

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

FEBRUARY 8, 2021

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

Trustees present:
(by teleconference)

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:
(City Financial tower
by teleconference)

Mr. Thomas Williams, Executive Director
Ms. Kanoë Margol, Deputy Executive Director
Ms. Donna Curry, Program Specialist
Mr. Bart Asato, Program Specialist
Ms. Shanna Sakagawa, Program Specialist
Ms. Elizabeth Burton, Chief Investment Officer
Mr. Howard Hodel, Deputy Chief Investment Officer
Mr. Aaron Au, Investment Officer – Illiquid Markets
Mr. Anthony Goo, Investment Officer – Liquid Markets
Mr. David Okamoto, Investment Officer – Credit Markets
Mr. Ian Wetzel, Investment Officer
Mr. Andrew Chen, Investment Specialist
Ms. Gerri Konishi, Member Home Loan Assistant (audio only)
Ms. Diana Gomes, Secretary
Ms. Dale Kehau Kanae, Recording Secretary
Ms. Lori Kim, Secretary

Attorneys present:
(by teleconference)

Mr. Ivan Torigoe, Deputy Attorney General
Ms. Elmira Tsang, Deputy Attorney General (audio only)
Ms. Diane Wong, Deputy Attorney General

Guests present:
(by teleconference)

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

Public present:
(by teleconference)

Ms. Linda
Mr. Patrick Lee
Mr. Maja Ben Saed, Fundmap
Ms. Lindsay Saienni, Reporter, Financial Investment News
Mr. Dane Wicker, Staff, State Senate

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.

QUORUM/CALL TO ORDER (CONT'D)

On a motion made by Trustee Machida, seconded by Trustee Barfield, and unanimously carried, to be able to hold a meeting closed to the public and allow Trustees to participate by teleconference or other remote meeting technology, pursuant to the Governor of the State of Hawaii's Seventeenth Supplementary Proclamation Related to the COVID-19 Emergency, dated December 16, 2020, in order to implement social distancing measures.

PUBLIC COMMENT

Chair Kane called for public comment. There were five (5) members of the public present by teleconference, however, none of the public present had any public comments. There was also no public written testimony received for this meeting.

TOWNSEND GROUP, AN AON COMPANY – 3rd QUARTER 2020 REAL ESTATE PERFORMANCE REVIEW

Investment Officer (IO), Ian Wetzel, and Townsend Group, an Aon Company (Aon), Chae Hong, entered the meeting by teleconference and presented an oral and written report to the Board on the 3rd Quarter 2020 Real Estate Performance Review and discussed:

EXECUTIVE SUMMARY

Real Estate Market Performance and Overview

- The NFI-ODCE trailing one-year return now stands at 0.5% net. 5-year real estate returns are below the sector's long-run average of 7-9% gross, which is primarily a result of near-term distress caused by the COVID-19 pandemic.
- For the majority of 2020, a novel coronavirus (COVID-19) spread throughout the world's countries and their respective economies. To combat the spread of the virus politicians enacted Shelter-In-Place orders, forcing the closure of businesses reliant upon consumer foot traffic. The implications of this order disoriented the global economy, and is expected to impact real estate valuations through the remainder of the year. As such, the Townsend Group has advised its clients cautiously approach new capital invested in funds with pre-specified assets. Instead, we recommend clients consider moving up the risk/return spectrum and consider blind pool funds as they offer the potential to invest new capital when a new opportunity set presents itself.

HIERS' Summary of Portfolio Returns (Time-Weighted Returns)

Overall, the portfolio is performing well, outperforming the NFI-ODCE Index on a net of fee basis over the medium-term. The total portfolio has generated a 7.9% net IRR and 1.39x net equity multiple since inception.

HIERS' Real Estate & Real Asset Portfolio Highlights

During Q3 2020 and subsequent to quarter end, three new commitments were made:

- An Opportunistic manager of Real Estate Equity in niche property types (\$50 million)
- A Non-Core Global Infrastructure Fund (\$50 million)
- A Core Global Infrastructure Fund (\$150 million).

Significant Events

- During the quarter, a Value-Add and Opportunistic Fund co-founder announced they will be stepping down as CEO/co-CIO at the end of 2020. The co-Founder intends to remain on as a non-Executive Chair of a newly formed advisory board that will provide input to his replacements on major strategic, financial, and personnel decisions. Townsend has reviewed this and is comfortable with the change in leadership.

TOWNSEND GROUP, AN
AON COMPANY – 3rd
QUARTER 2020 REAL
ESTATE PERFORMANCE
REVIEW (CONT'D)

- During the quarter, a Value-Add Fund announced that their President, Americas Real Estate Division will step down from their role at the end of the year and serve as non-executive Vice Chairman, Americas. The current Head of the fund series will replace the President at the beginning of 2021. Townsend has reviewed this and is comfortable with the change in leadership.
- Subsequent to quarter end, a Value-Add and Opportunistic Fund announced that their Global CEO will transition to a Chairman position as of January 1st, 2021. Their CEO and CIO of Asia, will become the new Global CEO as of the same date. Townsend has reviewed this and is comfortable with the change in leadership.

REAL ESTATE, INFRASTRUCTURE, AND TIMBER PORTFOLIOS
LOWE AND REAL ESTATE SEPARATE ACCOUNTS

Update of funding status were reported.

The Board asked Mr. Hong, what types of real estate Aon will be prioritizing going forward? Mr. Hong mentioned that Aon will be looking at, industrial, multi-family (suburban style apartments), and needs based (senior living) properties. At the moment, Aon is being cautious of office and retail real estate.

The Board also asked if the projections for the 4th quarter would be higher or lower for non-core and core. Mr. Hong replied that there is a longer lag in getting information for the 4th quarter due to year end audits, however, he anticipates there may be uplift for core because of the industrial manager liquidating the entire portfolio. He has no indication of the non-core.

MEKETA INVESTMENT
GROUP, INC. –
QUARTERLY
PERFORMANCE REPORT

Meketa Investment Group, Inc. (Meketa), Colin Bebee entered the meeting by teleconference and presented an oral and written report to the Board on the Quarterly Performance for the 4th Quarter of 2020, noting that the report was labeled “Preliminary” due to the universe data not being available:

INTRODUCTION

Performance vs. Policy Benchmark and Median Public Fund

- The ERS Total Portfolio generated a 9.0% quarterly return and increased by over \$1.5 billion in Q4.
- The ERS Total Portfolio outperformed the Policy Benchmark across all periods measured. Nearly all of the portfolio’s components exhibited positive relative and absolute performance over the most recent quarter. Diversifying Strategies was the only component to underperform and trailed its benchmark by (30) basis points.
- The ERS Total Portfolio underperformed the Median Public Fund over the most recent quarter and trailing 1- and 3-year periods. The Portfolio closely tracked the Median Public Fund over the trailing 5-year period but slightly outperformed over the trailing 10-year period. Underperformance over the trailing 1-year is attributable to the ERS’s more risk-focused, diversified, and globally-oriented portfolio construction. Over the trailing 1-year period, US Equity has been the strongest performer among most growth-like classes whereas US Investment Grade bonds and US TIPs have been the strongest performers among most traditional diversifiers. While the ERS utilizes each of these segments, the more diversified approach within the ERS’s Total Portfolio has resulted in modest underperformance relative to peers over this period on a return basis (not on a risk-adjusted basis). Given how calendar year 2020 unfolded (i.e., double-digit equity market returns led

by the US), the performance relative to peers was as expected if not better.

- As part of the new strategic allocation that was approved during the 2019 Asset-Liability study, the ERS adopted new evolving policy targets that took effect 7/1/2020. In addition, the strategic class framework has experienced modest naming convention changes. As of the latest quarter end, the Total Portfolio ended the latest quarter overweight the Public Growth class, while underweight Real Assets and Diversifying Strategies. While not explicitly shown, the ERS's overlay program also assists the ERS in staying closer to policy targets.

ERS PORTFOLIO REVIEW

Performance Attribution vs. Policy Benchmark – Gross of Fees

- The Total Portfolio outperformed the Policy Benchmark over the most recent quarter by 1.9%.
- Implementation within the Broad Growth class (i.e., Private Growth) contributed to relative performance over the most recent quarter. More broadly, weighting and implementation decisions throughout the portfolio added to relative performance over the quarter.
- Due to the new allocation framework, attribution analysis longer than the most recent quarter is unavailable.

Strategic Class Performance as of December 31, 2020

- The Broad Growth class and each of its underlying segments outperformed their respective policy benchmarks over the most recent quarter. With the exception of Public Growth over the trailing 3- and 5-year periods, the underlying segments outperformed across all time periods measured. Of note, the recently restructured Global Credit segment outperformed its benchmark by 3.9% during the quarter.
- The Diversifying Strategies class underperformed the policy benchmark over the quarter and trailing 3-year periods but outperformed over the trailing 1-year period by 40 basis points. The *Liquid Defensive* segment underperformed over the recent quarter but outperformed and matched the policy benchmark over the longer trailing 1- and 3-year periods, respectively. Performance within the segment was hindered by the *Defensive Return Capture* composite which underperformed its benchmark by (21.1%) over the quarter, which is not surprising given how risk-oriented markets soared. The *Liquid Diversifying* segment outperformed over the recent quarter and trailing 3-year periods but underperformed over the trailing 1- year by (1.6%). The *Illiquid Diversifying* segment underperformed during the quarter primarily due to the relative performance of the *Idiosyncratic Return Capture* composite, which is still in its infancy.

(Trustee Hirai, left the meeting at 9:50 a.m. by ending his teleconference).

Investment Officer – Illiquid Markets (IO-IM), Aaron Au, and Hamilton Lane Advisors, LLC, (HL), Natalie Fitch and Paul Yett entered the meeting by teleconference and presented an oral and written report to the Board on the Private Equity Program Update – For Period Ending September 30, 2020.

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

PORTFOLIO REVIEW

PE Portfolio Highlights

- Net value increase of \$208.9M during Q3, continuing strong performance from Q2.
- One-year net IRR of 14.20%, outperformed public benchmark by 451 bps.

Portfolio Snapshot

- Q3 2020: Portfolio continued strong performance from Q2
- Continued growth towards 13.5% target allocation.

Portfolio Summary

- Q3 2020 represents the 32nd quarter of positive performance out of the last 33 quarters, Q1 2020 represents the only negative quarterly performance in time period.
- Portfolio recovered from value decline in Q1 2020 caused by global pandemic, strong overall growth and value creation during LTM.

Performance Against Benchmark

- Portfolio outperforming benchmark, MSCI ACWI IMI +200 bps, across all periods.
- Portfolio generated double digit performance across all time periods.

Quarterly Cash Flow Summary

- Q4 2020 cash flow positive with distributions exceeding contributions by \$12.4M.

Foundation Manager Performance

- Foundation Managers continue to represent majority of Portfolio value.
- Foundation Managers outperforming total Portfolio by 252 bps.

2020 Commitment Summary

- \$567M committed across 11 partnerships in 2020
- Investments are consistent with the themes and recommendations highlighted in Hamilton Lane's Strategic Plan.
- Average commitment size of \$52M, an increase from 2019 (\$39m)
- Well diversified by strategy, size, geography, and sector focus

STRATEGIC PLAN UPDATE

2021 Private Equity Strategic Plan

Commitment Pacing

- 2021 Commitment pacing of \$550-\$650M approved by HIERS Board at August 2020 Meeting

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
- Opportunistically invest in high-conviction Venture Capital managers.

Geographic Diversification

HAMILTON LANE
ADVISORS, LLC –
PRIVATE EQUITY
PROGRAM UPDATE – FOR
PERIOD ENDING
SEPTEMBER 30, 2020
(CONT'D)

- Maintain current geographic exposure, with primary commitments to North America.
- Opportunistically assess additional Western Europe and Asia relationships

There were no questions of the Board for Ms. Fitch and Mr. Yett. After their presentation, Ms. Fitch and Mr. Yett left the meeting by exiting the teleconference.

Chair Kane reminded staff that, going forward, Consultant Quarterly reports will be heard through the Investment Committee meetings with high level summaries being given at the Board meetings.

DISCUSSION OF 2021
COMMITTEE
ASSIGNMENTS, CHAIRS
AND VICE CHAIRS

Chair Kane also discussed, as previously proposed and accepted, the 2020 Board Officers and Committees remain the same for 2021, this would include Chairs and Vice Chairs.

On a motion made by Trustee Machida, seconded by Trustee Barfield and unanimously carried, the Board approved to Reaffirm the 2020 Board Officers and Committees remain the same for 2021, including Chairs and Vice Chairs.

Chair Kane requested the remainder of the New Business Items be taken out of order.

REPORTS BY
COMPENSATION REVIEW
COMMITTEE AND
GOVERNANCE POLICY
COMMITTEE

Compensation Review Committee Chair Rauckhorst reported that the next meeting will held on February 25, 2021, and there were no other items to report.

Governance Policy Committee Chair Kane reported to the Board that there were no items to report.

(Trustee Hirai returned to the meeting at 10:47 a.m. by re-joining the video-teleconference).

REPORT BY THE
LEGISLATIVE
COMMITTEE

Legislative Committee Chair Chan reported to the Board that the Committee met on January 27, 2021 and discussed ERS related legislation confirming previously recommended positions.

POTENTIAL
LEGISLATIVE
PROPOSALS RELATING
TO THE EMPLOYEES'
RETIREMENT SYSTEM
FOR THE 2021
LEGISLATIVE SESSION
(INCLUDED ON
SCHEDULE A)

Program Specialist Donna Curry discussed with the Board, in detail, two lists consisting of: proposed legislation previously reviewed and approved by the Board (List 1), and new proposed legislation with recommendations by the Legislative Committee for Board approval (List 2). The Board requested changes to proposed positions on List 2 regarding Item Nos. 6, 8, 9, and 11. The lists are attached for clarification.

On a motion made by Trustee Yap, seconded by Trustee Chan, and unanimously carried, the Board approved and reaffirmed the Previously Reviewed and Approved Proposals (List 1), as presented.

On a motion made by Trustee Machida, seconded by Trustee Yap, and unanimously carried, the Board approved the amended Recommendations by the Legislative Committee for Board Approval (List 2), with corrections as noted : No. 6 - support, Nos. 8 and 9 - delete, and No. 11 - oppose.

The Board requested to review a proposed Constitutional Amendment (HB123) and to have the Actuary quantify the 16-year limit for legislative terms. The Board also requested staff to clarify the definition of “compensation” in SB590 with regards to the University of Hawaii.

REPORT BY INVESTMENT
COMMITTEE AND
KAANAPALI AD HOC
COMMITTEE

Investment Committee Chair Barfield reported to the Board that the Investment Committee met on January 25, 2021. In that meeting, Mann FRM Samantha Rosenstock provided an educational session on global macro strategies, that ties into risk and diversifying strategies; reviewed the standard report; discussed an administrative approval by derivative exposure memo, validated earlier and approved by the Board; reviewed new formatted updates on manager changes; and reviewed the pipeline discussed in the last Board update, which is available on BoardWorks for all Board members. The next meeting is scheduled for February 22, 2021.

ENTER EXECUTIVE
SESSION

On a motion made by Trustee Ley, seconded by Trustee Machida, and unanimously carried, the Board entered into Executive Session at 10:39 a.m.

(Public participation was ended by closing the link to the meeting)

REPORT BY INVESTMENT
COMMITTEE AND
KAANAPALI AD HOC
COMMITTEE

(Chair Kane left the meeting and Vice Chair Rauckhorst presided over the remainder of the meeting.)

REPORT BY THE
ADMINISTRATIVE & AUDIT
COMMITTEE

KMH LLP'S INTERNAL
AUDIT UPDATE REPORT

KMH LLP'S CLOUD RISK
AND SECURITY
ASSESSMENT – PHASE 1
REVIEW

KMH LLP'S RE-
EVALUATION OF THE
RISK ASSESSMENT AND
PROPOSED TWO-YEAR
INTERNAL AUDIT PLAN

APPROVAL OF EXECUTIVE
SESSION MINUTES
– OCTOBER 28, 2020

EXIT EXECUTIVE
SESSION

On a motion made by Trustee Ley, seconded by Trustee Barfield, and unanimously carried, the Board exited Executive Session at 11:33 a.m.

APPROVAL OF MINUTES
– OCTOBER 28, 2020

On a motion made by Trustee Yap, seconded by Trustee Chan, and unanimously carried, the Board approved the Minutes of October 28, 2020, as presented.

ADJOURNMENT

On a motion made by Trustee Yap, seconded by Chan, and unanimously carried, Chair Kane adjourned the meeting at 11:34 a.m.

REDACTED SIGNATURE

Thomas Williams
Executive Director

TW:dkik

BOT Previously Reviewed and Approved Proposals as of 02-03-21									
	Bill NO	Subject	Title	Summary	Status	Introduced	Referred	Comp	Position
ERS Initiated									
1	HB928	Employees' Retirement System; Compensation	RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM.	Amends the definition of compensation for retirement benefits.	H 1/29/2021: Referred to LAT, FIN, referral sheet 2	SAIKI (Introduced by request of another party)	LAT, FIN	SB1082	Support
2	HB929	Employees' Retirement System; Hawaii Domestic Relations Orders	RELATING TO QUALIFIED DOMESTIC RELATIONS ORDERS.	Clarifies benefits to alternate payees, advisory review determinations of Hawaii Domestic Relations Orders and the priority of multiple orders.	H 1/29/2021: Referred to JHA, FIN, referral sheet 2	SAIKI (Introduced by request of another party)	JHA, FIN	SB1083	Support
3	HB930	Employees' Retirement System; Investment Records	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 investment function.	H 1/29/2021: Referred to LAT, FIN, referral sheet 2	SAIKI (Introduced by request of another party)	LAT, FIN	SB1084	Support
4	HB931	Employees' Retirement System; Service-Connected Disability; Accidental Death	RELATING TO EMPLOYEES' RETIREMENT SYSTEM BENEFITS.	Clarifies the Employees' Retirement System's eligibility requirement definitions for service-connected disability and accidental death benefits.	H 1/29/2021: Referred to LAT, FIN, referral sheet 2	SAIKI (Introduced by request of another party)	LAT, FIN	SB1085	Support
5	SB1082	Employees' Retirement System; Compensation	RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM.	Amends the definition of compensation for retirement benefits.	S 1/29/2021: The committee(s) on LCA has scheduled a public hearing on 02-03-21 3:00PM in conference room 225.	KOUCHI (Introduced by request of another party)	LCA, JDC	HB928	Support
6	SB1083	Employees' Retirement System; Hawaii Domestic Relations Orders	RELATING TO QUALIFIED DOMESTIC RELATIONS ORDERS.	Clarifies benefits to alternate payees, advisory review determinations of Hawaii Domestic Relations Orders and the priority of multiple orders.	S 1/29/2021: The committee(s) on LCA has scheduled a public hearing on 02-03-21 3:00PM in conference room 225.	KOUCHI (Introduced by request of another party)	LCA, JDC	HB929	Support
7	SB1084	Employees' Retirement System; Investment Records	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 investment function.	S 1/29/2021: Referred to LCA, JDC.	KOUCHI (Introduced by request of another party)	LCA, JDC	HB930	Support

BOT Previously Reviewed and Approved Proposals as of 02-03-21									
Bill NO	Subject	Title	Summary	Status	Introduced	Referred	Comp	Position	
8 SB1085	Employees' Retirement System; Service-Connected Disability; Accidental Death	RELATING TO EMPLOYEES' RETIREMENT SYSTEM BENEFITS.	Clarifies the Employees' Retirement System's eligibility requirement definitions for service-connected disability and accidental death benefits.	S 1/29/2021: Referred to LCA, JDC.	KOUCHI (Introduced by request of another party)	LCA, JDC	HB931	Support	
Membership Related Bills									
9 HB790	Deferred Compensation Retirement Plan; Part-Time, Temporary, And Seasonal or Casual Employees; Hawaii National Guard; Orders to Active Service	RELATING TO THE NATIONAL GUARD.	Grants eligibility for participation in the State deferred compensation retirement plan for state and county part-time, temporary, and seasonal or casual employees to members of the Hawaii National Guard who have been ordered into active service.	H 1/27/2021: Referred to CMV, LAT, FIN, referral sheet 1	OKIMOTO, D. KOBAYASHI, TARNAS, WOODSON	CMV, LAT, FIN		Monitor	
10 HB1292	ERS Board of Trustees; Study; National Guard; Appropriation	RELATING TO HAWAII NATIONAL GUARD RETIREMENT BENEFITS.	Requires the board of trustees of the employees' retirement system to conduct a study to determine and provide retirement benefits for Hawaii national guard members who are activated under state active duty orders and Hawaii national guard members who are retired, and submit findings and recommendations to the legislature prior to the regular session of 2022. Appropriates funds.	H 2/1/2021: Referred to CMV, LAT, FIN, referral sheet 3	OHNO	CMV, LAT, FIN		Opposed	
11 SB458	Department of Defense; State Activation; Active Duty Military Pay; Basic Allowance for Housing; Service Credit	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 1/27/2021: Referred to PSM/LCA, WAM.	KEITH-AGARAN, LEE, NISHIHARA, WAKAI	PSM/LCA, WAM	HB395	Opposed	
Benefits Related Bills									

BOT Previously Reviewed and Approved Proposals as of 02-03-21									
Bill NO	Subject	Title	Summary	Status	Introduced	Referred	Comp	Position	
12	HB148	City and County of Honolulu Mayor's Package; Employees' Retirement System	RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM.	Requires the employees' retirement system to submit to the legislature certain annual reports through 2026. Extends the effective date of certain sections of Act 87, Session Laws of Hawaii 2015, to 1/1/2026 to provide state and county departments and agencies with additional time to comply with new employees' retirement system reporting standards.	H 1/27/2021: Referred to LAT, FIN, referral sheet 1	SAIKI (Introduced by request of another party)	LAT, FIN	SB431	Comments with Concerns
13	SB431	City and County of Honolulu Mayor's Package; Employees' Retirement System	RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM.	Requires the employees' retirement system to submit to the legislature certain annual reports through 2026. Extends the effective date of certain sections of Act 87, Session Laws of Hawaii 2015, to 1/1/2026 to provide state and county departments and agencies with additional time to comply with new employees' retirement system reporting standards.	S 1/25/2021: Referred to LCA, WAM.	KOUCHI (Introduced by request of another party)	LCA, WAM	HB148	Comments with Concerns
Felony Forfeiture Bills									
14	HB670	Employees' Retirement System; Retirement Benefits; Felony Convictions; Forfeiture	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 2/2/2021: The committees on LAT recommend that the measure be PASSED, WITH AMENDMENTS. The votes were as follows: 8 Ayes: Representative(s) Onishi, Sayama, Belatti, Holt, D. Kobayashi, Quinlan, Takayama, Okimoto; Ayes with reservations: none; Noes: none; and Excused: none.	NAKASHIMA	LAT, JHA, FIN	SB633	Comments - court-ordered and non-impairment

BOT Previously Reviewed and Approved Proposals as of 02-03-21

	Bill NO	Subject	Title	Summary	Status	Introduced	Referred	Comp	Position
15	HB1240	Law Enforcement Officers; ERS; Felony Offenses	RELATING TO LAW ENFORCEMENT.	Authorizes forfeiture of certain employees' retirement system benefits for law enforcement officers who are convicted of an employment-related crime. Requires law enforcement officers under investigation for a felony offense to be placed on unpaid administrative leave, and if convicted, be permanently barred from employment as a law enforcement officer, private detective, or guard.	H 2/1/2021: Referred to LAT, JHA, FIN, referral sheet 3	TAM, BELATTI, KAPELA, ONISHI, PERRUSO, WILDBERGER, McKelvey, Sayama	LAT, JHA, FIN	SB781	Comments - court-ordered and non-impairment
16	SB633	Employees' Retirement System; Retirement Benefits; Felony Convictions; Forfeiture	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 1/27/2021: Referred to LCA, JDC.	KEITH-AGARAN, KIDANI, MISALUCHA, NISHIHARA, RHOADS, WAKAI	LCA, JDC	HB670	Comments - court-ordered and non-impairment
17	SB781	Law Enforcement Officers; ERS; Felony Offenses	RELATING TO LAW ENFORCEMENT.	Authorizes forfeiture of certain employees' retirement system benefits for law enforcement officers who are convicted of an employment-related crime. Requires law enforcement officers under investigation for a felony offense to be placed on unpaid administrative leave, and if convicted, be permanently barred from employment as a law enforcement officer, private detective, or guard.	S 1/27/2021: Referred to LCA, JDC/CPN.	CHANG, ACASIO, LEE, MISALUCHA, MORIWAKI, Ihara, Shimabukuro	LCA, JDC/CPN	HB1240	Comments - court-ordered and non-impairment
18	SB912	Employees' Retirement System; Retirement Benefits; Felony Convictions; Forfeiture	RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM.	Authorizes a court to order the forfeiture of Employees' Retirement System (ERS) benefits of an ERS member, former member, or retirant upon conviction of the individual for a felony related to the State or county employment of the individual. Authorizes designated beneficiaries to receive ERS benefits upon the death of the ERS member, former member, or retirant convicted of the felony.	S 1/29/2021: Referred to LCA, JDC/WAM.	MISALUCHA, CHANG, IHARA, INOUYE, LEE, RHOADS, RIVIERE, SAN BUENAVENTURA, WAKAI, Baker, Fevella, Gabbard, Kidani, Shimabukuro	LCA, JDC/WAM		Comments - court-ordered and non-impairment, concerns on reduction
Investments Related									

BOT Previously Reviewed and Approved Proposals as of 02-03-21

	Bill NO	Subject	Title	Summary	Status	Introduced	Referred	Comp	Position
19	HB557	Employees' Retirement System; Investments; Divestment; Renewable Energy Sources	RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM.	Requires the employees' retirement system to reevaluate its investments in coal, oil, natural gas, oil or natural gas services, and pipeline companies and over the next five years, divest of holdings in any companies that have a majority of its holdings invested in fossil fuels, rather than clean renewable energy sources.	H 1/27/2021: Referred to EEP, LAT, FIN, referral sheet 1	LOWEN, ICHIYAMA, KAPELA, LOPRESTI, MARTEN, MCKELVEY, MIZUNO, NAKAMURA, PERRUSO, WILDBERGER, Tam	EEP, LAT, FIN		Opposed
20	HB1205	Sustainable Investing; Environmental, Social, And Governance Investing; Socially Responsible Investing; Public Investment Funds	RELATING TO SUSTAINABLE INVESTING.	Requires a public investment fund to develop, publish, and implement socially responsible investment policies applicable to the management of all public funds under the public investment fund's control and submit an annual report to the legislature on disclosing its investments in accord with environmental, social, and governance investing and socially responsible investment policies.	H 2/1/2021: Referred to ECD, CPC, FIN, referral sheet 3	WILDBERGER, DECOITE, GANADEN, KAPELA, LOPRESTI, PERRUSO, TAM, Marten, Matsumoto	ECD, CPC, FIN	SB801	Opposed
21	SB488	Company Divestment; Coal; Oil; Gas; Fossil Fuels; Employees' Retirement System	RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM.	Requires the board of trustees of the Employees' Retirement System to reevaluate its existing future investments in coal, oil, natural gas, oil and natural gas services, and pipeline companies; divest, at appropriate times over the next five years, the public fund's holdings in any such companies that have not invested more in clean renewable energy sources, such as photovoltaics and wind power, than in fossil fuels or are not set up for favorable long term investment returns by having clear plans to abandon fossil fuels by 2030; search and evaluate potential future investment funds with indirect holdings devoid of coal, oil, natural gas, oil or natural gas services, and pipeline companies; and submit annual reports to the legislature.	S 1/27/2021: Referred to LCA, WAM.	GABBARD, ACASIO, CHANG, MORIWAKI, Baker, Ihara, Shimabukuro	LCA, WAM		Opposed

BOT Previously Reviewed and Approved Proposals as of 02-03-21									
	Bill NO	Subject	Title	Summary	Status	Introduced	Referred	Comp	Position
22	SB801	Sustainable Investing; Environmental, Social, And Governance Investing; Socially Responsible Investing; Public Investment Funds	RELATING TO SUSTAINABLE INVESTING.	Requires a public investment fund to develop, publish, and implement socially responsible investment policies applicable to the management of all public funds under the public investment fund's control and submit an annual report to the legislature on disclosing its investments in accord with environmental, social, and governance investing and socially responsible investment policies.	S 1/29/2021: Referred to GVO, JDC.	MORIWAKI	GVO, JDC	HB1205	Opposed

Legislative Committee Recommendations for BOT Approval as of 02-08-21									
	Bill No	Subject	Title	Summary	Status	Introduced	Referred	Comp	Position
Benefits Related									
1	HB271	ERS; Compensation; Overtime; Appropriations	RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM.	Expands the definition of compensation to include overtime payments earned by essential workers during an unspecified period of time. Appropriates moneys to fund additional employees' retirement system costs.	H 1/27/2021: Referred to LAT, FIN, referral sheet 1	SAIKI (Introduced by request of another party)	LAT, FIN	SB673	Opposed
2	SB673	ERS; Compensation; Overtime; Appropriations	RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM.	Expands the definition of compensation to include overtime payments earned by essential workers during an unspecified period of time. Appropriates moneys to fund additional employees' retirement system costs.	S 1/27/2021: Referred to LCA, WAM.	TANIGUCHI	LCA, WAM	HB271	Opposed
3	HB759	Employees' Retirement System; Benefits; Financial Institutions Trust Accounts	RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM.	Specifies that employees' retirement system payment of refunds and benefits may be paid into individual, joint, and trust accounts of financial institutions.	H 1/27/2021: Referred to LAT, FIN, referral sheet 1	BRANCO, BELATTI, MARTEN, MORIKAWA, TARNAS	LAT, FIN		Opposed
4	HB935	Employees' Retirement System; Post retirement allowances	RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM.	Amends post retirement allowances for new employees.	H 1/29/2021: Referred to LAT, FIN, referral sheet 2	SAIKI (Introduced by request of another party)	LAT, FIN	SB1089	Comments with concerns
5	SB1089	Employees' Retirement System; Post retirement allowances	RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM.	Amends post retirement allowances for new employees.	S 1/29/2021: Referred to LCA, WAM.	KOUCHI (Introduced by request of another party)	LCA, WAM	HB935	Comments with concerns
6	HB1229	Employees' Retirement System; Sick Leave; Service Credit	RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM.	Caps the service credit for unused sick leave for employees who become members of the employees' retirement system on or after 7/1/2021 at a maximum credit of ninety days. Specifies that any unused sick leave in excess of ninety days shall be forfeited.	H 2/1/2021: Referred to LAT, FIN, referral sheet 3	BRANCO, CULLEN, JOHANSON, B. KOBAYASHI, LUKE, SAYAMA, TARNAS, Matayoshi, Tam	LAT, FIN		Support
7	SB1090	Employees' Retirement System; Unused Sick Leave Credit for Public Employees	RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM.	Changes the formula for crediting unused sick leave to retirement benefits for public employees who become members of the Employees' Retirement System after June 30, 2021.	S 1/29/2021: Referred to LCA, WAM.	KOUCHI (Introduced by request of another party)	LCA, WAM	HB936	Support

Legislative Committee Recommendations for BOT Approval as of 02-08-21									
Bill No	Subject	Title	Summary	Status	Introduced	Referred	Comp	Position	
Membership Related									
8 HB73	Emergency Workers; Communications Dispatchers; Penal Code; Offenses Against the Person	RELATING TO EMERGENCY WORKERS.	Amends the definition of "emergency worker" in the Penal Code to include communications dispatchers.	H 2/2/2021: Bill scheduled to be heard by JHA on Thursday, 02-04-21 2:00PM in House conference room Via Videoconference.	NAKAMURA, AQUINO, BRANCO, DECOITE, ELI, GATES, HASHIMOTO, HOLT, ICHIYAMA, ILAGAN, JOHANSON, KAPELA, KITAGAWA, B. KOBAYASHI, LOPRESTI, MARTEN, MATAYOSHI, MIZUNO, MORIKAWA, PERRUSO, QUINLAN, TAM, TARNAS, TOKIOKA, WILDBERGER, WOODSON, McKelvey, Sayama	JHA, FIN	SB184	Monitor	
9 HB181	Emergency Workers; Communications Dispatchers; Penal Code; Offenses Against the Person	RELATING TO EMERGENCY WORKERS.	Amends the definition of "emergency worker" in the Penal Code to include communications dispatchers.	S 1/25/2021: Referred to PSM, JDC.	KOUCHI (Introduced by request of another party)	PSM, JDC	HB73	Monitor	
10 HB123	Legislative Term Limits; Constitutional Amendment	PROPOSING AN AMENDMENT TO ARTICLE III, SECTION 4, OF THE CONSTITUTION OF THE STATE OF HAWAII TO ESTABLISH LEGISLATIVE TERM LIMITS.	Proposes a constitutional amendment to limit the terms of members of the legislature to a maximum of sixteen years in the house of representatives or senate, or both, for terms beginning on or after the general election of 2024.	H 1/27/2021: Referred to JHA, FIN, referral sheet 1	B. KOBAYASHI, AQUINO, LOWEN, PERRUSO, WILDBERGER, Kapela	JHA, FIN	SB1301	Monitor	

Legislative Committee Recommendations for BOT Approval as of 02-08-21									
Bill No	Subject	Title	Summary	Status	Introduced	Referred	Comp	Position	
11 SB590	University of Hawaii; Optional Retirement System	RELATING TO THE UNIVERSITY OF HAWAII.	<p>Restricts the eligible membership of the UH optional retirement system to employees of the board of regents. Requires the board of regents to choose at least three companies to provide investment products under the UH optional retirement system. Automatically enrolls UH employees to the state employee's retirement system unless they opt to enroll in the UH optional retirement system within ninety days of employment. Prohibits UH employees from transferring from the UH optional retirement system to the state employees' retirement system. Requires UH to make annual contributions for its employees within the optional retirement system.</p> <p>Allows the retirement benefits of the UH optional retirement system to be subject to collective bargaining negotiations for the bargaining unit for personnel other than UH faculty.</p>	S 1/27/2021: Referred to HRE/LCA, WAM/JDC.	KIM, FEVELLA, INOUYE, KEITH-AGARAN, MISALUCHA, Dela Cruz, Kidani, Moriwaki, Riviere, San Buenaventura, Wakai	HRE/LCA, WAM/JDC		Oppose	