

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 Moriaki
Representative Andrew Garrett

HAWAII RETIREMENT SAVINGS PROGRAM BOARD MEETING

December 15, 2023
2:30 PM
830 Punchbowl Street
Room 321
Honolulu, HI 96813

Remote Meeting

Board members, staff, and members of the public may participate in the remote meeting by using the following Zoom link:

<https://us02web.zoom.us/j/83149509327?pwd=WWtwM25ZTFAxV3lVdDBqWWsxWTAzUT09>

Meeting ID: 831 4950 9327

Passcode: 187681

If you do not have the technology or ability to join the remote meeting via Zoom, please dial +1 (669) 444-9171 on the telephone to participate in the remote meeting.

Board Materials

Meeting materials are available for review at <https://labor.hawaii.gov/blog/main/hrsp/>.

AGENDA

- I. **Call Meeting to Order**
- II. **Approval of the Minutes of the June 27, 2023 Meeting**
- III. **Public Comment Period for Agenda Items**

Written testimony may be submitted via email at dlir.hrsp@hawaii.gov, U.S. mail or hand delivery to 830 Punchbowl Street, Suite 321, Honolulu, HI 96813, or facsimile at (808) 586-9099. Individuals may also provide in-person or remote oral testimony via the Zoom link above.

All written testimony on agenda items received after posting of this agenda and up to 24 hours in advance of the meeting will be distributed to the board.

Equal Opportunity Employer/Program
Auxiliary aids and services are available upon request to individuals with disabilities.
TDD/TTY Dial 711 then ask for (808) 586-8855

Late testimony on agenda items will be distributed to the board within 24 hours of receipt.

All written testimony submitted are public documents. Therefore, any testimony that is submitted orally or in writing, electronically or in person, for use in the public meeting process is public information and will be posted on the board's website.

IV. Executive Session (closed to the public)

- A. Personnel: (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))
 - i. Hiring of the Executive Director Pursuant to Section 389-3(f), HRS

V. Hiring of the Executive Director

VI. Delegation of Authority to Exercise Powers and Duties

- A. Approval to Delegate Authority to the Executive Director to Exercise the Powers and Duties of the Hawaii Retirement Savings Board under Section 389-4, HRS, Pursuant to Section 389-3(f), HRS

VII. Budget

- A. FY 2023-24 Fiscal Report
- B. FY 2024-25 Supplemental Budget Report
 - i. Positions and Funding
 - ii. Feasibility Study Status
- C. Authorization and Approval for the Department of Labor and Industrial Relations (DLIR) to Expend Program Funds to Initiate and Administer the Hawaii Retirement Savings Program

VIII. Hiring

- A. Discussion and Approval of the Position Description for the Program Specialist

IX. Announcements

- A. Next Meeting to be Determined

X. Adjournment

If you need an auxiliary aid/service or other accommodation due to a disability, contact David Rodriguez at 808-586-8855 or via email at david.j.rodriguez@hawaii.gov as soon as possible. Requests made as early as possible have a greater likelihood of being fulfilled. Upon request, this notice is available in alternate/accessible formats.

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HAWAII RETIREMENT SAVINGS PROGRAM BOARD MEETING

Tuesday, June 27, 2023
2:45 p.m.
830 Punchbowl Street
Room 321
Honolulu, HI 96813

MEETING MINUTES

MEMBER ATTENDEES

Bill Kunstman, Director's Designee, Department of Labor and Industrial Relations (DLIR),
Luis Salaveria, Co-Chair, Department of Budget & Finance
Jessie Keola Dean, Member
Barbara Krieg, Member
Andrew Nomura, Member
Karen Yasukawa, Member
Senator Sharon Moriwaki, Member
Brian Taniguchi, Member

GUESTS

Nancy L. Bernal, DLIR
David Rodriguez, DLIR
Michael Moriyama, Department of the Attorney General (AG)
Kealii Lopez, AARP Hawaii
Angela Antonelli, Georgetown University Center for Retirement Initiatives

I. Call Meeting to Order

Mr. Kunstman called the meeting to order at 2:45 p.m.

II. Approval of the Minutes of the June 9, 2023 Meeting

Ms. Krieg moved to approve the June 9, 2023 meeting minutes, seconded by Mr. Dean, and the motion carried with all members present voting in the affirmative.

III. Public Comment Period for Agenda Items

No public comments were provided.

IV. Sunshine Law

- A. Board Quorum Pursuant to 389-3(d), Hawaii Revised Statutes (HRS)
- B. Overview of Permitted Interaction Groups Pursuant to 92.25(b), HRS

Mr. Kunstman clarified a question that was raised at the June 9, 2023 meeting regarding board quorum and explained that four of the seven members would constitute a quorum, which excludes ex-officio members.

Mr. Kunstman provided an overview of forming a Permitted Interaction Group (PIG) pursuant to the Sunshine Law and referenced the handout in the board packet. Senator Moriwaki commented that she recalled from the June 9, 2023 meeting that a selection committee rather than a PIG would be formed to conduct personnel matters related to hiring an executive director (ED). Mr. Kunstman clarified that the board may or may not choose to form a PIG and that this information was being shared with the board for informational purposes.

V. Budget

- A. Review of Appropriations for the Hawaii Retirement Savings Program
 - i. Act 296 (Session Laws of Hawaii, 2022)
 - ii. House Bill 300 Relating to the State Budget
- B. Authorization and Approval for the Department of Labor and Industrial Relations (DLIR) to Expend Program Funds to Initiate and Administer the Hawaii Retirement Savings Program

Mr. Kunstman went over the board packet handouts covering the Hawaii Retirement Savings Program's (HRSP) appropriations and budget. Mr. Taniguchi inquired what the final appropriated amount was for the HRSP after the 10% contingency restrictions, and Mr. Kunstman responded that it was \$1,129,500.

Regarding the expenditure of program funds to initiate and administer and HRSP, Mr. Kunstman explained that the board has not spent any money thus far. In order to spend the funds, the board must either spend it themselves or delegate that action to the ED or the DLIR. Should the board choose to allow the DLIR to expend funds, starting July 1, 2023, the DLIR would start tracking costs incurred from work done by various offices and personnel in the DLIR and submit expense reports to the fiscal office. The fiscal office would, in turn, generate monthly expenditure reports showing a breakdown of incurred expenses that could be provided to the board for their review.

Ms. Krieg asked about reimbursing general funds from one general fund to another and if that practice was customary. Co-chair Salaveria explained that while this practice is not customary, he could see administrative costs by DLIR personnel, but not cabinet members, for time spent on board matters be charged to the board.

Inquiries regarding the \$1,000,000 appropriation for the actuarial study were raised. It was explained that the \$1,000,000 cost to carry out such a study was an estimate. While there is flexibility to repurpose some of those funds to establish a more competitive salary for the ED, the board should minimize deviating too far from the legislature's intent and to make sure that the legislature would be ok with repurposing those funds.

Co-chair Salaveria made a motion to allow the DLIR on behalf of the board to expend funds out of the HRSP appropriation for expenses up to \$15,000 effective July 1, 2023 and anything above that amount would require board approval. Mr. Taniguchi seconded the motion, and the motion carried with all members present voting in the affirmative.

VI. Hiring

- A. Board's Authority to Employ an Executive Director and Other Staff
 - i. Discussion of 389-3(f), HRS
 - ii. Discussion of 26-35, HRS
- B. Executive Director
 - i. Discussion and Approval of the Revised Position Description for the Executive Director
 - ii. Report from the DLIR on the Recruitment Process for the Executive Director
- C. Program Specialist
 - i. Review of the DLIR Process for Establishing a Position
 - ii. Discussion of Hiring a Temporary Candidate to Assist with Board Administrative Functions

Mr. Moriyama went over the hiring process for the ED. The first step established the ED position and position description. The second step would entail a screening process to include vetting applications and resumes for qualified applicants, drafting interview questions, scheduling and conducting interviews, and making a hiring recommendation to the board. The third and final step would include the board making an offer to the applicant. Per the Office of Information Practices' opinion, the board would have to be involved in all three steps since the hiring process would constitute board business. On the other hand, per the AG's opinion, only steps one and three would entail board business, and step two could be delegated entirely to the DLIR staff. However, if some but not all and less than a quorum of the members choose to participate in step two, the AG's opinion would be for the board to form a PIG. All the steps would be subject to the Sunshine Law with steps two and three to occur in executive session. Should the board choose to adopt a numerical scoring system, the board must choose the individual with the highest score. Therefore, the AG's recommendation was to not adopt a numerical scoring system to allow the board more flexibility in the process.

The HRSP statute allows for the co-chairs to carry out the hiring process subject to the approval of the full board. Since the board's consensus was to try and not form a PIG due to its lengthy process, an alternative would be for the co-chairs to delegate step two to the DLIR but carry out steps one and three and select a candidate from the DLIR's recommendations. Another alternative would be for the DLIR to carry out all three steps, present the top three candidates to the board in executive session, and the board would present the offer to the final candidate.

Ms. Krieg made a move to approve the amended ED position description as presented in the board packet. The motion carried with all members present voting in the affirmative.

Mr. Kunstman reported that after conferring with the DLIR Human Resources Office, the department would be able to advertise the ED position in a few different ways. One way would be to include a salary range or to state that the salary would be commensurate

with education and experience. The position would get posted on the Department of Human Resources Development non-civil service website. Another factor to consider would be setting up a timing parameter for the open position during the recruitment phase, which would include keeping the position up for a set definite period of time, have it continuously open, or until the DLIR receives a certain number of applicants. The DLIR's recommendation would be to advertise the position with a salary commensurate with education and experiment and to keep the position advertised on a continuous basis, and the board was amendable to that recommendation.

Regarding the program specialist position, Mr. Kunstman reported that the DLIR would be able to draft a position description (PD) to temporarily fill the position, and at a subsequent meeting, present the PD to the board for their review and approval. The temporary position would be considered an 89-day hire with no fringe costs and could be extended for up to three consecutive times.

VII. Feasibility Study

A. Discussion of Establishing a Permitted Interaction Group for the Purpose of Investigating the Scope of the Feasibility Study Pursuant to 389-5, HRS

Board members discussed what the scope of the feasibility study would be. There was consensus by the board that an opt-out plan would be more beneficial than an opt-in plan, which is how the HRSP's current statute is written. Therefore, it would be critical to strategize for the upcoming legislative session to propose amendments to change the statute to an opt-out plan. Data and evidence from existing studies have shown that an opt-out is more effective and would significantly increase participation by Hawaii's workers. Additionally, given Hawaii's size, it would be beneficial for Hawaii to consider partnering with another state. But it would be challenging to partner with other states since the HRSP is opt-in. Therefore, a feasibility study to investigate this change from an opt-in to an opt-out would not be necessary.

Another option for the feasibility study would be to look at the impacts to households that have low income. If the state were to change to an opt-out plan, these individuals would be automatically enrolled and could affect them from a budgetary perspective. A feasibility study could be carried out to address this concern and see if there would be any cost-benefit for these particular households.

Another possibility for the study would be to look at, as some states have done, ramping up the mandatory contribution amount where participants would start off contributing at a low amount to get them accustomed to the program and then gradually increase their contribution.

VIII. Announcements

A. Next Meeting to be Determined

The next meeting was tentatively scheduled for August 1, 2023 at 2:45 p.m. However, a final posted agenda would confirm the actual date, time, and location for the next meeting.

IX. Adjournment

There being no further business, Mr. Kunstman adjourned the meeting at 4:10 p.m.

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HAWAII RETIREMENT SAVINGS PROGRAM

FISCAL EXPENSE REPORT
(As of Dec. 13, 2023)

Expense	Cost
<u>Executive Director Candidate A</u> Travel cost for in-person interviews with the interview panel and the two co-chairs	\$1,227.14
<u>Executive Director Candidate B</u> Travel cost for in-person interviews with the interview panel and the two co-chairs	\$1,878.27
TOTAL	\$3,105.41

(1) PERM EXECUTIVE DIRECTOR, SRNA (#94921L; 1.0; FY24: 100,000; FY25: 105,000)

(1) PERM PROGRAM SPECIALIST, SR24 (#94922L; 1.0; FY24: 76,788; FY25: 79,872)

(1) PERM SECRETARY, SR16 (#94923L; 1.0; FY24: 54,984; FY25: 57,192)

ACTUARIAL STUDY OF RETIREMENT SAVINGS PROGRAM (FY24: 1,000,000)

COMPUTER SOFTWARE/LICENSES (2,000)

TRAVEL (15,000)

**STATE OF HAWAII
POSITION DESCRIPTION**

I. IDENTIFYING INFORMATION

Class Title:	Program Specialist V
Position No.:	124985
Department:	Labor and Industrial Relations
Division:	Office of the Director
Geographic Location:	<i>Downtown Honolulu, Oahu Island</i>

II. INTRODUCTION

The Office of the Director advises the Governor on matters relating to the economic security, physical and economic well-being, productivity of workers, and the achievement of good labor-management relations; prepares and submits legislative proposals to the Governor in support of the administration's labor policies; directs the planning, coordination and implementation of programs in the areas of employment services, Workforce Innovation and Opportunity Act of 2014 (WIOA), apprenticeship, unemployment insurance, occupational safety and health, workers' compensation, temporary disability insurance, prepaid health care, wage and hour, payment of wages, child labor, fair employment practices, and employment security appeals; establishes an organizational structure that is appropriate and effective for the achievement of departmental aims, goals and objectives; assures the availability of departmental services to persons in each county through a structure of district, branch and local offices; promotes equal employment opportunity practices in departmental services to the public through training, technical assistance and periodic on-site evaluations; affirms equal employment opportunity within the Department through the development and implementation of an Affirmative Action Plan; compiles, analyzes and disseminates information on employment, unemployment, employee safety and health, and general labor market conditions; conducts a public information program to inform the general public on labor programs and significant activities of the agency; promotes and coordinates cross-divisional and cross-functional initiatives to increase the number of jobs and employment and training opportunities in the State, strengthen rural community economic development efforts, and enhance the receipt of federal grants and monies for workforce assistance and related programs; provides administrative and budgetary support to Department's programs of five divisions and seven attached agencies.

The primary purposes of this position are to (1) serve as a staff specialist conducting studies of operations; (2) recommending program improvements; (3) assisting the Retirement Savings Executive Director in implementing program improvements; (4) recommending new and revised policies, procedures, and rules; and (5) reviewing and analyzing legislation.

DO, 07/10/2023

Pursuant to Hawaii Revised Statutes Chapter 127A-8, all state and county officials, officers and employees are considered "emergency workers" and shall perform functions as determined by their respective state or county department director during emergencies or disasters.

III. MAJOR DUTIES AND RESPONSIBILITIES

A. Program Support

70%

1. Develops and interprets policies, procedures, and guidelines to facilitate the effective administration and implementation of the Hawaii Retirement Savings program [1][2].
2. Conducts studies and analyses to evaluate the feasibility and operations of the Hawaii Retirement Savings program [1][2].
3. Drafts and analyzes memoranda of understanding (MOUs) and requests for proposals (RFPs). Drafts, analyzes, and makes recommendations for work and data sharing agreements between the Hawaii Retirement Savings program and other governmental agencies and entities [1][2].
4. Reviews and analyzes applications and documents. Obtains information from employers and others to evaluate and resolve issues. Drafts reports of findings and methods to resolve issues [1][2].
5. Serves as a liaison and provides consultation to various committees, agencies, and community groups and organizations concerned with the Hawaii Retirement Savings program [1][2].
6. Provides technical assistance and assists in the development and justification of budget formulation [1][2].
7. Develops training and outreach materials and speaks before groups to promote a fuller understanding of the meaning and implications of the Hawaii Retirement Savings program [1][2].
8. Makes recommendations to the Hawaii Retirement Savings Executive Director on issues and provides updates as requested [1][2].

B. Reporting and Analysis

25%

1. Collects, reviews, and analyzes reports, data, charts, program evaluations, and other materials submitted for assigned grants [1][2].

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Position Description

Position No. 124985, Program Specialist V

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2. Researches advancements in the field of retirement savings, develops new methodologies, and interprets new concepts to enhance the Hawaii Retirement Savings program and services [1][2].
3. Maintains all records, reports, and correspondence. Coordinates with the Hawaii Retirement Savings Executive Director to respond to inquiries and complaints related to requests. [1][2].
4. Reviews and analyzes legislation and administrative rules related to retirement savings. Drafts memoranda with analysis and recommendations [1][2].

C. Miscellaneous

5%

1. Participates in discussions proposing changes to policies and procedures as related to the assigned grants [1][2].
2. Attends seminars, workshops, conferences or other training to keep abreast of new developments in industry standards. [1][2].
3. Performs other duties as assigned [1][2].

Essential Functions

Reasons:

- [1] The performance of this function is the reason that the job exists.
- [2] The number of other employees available to perform this function is limited.
- [3] The function is highly specialized and the employee is hired for special expertise or ability to perform this function.

Evidence Use in Determining Essentials Functions Considered:

The amount of time spent performing the function; the consequences of not requiring a person in this job to perform a function; the work experience of people who currently perform similar jobs; and the nature of the work operations based on organization structure.

IV. CONTROLS EXERCISED OVER THE WORK

A. Supervisor:

Position No.: 124589

Class Title: Retirement Savings Executive Director

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Pursuant to Hawaii Revised Statutes Chapter 127A-8, all state and county officials, officers and employees are considered "emergency workers" and shall perform functions as determined by their respective state or county department director during emergencies or disasters.

B. Nature of Supervisory Control Exercised Over the Work.

Incumbent receives general supervision from the supervisor and is expected to use judgment and discretion in making sound decision and/or recommendations; utilize specialized knowledge while working under broad guidelines in meeting the goals and objectives of the work unit. Incumbent is required to plan and perform the necessary work activities independently; and to inform the supervisor when unforeseen events or circumstances require changes in priorities or the need for assistance from others.

C. Nature of Available Guidelines Controlling the Work.

The Hawaii Retirement Savings law; administrative rules; federal retirement law; related federal and state guidance and technical guidance/memoranda and regulations; financial and investing laws, rules, and policies/procedures; procurement laws, administrative rules, and guidance; Chapter 91, HRS, and associated administrative rules, opinions, and guidance; and DLIR procedures/policies provide the basis on how the work activities are administered. The employee is expected to use these laws and guidelines to complete their assignments.

V. REQUIRED QUALIFICATIONS

A. Knowledge

In addition to those specified in the class specifications for the Program Specialist V class, knowledge of office practices and procedures; filing; punctuation; grammar; spelling; and work usage as well as Microsoft applications, Adobe Acrobat, and navigating the internet.

B. Skills/Abilities

In addition to those specified in the class specifications for the Program Specialist V class, skills/abilities to proficiently operate standard office machines and equipment as well as personal computers and web applications; understand and interpret complex written material, including laws, rules, regulations, and policies; understand and follow oral and written instructions; interpret rules and regulations to others; meet and deal with people; compare requirements and reports rapidly and accurately; organize and complete assigned tasks; analyze problems and derive a sound conclusion; learn, understand, and apply a variety of processes, procedures, practices, and guidelines relative to sub-professional and/or substantive clerical tasks within the Director's Office; work under general supervision and independently and as a part of a team;

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plan, organize, and monitors programs within the required timeframes; maintain professional demeanor and maintain regular attendance.

C. Education

Refer to the State of Hawaii's minimum qualification specifications for the Program Specialist V.

E. Experience

Refer to the State of Hawaii's minimum qualification specifications for the Program Specialist V.

F. Required licenses and certificates

None.

VI. DESIRABLE QUALIFICATIONS:

None.

VII. TOOLS, EQUIPMENT AND MACHINES

Computing devices, such as desktop, laptop and mobile, with peripherals, networking devices and software. Commonly-used office machines and equipment such as copier, fax machines, scanners, calculators, and paper shredders.

VIII. WORKING CONDITIONS-SEE SUPPLEMENT TO POSITION DESCRIPTION

May be required to work beyond normal business hours as needed.

DO, 07/10/2023

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