

MINUTES OF THE REGULAR MEETING OF THE
BOARD OF TRUSTEES OF THE EMPLOYEES' RETIREMENT SYSTEM
OF THE STATE OF HAWAII

FEBRUARY 10, 2020

CITY FINANCIAL TOWER
201 MERCHANT STREET, SUITE 1200
HONOLULU, HAWAII 96813

Trustees present: Mr. Emmit Kane, Chair
Mr. Jerome Rauckhorst, Vice Chair
Mr. Vincent Barfield
Dr. Catherine Chan
Mr. Craig Hirai
Dr. Genevieve Ley
Mr. Wesley Machida
Mr. Bennett Yap

Staff present: Mr. Thomas Williams, Executive Director
Ms. Kanoë Margol, Deputy Executive Director
Ms. Donna Curry, Program Specialist
Mr. Bart Asato, Program Specialist
Mr. Karl Kaneshiro, Retirement Benefits Manager
Mr. Keith Miyamoto, Information Services Manager
Ms. Elizabeth Burton, Chief Investment Officer
Mr. Aaron Au, Investment Officer – Illiquid Markets
Mr. Andrew Chen, Investment Specialist
Mr. Anthony Goo, Investment Officer – Liquid Markets
Mr. Howard Hodel, Investment Officer – Risk Management
Mr. David Okamoto, Investment Officer – Credit Markets
Ms. Gerri Konishi, Member Home Loan Assistant
Ms. Diana Gomes, Secretary
Ms. Dale Kehau Kanae, Recording Secretary
Ms. Lori Kim, Secretary

Attorneys present: Ms. Patricia Ohara, Deputy Attorney General
Mr. Ivan Torigoe, Deputy Attorney General
Ms. Elmira Tsang, Deputy Attorney General
Mr. Clayton Zane, Deputy Attorney General

Guests present: Ms. Natalie Fitch, Hamilton Lane
Mr. Paul Yett, Hamilton Lane
Mr. Peter Hanashiro, KMH LLP
Mr. Tyson Suehiro, KMH LLP
Mr. Lane Suzuki, KMH LLP
Mr. Colin Bebee, Meketa Investment Group, Inc.
Mr. Chae Hong, Townsend Group, an Aon Company

QUORUM/CALL TO ORDER

A quorum being present (Chair Kane, Vice Chair Rauckhorst, Trustees Barfield, Chan, Hirai, Ley, Machida, and Yap), Chair Kane called the regular meeting of the Board of Trustees (Board) of the Employees' Retirement System of the State of Hawaii (ERS) to order at 9:00 a.m.

CORRECTION AND
AMENDMENT TO THE
MEETING AGENDA

Chair Kane announced a correction and amendment to the agenda, first the correction to Presentation Item No. 4 should read as follows:

“4. Goldman Sachs – Minority ~~Monitoring~~ Interests in General Partnerships Educational Session.”

On a motion made by Trustee Barfield, seconded by Trustee Chan, and unanimously carried, the Board agreed to the change in wording as described above.

Chair Kane then announced the amendment to the agenda as an additional item under New Business, Item No. 6, to read as follows:

“6. Status Report Regarding Secondary Administrative Appeals Brought Pursuant to Hawaii Revised Statutes, Chapter 91.

Pursuant to HRS § 92-5(a)(4), the Board of Trustees may enter into Executive Session to consult with the Board’s attorneys on questions and issues pertaining to the Board’s powers, duties, privileges, immunities, and liabilities with respect to this matter.”

On a motion made by Trustee Barfield, seconded by Vice Chair Rauckhorst, and unanimously carried, the Board agreed to the additional New Business Item as described above.

PUBLIC COMMENT

Chair Kane called for public comment. There were no public present, therefore no public comment.

RECESS

Chair Kane called for a recess at 9:02 a.m. and announced that the meeting would reconvene following the conclusion of the Chapter 91 Proceedings and the Investment Committee Meeting.

(All in attendance left the meeting except for the Board; Deputy Attorneys General, Ivan Torigoe, Elmira Tsang, and Clayton Zane; Executive Director Thomas Williams; Deputy Executive Director Kanoe Margol).

RECONVENE

A quorum being present (Chair Kane, Vice Chair Rauckhorst, Trustees Barfield, Chan, Ley, Machida, and Yap; Chair Hirai was not present), Chair Kane reconvened the meeting at 9:54 a.m.

TOWNSEND GROUP, AN
AON COMPANY – THIRD
QUARTER 2019 REAL
ESTATE PERFORMANCE
REVIEW

Investment Officer – Illiquid Markets (IO-IM), Aaron Au, and Townsend Group, an Aon Company (Aon), Chae Hong, presented an oral and written report to the Board on the 3rd Quarter 2019 Real Estate Performance Review and discussed:

EXECUTIVE SUMMARY

Real Estate Market Performance and Overview

- The NFI-ODCE trailing one-year return now stands at 4.6% net. While 5-year real estate returns are generally in line with the sector’s long-run average of 7.9% gross, continued moderation is expected, and returns have begun to dip below long-term averages.
- Real Estate fundamentals remain healthy, but valuations across real estate and other asset classes are rich. Return expectations have normalized, with go forward expectations in line with historical norms. Rising interest rates have led to asset value correction fears across various asset classes; within real estate, investors can mitigate these risks by shifting preference to investments that can participate and benefit from economic growth, with downside protection offered by current

TOWNSEND GROUP, AN
AON COMPANY – THIRD
QUARTER 2019 REAL
ESTATE PERFORMANCE
REVIEW (CONT'D)

income. Townsend prefers investments that offer relatively strong rental income growth, or value-add potential with near-term income generation potential.

HIERS' Summary of Portfolio Returns (Time-Weighted)

Overall the portfolio is performing well, outperforming the NFI-ODCE Index on a net of fee basis over the year-to-date, one-, three-, and five-year time periods. The total portfolio has generated an 8.1% net IRR and 1.43x net equity multiple since inception.

HIERS' Real Estate Portfolio Highlights

During Q3 2019 and subsequent to quarter end, three new commitments were made:

- A Pan-European Value Add/Opportunistic Real Estate Fund (\$50 million)
- A U.S. Diversified Value-add Fund (\$40 million)

Significant Events

- During the quarter, the Board of Trustees approved that HIERS fully redeem from a Value-Added manager.
- Subsequent to quarter end, a Value-Added manager entered into an agreement to sell to a private, and independent, diversified investment management firm. Townsend has reviewed the transaction and is comfortable with the acquisition.
- Subsequent to quarter end, an Opportunistic manager and a global investment banking, securities, and investment management firm entered into an agreement to acquire a minority stake in the Opportunistic manager's real estate platform. No investor action is required, but we will continue to monitor and report if any issues arise.

MARKET OVERVIEW

REAL ESTATE AND TIMBER PORTFOLIOS

LOWE AND REAL ESTATE SEPARATE ACCOUNTS

HAMILTON LANE
ADVISORS, LLC –
PRIVATE EQUITY
PROGRAM UPDATE – FOR
PERIOD ENDING
SEPTEMBER 30, 2019

Investment Officer – Illiquid Markets (IO-IM), Aaron Au, and Hamilton Lane Advisors, LLC, (HL), Natalie Fitch and Paul Yett, presented an oral and written report to the Board on the Private Equity Program Update – For Period Ending September 30, 2019.

Ms. Fitch and Mr. Yett discussed the Portfolio Review, Strategic Plan Update, and Private Equity Market Brief:

PORTFOLIO REVIEW

PE Portfolio Highlights – September 30, 2019

- Performance
 - Strong since inception performance continues.
 - Strong one-year net IRR of 15.21%, with each quarter achieving positive results.

Portfolio Snapshot

- Q3 2019: Continued value creation, market value, growth, and meaningful liquidity.
- Measured growth towards 13.5% target allocation.

Portfolio Summary

- Q3 2019 represents the 29th consecutive quarter of positive results.

HAMILTON LANE
ADVISORS, LLC –
PRIVATE EQUITY
PROGRAM UPDATE – FOR
PERIOD ENDING
SEPTEMBER 30, 2019
(CONT'D)

- Strong LTM value creation and growth across the Portfolio.

Performance Against Benchmark

- Portfolio outperforming benchmark, MSCI ACWI IMI +200 bps, across all periods.
- Portfolio generated double digit performance across 1-year, 3-year, 5-year, 10-year and since inception periods.

Foundation Manager Performance

Portfolio Quartile Rankings

2019 Commitment Summary

- Investments are consistent with the themes and recommendations highlighted in Hamilton Lane's Strategic Plan.
- Average 2019 commitment size, is consistent with prior year.
- Well diversified by strategy, size, geography, and sector focus.

Year-End Review

- Performance: HL outperforming total Portfolio since inception as of September 30, 2019.
- Legal Wins: HL negotiated improved terms and economics for two funds on behalf of ERS in 2019.
- Demonstrated ability to secure large allocations: 2019 average bite size larger vs average commitment for Abbott portfolio.
- Completed several special projects.

STRATEGIC PLAN UPDATE

2019 Private Equity Strategic Plan (Recap)

2020 Tactical Plan

Key Initiatives were highlighted in November:

- Commitment Pacing – 2020 commitment pacing of \$550M-\$650M approved by the Board at July 2019 Summit.
- General Partner Relationships – Concentrate commitments with Foundation Managers.
- Commitment Sizing – Maintain larger average commitment size for Foundation Managers; Consider larger commitments (>\$50M) to top performing Foundation Managers.
- Strategic Diversification – Primary commitment focus on Buyout investments; Basket approach to SMID investments; and Opportunistically invest in high-conviction Venture Capital managers.
- Geographic Diversification – Maintain current geographic exposure, with primary commitments to North America; Opportunistically assess additional Western Europe and Asia relationships.

MARKET BRIEF

(Handout provided to Board)

MEKETA INVESTMENT
GROUP, INC. –
QUARTERLY
PERFORMANCE REPORT

Meketa Investment Group, Inc. (Meketa), Colin Bebee presented an oral and written report to the Board on the Quarterly Performance for the 4th Quarter of 2019:

PORTFOLIO REVIEW

Performance vs. Policy Benchmark and Median Public Fund

- The ERS Total Portfolio outperformed the Policy Benchmark across all time periods measured. The strong longer-term outperformance is

primarily attributable to the Crisis Risk Offset, Traditional Growth, and Private Growth components.

- The ERS Total Portfolio matched the Median Public Fund over the trailing 5-year period but trailed over all other reported periods. This underperformance is attributable to the ERS's more risk-focused and globally-oriented portfolio construction. As desired by the ERS Board, the Total Portfolio is constructed to generate as smooth of a return pattern as possible, and this approach will result in lagging peers during strong bull markets (such as the period ending 12/31/19).
- The ERS adopted new evolving policy targets that took effect January 1, 2019. As of the latest quarter end, the Total Portfolio ended the latest quarter overweight the Broad Growth class, while underweight Principal Protection and Real Return. All other strategic classes were near the policy target. As part of the new strategic allocation that was approved during the 2019 Asset-Liability Study, the ERS approved new evolving policy targets that will begin to be implemented near 7/1/20.

Performance Attribution vs. Policy Benchmark – Gross of Fees

- The Total Portfolio bested the Policy Benchmark by 0.2% over the most recent quarter and outperformed the Policy Benchmark by 2.9% over the trailing 1-year period.
- Selection within the Broad Growth class, as well as modest weighting differences throughout the Portfolio, were the primary contributors over the most recent quarter. Selection within Crisis Risk Offset was the largest detractor over the most recent quarter. Over the trailing 1-year period, selection within Broad Growth and Crisis Risk Offset, along with an underweight to Real Return, drove the material outperformance relative to the Policy Benchmark.

Strategic Class Performance as of December 31, 2019

- The Broad Growth class outperformed its policy benchmark over all time periods measured; driven by the relative outperformance of Traditional Growth and Private Growth. The Traditional Growth segment outperformed across all periods except for the trailing 1-year period. The Stabilized Growth segment outperformed over the most recent quarter and trailing 1-year period and matched its benchmark across all other time periods. The Private Growth segment exceeded its benchmark by a considerable margin over all time periods measured.
- The Principal Protection class outperformed over all time periods measured. The class's two longer-standing managers have performed in-line with expectations across all time periods. The class's newest global manager marginally trailed over the most recent quarter.
- The Crisis Risk Offset class underperformed the policy benchmark over the most recent quarter but materially outperformed over the trailing 1-year period. The class's largest segment, Alternative Return Capture, trailed its benchmark over the most recent quarter but outperformed over the trailing 1-year period. The Systematic Trend Following (STF) segment also trailed over the most recent quarter but materially outperformed over the trailing 1-year period. The Treasury Duration Capture segment performed in-line with expectations across both periods.
- The Real Return class lagged its CPI + 3% benchmark over the most recent quarter and trailing one-year period but outperformed over the trailing 1-year period and matched the benchmark over the trailing 5-year period.

(Trustee Hirai re-entered the meeting at 10:38 a.m.).

**GOLDMAN SACHS –
MONITORING MINORITY
INTERESTS IN GENERAL
PARTNERSHIPS
EDUCATIONAL SESSION**

Investment Officer – Illiquid Markets (IO-IM) Aaron Au, and joining the meeting by telephone, Goldman Sachs Ms. Lisa Spears and Messrs. Robert Hamilton Kelly and Joseph Konzelmann presented an oral and written report to the Board on the Goldman Sachs – Minority Interests in General Partnerships Educational Session.

Ms. Spears and Messrs. Kelly and Konzelmann discussed parts of the written report and reviewed Goldman Sachs, Petershill IV LLC: Attractiveness of GP Investing, Current Market Opportunities, Their Differentiated Approach, and Track Record and Fund Terms.

After their presentation, Ms. Spears, Messrs. Kelly and Konzelmann left the meeting by ending their telephone call. TG Aon, Mr. Chae Hong also left the meeting.

Chair Kane announced that agenda items would be taken out of order and the next items for discussion would be New Business followed by Reports by Staff. New Business agenda item No. 2 was discussed first.

**REPORTS BY
COMMITTEES:
ADMINISTRATIVE &
AUDIT, COMPENSATION
REVIEW, GOVERNANCE
POLICY, LEGISLATIVE,
KAANAPALI AD-HOC**

Chair Kane discussed with the Board a transition of future Board meeting agendas and structured the New Business agenda items as it relates to the Committees starting with a report by the Administrative & Audit Committee and New Business agenda items Nos. 1 and 5; followed by a report by the Legislative Committee and New Business agenda items Nos. 3 and 4.

On behalf of the Administrative & Audit Committee, Trustee Ley reported that at their meeting of February 7, 2020, she was elected as Chair and Trustee Yap was elected as Vice Chair of the Committee.

On a motion made by Vice Chair Rauckhorst, seconded by Trustee Barfield, and unanimously carried, the Board approved and acknowledged Trustee Ley as Chair and Trustee Yap as Vice Chair of the Administrative & Audit Committee.

Committee Chair Ley further reported and summarized the following activities accomplished by the Committee in 2019: the Investment Consultant Selection and Evaluation Process was approved by the Board; Internal Auditors KMH LLP (KMH) completed the Communications and Community Relations Review and the 2020 Internal Audit Plan, both to be presented, and recommended by the Committee, for Board approval; Progress Assessment and Security Review was deferred to 2020; 2020 schedule will involve Information Technology Branch. The Committee Charter will be reviewed in its next meeting.

**KMH LLP'S INTERNAL
AUDIT UPDATE REPORT**

KMH LLP's, (KMH) Peter Hanashiro, Tyson Suehiro, and Lane Suzuki entered the meeting and presented an oral and written ERS Internal Audit Update Report to the Board, accepted and recommended by the ERS Administrative & Audit Committee on February 7, 2020.

Mr. Hanashiro discussed with the Board, the Executive Summary, Internal Audit Plan Update Process, 2020 Internal Audit Plan Summary, Proposed Internal Audit Plan – January 1, 2020, through December 31, 2020, 2019 Internal Audit Plan Results Summary, Summary Results of Report Completed, Management Action Dashboard, Management Action Plans –

KMH LLP'S INTERNAL
AUDIT UPDATE REPORT
(CONT'D)

Completion Status, Cumulative Observation Analysis, and Issued Report Finding Status dated February 7, 2020.

Administrative & Audit Committee Chair Lay recommended on behalf of the Committee, the Board approve the Communications and Community Relations Review Final Draft Report.

On a motion made by Trustee Yap, seconded by Trustee Barfield, and unanimously carried, the Board approved the Communications and Community Relations Review Final Draft Report as presented.

Administrative & Audit Committee Chair Ley then recommended on behalf of the Committee, the Board approve the proposed changes and updates to the 2020 Internal Audit Plan.

On a motion made by Trustee Barfield, seconded by Trustee Yap, and unanimously carried, the Board approved the proposed changes and updates to the 2020 Internal Audit Plan as presented.

After their presentation, Messrs. Hanashiro, Suehiro, and Suzuki left the meeting.

EMPLOYEES'
RETIREMENT SYSTEM
STRATEGIC PLAN 2020 -
2024

Executive Director (ED) Thomas Williams presented an oral and written ERS Strategic Plan 2020-2024 to the Board. ED Williams reviewed the Plan and discussed: Introduction, Organizational Chart, Mission, Vision, Values, Goals & Objectives, Goal 1 – Maintain Plan Sustainability, Goal 2 – Achieve Investment Goals, Goal 3 – Strengthen Risk Management Capabilities, Goal 4 – Provide Outstanding Customer Service, and 2020-2024 Strategic Plan Prioritization Map.

The Board requested that all areas in the organization be highlighted in the Plan, as all sections are equally important, and that future Plans be reviewed and monitored by the Governance Policy Committee.

On a motion by Trustee Barfield, seconded by Vice Chair Rauckhorst, and unanimously carried, the Board accepted the framework of the ERS Strategic Plan 2020-2024 as presented, however, making necessary changes as needed.

REPORTS BY
COMMITTEES:
ADMINISTRATIVE &
AUDIT, COMPENSATION
REVIEW, GOVERNANCE
POLICY, LEGISLATIVE,
KAANAPALI AD-HOC
(CONT'D)

On behalf of the Legislative Committee, Trustee Chan reported that at their meeting of February 6, 2020, she was elected as Chair and Trustee Machida was elected as Vice Chair of the Committee.

Chair Kane discussed with the Board that at Trustee Machida's request to be excluded as Vice Chair of this Committee, he will reassess all Committee assignments assuring each Trustee serves on a similar amount of Committees and that two appointed and two elected Trustees be assigned to each Committee. A revised list will be presented at the next meeting.

On a motion made by Trustee Ley, seconded by Trustee Machida, and unanimously carried, the Board approved and acknowledged Trustee Chan as Chair of the Legislative Committee.

Chair Chan referred to the list of ERS-initiated and -related proposals for the 2020 Legislative Session.

LEGISLATIVE PROPOSALS
RELATING TO THE

Program Specialist (PS) Donna Curry, presented on behalf of the Legislative Committee an oral and written report to the Board on legislative proposals

EMPLOYEES'
RETIREMENT SYSTEM
FOR THE 2020
LEGISLATIVE SESSSION

relating to the Employees' Retirement System for the 2020 Legislative Session.

PS Curry discussed the lists of ERS-initiated and ERS-related proposals with recommendations by the Legislative Committee to the Board for approval. See attached lists (Attachment A).

On a motion made by Vice Chair Rauckhorst, seconded by Trustee Ley, and unanimously carried, the Board approved the legislative bill recommendations related to the 2020 Legislative Session as presented.

HAWAII ADMINISTRATIVE
RULES, EMPLOYEES'
RETIREMENT SYSTEM,
NEW CHAPTER 6-40,
"HAWAII DOMESTIC
RELATIONS ORDERS,"
FINAL BOARD OF
TRUSTEES' APPROVAL
FOR ADOPTION OF RULES
AND FEE SCHEDULE

Program Specialist (PS), Bart Asato, presented on behalf of the Legislative Committee an oral and written report to the Board on the Hawaii Administrative Rules, ERS, New Chapter 6-40, "Hawaii Domestic Relations Orders," Final Board of Trustees' Approval for Adoption of Rules and Fee Schedule.

PS Asato discussed the timetable of events regarding the rules process and requested the Board approve the adoption of the new chapter of the proposed Hawaii Administrative Rules, Chapter 6-40 Hawaii Domestic Relations Orders and the submittal to the Governor for his approval as the final rules.

Mr. Asato also discussed Chapter 88-93.5(s) which allows the Board to establish and revise a filing fee for processing and review of domestic relations orders and proposed domestic relations. A proposed fee of \$300.00 is being requested for each review of a domestic relations order or proposed domestic relations order. This cost is based on research of other states with proposed fees related to domestic relations orders and estimated time that will be spent by ERS staff for the review and qualifying process.

On a motion made by Trustee Machida, seconded by Trustee Yap, and unanimously carried, the Board approved the adoption of the rules as presented.

On a motion made by Trustee Machida, seconded by Trustee Ley, and unanimously carried, the Board approved the proposed fee of \$300.00, subject to change if there is an increase in administrative costs.

STATUS REPORT
REGARDING SECONDARY
ADMINISTRATIVE
APPEALS BROUGHT
PURSUANT TO HAWAII
REVISED STATUTES,
CHAPTER 91

Deputy Attorney General (DAG) Elmira Tsang presented an oral report to the Board regarding secondary administrative appeals pursuant to Hawaii Revised Statutes, Chapter 91.

ENTER EXECUTIVE
SESSION

On a motion made by Vice Chair Rauckhorst, seconded by Trustee Machida, and unanimously carried, the Board entered into Executive Session at 12:11 p.m.

(All in attendance left the meeting except for the Board; Deputy Attorneys General, Ivan Torigoe Elmira Tsang, and Clayton Zane; Executive Director Thomas Williams; Deputy Executive Director Kanoë Margol).

STATUS REPORT
REGARDING SECONDARY
ADMINISTRATIVE

APPEALS BROUGHT
PURSUANT TO HAWAII
REVISED STATUTES,
CHAPTER 91 (CONT'D)

EXIT EXECUTIVE SESSION

On a motion made by Trustee Machida, seconded by Trustee Chan, and unanimously carried, the Board exited Executive Session at 12:32 p.m.

RECESS

Chair Kane called for a lunch recess at 12:33 p.m.

RECONVENE

A quorum being present (Chair Kane, Vice Chair Rauckhorst, Trustees Barfield, Chan, Hirai, Ley, Machida, and Yap), Chair Kane reconvened the meeting at 12:51 p.m.

Chair Kane announced that the next agenda items would be the Executive Director's Report and the Deputy Executive Director's Operations Report.

EXECUTIVE DIRECTOR'S
REPORT

Executive Director (ED) Williams gave an oral presentation of his report as follows:

- Discussed ERS process of providing testimony and attendance at Legislative hearings. ERS provided testimony on SB 62, Relating to Technology, regarding Livestreaming of Board/Committee meetings; and HB 2405, Relating to Socially Responsible Investing, regarding divestiture from fossil fuels, which ERS submitted testimony opposing both bills. A handout was provided by the Investment Office on data of ERS exposure to fossil fuels within our portfolio from 2014 to 2019.
- Received several calls from Directors of Honolulu and Neighbor Island Counties, asking for a five-year delay in penalties imposed under Act 87, requiring electronic reporting of employer contributions. The ED would support a three-year delay. Trustee Machida shared that he initiated that bill and that Counties and Employer's had seven years to prepare urging staff to keep to the deadline, as Counties and Employers need to be held responsible.
- Actuarial presentations held with Legislative House and Senate, Employers, Unions, and staff.
- Met with Attorney General Claire Conner who is actively searching for an additional Deputy Attorney General by advertisement in the newspaper.
- Received information, also received by Chief Ballard, from the President of the Badge of Honor Society that provides benefits to fallen officers nationwide. A letter of condolence was sent to Chief Ballard on behalf of the ERS and Trustees for Officers Tiffany Enriques and Kaulike Kalama, the two police officers killed in the line of duty.
- Announced staff assignments to the Board Committees. Investment Committee: Elizabeth Burton or her designee; Administrative & Audit Committee: Kanoë Margol; Legislative Committee: Donna Curry; Compensation Review and Governance Policy Committees: Thom Williams.
- Discussed V3 project to review and correct addresses on members files.
- Received information from Trustee Machida to be shared with Budget & Finance on Advance Pension Funding. CIO Burton provided return information if moneys were invested for the advanced employer contribution fund being established to be extended to all employers. Trustee Machida further discussed and will make a presentation to the Board at some near future meeting.

OPERATIONS REPORT

Deputy Executive Director (DED) Kanoe Margol presented the written operations report and highlighted the ERS staffing vacancies and personnel related matters. DED Margol gave updates on projects of Administration and the Accounting, Information Services, and Retirement Benefits and Staff Support Branches.

ENTER EXECUTIVE SESSION

On a motion made by Vice Chair Rauckhorst, seconded by Trustee Yap, and unanimously carried, the Board entered into Executive Session at 1:20 p.m.

(All public present exited the meeting).

EXECUTIVE SESSION

- Pursuant to HRS § 88-27.5(a)(1) and HRS § 92-5(a)(4), to conduct discussions and deliberations relating to, and if appropriate, to make a decision on investments or prospective investments by the system that require the consideration of information or records that are exempt from disclosure under HRS Chapter 92F, including information and records that are proprietary information or confidential business information, and to consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities with respect to a private equity investment advised by Hamilton Lane; appropriate action.
- Pursuant to HRS § 88-27.5(a)(1), and HRS § 92-5(a)(4), to conduct discussions and deliberations relating to, and if appropriate, to make a decision on investments or prospective investments by the system that require the consideration of information or records that are exempt from disclosure under HRS Chapter 92F, including information and records that are proprietary information or confidential business information, and to consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities with respect to a Private Investment; appropriate action.
- Pursuant to HRS § 88-27.5(a)(1), and HRS § 92-5(a)(4), to conduct discussions and deliberations relating to, and if appropriate, to make a decision on investments or prospective investments by the system that require the consideration of information or records that are exempt from disclosure under HRS Chapter 92F, including information and records that are proprietary information or confidential business information, and to consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities with respect to the Employees' Retirement System's Crisis Risk Offset Platform Manager.
- Pursuant to HRS § 88-27.5(a)(1), and HRS § 92-5(a)(4), to conduct discussions and deliberations relating to, and if appropriate, to make a decision on investments or prospective investments by the system that require the consideration of information or records that are exempt from disclosure under HRS Chapter 92F, including information and records that are proprietary information or confidential business information, and to consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities with respect to the Employees' Retirement System's Equity-Oriented Options-Based Mandate.
- Pursuant to HRS §§88-27.5(a)(2) and 92-5(a)(4) to conduct discussion and deliberations or to make decisions relating to procurements that are exempt from chapter 103D to the same extent that the discussion, deliberation and decision would be required to be conducted or made confidentially if the procurement were subject to chapter 103D; and consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities relating to terms and conditions of

EXECUTIVE SESSION
(CONT'D)

purchase of investment information research services, and, if appropriate, to make related decisions.

- Pursuant to HRS § 92-5(a)(4), to consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, privileges, immunities and liabilities, and status with respect to Attorneys General Roles and Responsibilities, appropriate action.

EXECUTIVE SESSION,
PURSUANT TO HRS § 88-
27.5(a)(1) AND HRS § 92-
5(a)(4), TO CONDUCT
DISCUSSIONS AND
DELIBERATIONS RELATING
TO, AND IF APPROPRIATE,
TO MAKE A DECISION ON
INVESTMENTS OR
PROSPECTIVE INVESTMENTS
BY THE SYSTEM THAT
REQUIRE THE
CONSIDERATION OF
INFORMATION OR RECORDS
THAT ARE EXEMPT FROM
DISCLOSURE UNDER HRS
CHAPTER 92F, INCLUDING
INFORMATION AND
RECORDS THAT ARE
PROPRIETARY
INFORMATION OR
CONFIDENTIAL BUSINESS
INFORMATION, AND TO
CONSULT WITH THE
BOARD'S ATTORNEYS ON
QUESTIONS AND ISSUES
PERTAINING TO THE
BOARD'S POWERS, DUTIES,
PRIVILEGES, IMMUNITIES,
AND LIABILITIES WITH
RESPECT TO A PRIVATE
EQUITY INVESTMENT
ADVISED BY HAMILTON
LANE; APPROPRIATE
ACTION

(Chair Kane left the meeting at 1:32 p.m. and Vice Chair Rauckhorst presided over the remainder of the meeting).

EXECUTIVE SESSION,
PURSUANT TO HRS § 88-
27.5(a)(1), AND HRS § 92-
5(a)(4), TO CONDUCT
DISCUSSIONS AND
DELIBERATIONS RELATING
TO, AND IF APPROPRIATE,
TO MAKE A DECISION ON
INVESTMENTS OR
PROSPECTIVE INVESTMENTS
BY THE SYSTEM THAT
REQUIRE THE
CONSIDERATION OF
INFORMATION OR RECORDS

THAT ARE EXEMPT FROM DISCLOSURE UNDER HRS CHAPTER 92F, INCLUDING INFORMATION AND RECORDS THAT ARE PROPRIETARY INFORMATION OR CONFIDENTIAL BUSINESS INFORMATION, AND TO CONSULT WITH THE BOARD'S ATTORNEYS ON QUESTIONS AND ISSUES PERTAINING TO THE BOARD'S POWERS, DUTIES, PRIVILEGES, IMMUNITIES, AND LIABILITIES WITH RESPECT TO A PRIVATE INVESTMENT; APPROPRIATE ACTION

EXECUTIVE SESSION, PURSUANT TO HRS § 88-27.5(a)(1), AND HRS § 92-5(a)(4), TO CONDUCT DISCUSSIONS AND DELIBERATIONS RELATING TO, AND IF APPROPRIATE, TO MAKE A DECISION ON INVESTMENTS OR PROSPECTIVE INVESTMENTS BY THE SYSTEM THAT REQUIRE THE CONSIDERATION OF INFORMATION OR RECORDS THAT ARE EXEMPT FROM DISCLOSURE UNDER HRS CHAPTER 92F, INCLUDING INFORMATION AND RECORDS THAT ARE PROPRIETARY INFORMATION OR CONFIDENTIAL BUSINESS INFORMATION, AND TO CONSULT WITH THE BOARD'S ATTORNEYS ON QUESTIONS AND ISSUES PERTAINING TO THE BOARD'S POWERS, DUTIES, PRIVILEGES, IMMUNITIES, AND LIABILITIES WITH RESPECT TO THE EMPLOYEES' RETIREMENT SYSTEM'S CRISIS RISK OFFSET PLATFORM MANAGER

EXECUTIVE SESSION, PURSUANT TO HRS § 88-27.5(a)(1), AND HRS § 92-5(a)(4), TO CONDUCT

DISCUSSIONS AND DELIBERATIONS RELATING TO, AND IF APPROPRIATE, TO MAKE A DECISION ON INVESTMENTS OR PROSPECTIVE INVESTMENTS BY THE SYSTEM THAT REQUIRE THE CONSIDERATION OF INFORMATION OR RECORDS THAT ARE EXEMPT FROM DISCLOSURE UNDER HRS CHAPTER 92F, INCLUDING INFORMATION AND RECORDS THAT ARE PROPRIETARY INFORMATION OR CONFIDENTIAL BUSINESS INFORMATION, AND TO CONSULT WITH THE BOARD'S ATTORNEYS ON QUESTIONS AND ISSUES PERTAINING TO THE BOARD'S POWERS, DUTIES, PRIVILEGES, IMMUNITIES, AND LIABILITIES WITH RESPECT TO THE EMPLOYEES' RETIREMENT SYSTEM'S EQUITY-ORIENTED OPTIONS-BASED MANDATE

EXECUTIVE SESSION, PURSUANT TO HRS §§88-27.5(a)(2) AND 92-5(a)(4) TO CONDUCT DISCUSSION AND DELIBERATIONS OR TO MAKE DECISIONS RELATING TO PROCUREMENTS THAT ARE EXEMPT FROM CHAPTER 103D TO THE SAME EXTENT THAT THE DISCUSSION, DELIBERATION AND DECISION WOULD BE REQUIRED TO BE CONDUCTED OR MADE CONFIDENTIALLY IF THE PROCUREMENT WERE SUBJECT TO CHAPTER 103D; AND CONSULT WITH THE BOARD'S ATTORNEYS ON QUESTIONS AND ISSUES PERTAINING TO THE BOARD'S POWERS, DUTIES, PRIVILEGES, IMMUNITIES, AND LIABILITIES RELATING TO TERMS AND CONDITIONS OF PURCHASE OF INVESTMENT INFORMATION RESEARCH SERVICES, AND,

IF APPROPRIATE, TO MAKE
RELATED DECISIONS

(All in attendance left the meeting except for the Board; Deputy Attorneys General, Ivan Torigoe Elmira Tsang, and Clayton Zane; Executive Director Thomas Williams; Deputy Executive Director Kanoe Margol, and Chief Investment Officer, Elizabeth Burton. Deputy Attorney General Patricia Ohara entered the meeting).

EXECUTIVE SESSION,
PURSUANT TO HRS § 92-
5(a)(4), TO CONSULT WITH
THE BOARD'S ATTORNEYS
ON QUESTIONS AND ISSUES
PERTAINING TO THE
BOARD'S POWERS, DUTIES,
PRIVILEGES, IMMUNITIES
AND LIABILITIES, AND
STATUS WITH RESPECT TO
ATTORNEYS GENERAL
ROLES AND
RESPONSIBILITIES,
APPROPRIATE ACTION

APPROVAL OF
EXECUTIVE SESSION
MINUTES
– NOVEMBER 12, 2019
– DECEMBER 9, 2019

EXIT EXECUTIVE SESSION

On a motion made by Trustee Machida, seconded by Trustee Ley, and unanimously carried, the Board exited Executive Session at 2:20 p.m.

APPROVAL OF MINUTES
– NOVEMBER 12, 2019
– DECEMBER 9, 2019

On a motion made by Trustee Machida, seconded by Trustee Ley, and unanimously carried, with the exception of Trustee Hirai and Yap abstaining, the Board approved the Minutes for November 12, 2019, as presented. Minutes for December 9, 2019, were not available and were deferred to the next meeting.

ADJOURNMENT

On a motion made by Trustee Machida, seconded by Trustee Ley, and unanimously carried, Vice Chair Rauckhorst adjourned the meeting at 2:21 p.m.

REDACTED SIGNATURE

Thomas Williams
Executive Director

TW:dkik

ERS Initiated Bills as of 02-07-2020							
Bill No	Title	Summary	Status	Introduced	Referred	Comp	Recommendation
1 HB2311	RELATING TO COMPENSATION FOR THE PURPOSES OF THE EMPLOYEES' RETIREMENT SYSTEM.	Amends the definition of compensation for retirement benefits.	H 2/6/2020: The committees on LAB recommend that the measure be PASSED, WITH AMENDMENTS. The votes were as follows: 6 Ayes: Representative(s) Johanson, Eli, Ichiyama, Kitagawa, McKelvey, Quinlan; Ayes with reservations: none; Noes: none; and 2 Excused: Representative(s) Yamashita, Matsumoto.	SAIKI (Introduced by request of another party)	LAB, FIN	SB2867	Support
2 HB2312	RELATING TO QUALIFIED DOMESTIC RELATIONS ORDERS.	Amendments to clarify benefits to alternate payees, advisory review determinations of Hawaii Domestic Relations Orders and the priority of multiple orders.	H 2/6/2020: The committees on LAB recommend that the measure be PASSED, WITH AMENDMENTS. The votes were as follows: 6 Ayes: Representative(s) Johanson, Eli, Ichiyama, Kitagawa, McKelvey, Quinlan; Ayes with reservations: none; Noes: none; and 2 Excused: Representative(s) Yamashita, Matsumoto.	SAIKI (Introduced by request of another party)	LAB, FIN	SB2868	Support
3 HB2313	RELATING TO EMPLOYEES' RETIREMENT SYSTEM INVESTMENTS.	Exempts certain specific types of alternative investment fund information from disclosure under chapter 92F, the disclosure of which would put the system at a competitive disadvantage and frustrate its legitimate government function.	H 2/6/2020: The committee(s) on LAB recommend(s) that the measure be deferred.	SAIKI (Introduced by request of another party)	LAB, FIN	SB2869	Support

ERS Initiated Bills as of 02-07-2020							
Bill No	Title	Summary	Status	Introduced	Referred	Comp	Recommendation
4 HB2314	RELATING TO EMPLOYEES' RETIREMENT SYSTEM DISABILITY RETIREMENT.	Clarifies the Employees' Retirement System's eligibility requirement definitions for service-connected disability and accidental death benefits.	H 2/6/2020: The committees on LAB recommend that the measure be PASSED, WITH AMENDMENTS. The votes were as follows: 6 Ayes: Representative(s) Johanson, Eli, Ichiyama, Kitagawa, McKelvey, Quinlan; Ayes with reservations: none; Noes: none; and 2 Excused: Representative(s) Yamashita, Matsumoto.	SAIKI (Introduced by request of another party)	LAB, FIN	SB2870	Support
5 SB2867	RELATING TO COMPENSATION FOR THE PURPOSES OF THE EMPLOYEES' RETIREMENT SYSTEM.	Amends the definition of compensation for retirement benefits.	S 2/4/2020: The committee(s) on LCA recommend(s) that the measure be PASSED, WITH AMENDMENTS. The votes in LCA were as follows: 5 Aye(s): Senator(s) Taniguchi, Ihara, S. Chang, Gabbard, Fevella; Aye(s) with reservations: none ; 0 No(es): none; and 0 Excused: none.	KOUCHI (Introduced by request of another party)	LCA, WAM	HB2311	Support
6 SB2868	RELATING TO QUALIFIED DOMESTIC RELATIONS ORDERS.	Amendments to clarify benefits to alternate payees, advisory review determinations of Hawaii Domestic Relations Orders and the priority of multiple orders.	S 2/4/2020: The committee(s) on LCA recommend(s) that the measure be PASSED, WITH AMENDMENTS. The votes in LCA were as follows: 5 Aye(s): Senator(s) Taniguchi, Ihara, S. Chang, Gabbard, Fevella; Aye(s) with reservations: none ; 0 No(es): none; and 0 Excused: none.	KOUCHI (Introduced by request of another party)	LCA, JDC	HB2312	Support
7 SB2869	RELATING TO EMPLOYEES' RETIREMENT SYSTEM INVESTMENTS.	Exempts certain specific types of alternative investment fund information from disclosure under chapter 92F, the disclosure of which would put the system at a competitive disadvantage and frustrate its legitimate government function.	S 2/3/2020: The committee(s) on LCA/GVO has scheduled a public hearing on 02-11-20 2:51PM in conference room 225.	KOUCHI (Introduced by request of another party)	LCA/GVO, JDC	HB2313	Support

ERS Initiated Bills as of 02-07-2020							
Bill No	Title	Summary	Status	Introduced	Referred	Comp	Recommendation
8 SB2870	RELATING TO EMPLOYEES' RETIREMENT SYSTEM DISABILITY RETIREMENT.	Clarifies the Employees' Retirement System's eligibility requirement definitions for service-connected disability and accidental death benefits.	S 2/4/2020: The committee(s) on LCA recommend(s) that the measure be PASSED, WITH AMENDMENTS. The votes in LCA were as follows: 5 Aye(s): Senator(s) Taniguchi, Ihara, S. Chang, Gabbard, Fevella; Aye(s) with reservations: none ; 0 No(es): none; and 0 Excused: none.	KOUCHI (Introduced by request of another party)	LCA, JDC	HB2314	Support

ERS Benefits Related Bills as of 02-07-2020								
	Bill No	Title	Summary	Status	Introduced	Referred	Comp	Recommendation
1	HB1709	RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM.	Allows departments more time to comply with new ERS reporting standards.	H 1/21/2020: Referred to LAB, FIN, referral sheet 2	SAIKI (Introduced by request of another party)	LAB, FIN	SB2142	Comments: Limit from 5 years to 3 years with 2 1-year extensions.
2	SB2142	RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM.	Allows departments more time to comply with new ERS reporting standards.	S 2/4/2020: The committee(s) on LCA recommend(s) that the measure be PASSED, WITH AMENDMENTS. The votes in LCA were as follows: 5 Aye(s): Senator(s) Taniguchi, Ihara, S. Chang, Gabbard, Fevella; Aye(s) with reservations: none ; 0 No(es): none; and 0 Excused: none.	KOUCHI (Introduced by request of another party)	LCA, WAM	HB1709	Comments: Limit from 5 years to 3 years with 2 1-year extensions.
3	HB2485	RELATING TO HAWAII NATIONAL GUARD RETIREMENT BENEFITS.	Requires the board of trustees of the employees' retirement system to conduct a study and recommend state retirement benefits for Hawaii national guard members who are activated under state active duty orders. Appropriates funds.	H 1/27/2020: Referred to LAB/PVM, FIN, referral sheet 5	YAMANE, AQUINO	LAB/PVM, FIN		Oppose due to membership for non-ERS personnel. Benefit enhancement
4	HB2669	RELATING TO ACTIVE DUTY MILITARY ENTITLEMENTS.	Requires the State to pay, without delay, military personnel called to active duty at the same rate as their active duty counterparts; provide basic housing allowance; provide service credit for time on active duty; and allow state and county employees to count the time called to active duty in the State toward retirement.	H 1/27/2020: Referred to LAB/PVM, FIN, referral sheet 5	SAIKI	LAB/PVM, FIN	SB2666	Oppose Section 2 of bill as ERS already provides "Servicemen's Act" benefits under 88-132.
5	SB2666	RELATING TO ACTIVE DUTY MILITARY ENTITLEMENTS.	Requires the State to pay, without delay, military personnel called to active duty at the same rate as their active duty counterparts; provide basic housing allowance; provide service credit for time on active duty; and allow state and county employees to count the time called to active duty in the State toward retirement.	S 1/27/2020: Referred to PSM/LCA, WAM.	KEITH-AGARAN, K. KAHELE, Kanuha, Nishihara	PSM/LCA, WAM	HB2669	Oppose - See 2669 above.

ERS Benefits Related Bills as of 02-07-2020								
Bill No	Title	Summary	Status	Introduced	Referred	Comp	Recommendation	
6 HB2634	RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM.	Allows retired police officers to include their spouses in their medical coverage plans. Eliminates the minimum retirement age requirement of fifty-five years for police officers who became members after June 30, 2012.	H 1/27/2020: Referred to LAB, FIN, referral sheet 5	DECOITE	LAB, FIN	SB3146	Oppose due to benefit enhancement of Tier 2 police officers.	
7 SB3146	RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM.	Allows retired police officers to include their spouses in their medical coverage plans. Eliminates the minimum retirement age requirement of fifty-five years for police officers who became members after June 30, 2012.	S 1/27/2020: Referred to LCA, WAM.	BAKER WARD, CREAGAN, MCDERMOTT, MCKELVEY, MIZUNO, ONISHI, TAKAYAMA, D. Kobayashi, Nakashima	LCA, WAM	HB2634	Oppose due to benefit enhancement of Tier 2 police officers.	
8 HB2727	RELATING TO PENSION AND RETIREMENT SYSTEMS.	This bill allows state and county employees who served in the Peace Corps up to four years credit in service time towards state retirement and pension plans.	H 1/27/2020: Referred to LAB, FIN, referral sheet 5		LAB, FIN		Oppose due to benefit enhancement of new non-membership "military-like" service credit.	
9 SB2252	RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM.	Pre-judgment Interest on claims for delayed benefits. Amends the definition of compensation for retirement benefits.	S 2/4/2020: The committee on LCA deferred the measure.	TANIGUCHI	LCA, WAM		Oppose due to possible addition to unfunded liability.	
10 SB3030	PROPOSING AN AMENDMENT TO ARTICLE VI, SECTION 3 OF THE HAWAII STATE CONSTITUTION TO INCREASE THE MANDATORY RETIREMENT AGE FOR JUSTICES AND JUDGES.	Proposes a constitutional amendment to increase the mandatory retirement age for justices and judges from seventy years to eighty years.	S 1/27/2020: Referred to JDC, WAM.	HARIMOTO, BAKER, INOUE, KEITH-AGARAN, KIDANI, NISHIHARA, K. RHOADS, Fevella, Shimabukuro, Taniguchi, Wakai	JDC, WAM		Monitoring.	

ERS Investment Related Bills as of 02-07-2020								
	Bill No	Title	Summary	Status	Introduced	Referred	Comp	Recommendation
1	HB2405	RELATING TO SOCIALLY RESPONSIBLE INVESTING.	Incorporates socially responsible investing in the investment decision-making of endowment, trust, or investment funds established by statute or maintained by state agencies or offices.	H 1/27/2020: Referred to LAB, FIN, referral sheet 5	WILDBERGER, MIZUNO, OHNO, PERRUSO, TOKIOKA, Eli, Morikawa, San Buenaventura	LAB, FIN	SB3085	Oppose
2	SB3085	RELATING TO SOCIALLY RESPONSIBLE INVESTING.	Incorporates socially responsible investing in the investment decision-making of endowment, trust, or investment funds established by statute or maintained by state agencies or offices.	S 2/4/2020: The committee(s) on GVO deferred the measure until 02-11-20 3:15PM in conference room 225.	KOUCHI (Introduced by request of another party)	GVO, JDC/WAM	HB2405	Oppose
3	HB2399	RELATING TO THE MANAGEMENT OF STATE FUNDS.	Establishes the State Funds Investment Board to oversee the short-term investment of state moneys. Authorizes the State Funds Investment Board to employ investment officers and other employees. Prohibits board members and employees of the State Funds Investment Board from having a direct interest in the gains or profits of the board's investments. Requires the State Funds Investment Board to invest, through a private financial services firm, any State moneys that are in excess of the amounts necessary for meeting the immediate requirements of the State. Amends other provisions relating to the short-term investment of state moneys, including the types of financial instruments in which state moneys may be invested. Appropriates funds.	H 2/4/2020: The committees on LAB recommend that the measure be PASSED, WITH AMENDMENTS. The votes were as follows: 8 Ayes: Representative(s) Johanson, Eli, Ichiyama, Kitagawa, McKelvey, Quinlan, Yamashita, Matsumoto; Ayes with reservations: none; Noes: none; and Excused: none.	SAIKI	LAB, FIN		Oppose inclusion of ERS CIO for tax-qualification

ERS EUTF Related Bills as of 02-07-2020								
	Bill No	Title	Summary	Status	Introduced	Referred	Comp	Recommendation
1	HB2310	RELATING TO THE HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND EMPLOYEE-BENEFICIARY MONTHLY CONTRIBUTIONS.	Amends section 87A-40, Hawaii Revised Statutes, to mandate that new retired employees pay their share of health benefits premiums through monthly electronic deductions from their employees' retirement system pension or their financial institution.	H 2/4/2020: The committees on LAB recommend that the measure be PASSED, WITH AMENDMENTS. The votes were as follows: 7 Ayes: Representative(s) Johanson, Eli, Ichiyama, Kitagawa, McKelvey, Quinlan, Yamashita; Ayes with reservations: none; Noes: none; and 1 Excused: Representative(s) Matsumoto.	SAIKI (Introduced by request of another party)	LAB, FIN	SB2866	Comments - Review of additional costs and resources
2	SB2866	RELATING TO THE HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND EMPLOYEE-BENEFICIARY MONTHLY CONTRIBUTIONS.	Amends section 87A-40, Hawaii Revised Statutes, to mandate that new retired employees pay their share of health benefits premiums through monthly electronic deductions from their employees' retirement system pension or their financial institution.	S 2/4/2020: The committee(s) on LCA recommend(s) that the measure be PASSED, WITH AMENDMENTS. The votes in LCA were as follows: 5 Aye(s): Senator(s) Taniguchi, Ihara, S. Chang, Gabbard, Fevella; Aye(s) with reservations: none ; 0 No(es): none; and 0 Excused: none.	KOUCHI (Introduced by request of another party)	LCA, WAM	HB2310	Comments - Review of additional costs and resources

ERS Felony Forfeiture Related Bills as of 02-07-2020								
Bill No	Title	Summary	Status	Introduced	Referred	Comp	Recommendation	
1 HB1998	RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM.	Authorizes forfeiture of certain ERS benefits, pursuant to court order, for state or county employees and designated beneficiaries who are convicted of an employment-related felony.	H 2/6/2020: The committees on LAB recommend that the measure be PASSED, WITH AMENDMENTS. The votes were as follows: 6 Ayes: Representative(s) Johanson, Eli, Ichiyama, Kitagawa, McKelvey, Quinlan; Ayes with reservations: none; Noes: none; and 2 Excused: Representative(s) Yamashita, Matsumoto.	OHNO, BROWER, CABANILLA ARAKAWA, CACHOLA, GATES, HASHIMOTO, HOLT, ICHIYAMA, JOHANSON, C. LEE, LOWEN, MATAYOSHI, MCKELVEY, MORIKAWA, NAKASHIMA, OKIMOTO, PERRUSO, QUINLAN, SAN BUENAVENTURA, SAY, TARNAS, THIELEN, TODD, TOKIOKA, YAMASHITA	LAB, FIN		Monitor	
2 HB2381	RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM.	Authorizes forfeiture of certain ERS benefits, pursuant to court order, for state or county employees and designated beneficiaries who are convicted of an employment-related felony.	H 2/6/2020: The committee(s) on LAB recommend(s) that the measure be deferred.	SAIKI	LAB, FIN	SB2675	Monitor	
3 SB2675	RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM.	Authorizes forfeiture of certain ERS benefits, pursuant to court order, for state or county employees and designated beneficiaries who are convicted of an employment-related felony.	S 1/27/2020: Referred to LCA/JDC, WAM.	KEITH-AGARAN, K. RHOADS, Baker, S. Chang, Inouye, Kanuha, J.Keohokalole, Kim, Nishihara, Shimabukuro	LCA/JDC, WAM	HB2381	Monitor	
4 HB2748 HD1	RELATING TO GOVERNMENT.	Authorizes forfeiture of certain employees' retirement system benefits, pursuant to court order, for state or county employees and designated beneficiaries who are convicted of an employment-related felony. Effective 1/1/2050. (HD1)	H 2/6/2020: Passed Second Reading as amended in HD 1 and referred to the committee(s) on JUD with none voting aye with reservations; none voting no (0) and Representative(s) Nakamura, Saiki, Yamashita excused (3).	C. LEE, MIZUNO, MORIKAWA, NAKAMURA, WILDBERGER, Nakashima	LAB, JUD, FIN		Monitor	

ERS Felony Forfeiture Related Bills as of 02-07-2020

	Bill No	Title	Summary	Status	Introduced	Referred	Comp	Recommendation
5	HB2747 HD1	PROPOSING AN AMENDMENT TO ARTICLE XVI, SECTION 2, OF THE HAWAII STATE CONSTITUTION, TO AUTHORIZE THE LEGISLATURE TO REQUIRE THE FORFEITURE OR REDUCTION OF PENSION BENEFITS OF A MEMBER, FORMER MEMBER, OR RETIRANT OF THE EMPLOYEES' RETIREMENT SYSTEM WHO IS CONVICTED OF A FELONY RELATED TO THE MEMBER'S, FORMER MEMBER'S, OR RETIRANT'S EMPLOYMENT WITH THE STATE OR ANY POLITICAL SUBDIVISION THEREOF.	Proposes a constitutional amendment to article XVI, section 2, of the state constitution to authorize the legislature to require the forfeiture or reduction of benefits of any member, former member, or retirant of the employees' retirement system who is convicted of a felony related to the member's, former member's, or retirant's employment with the State or any political subdivision thereof. (HD1)	H 2/6/2020: Passed Second Reading as amended in HD 1 and referred to the committee(s) on JUD with none voting aye with reservations; none voting no (0) and Representative(s) Nakamura, Saiki, Yamashita excused (3).	C. LEE, JOHANSON, MIZUNO, NAKASHIMA, WILDBERGER, Morikawa	LAB, JUD, FIN		Monitor
6	HB2678	RELATING TO GOVERNMENT EMPLOYEES.	Requires forfeiture of state or county officer's or employee's compensation and fringe benefits upon felony conviction.	H 2/6/2020: The committees on LAB recommend that the measure be PASSED, WITH AMENDMENTS. The votes were as follows: 6 Ayes: Representative(s) Johanson, Eli, Ichiyama, Kitagawa, McKelvey, Quinlan; Ayes with reservations: none; Noes: none; and 2 Excused: Representative(s) Yamashita, Matsumoto.	SAIKI	LAB, FIN		Monitor

ERS Monitored Miscellaneous Bills as of 02-07-2020						
Bill No	Title	Summary	Status	Introduced	Referred	Recommendation
1 SB2770	RELATING TO COLLECTIVE BARGAINING.	Requires public employers to reimburse employee organizations for costs germane to the collective bargaining process, contract administration, and pursuing matters affecting wages, hours, and other conditions of employment for public employees. Specifies requirement for direct reimbursement. Allows for an employee organization to bargain for other concession regarding wages, hours, benefits, or other terms or conditions of employment in lieu of the direct reimbursement. Repeals mandatory payroll deductions by public employers from nonmember employees of an exclusive bargaining unit.	S 1/27/2020: Referred to LCA, JDC.	GABBARD	LCA, JDC	Monitor
2 SB3140	RELATING TO THE ADVICE AND CONSENT OF THE SENATE.	Requires nominees for the position of deputy director of principal State departments to go through the process of Senate advice and consent.	S 1/27/2020: Referred to GVO, JDC.	KEITH-AGARAN, ENGLISH, KANUHA, Kidani, Taniguchi	GVO, JDC	Monitor
3 SB3155	RELATING TO DISPOSITION OF TAX REVENUES.	Establishes the teacher salary special fund. Requires that a portion of general excise tax revenues collected on new construction of commercial real estate projects be deposited into the state highway fund and the teacher salary special fund. Requires that a portion of conveyance tax revenues be deposited into the state highway fund and the teacher salary special fund.	S 1/27/2020: Referred to EDU/TRS, WAM.	FEVELLA	EDU/TRS, WAM	Monitor

ERS Monitored Miscellaneous Bills as of 02-07-2020						
Bill No	Title	Summary	Status	Introduced	Referred	Recommendation
4 SB2090	RELATING TO JUDICIAL ENFORCEMENT OF THE UNIFORM INFORMATION PRACTICES ACT.	Provides procedural requirements for judicial review of an agency's denial of access to a government record. Provides procedural requirements and standards of review upon appeal.	S 1/28/2020: The committee(s) on JDC recommend(s) that the measure be PASSED, WITH AMENDMENTS. The votes in JDC were as follows: 4 Aye(s): Senator(s) K. Rhoads, J.Keohokalole, Gabbard, Fevella; Aye(s) with reservations: none ; 0 No(es): none; and 1 Excused: Senator(s) Kim.	K. RHOADS	JDC	Monitor
5 HB2251 HD1	RELATING TO RETIREMENT SAVINGS.	Establishes the retirement savings task force to secure a consultant to assess the feasibility of a Hawaii retirement savings program; research the implications of the enactment of the federal SECURE Act; draft an implementation plan for the retirement savings program; and submit a report to the legislature. Appropriates funds. Sunsets the task force on 6/30/2021. Takes effect on 1/1/2050. (HD1)	H 2/7/2020: Reported from LAB (Stand. Com. Rep. No. 213-20) as amended in HD 1, recommending passage on Second Reading and referral to HSH.	NAKAMURA, GATES, HASHIMOTO, HOLT, JOHANSON, LOWEN, MATAYOSHI, MIZUNO, MORIKAWA, NAKASHIMA, OHNO, QUINLAN, SAN BUENAVENTURA, TARNAS, TODD	LAB, HSH, FIN	Monitor
6 SB2489	RELATING TO THE HAWAII RETIREMENT SAVINGS PROGRAM.	Establishes a Hawaii Retirement Savings Program for private sector employees. Establishes the Hawaii Retirement Savings Program Administrative Fund. Requires the Department of Budget and Finance to prepare an annual report detailing the Department's activities for the previous fiscal year to the Governor and Legislature. Appropriates funds. Exempts employers if they offered a qualified retirement plan to some or all of its employees within the last five years.	S 2/4/2020: The committee on LCA deferred the measure.	TANIGUCHI	LCA, WAM/JDC	Monitor
7 SB2490	RELATING TO THE HAWAII RETIREMENT SAVINGS PROGRAM.	Establishes the Hawaii Retirement Savings Program task force, tasked with evaluating a retirement savings plan for non-government employees and reports findings and recommendations to the legislature. Appropriates funds. Task force dissolves on 3/15/2021.	S 2/4/2020: The committee(s) on LCA recommend(s) that the measure be PASSED, WITH AMENDMENTS. The votes in LCA were as follows: 5 Aye(s): Senator(s) Taniguchi, Ihara, S. Chang, Gabbard, Fevella; Aye(s) with reservations: none ; 0 No(es): none; and 0 Excused: none.	TANIGUCHI	LCA, WAM	Monitor

ERS Monitored Miscellaneous Bills as of 02-07-2020						
Bill No	Title	Summary	Status	Introduced	Referred	Recommendation
8 HB2402	RELATING TO STATE HOLIDAYS.	Repeals the provision making election days state holidays and provides 8 hours of paid leave during normal business hours on the anniversary of an employee's date of birth on even-numbered years.	H 1/27/2020: Referred to LAB, FIN, referral sheet 5	SAIKI (Introduced by request of another party)	LAB, FIN	Monitor