

JOSH GREEN, M.D.  
GOVERNOR

SYLVIA LUKE  
LIEUTENANT GOVERNOR



JADE T. BUTAY  
DIRECTOR

WILLIAM G. KUNSTMAN  
DEPUTY DIRECTOR

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 Aquino  
Rep. Andrew Takuya Garrett

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

## HAWAII RETIREMENT SAVINGS PROGRAM BOARD MEETING

### MINUTES

May 20, 2024  
3:30 p.m.

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

Co-Chair Kunstman called the meeting to order at 3:30 p.m. on Monday, May 20, 2024, at the Ke'elikolani Building, Room 321, 830 Punchbowl St., Honolulu, HI 96813.

Quorum (6): Co-Chairs Bill Kunstman & Luis Salaveria, Members Keola Dean, Barbara Krieg, Brian Taniguchi & Karen Yasukawa. Representative Andrew Takuya Garrett joined the meeting at 3:40 p.m.

Others in attendance: Keali'i Lopez, AARP, Tereza Alezandre, David Rodriguez, DLIR Designated Legislative Coordinator, Kristine Reitan, Acting Board Secretary, Tri Pham, DLIR IT support.

#### **II. Approval of the Minutes of the February 15, 2024, Meeting**

Co-Chair Kunstman inquired if there were any corrections to the minutes of the February 15<sup>th</sup>, 2024, meeting that had been distributed. Co-Chair Kunstman noted there was a typo in the member attendee title for Luis Salaveria, that it should be changed from "Cho-Chair" to "Co-Chair".

The minutes were approved.

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

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

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

##### **A. Update on the Hiring of the Executive Director**

Co-Chair Kunstman stated that over the last six months six additional applications have been received in addition to one application that had been received shortly after the selection panel had screened the first round of applicants. He noted that after the previous offer of selection was made to an applicant and subsequent Board discussion that recruitment was put on hold until the legislative process played out. The selection panel is willing and able to re-engage with the recruitment process on behalf of the Co-Chairs to derive candidates for the Co-Chairs' and subsequently Board's consideration.

How would the Board like for the recruitment to proceed?

Member Krieg stated as soon as possible and suggested that hiring someone a temporary basis would not be a fruitful strategy. Instead, the Board should consider hiring someone that can do a good job setting up the program and then have the Board monitor that person's performance and development. She stated that personally she thinks the Board needs more of a high level project manager to get the program off the ground rather than a person with financial market expertise.

Co-Chair Salaveria agreed and recommended that the Board should consider looking for someone who will focus on meeting with small businesses and explain the advantages of having employees enrolling in the program including as a recruitment incentive.

Member Dean agreed with Co-Chair Salaveria and Member Krieg and advocated for the Executive Director to have experience with local chambers of commerce or economic development offices and move forward. He also noted that legislation regarding the "opt-out" may not have passed due to the program not being up and running and not having an Executive Director.

Co-Chair Kunstman solicited testimony from the public.

Participant Keali'i Lopez recommended that although it would be helpful to have an Executive Director that had experience in navigating the state system, working with boards, understanding of the procurement process - preferably within the state or county, and experience in administrative rules, with the legislature. If the Board hyper-focuses on a person with financial industry experience it would limit the potential candidates. Participant Keali'i Lopez further mentioned that with the support of the Board, the Executive Director would have the resources and expertise to successfully start the program.

Co-Chair Kunstman again solicited testimony from the public and no more testimony was offered.

Co-Chair Kunstman noted that the consensus of the Board was to actively proceed with recruitment of an Executive Director.

**V. Discussion on Legislation**

**A. HB1800 Relating to the State Budget/SB2553 Relating to Hawaii Retirement Savings Act**

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

Co-Chair Kunstman explained that the Senate version of the measure (SB2553) moved through the legislative process intact as originally introduced—to require employers to automatically enroll employees into the Program and allow employees to opt-out instead of opt-in to the program as well as the housekeeping amendment to the definition of covered employer. The bill was only substantively amended by the last committee – House Finance. The Finance Committee amended the measure to strike the \$25M appropriation for the matching contributions from the original Act and lapse that money to the general fund.

Co-Chair Kunstman continued stating that in HB1800 RELATING TO THE STATE BUDGET both the House Draft and Senate Drafts contained a provision to delete the \$25M appropriation from the original Hawaii Retirement Savings Act. It appeared there

was agreement to lapse the \$25M, which seemed to be a good sign for the bill passing because with opt-out the State match would not be necessary. However, the legislation did not pass, essentially making no change to the existing Act or statute. The \$25M is still there and the budget worksheets will provide more information than the line items in the bill and should be posted soon to confirm that the FY2024-25 budget contains \$259,064 for the salaries for the Executive Director, program specialist, secretary, computer/software (\$2,000) and travel (\$15,000).

Co-Chair Salaveria and Member Taniguchi noted that not having House Conferees to SB2553 indicated that there was an issue that needed to be further examined by the Board and advocates regarding the legislation. Member Taniguchi noted that the lapse may be listed without any identifying information in the budget bill. Co-Chair Salaveria responded that the \$25M was not lapsed in the proviso section, for all intents and purposes the money is still there to be requested.

Co-Chair Salaveria requested that the DLIR request to deposit \$25M into the special fund to avoid lapsing the funds. Co-Chair Kunstman stated that the DLIR had initiated the process and should be shortly transmitting the request to the Dept. of Budget and Finance for approval.

Co-Chair Kunstman stated that in effect the legislature, by not making any changes to the statute, was indicating that program adjustments weren't necessary at this time—does the Board want to effectuate the program as is and maybe consider going back to the legislature next year and asking for a change?

Member Krieg said that seemed to be the best course of action and suggested that going back to the legislature next legislative session and that in the meantime that the Board could continue to recruit staff and initiate the program. She mentioned that there's a lot of work that should and needs to be done before that change in program design is made by the legislature. Member Krieg also mentioned it would be helpful to obtain more information on what prevented the bill from passing this past session.

Co-Chair Kunstman then solicited testimony from the public.

Participant Keali'i Lopez acknowledged that AARP will be working prior to the next legislative session with the legislature to learn about the issues and concerns regarding the measure. Passing legislation may be easier to do once the Executive Director is hired and the program is up and running.

Co-Chair Kunstman again solicited testimony from the public. No other testimony was offered.

#### **B. GM658 Brian Taniguchi**

Co-Chair Kunstman congratulated Mr. Taniguchi who was unanimously confirmed for a second term on the Board through June 30, 2028, by the State Senate. He also detailed that Board members Barbara Krieg & Karen Yasukawa terms expire at the end of June in 2025 and Board Members Keola Dean & Andrew Nomura expire at the end of June in 2026.

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

## **VI. Budget**

Co-Chair Kunstman reported that the first nine months of the fiscal year the Board has spent \$3,105.39—a correction of two cents. Board members were notified that the Department of the Attorney General will not be charging the program for legal services because services are provided by general funded staff. The only monies that the Board has spent is in recruitment and travel for Executive Director candidates.

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

## **VII. Hawaii State Ethics Commission: Annual Financial Disclosure**

Co-Chair Kunstman reminded the Board members to file their 2024 financial disclosure with the Hawai'i State Ethics Commission by May 31, 2024, and noted that the Board packet included the E-Filing Quick Guide for Filers.

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

## **VIII. Announcements**

Co-Chair Kunstman asked the Board members or public for announcements.

Keali'i Lopez suggested that the Board designees for legislative matters are the best conduits for the Board to keep informed about legislative developments during the interim and engage the Board as needed.

No other announcements were offered by the Board or members of the public.

- A. Next meeting to be determined.

## **IX. Adjournment**

There being no further business, Co-Chair Kunstman called to adjourn the meeting at 4:04 p.m. Member Krieg moved to adjourn the meeting and was seconded by Member Dean. The Board voted unanimously to adjourn.