Kunstman solicited testimony from the public and none was offered.

B. Board Approval of Automatic Enrollment with Opt-Out Policy.

Co-Chair Kunstman proposed a question to the board: Shall the Board support legislative proposals to change the Hawaii Retirement Savings Program statute to require employers to automatically enroll employees in the Hawaii Retirement Savings Program and allow employees to opt-out instead of opt-in to the program?

Co-Chair Kunstman solicited testimony from the public and none was offered.

Member Yasukawa shared her support as well as Co-Chair Salaveria and Member Dean. Member Dean moved a motion to have the board vote on supporting changing the statute to opt-out instead of opt-in and the motion was seconded by Member Nomura. There having been a motion that was moved and seconded, a vote was taken, and the motion carried with all members present voting in the affirmative.

C. Approval to Delegate Authority to Two Board Members Pursuant to 92-2.5(a), HRS, to Prepare and Submit Legislative Testimony, Talk to Legislators, and Attend Legislative Hearings in Accordance with Board Policy on HB2197/SB2553

Co-Chair Kunstman referred members to the packets regarding the Office of Information Practice (OIP) Guidance on the legislative process for boards and commissions. The Sunshine Law requirements make it difficult for boards to weigh in timely on legislative matters. The OIP has provided 7 different options, 3 of which involve Permitted Interaction Groups, one is delegation to staff (which there is none at this time), one for the counties, and an emergency meeting. That leaves OIP option #2 as the most efficient approach for the board should the board want to participate in the legislative process.

Member Nomura asked if it would be helpful. Co-Chair Kunstman replied that he believed so and Co-Chair Salaveria also stated it would definitely be helpful. Co-Chair Kunstman referenced what Senator Moriwaki had said in a previous board meeting when she mentioned that it was more powerful when boards came before a committee to advocate for legislation. The other usual option for boards is to delegate to staff, however, currently there is no staff. Member Dean asked if the board was required to identify the individuals on the PIG if that was a route the board wanted to pursue. Co-Chair Kunstman

responded yes, if the board wanted to use the PIG route that would be the whole PIG process and the board would have to have a meeting, establish the purpose and the scope, identify the individuals, then have a subsequent meeting to vote on it and at that point a PIG could operate for legislative purposes.

It was further clarified that two board members have to be identified by name should the board chose to delegate authority to have two members participate in the legislative process.

Member Dean asked if board members not present at the meeting could be assigned the delegation. AG Moriyama clarified that by statute the board could identify board members that are not present at the board meeting.

Co-Chair Kunstman then opened the discussion for public testimony. Audrey Suga-Nakagawa suggested that it would be good to have someone with some technical expertise especially in the area of retirement savings. Keali'i Lopez stated what the board might want to consider is that if the bill changes drastically, whether the board is going to want to engage in the legislative process and which board members might have the biggest impact.

Member Nomura moved to delegate authority to Co-Chair Kunstman and Member Taniguchi to represent the board before the legislature regarding HB2197/SB2553 and the motion was seconded by Member Dean. Co-Chair Kunstman solicited discussion from the board and then the public, and none was offered.

There having been a motion that was moved and seconded, a vote was taken, and the motion carried with all members present voting in the affirmative.

AG Moriyama suggested the board also deliberate upon the amendments in the bills to the covered employer definition.

Member Yasukawa made a motion to approve of the amendments in the bill to the covered employer definition, which was seconded by Member Nomura.

Co-Chair Kunstman solicited testimony from the public and none was offered.

There having been a motion that was moved and seconded, a vote was taken, and the motion carried with all members present voting in the affirmative.

## **VII. FY2024 Budget**

### **A. FY 2023-24 Fiscal Report**

Co-Chair Kunstman referred to the board packet for members to see the report from the Administrative Services Office (ASO), which is the fiscal unit in the department. The report shows the general fund appropriation and how much has been spent so far this fiscal year ( \$3,105.41). The report reflects the money that was spent for the recruitment process to bring two

candidates to Hawaii and no other expenses have been recorded. Co-Chair Kunstman did learn from ASO that the AG has provided 5.6 hours of legal services to the board but has yet to receive the charges from the Department of the Attorney General. He explained that those charges should be reflected at a future meeting and that the hourly rate is unknown at this time, but those hourly charges should not be exorbitant.

Co-Chair Kunstman solicited testimony from the public and none was offered.

## **VIII. Hiring**

### **A. Program Specialist Recruitment**

Co-Chair Kunstman mentioned that the board previously approved a position description for the program specialist per the statutory requirement for the board to approve of position descriptions. Co-Chair Kunstman had previously asked AG Moriyama if the board could hire the position and not the person and the answer is the board needs to approve of hiring a person not a position, even for a temporary hire.

Co-Chair Kunstman stated that the temporary position is posted at the DLIR's as well as the Department of Human Resources websites. Previous board discussions involved waiting on the Executive Director to hire the other staff but perhaps hiring a temporary staff to help with board operations until such a time that an Executive Director was onboarded and could hire the permanent staff would facilitate board operations.

Board member Yasukawa inquired as to the work to be performed by the temporary staff. Co-Chair Kunstman said at this time it would be limited to board meetings and related duties including minutes, agendas, etc.

Co-Chair Kunstman solicited testimony from the public and none was offered.

## **IX. Announcements**

No announcements were offered by the board or members of the public.

A. Next meeting to be determined.

## **X. Adjournment**

There being no further business, Co-Chair Kunstman adjourned the meeting at 4:05 p.m.